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transNEWS

June 1, 2018 I Vol - 78

Shreyas Shipping announces excellent financial results

Shreyas Shipping & Logistics Ltd (SSLL), a part of the 40-year-old global conglomerate Transworld Group, has registered healthy financial results for the quarter and year ended March 31, 2018. As per the audited results, the company's standalone revenues for 2017-18 stood at Rs 544 crore as against Rs 376 crore for FY 17, a growth of 45 per cent. EBITDA for FY 18 was at Rs 115 crore as against Rs 50 crore during FY 17, up by 123 per cent. Shreyas Shipping is an Indian shipowning and operating company with a prime focus on coastal container shipping and logistics services. It is a pioneer and market leader in containerised coastal shipping in India for both domestic and coastal exim transhipment. Shreyas is the largest container shipping company in India with a fleet of 13 vessels, 23,143 TEUs capacity, 315,722 DWT and 248,392 GRT, servicing 18 main ports in India and covering the entire Indian coast and other regional areas.

Abu Dhabi Ports plans new terminal

Abu Dhabi Ports is planning to build an artificial island to the south of the existing container terminal at Khalifa Port that will cater exclusively to roll-on/roll-off (ro-ro) ships. According to a company spokesperson, the reclamation work is expected to create 2.5 kilometres of berth dedicated to ships carrying wheeled cargo such as cars or trucks. Autoterminal Khalifa Port, the joint venture of Abu Dhabi Ports and Barcelona-based Autoterminal, will operate the terminal under a 15-year concession agreement signed earlier this year. The project is part of Abu Dhabi Port's five-year expansion plan for Khalifa Port. Other initiatives under the plan include the expansion of the existing container terminal from its current capacity of 2.5 million 20-foot equivalent units (TEUs) to 5.3 million TEU by 2020. The development and expansion of the terminal is covered by the 30-year concession agreement signed earlier this month between Abu Dhabi Ports and Swiss-based MSC Mediterranean Shipping Company. Over the life of the agreement, MSC will invest AED4bn ($1.08bn) in operational equipment such as ship-to-shore cranes as well as in deepening the berths to enable the largest bulk cargo vessels to call at Khalifa Port.

DP World closes Cosmos Agencia Maritima acquisition

DP World has announced the successful closing of the acquisition of Cosmos Agencia Marítima (CAM) in Peru which also bring 50% stake in Terminales Portuários Euroandinos in the Port of Paita. Cosmos Agencia Maritima is one of the largest logistics companies on Latin America. On 18 March, DP World and Andino Investment Holding announced an agreement for DP World to acquire 100% of the shares of CAM, a leading fully integrated logistics provider in Peru, for $315.7m. This also included 100% of the shares in Triton Transports and Neptunia, and 50% in Terminales Portuarios Euroandinos, in the Port of Paita, which is the second largest container terminal in Peru. "We are delighted to add Cosmos Agencia Marítima to our Americas region interests. Latin America is a very important market for us and this move adds value for our customers in the region with logistics services to our existing container terminal in Callao and inland container terminal in Lurin. The acquisition underlines the confidence we have in Peru and the potential of its economy. As leaders of global trade, we believe the logistic sector in the country has great potential," said DP World group chairman and ceo, Sultan Ahmed Bin Sulayem.

Q1 Asia-Middle East container volumes spike 26% but overcapacity weighs on freight rates

Demand growth from Asia to the Middle East topped 26% in the first quarter of 2018, but freight rates continue to fall because of chronic over-capacity, according to shipping consultancy Drewry. After a long period of stagnation, the Asia to Middle East container trade went into overdrive in the past few months. Saudi Arabia, the second largest Middle Eastern importer of Asian containerised goods, increased its first quarter inbound volume by 26% to 227,000 TEU. The second largest contributor in terms of additional container imports from the Far East was Qatar, which saw its container imports from Asia nearly triple in the first quarter of 2018 to 62,000 TEU. Other countries to post double-digit growth in the period were Iraq, Iran, Oman, Kuwait, Egypt, Jordan and Bahrain. The biggest importer, the UAE, increased its volume from Asia by 8% to 275,000 TEU, while traffic in war-torn Yemen decreased by 21% to 8,700 TEU. Trade from Asia to South Asia has for the most part been much brisker than to the Middle East over the past three years, although a relatively poor showing in the second half of last year reversed the trend. Westbound container traffic to South Asia lagged behind the soaring Middle East for the third consecutive quarter in 1Q18, but it did still register very healthy growth.

Port of Colombo's 16% first quarter growth 2nd best globally

Sri Lanka's Port of Colombo has had a very good first quarter with volume growing 16.2% from the previous corresponding period to 1.7m teu. Citing Alphaliner Monthly figures, the Sri Lanka Ports Authority (SLPA) noted in a press release that this growth rate was second only to the Port of Singapore which recorded 16.5% growth for the period. SLPA also pointed out that this significantly outpaced the 8.3% growth the Port of Colombo achieved for the whole of 2017 compared to the previous year. Port of Colombo's first quarter performance has put it ahead of several other Asian port as well as major European ports and regional competitor Dubai as well. Alphaliner's figures show Singapore lead volume growth in the first quarter with a 16.5% rise, followed by Port of Colombo, Port of Xiamen (11.6%), Port of Antwerp (10.7%) and Ningbo-Zhoushan with a 10.4% increase in volumes. SLPA added that the three terminal operators at the Port of Colombo had recently signed a Memorandum of Understanding to operate collectively to promote the Port of Colombo and is expected to minimize container vessel turnaround time. The Drewry Port Index recently ranked the Port of Colombo as the 13th best port in terms of connectivity for the fourth quarter of 2017, and also the top best connected port in South Asia.

Oman Drydock sets Sights on entering shipbuilding market

Oman Drydock Company (ODC), specializing in repair and conversion projects, is interested in entering the world of shipbuilding, the company's newly appointed Chief Executive Officer, Said bin Homoud Al Mawali, said. Al Mawali, who was appointed CEO of the company in February 2018, wants ODC to become a shiprepair facility of choice for the entire Middle East. As for the current orderbook, the company is in a strong position and a promising year lays ahead, he added. "In a strategic move to continue the evolution of our operations and given our location, facilities, skill-set and the continuous commitment to deliver excellence, we are now looking at entering the world of ship building," he explained. "Our shipyard has the capability and capacity to deliver small units such as OSVs, tugs and barges to the worldwide shipbuilding market. We are confident in our experience and knowledge to deliver this. We have a plan and the demand is there." Since ODC began operations in 2011, the yard has carried out some 570 repair/conversion projects, and in response to recent market demands it has carried a number of both ballast water management system installation and scrubber retrofitting projects.

Rail container hauler Concor to enter coastal shipping, issues tender to hire 2 ships

Container Corporation of India Ltd (Concor) will venture into the coastal shipping business by hiring two ships for 10 years each. The state-run rail hauler of containers has sought bids from fleet owners to hire two Indian flag vessels of 22,000 dead weight tonnes (DWT) with a capacity to carry at least 700 twenty-foot equivalent units (TEUs) each, according to a tender issued by the Navratna PSU on May 12. The ships should not be more than 12 years old, it added. The ships will be hired for an initial period of five years which can be extended by another five years at stretches of three and two years. Concor's move is aimed to strengthen infrastructure along the East-Coast and West-Coast Corridors, and to diversify its services. The entity winning the bid will have to arrange port handling and coastal transportation of bulk/break-bulk cargo and loaded and empty containers between Kandla International Container Terminal at Deendayal port trust (formerly Kandla port trust) in Gujarat and New Mangalore port trust, Cochin port trust and VO Chidambaranar port trust. The winning bidder will be bound by a non-compete agreement whereby it will not be allowed to handle containerised/bulk/break bulk cargo for other enterprises in Indian coastal waters.

Government lays out plan to promote cruise tourism in India

The Union Government is now planning to develop terminals at major ports to promote tourism. With this move, it is expected that cruise tourism will gain some traction. A single entity will be given the responsibility for executing the contracts of maintenance and operations of cruise terminals. Primarily, cruise terminals at 4 to 5 ports will be maintained and operated by one player. The contracts will be executed by the Ministry of Shipping after consulting with the major port authorities and state maritime boards. A top official from the Shipping Ministry said, "The first tender is expected to be executed by the Maritime and Port Authority of Singapore and the O&M tender would include JNPT, Kochi, Kandla and Mangalore Port." As per the reports, Mumbai port will be developed as home port, and ports in New Mangalore, Goa and Chennai will be ports of call where ships will be scheduled to come in the morning and leave during evening. The Shipping Ministry official also informed that the terminals will be developed by the government and tenders on O&M contracts to international players who will be maintaining those ports for some duration of time. The decision to award such contracts came after the government announced a slew of reforms in July last year.

'Dubai Maritime Virtual Cluster': World's first online information platform collective makes Dubai Maritime Sector available 24/7

The Dubai Maritime Virtual Cluster (DMVC), an innovative concept that promotes ease, efficiency and quality for a broad and integrated range of maritime services provided by the Dubai Maritime Sector, will be among the highlights of the Dubai Maritime City Authority's presence at Posidonia 2018, the world's most prestigious shipping event, taking place from June 4 to 8 at the Athens Metropolitan Expo. This new initiative, available on the website www.dmvc.ae, makes Dubai Maritime Sector available 24 hours a day to all marine investors from around the world and aims at providing smart and interactive platforms, for knowledge-sharing and research to further attract growth and promote competitiveness within the sector. Amer Ali, Executive Director, DMCA said: "DMVC will provide a solid foundation for ensuring Dubai's position as a major global competitor to the world's leading maritime centers. This initiative is part of the continuous efforts to modernize the sector into a competitive and attractive area for investments, with the ability to effectively implement UAE's post-oil strategies, in line with the UAE's vision as a leading model for transforming into a diversified and sustainable economy based on knowledge and innovation".

Ocean container shipping operators intend to impose new "emergency" surcharge

For many global logistics managers, the ocean cargo container shipping industry appears to move from one crisis to another without addressing fundamental supply and demand business practices. Further evidence of this surfaced in recent weeks when the world's leading vessel operators announced the introduction of "emergency" bunker surcharges in response to rising fuel costs. As a throwback to bygone days of "cartel" action, this tactic was done in unison, placing higher costs on existing bunker surcharges. Chris Welsh, Secretary General of the Global Shippers' Forum (GSF) believes this move is an indictment on the liner shipping industry that is still using collective pricing methods to impose surcharges. "GSF is adamant that few transport operators in other sectors would risk imposing such short-notice emergency surcharges because of the likely strong reaction from shippers, including the loss of business," he said. In a letter to his constituents, he added that container ship operators need to '"fess-up'" by taking responsibility and greater control of their costs rather than announcing vaguely explained short-notice unrecoverable surcharge costs.

Box lines make waves on the transatlantic as they cancel services to cut costs

Soaring fuel costs combined with stagnant or under-pressure freight rates are forcing container shipping lines to axe services on marginal trade lanes. The latest route under scrutiny is the traditionally robust transatlantic, which in the past week has seen both Hyundai (HMM) and Evergreen announce the suspension of services. HMM is giving up its 700 teu a week allocation on the 2M's two strings from North Europe to the US east coast and US Gulf, telling shippers that after June it would "no longer serve the transatlantic until further notice". The South Korean carrier added: "Market conditions drive HMM to concentrate our efforts to service our customers in other core trades." This represents a setback for HMM's aspirations of becoming a global carrier, but according to one source it was not filling the slot allocation, which it had to pay for regardless, and the final straw was the imposition of the emergency bunker surcharge levied by MSC and Maersk. And next month will see Evergreen pull its TAX North Europe-US east coast and Gulf shuttle, which only launched last month. The Taiwanese carrier did not give an official reason for the suspension, but unlike HMM, Evergreen also operates two other services on the transatlantic, the Transatlantic Express) and the Europe to Gulf of Mexico express).

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