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SLPA, China and India to invest $700m to develop Sri Lankan ports

Sri Lanka Ports Authority (SLPA), China and India are investing over $700m for the development of three key ports in Sri Lanka over the next three years. India will invest $40m to upgrade the Kankesanthurai Port, which is currently in process and expected to be completed early next year. Sri Lankan Treasury has received a total lease payment of $974m for the Hambantota port project from China, which has already invested $146m for the development work in the port. SLPA has decided to invest $100m for the construction of the East Container Terminal (ECT), following detailed planning and negotiations. SLPA recorded Rs13.3bn ($193m) profit last year and plans to invest in the development of ECT, as delaying this project further is expected to cost more for the authority. SLPA will also redevelop the West Container Terminal in Colombo and plans to conduct a feasibility study soon. As per internationally recognised global ranking indices, the Port of Colombo is claimed to be the 23rd-best container port and the 13th-best connectivity port in the world. Minister of Ports and Shipping Mahinda Samarasinghe said: "We will also add more infrastructure facilities to the Colombo Port to offer better facilities to cruise liners and work with the travel sector to promote Sri Lanka's cruise liner business."

Dubai ranked in top five in International Shipping Centre Development Index

Dubai was selected as one of the world's top five shipping hubs in the latest report from the International Shipping Centre Development Index (ISCD). According to the report, compiled by the London-based Baltic Exchange and the Xinhua News Agency, Dubai overtook Hamburg, which fell from fourth to seventh place, confirming the emirate's reputation as one of the leading maritime shipping and logistics centers in the world. Last year, Dubai ranked fifth in the list of the world's top maritime capitals. "We are proud of the new achievement, which is a testament to the success of our dedicated efforts to enhance the competitiveness of the local maritime sector and consolidate Dubai's leadership as a major global maritime player," said Sultan Ahmed bin Sulayem, chairman of the Ports, Customs and Free Zone Corporation (PCFC) and chairman of Dubai Maritime City Authority (DMCA), as well as port operator DP World. "This is in line with the objectives of the Dubai Plan 2021 to make the emirate one of the most important business centers in the world. We are working hard to create a vibrant maritime environment to attract industry leaders and to promote Dubai's status as a global shipping center," he added.

DP World seals deal for Mali logistics hub

DP World is building up its logistics capabilities, signing a 20-year concession with an automatic 20-year extension with Mali to build and operate a 1,000-hectare modern logistics hub outside Bamako, the capital and largest city of Mali. The multimodal logistics platform, Mali Logistics Hub (MLH), will have inland container depots (ICD) and Container Freight Stations (CFS) that will facilitate the import and export of goods, it said in a press release. With its prime location on the main road corridor from Dakar, Senegal to Bamako and close to the Dakar-Bamako rail line, MLH will be capable of handling 300,000 teu and 4m tons of bulk and general cargo. Construction work for the first phase of the project with an estimated initial investment of $50m is expected to start in 2019 and take about 18 months, supporting the growth of the Malian economy by streamlining the import and export of goods when it is completed. DP World will also provide Mali with three locomotive trains to boost cargo and passenger traffic along the Bamako-Dakar rail system. Furthermore, the Mali logistics hub will significantly reduce processing times for products entering the Malian market as part of efforts to reduce obstacles to trade and economic development.

ISC Middle East to East Africa service reshuffling

In a continued effort to provide our customers with reliable and efficient service, CMA CGM Group will upgrade its service offering connection India and Middle East to East Africa., said press release from the company. Starting 17th August 2018, the group will offer a new product to East Africa whilst combining NOURA 1 and NOURA 2 former rotations. Strengths of this new offer is one direct service serving 6 ports of call in East Africa range. Revised port coverage as follows: Khor Fakkan, Jebel Ali, Mogadishu, Longoni, Beira (1/2), Port Victoria, Khor Fakkan; Khor Fakkan, Jebel Ali, Mogadishu, Longoni, Nacala (1/2), Port Victoria, Khor Fakkan. Zanzibar which was served previously on Noura 2 will be offered via a dedicated feeder service from Mombasa port via SWAX 2 loop. This solution will improve Zanzibar transit time by 5 days and ensure reliability for delivery of import cargo whilst reducing operational constrains previously faced with large vessels. Weekly improved service to Mogadishu, and regularity of service ensured to Beira and Nacala ports. CMA CGM operated service with 5 vessels fleet in property up to 2,200 TEUS capacity. Competitive transit time to Mozambican destinations for import/ export cargo due to Zanzibar call transfer on a CMA dedicated feeder service.

DP World H1 global container volumes up 5% to 36m teu

A continued upswing in global trade saw DP World reporting 4.8% growth in gross container volumes to 35.6m teu across its global portfolio of container terminals in the first half of 2018. All three of the global container terminal operating group's main regions delivered growth, led by terminals in Europe and Australia, DP World said in a press release. Volumes in the Americas and Australia reporting segment rose 5.2% to 4.4m teu while in Europe, Middle East and Africa (EMEA) volumes rose 5.0% but off a much higher base to 15.0m teu. At its home base terminals in the UAE the group's first half volumes were almost flat at 7.7m teu. Meanwhile, volumes in the Asia Pacific and Indian subcontinent region grew 4.5% to 16.2m teu. Group chairman and ceo Sultan Ahmed Bin Sulayem said: "Our portfolio has delivered an encouraging performance in the first half of 2018 with all regions continuing to deliver growth. However, as expected there has been a deceleration in the growth rate in 2Q2018 due the tougher year-on-year comparables, where 2Q2017 grew 10.7% year-on-year driven by market share gains from the new shipping alliances."

India: Shipping Ministry working on compromise formula to tweak 'right of first refusal'

The Shipping Ministry is weighing a compromise formula to overhaul the right of first refusal (ROFR) benefit given to local fleet owners for carrying export-import (EXIM) and coastal oil and bulk cargo owned by state-run firms. The ROFR is expected to be retained when state-run firms finalise their shipping arrangements through a tender. If not, ROFR will not be applicable. Likewise, if public sector undertakings or government departments opt for hiring of ships on time-charter, ROFR is likely to be retained. But, if they hire ships from the spot market or on voyage charter, ROFR will not apply, according to officials briefed on the plan. The Ministry's re-think on the ROFR follows a hue and cry from local fleet owners against a blanket withdrawal of the benefit, considered initially. In time charter, a ship is hired for a specific period wherein the charterer pays for all fuel the vessel consumes, port charges and a daily hire rate to the owner of the vessel. In voyage/spot charter, a ship is hired for a specific voyage for which the charterer pays the vessel owner on a per-tonne or lump-sum basis. The ship owner pays the port costs, fuel costs and crew costs. "The aim is to bring Indian charterers on par with Indian ship owners," the government official said.

India to kick off investing $85m in Chabahar Port soon

"The Indians will soon kick off their official activity at Iranian southeastern port of Chabahar with an $85 million capital," said Iranian Deputy Minister of Roads and Urban Development and Managing Director of Ports and Maritime Organization Mohammad Rastad. The Iranian official made the remarks on Thursday at the office of the governor of Chabahar, in a meeting with deputies of the roads and urban development ministry. He added that India Ports Global Limited (IPGL) Company will operate the development project in the Iranian southeastern hub located at 300 km (186 miles) east of the Strait of Hormuz. "After the completion of the next three phases of Shahid Beheshti Port of Chabahar the loading capacity of the port will increase to 77 million tons," said the Iranian official underlining that the current capacity does not meet the demanded volume of trade. "The most urgent need of the port currently is linking Chabahr to the national rail grid with constructing the track to Zahrdan," he asserted. During the visit of President Rouhani to India in mid-February 2018, President Rouhani and Prime Minister Modi witnessed the signing and exchange of the Lease Contract for Shahid Beheshti Port-Phase 1 of Chabahar during Interim Period between Port and Maritime Organization of Iran and India Ports Global Limited

Adani is 'thinking big' for Kattupalli port near Chennai, India

APSEZ has unveiled ambitious expansion plans for Kattupalli port, within a month of signing a share purchase agreement with Larsen & Toubro Ltd in June to complete the acquisition of the port located near Chennai. India's biggest private port operator plans to ramp up the capacity of Kattupalli to handle a whopping 259 million tonnes (mt) of cargo from the existing 24.65 mt and has filed a revised master plan with the Ministry of Environment, Forests and Climate Change to begin the approval process. Revised master plan - At this capacity, Kattupalli will match the scale and size of Mundra in Gujarat and Dhamra in Odisha, both owned by APSEZ. The company hasn't revealed the investment involved in the expansion as it will be done in phases. The planned expansion will also make Kattupalli India's deepest port with a berth depth of as much as 25 metres while the depth of the basin area and approach channel will be 25 metres and 27 metres respectively, according to papers filed by APSEZ for the revised master plan. Kattupalli has approval for constructing five berths with total quay length of 1,900 metres, according to the original master plan.APSEZ plans to build 7,329 metres of additional quay length besides another 1,250 metres of quay for barge berths.

India spurring port development

The government of India has identified 243 projects at a total cost USD 21 billion have been identified for enhancing the infrastructure at Indian ports upto 2035, under Sagarmala Program. Out of these 44 projects (USD 1.25 bln) have been completed and 79 projects (USD 53 bln) are under implementation. These projects are being implemented by Major Port Trusts, State Maritime Boards, State Government/UTs and Private Sector. 12 Major ports have spent USD 791 mln in the last two Financial years (FY2016-17 and FY2017-18) and have planned to spend USD 663 mln in the current Financial year (FY2018-19) for developing infrastructure. Additionally, Ministry of Shipping has released USD 65 mln to various implementing agencies in last two years for 35 port infrastructure projects costing USD 274mln. Government has allowed private sector participation in the development of new ports and development of infrastructure at existing ports. More than 67 projects costing USD 13 bln from major ports are being implemented by Private sector under PPP model. There are 34 existing private ports where port infrastructure are being developed by Private Sector.

Iran extends shipping, insurance cover to keep oil flowing to India

With the US sanctions threatening to block its oil trade, Iran has started providing ships as well as insurance cover to continue exporting crude oil to India, its second-biggest buyer after China, people familiar with the development said. The US, which in May pulled out of a landmark nuclear deal and said sanctions will be re-imposed on Iran within 180 days, has threatened to cut off access to the American banking system for foreign financial institutions that trade with Iran. This has led to European re-insurers refusing to give insurance cover to firms importing Iranian oil. To overcome this, Iran has started providing shipping insurance, the people said. Also, Iran is using its own ships to transport oil to India as not many shipping lines participated in recent tenders for transportation of Iranian oil, they said. Earlier this month, Hindustan Petroleum Corp Ltd (HPCL) had to cancel the purchase of an Iranian oil cargo after it faced insurance issues. When HPCL at the beginning of the month got its insurance for all its installations - from refineries to pipelines and storages, renewed to protect against any accident, the re-insurer refused to cover any incidents involving Iranian oil processed or stored.

ZIM, Maersk and MSC agree cew cooperation

Israeli container line Zim has entered a strategic operational cooperation with Maersk and MSC on the Asia-US East Coast trade. Starting early September, 2018, the parties will operate together five loops between Asia and the U.S. East Coast. ZIM will operate one loop and 2M will operate four loops, and the parties will swap slots on all loops. Currently, 2M operates a combined five loops on this trade route, and ZIM operates two. The new cooperation offers ZIM's customers a more comprehensive product portfolio, with a wider range of direct calls in Asia and the U.S. and faster transit time, said the company in a statement. In addition, it is expected to generate cost efficiencies for ZIM. ZIM is currently the 10th largest container shipping line, and Eli Glickman, President and CEO of ZIM, said: "It is a vote of confidence by the two largest players in the industry, acknowledging ZIM's capabilities, reliability and strength." The recent Seaintel Global Liner Performance Report for June 2018, ZIM is the best performing carrier on the Asia - US East Coast trade among the top-19 companies reviewed. Glickman also noted the company's successful blockchain project. Last year, ZIM conducted a pilot test of a paperless Bills-of-Lading based on blockchain technology, the first of its kind led by an ocean carrier.

Pact signed to develop dry-port in Khazaen

Asyad Group subsidiary Marafi has signed a Memorandum of Understanding (MoU) to work together with Khazaen Economic City (KEC) to develop and operate dry-port facilities in Khazaen. KEC, envisioned as an international logistics hub, is spread over a total area of 51 million sq.m. in South Al Batinah Governorate and will have a dry-port along with logistics, industrial, commercial, and residential zones. The proposed city will be developed in several phases to eventually become an integrated city. Marafi is a member of the Asyad group of companies, which was established to manage and operate maritime services and the handling of vessels at ports and terminals in Oman and abroad. Under the MoU, both parties agree to use their best efforts to obtain the necessary approvals and permits and to complete the due diligence required to sign the definitive agreement/s before the end of 2018. Marafi will set up a special purpose vehicle (SPV) with key local logistics partners from the private sector to develop and operate Oman's first dry-port, in line with the MoU's objectives. The dry-port facilities will be a key demand driver and enabler for Khazaen's development.

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