

King Abdullah Port can become the largest in the Middle East

Saudi Arabia is aspiring to make the King Abdullah Port the largest in the Middle East, Saudi Energy, Industry and Mineral Resources Minister Khalid al-Falih said. Speaking to reporters during his visit to the King Abdullah Economic City in Rabigh, al-Falih said he had confidence that the goal would be achieved due to a number of factors which the port enjoys, including its strategic location on the Red Sea. "It is currently the second biggest port in the Kingdom of Saudi Arabia and after its further expansion, we hope it will jump to being the largest in the Middle East. It is well-equipped with all its capabilities, especially its location on the Red Sea coast facing the continent of Africa and between 12-13 percent of the global marine traffic," al-Falih told reporters. The King Abdullah Port is the first port in the region fully-owned, developed and managed by the private sector. Classified as the fastest growing container port, it was listed as one of the world's largest ports, less than four years after its launch.

Major lines establish Digital Container Shipping Association

Four major lines – AP Moller-Maersk, Hapag-Lloyd, MSC and ONE – have jointly established Digital Container Shipping Association (DCSA) to drive standardisation, digitalisation and interoperability in the industry. The neutral and non-profit DCSA officially started operations on 12 April in its headquarters in Amsterdam, the Netherlands, after it gained regulatory approval from the Federal Maritime Commission (FMC) last month. "For the first time in 20 years, the container shipping industry has come together with a common goal to move the industry into the digital era. With regulatory approval in place, we look forward for the association to take up work and to begin to collaborate with multiple stakeholders from the entire value chain," said Andre Simha, chief information officer of MSC (Mediterranean Shipping Company) and chairman of the supervisory board of DCSA. To create value quickly and to overcome some of the biggest pain points in the industry, one of DCSA's first projects is focusing on standards to overcome the lack of a common foundation for technical interfaces and data. Additionally, to develop another cornerstone for the foundation of the future of shipping, the association is creating an industry blueprint for processes.

APM Terminals launches The Gothenburg Gateway

APM Terminals Gothenburg launched The Gothenburg Gateway this week. This will ensure that a container placed on a freight train anywhere in Sweden is loaded onto a large ocean-going vessel within 48 hours, and will shave up at least a week off the transit time to Shanghai. APM Terminals Gothenburg's goal is for all parts of the country to have the same fast access to the world market. The Gothenburg Gateway, a new concept in Swedish logistics, combines: Fast, efficient freight trains from all over Sweden to Gothenburg, An efficient container port that loads between trains and ships, More ocean-going vessels calling Gothenburg. APM Terminals has worked hard to increase efficiency and increase digitization to enable faster handling of goods. "Via The Gothenburg Gateway it should take a maximum of 24 hours to reach Gothenburg by freight train, and a maximum of 48 hours in total to place a container on an ocean-going vessel," says Henrik Kristensen, CEO APM Terminals Gothenburg. During the launch of The Gothenburg Gateway, interesting ideas and plans were discussed to take Gothenburg's port to the next level. In conclusion Axel Josefson, mayor of Gothenburg, said that he believed the initiative in Gothenburg should be given priority as the region is vital for the country's economy.

DP World Cochin hosts Wan Hai's new mainline service - China - India Express 2 (C12)

Global trade enabler DP World operated International Container Transshipment Terminal (ICTT) added a new weekly mainline service, China-India Express 2 (ci2) operated by Wan Hai Shipping Line. The maiden vessel called on DP World Cochin on 9th April, 2019. The service will strengthen the direct connectivity from Cochin to Fareast locations. The direct service is an opportunity to the trade, benefiting customers for faster connections ensuring timely loading and delivery as per schedules. With this major development, ICTT reinforces its position as South India's transshipment hub. The service will provide direct connectivity to the below ports: Cochin – Penang – Port Klang – Hong Kong – Qingdao – Shanghai – Ningbo – Shekou. Mr. Praveen Joseph, Chief Executive Officer, DP World Cochin said, "With this new service, we are pleased to see India gain even greater access to key destinations across the world. It will provide a direct, reliable and stable service benefitting the trading community of the country. Wan Hai Shipping Line's decision to join forces with us underlines the confidence they have in our capabilities, adding value to trade across the seas. With this major development, DP World reinforces ICTT as an international transshipment hub".

CEVA introduces new block train service from China to Europe

CEVA Logistics North Asia has successfully launched a new Wednesday Xiamen block train service from China to Europe on April 10, 2019. The multimodal (sea-rail) transportation mode further taps the potential of trade and cooperation among the countries under the "Belt and Road Initiative". Located in the southeast of mainland China, Xiamen is a hub city favourably located geographically for sea and rail transportation. It connects China's surrounding coastal countries via the Belt and Road to the reach the West. Multimodal transport reinforces trade and economic growth across the region. Cooperating with Xiamen International Railway Service (XMIRS), CEVA Logistics started a block train all the way to Duisburg, Germany. With the transit in Xiamen, sea freight consolidated from Asian countries can easily take the "Belt and Road" express to the West. "Depending on the origin cities in Asia, it will take 16-17 days at a minimum to reach the destination in Europe via Xiamen. More block trains will be operated as demand grows. I am convinced that the countries and cities along the Belt and Road will benefit from the advantage of this seamless transportation mode, which, in turn, will attract more domestic and foreign enterprises' attention to Xiamen," said Mr David Wu, General Manager at XMIRS.

Carriers wield the axe on more Asia-North Europe sailings to 'stop the rot'

Ocean carriers plying the Asia-North Europe tradelane are taking measures to "stop the rot" by cancelling more sailings, according to Alphaliner. Spot rates on the route have slumped to a 12-month low. The North Europe component of the Shanghai Containerized Freight Index (SCFI) slid a further 2.7% last week to \$640 per teu, and has fallen by 36% since early January. Anecdotal reports to The Loadstar suggest carriers are beginning to panic and are discounting heavily to improve vessel utilisation. One carrier source said this week there was no "immediate sign of light at the end of the tunnel" on demand, which should by now be picking up in the build-up to the peak season. "The rate decline happens as capacity increases on the trade continue to outpace demand growth," said Alphaliner. The consultant said the Ocean Alliance would blank four sailings to North Europe early next month, while THE Alliance will take out three during the same period, between weeks 17 to 19. According to Alphaliner's calculations, the voided sailings will reduce trade capacity from 300,000 teu to 240,000 teu during the period, but added that these capacity management measures would "not be sufficient to mitigate the capacity increase on the trade".

The Middle East could be in a win-win situation from upcoming shipping rules

The Middle East is well positioned to adapt to the biggest shift in the global shipping industry since the late 1800s — and it starts in just nine months. The International Maritime Organization's (IMO) ruling to reduce sulphur in shipping fuel oil from today's 3.5 per cent to 0.5 per cent from January 1, 2020 means Middle Eastern stakeholders dealing with high sulphur fuel oil (HSFO) are carving out a new game plan . . . and quickly. We forecast an immediate drop of more than 2 million barrels per day (bpd) of HSFO demand worldwide, as shippers switch to low sulphur fuel oil (LSFO), increasing global demand for diesel/gas oil by over 2 million bpd from January. In the short term, we estimate the cost of compliance for the entire shipping market to be \$60 billion. So, where is this surplus HSFO going to go? One avenue is power generation in parts of the world with less stringent sulphur restrictions and more innovation in wider industrial uses of fuel oil. Desalination plants in the Middle East — one of the world's most arid regions and home to a soaring population — are already establishing a bulwark for this market. And HSFO could play a vital role in helping the region address its chronic power shortage, especially as demand rises.

US west coast ports suffer 'tariff hangover' in the first quarter as volumes fall

US west coast ports suffered most from a "tariff hangover" effect in 2019's first three months, said Drewry Maritime Research in a new research note. Transpacific imports were down some 19% on the previous quarter and by 3% year on year. However, PIERs data for the first quarter did record growth for Asia to US east and Gulf coast ports at 4% on last year, said the consultant. "The west coast market was always likely to suffer the most from a tariff hangover, as shippers had prioritised that gateway as the quickest means to beat the deadline [for import duty hikes on Chinese imports]," said Drewry. "Now that the sugar rush, caused by the threatened tariffs on Chinese goods, has passed, the market is readjusting to much slower volumes and prices," it added. According to Drewry, after a very healthy supply-demand situation on the Asia-US west coast tradelane in January, with near-100% load factors on headhaul vessels, February saw this balance tip dramatically against carriers, slumping to an average vessel utilisation of 80%, the lowest in two years. Consequently, spot rates on the route came under pressure and have now fallen by around 20% since the start of the year, to \$1,606 per 40ft — as recorded on Friday's Shanghai Containerized Freight Index (SCFI).

ICTT Vallarpadam posts 14% growth in January-March container traffic

The International Container Transshipment Terminal at Vallarpadam has posted a 14 per cent growth in the first quarter of 2019, surpassing the average industry rate of 9 per cent. South India's premium transshipment terminal operated by DP World recorded the highest quarterly throughput of over 1.6 lakh TEU and recorded its all-time highest monthly throughput of more than 56,000 TEU in March 2019. The terminal also witnessed a 48 per cent improvement in transshipment volumes during the first three months of 2019. This is due to the excellent feeder connectivity the terminal boasts to the major as well as minor ports and inland waterway ports in India. Praveen Joseph, CEO, DP World, Kochi, attributed this growth rate to the terminal's persistent efforts in enabling smarter trade solutions, delivering world-class productivity. It is also a testament to the company's increasing prominence as South India's leading gateway. The terminal's in house developed TOS – Zodiac and RFID enabled gate movements facilitate optimization of time and seamless movement of cargo. "Our focus continues to be on strengthening India's connectivity to other international ports and developing ICTT as an international transshipment hub", he added.

Bromma automatic stacking cranes to be commissioned at Khalifa Port Container Terminal

Bromma has been selected to deliver the spreaders for the automatic stacking cranes to be commissioned at Khalifa Port Container Terminal in Abu Dhabi later this year. A total of 60 all-electric, YSX45E single-lift spreaders will be delivered for the expansion of the existing terminal. "I am extremely proud to get this order as it is a repeat order after the first phase. It proves that our equipment is performing well and the customer is happy" says Vikram Raman, VP Sales & Service EMEA. "We know we have excellent products well suited for operations in automated environments but an equally important part is the service provided by the local Bromma team", he continues. Bromma Marketing Director Lars Meurling comments: "The YSX40/45E is by far the most used spreader in automated terminals in the world today. The robust design combined with specific features required in an automated environment makes these spreaders the best choice for automatic stacking cranes". More than 90% of the spreaders for RTG, RMG and ASC operation from Bromma today are all-electric. Bromma all-electric spreaders are being specified by customers due to their inherent reliability, as well as their environmental and economic benefits.

Russia seeks Chinese support in developing Arctic shipping routes, promising long-term gas supplies in return

Russia wants to team up with China to build an Arctic shipping route, its ambassador to Beijing has said. Moscow recently set out an ambitious programme to build new ports and other infrastructure facilities to increase cargo shipments across the Arctic, also known as the Northern Sea Route. Russian ambassador Andrey Denisov told the South China Morning Post that negotiations over the supply of Russian gas to China through a route known as Power of Siberia Two were at an advanced stage. "Almost everything has been completed so far but there is only one gap, which is the price," Denisov said. "Price is the final detail but a crucial one and it's quite natural in the discussion between seller and buyer – the seller wants the price as high as possible but the buyer wants to pay as little as possible." Denisov said the two sides were accelerating the pace of the negotiations and he was optimistic they would reach a deal. "China as a buyer needs gas and a reliable long-term source. Russia is definitely that kind of source," he said. Work on Power of Siberia One, also known as the "Eastern Route", is expected to finish on December 10 and is expected to transfer 38 billion cubic meters of gas to China every year.

DP World set sights on more Latin American ports

Dubai-based ports operator DP World is eyeing concessions in between five and seven Latin American ports in the next year, according to the company's chief operating officer, Mahmood Al Bastaki. Speaking on the sidelines of the Global Business Forum Latin America 2019 in Panama City, Al Bastaki said that DP World "has a big focus" on the region. "There are lots of ports that require advanced equipment and know-how," he said, noting that DP World already has a presence in Peru, the Dominican Republic, Argentina, Brazil and Chile, where in January it acquired a 71.3 percent stake in port operator Puloqsa. In the pipeline, Al Bastaki said that there are "five or seven ports" in which concession announcements are expected over the course of the next year. "It's all under negotiation," he said. "We'd do concession agreements, and we'd prefer long-term ones. A port is a long-term investment. Wherever we go, we do capacity building, we create jobs for the local economy and local talent have an opportunity to get into a strategic business." According to Al Bastaki, Latin America is a particularly attractive region for DP World because of its relative stability compared with other parts of the world.