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Dubai retains spot in world's top 5 shipping hubs

Dubai has retained its place among the world's top five shipping hubs, according to a new report. Dubai has been ranked fifth in the International Shipping Centre Development Index (ISCDI) for the second consecutive year as the emirate continues to shine on the global maritime map. The index is put together annually by by Baltic Exchange for trading and shipping and the Xinhua news agency of the China Economic Information Service based in London. Sultan Ahmed bin Sulayem, chairman of Dubai Ports, Customs and Free Zone and chairman, Dubai Maritime City Authority (DMCA) expressed his pride in Dubai's position. He said this latest recognition is the result of "pioneering efforts" led by the Dubai Maritime City Authority. According to the index, the emirate outperformed some of the world's top maritime centres including Rotterdam and Hamburg that ranked sixth and seventh respectively. Singapore topped the list for 2019, with Hong Kong second and London third and Shanghai fourth. Dubai maintained its fifth position globally, supported by a portfolio of advanced marine services and innovative logistics solutions that reflect the attractiveness, competitiveness and comprehensiveness of the local maritime cluster.

Saudi issues licence to Maersk to operate in all ports

Saudi Ports Authority has issued a licence to Maersk (Saudi Arabia), part of Maersk International, to operate in all ports in the kingdom. The licence is the fourth of its kind to be issued to foreign investors in Saudi Arabia. Maersk joins other major lines of Barwil, Hapag-Lloyd and the Mediterranean Shipping Company, who all have licences. Saad Abdul Aziz Al-Khalb, president of the Saudi Ports Authority, said: "We have issued a licence to Maersk (Saudi Arabia) to operate in all nine Saudi ports. This reflects our mutual confidence as container volume increases and KSA expands as regional logistics hub." The contract follows the Saudi Ports Authority's recent approval of general licensing, new maritime regulations and ship financing, as part of the Vision 2030 objectives, along with the improved customer satisfaction, increased performance and new employment opportunities for Saudis. Al-Khalb added "Our new positive business environment is attracting great interest from new investors and suppliers. This increases both our capacity and abilities to match marketplace demands to better serve both Saudi business owners, and international brands across the kingdom."

Container terminal throughput set to hit near a billion teu in five years

Global container terminal utilisation levels are set to increase over the next five years, according to new research from shipping analyst Drewry Maritime Advisors. According to the newly published Global Container Terminal Operators Annual Review and Forecast 2019, global container port traffic is expected to grow by 4.4% a year for the next five years – meaning global throughput will be near a staggering 1bn teu by the end of 2023. According to Drewry, global port throughput last year totalled 784m teu and is forecast to hit 973m in 2023. However, there are significant regional variations: North America and Europe are forecast to see growth of 3.6% and 3.4%, respectively, during this period; the Middle East/South Asia and Asia-Pacific regions are expected to see 5.1% and 4.9%, respectively. However, shippers, forwarder and carriers should expect a tightening of terminal utilisation, as port investors, as well as central governments, appear unwilling to sponsor new capacity – Drewry expects global port capacity to grow by just 2% during the period, "based on confirmed additions only". The previous very rapid pace of capacity expansion is on hold, the focus instead being on consolidation of port and terminal ownership into large groups.

Asia-Europe rates continue to strengthen as carriers launch IMO 2020 tariffs

The European components of the Shanghai Containerized Freight Index (SCFI) recorded a second consecutive week of spot rate gains this week as carriers successfully increased their FAK rates and imposed peak season surcharges (PSSs). However, the star of the show was the Asia to the Mediterranean tradelane, which saw an 18.4% surge to $850 per teu after strong demand. Rates on the route have now recovered to the same level as a year ago. Given the positive booking outlook for the Mediterranean, Hapag-Lloyd has introduced a $400 per teu PSS from 9 August, while CMA CGM's, of $450 per teu, will kick in on 5 August. Meanwhile, the SCFI recorded a 6.9% uptick for Asia-North Europe spot rates to $806 per teu, but rates still remain around 18% below the level of a year ago, despite the withdrawal of some 150,000 teu of capacity during the peak season. THE Alliance carriers announced a further blank sailing this week, the FE5 loop in the first week of September, which Hapag-Lloyd attributed to "expected changing market demand". The soft peak season demand on the route suggests carriers will have difficulty pushing up their FAK rates any further, let alone successfully applying a PSS.

Direct container shipping route to link Wuhan, Osaka

Wuhan, capital of central China's Hubei Province, also a shipping center in the middle reaches of the Yangtze River, will launch a direct shipping route to Osaka, Japan for containers within this year, local authorities said on Friday. Wuhan Xingang Datong International Shipping Co., Ltd, a subsidiary of the Central China Logistics Corporation, signed a cooperation agreement with Ben Line Agencies (Japan) Ltd on last Friday to jointly promote the direct shipping lines to Japan. Through river-sea combined transport, a more economical shipping route from China to Japan is to be launched for the first time in the province, which will reduce the transport cost of foreign trade enterprises and promote the region's economic development, according to the Central China Logistics Corporation. In recent years, Wuhan to Japan waterway express routes for containers and direct shipping routes for bulk cargo have been launched, which has greatly enhanced the economic and trade cooperations between the two, said Wang Benju, deputy director of the provincial transport department. On June 12, Wuhan's first 500-TEU container ship to Japan, named "Central China Logistics Hanya 1," set sail on its maiden voyage. The ship will be put into operation by the end of 2019.

Relaxing cabotage rules to hurt Indian liners, says Chamber of Commerce

The relaxation of cabotage rules without settling the taxation issue will favour foreign and private players at the cost of Indian national shippers, a Kolkata-based chamber of commerce said. "It would benefit private players and private ports while Indian National Shipping owners would bear the brunt with no ease on taxation. So before this relaxation, there should have been a level playing field as far as taxation is concerned," cochairperson of the Shipping Committee of the Bengal Chamber S Hajara said in a statement. The ministry of shipping had relaxed the rules on cabotage in 2018 and one major area of concern for the domestic shipping companies is freight. In case of import cargo transportation services if an overseas consigner appoints an Indian shipping company GST is levied at five percent since the place of supply of services is in India. On the other hand, if the consignor appoints a foreign shipping line for the same purpose GST is not applicable as the shipping company is not registered in India for GST. "This would be of immense help to managers in this sector to settle matters amiably following a shorter route and avoiding the long drawn process of going to courts," Hajara, the former Shipping Corporation of India Ltd. chairman, said.

Abu Dhabi Ports to offer financial services to Chinese investors

Abu Dhabi Ports is partnering with a Chinese bank and investment body to provide financial services to companies from China setting up in its free zone and streamline business processes to help attract foreign investment to the emirate. The ports company signed a five-year agreement with the Industrial and Commercial Bank of China (ICBC), the world's biggest by assets, and Jiangsu Provincial Overseas Co-operation Investment Company that will make it faster for Chinese companies to do business at Khalifa Industrial Zone Abu Dhabi (KIZAD), it said on Saturday. "Improving the ease of doing business in the emirate for both our current and future clients is a top priority for Abu Dhabi Ports," said Falah Al Ahbabi, chairman of Abu Dhabi Ports. "Our agreement with ICBC is another successful achievement of these efforts, since navigating finance and banking can be a major obstacle for firms looking to enter into a new market." Abu Dhabi rolled out a Dh50 billion economic stimulus package last year, under which the emirate reduced the cost of business fees to attract foreign investors, create jobs for nationals and improve the standard of living. Chinese companies are increasingly seeking opportunities in the Arabian Gulf as the Asian country seeks to expand overseas with its ambition to rebuild the Silk Road.

Namibia inaugurates new port terminal

Namibia's president, Hage Geingob has inaugurated a new $200 million dollars port terminal at Walvis Bay, an extension that will double the country's port capacity from 350,000 containers to 750,000 per year. The inauguration ceremony was held on the 40- hectare platform reclaimed from the Atlantic Ocean. "Namibia has now joined countries such as Australia, Brazil, Dubai and the Netherlands in the utilisation of reclaimed land for port expansion," said Geingob. amport director, Nangula Hamunyela said the terminal not only increases Namport's assets to N$7,6 billion dollars, but also launches the company's goal to become a logistics hub for the southern African region. "Thus the completion of the container terminal expansion puts us on a firm trajectory towards realising our dream of transforming Namibia into an international logistics hub," Geingob added. According to Geingob, Namibia is linked to neighbouring countries through the various transport corridors and hence, must strive to capitalise on this immense investment for harnessing the vast potential of our Southern African Development Community – neighbours that have no immediate access to the ocean.

DME records strong growth in Oman crude trading

Dubai Mercantile Exchange (DME), the premier international energy futures exchange in the Middle East, announced a 45 per cent quarter-on-quarter growth in trading activity on the exchange's forward curve and a 33 per cent growth in exchange average daily volume during the first half of 2019. Forward curve volume reached 208,997 contracts in the second quarter of 2019 versus 143,703 contracts traded in the first quarter. Exchange average daily volume increased from 5,024 in January 2019 to 6,695 in June 2019. The forward curve represents the value of Oman blend crude oil in future months. A liquid forward curve allows customers to protect themselves against future price movement in Oman crude oil. Total average daily volume in the pricing curve reached 6.1mn barrels in June this year compared to 3.5mn barrels in June last year. This is an important development since further NOC (national oil companies) partners such as Saudi Aramco started utilising DME Oman as part of its crude oil pricing mechanism. In addition, close to 150mn barrels of Oman crude oil were delivered via the exchange during the first six months of the year, maintaining DME's position as host to largest physical delivery on any global futures contract.

PSA acquires giant boxship-capable Halterm terminal in Canada

Singapore's PSA International has completed the acquisition of Halterm Container Terminal in the Port of Halifax, Canada, from Macquarie Infrastructure Partners. Halterm is the only container terminal in Eastern Canada that can serve mega-container vessels. The terminal operates three container berths with depth of up to 16 metres. Halterm Container Terminal is currently undergoing further berth expansion, including the delivery of a fifth super post-panamax quay crane, which will enable Halterm to handle two mega container vessels concurrently in 2020. Offering a natural, deep harbour and world-class infrastructure, the Port of Halifax can accommodate large volumes of containerised cargo, roro cargo and project cargo of any size. The Port of Halifax's natural advantages make it ideally positioned for the trend towards increasingly larger ships. It is the first inbound port and the last outbound port of call for North America's east coast, located only about 50 nautical miles from major shipping lanes from Europe to North America. "We are excited to welcome Halterm into PSA's global family of ports, as PSA's first coastal terminal in Canada," said Tan Chong Meng, group ceo of PSA International. In Canada, PSA also operates Ashcroft Terminal, British Columbia's largest inland port facility.

India Govt likely to roll back MEIS incentive as part of new export-import policy

The Commerce Minsitry is considering a recast of export incentives and is expected to roll back the Merchandise Exports from India Scheme (MEIS). Apparel exporters are concerned about the move, which could be a part of a new export-import policy as the current policy is expiring in 2020. A four per cent incentive is given to garments exporters under MEIS. Industry insiders said the move, if implemented, will "kill" the sector, which is the second largest employment generator after agriculture. MEIS has helped exporters take on competition from Bangladesh and Vietnam as it provides duty credit to address infrastructure issues. Under World Trade Organisation (WTO) rules, a country can't offer export subsidies if its per capita Gross National Income (GNI) remains above $1,000 for three years in a row. In 2017, the WTO notified that India's GNI had crossed $1,000 in 2014, 2015 and 2016. After the US challenged India's eligibility to extend export subsidies at the WTO, the government has been reportedly working on recasting its entire export incentive policy. Industry sources said they fear that the government is planning to withdraw MEIS from August 1, 2019 itself.

DP World in Turkey linked by rail connection with China and London

DP World's Yarmica container terminal in Turkey is now connected to China and London via a new rail link. Mehmet Cahit Turhan, Turkish Minister of Transport and Infrastructure said that the new railway line could link Yarimca port with the main railway network, connected to China and London. The new line provides a direct rail connection between China and London via Turkey. Located in Kocaeli Turkey, the terminal is operated by the UAE-based leading port management firm DP World. Kris Adams, executive of the DP World's Yarimca Harbor, said that the terminal has a critical role in linking the Chinese and European market which will also contribute to Turkey's strategic position. DP World Yarimca is one of the largest container terminals in Turkey.

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