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# trans NEWS

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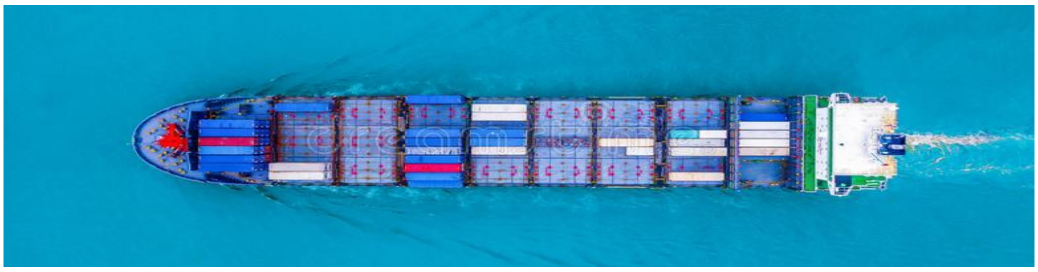

## DP World returns to throughput growth

DP World handled 18.3 million teu across its global portfolio of container terminals in the third quarter of 2020, with gross container volumes increasing 1.9% on a like-for-like basis. Over the first nine months of the year, however, DP World handled 52.2 million teu, down 2.0% on a like-for-like basis. Like-for-like gross volume growth was mainly driven by operations in Europe, Middle East, Africa and Americas including strong performances in Jeddah, Saudi Arabia and Sokhna in Egypt. The group's UAE flagship Jebel Ali port handled 3.4 million teu in this quarter, down 4.2% year-on-year. Its Indian operations, which witnessed a sharp slowdown in the second quarter of 2020, saw a significant volume improvement, while Jebel Ali delivered 3.4% growth against the previous quarter as trade in the region began to stabilise. Group Chairman and Chief Executive Officer, Sultan Ahmed Bin Sulayem, commented: "This performance is ahead of expectations and once again illustrates the resilience of the global container industry, and DP World's continued ability to outperform the market.

## Colombo congestion spells more pain for Indian shippers

Severe congestion at Sri Lanka's Colombo port is making life more difficult for Indian shippers already badly bruised by tightening vessel space and skyrocketing freight rates under the crippling effects of the COVID-19 crisis. Colombo commands the bulk of India's transshipped volume, especially for trade in and out of the country's east coast corridor with fewer direct long-haul sailings. While warning shippers to anticipate further delays and disruptions to their cargo, major carriers noted an acute labor shortage following the enforcement of fresh community lockdowns intended to contain surging COVID-19 infections, combined with wage contract disputes plaguing one of the Colombo terminals, has led to current excessive slowdowns at the harbor. "Due to the pandemic situation in Colombo, the local government has clamped a partial lockdown that has curbed staff commuting to work," Mediterranean Shipping Co. said in a customer advisory. "In view of the low turnout of staff to work, Colombo terminals are being faced with severe labor shortage." It said the operational crunch is creating significant vessel backups at the port.

## Adani will handle management of the ECT Colombo Terminal operations

Sri Lanka has decided that India's Adani Group will handle management of the East Container Terminal (ECT) operations. Sri Lanka Port Authority (SLPA) sources have indicated that authorities have conceptualized the operations of the ECT by handing over management of the terminal to the Indian government-preferred Adani Group which will have a 49 per cent stake along with its local partner – John Keells Holdings. SLPA will hold 51 per cent of the stake. Adani Group is also building a port in Vizhingham to act in competition to the Colombo Port at the time they commenced work. Trade unions that have been clamouring for the majority stake of the SLPA in the ECT operations may have it but the current arrangement would make sure that the complete management of the terminal will be in the hands of the Indian partner. Moreover, this situation is unlikely to give any competitive advantage over the Chinese-run Colombo International Container Terminal (CICT) at the Colombo Port. The CICT is a terminal that is a deep draft terminal that is clearly capable of handling contemporary vessels that are ultra large or very large as it has a draft of 18 metres.

## India faces container shortage due to export-import mismatch

A sudden improvement in exports and a slump in imports, especially from China, have created a shortage of containers for exports, said industry experts and company executives. The waiting time for an access to a container for exporters is now two-three weeks, compared with a maximum of four days earlier, said industry executives. With the Indian festive season on and the Chinese New Year holidays imminent, the cycle is unlikely to be regularised until February, said industry executives. During July-September, India's exports in terms of volume grew 24% from a year earlier, even as imports reduced 28%. In October, exports fell by 5.4% and imports by 11.26%. Usually, the same set of containers that come in as import shipments are shipped out for exports. During the peak of the lockdown when all trades were down, shipping lines had cut capacity and allied transportation systems like trucks were largely unavailable. Also, clearances, especially of Chinese shipments, took longer because of worsening trade relations between the countries. When exports rebounded and imports fell, it led to a pileup of containers in some ports and a scarcity in others.

## Ammonia powered mega-boxship five years away

An ammonia powered ultra-large container ship will be commercially available by 2025 says classification society Lloyd's Register (LR) which has awarded a South Korean shipyard an Approval in Principle for its vessel design. UK-based LR gave the Daewoo Shipbuilding & Marine Engineering (DSME)'s 23,000TEU vessel design its approval with the ship design expected to use an MAN Energy Solutions main engine adapted for the purpose. An LR statement said, "As part of the Joint Development Project, DSME generated the basic design of the ammonia propulsion system and MAN Energy Solutions was responsible for the development and specifications of the ammonia dual fuel propulsion engine." The class society added that its role was to review the design including looking at the its suitability and a "hazard identification (HAZID) workshop, a hazard & operability analysis (HAZOP) workshop and a design review in accordance with the Approval of Risk-Based Design (ARBD) process, which led to Approval in Principle." Following the AiP the design will move to the second stage of its development which includes making certain the vessel will be commercially viable as well as being safe to operate.

## Global container volumes up 6.9% in September compared to 2019

According to CTS lines moved 14.72m teu globally in September this year, compared to 13.76m teu in the same month in 2019. The volume moved in September 2020 represents a slight fall off from a peak of 14.82m teu of import and export boxes in July this year, as trade surged following Covid-19 lockdowns across large swathes of the world in the second quarter. In August the global import and export container volume reported by CTS was 14.80m teu. CTS' global price index also surged to 73 points in September 2020, compared to 70 in August, although lower than the year high of 74 in April. By comparison the global price index stood at 66 points in September 2019. The volumes reported by CTS mirror activity in the market from container lines where services on the transpacific have been reinstated in Q3 following large scale blank sailings in the Q2 to manage capacity. Import volumes of into North America surged to 3.02m teu in September 2020, a huge increase of 23.4% compared to 2.45m teu in the same month in 2019. For Europe import volumes in September saw a much smaller increase year-on-year of 4.1% with 2.82m teu in imports in September 2020 compared to 2.70m teu in the same month in 2019.

## World's largest LNG-powered containership calls Southampton

The 23,000 teu nominal capacity CMA CGM Jacques Saade had sailed from Singapore with a record load of 20,723 teu. Ernst Schulze, ceo of DP World in the UK, which operates the container terminal in Southampton, said: "We are delighted to be working with the CMA CGM Group, a world leader in shipping and logistics, to welcome the world's largest green vessel to one of our two terminals in the UK." Gary Jeffreys, ceo of CMA CGM UK said: "This vessel has been enhanced with the latest technologies and is the result of seven years of research and development. While guaranteeing the safety of our crew, it preserves air quality and will be part of our action against global warming. It significantly improves the environmental footprint of carried goods. We have taken a big step forward. We need to go further to build transport that is even more respectful of the environment." The CMA CGM Jacques Saade is the first on nine 23,000 teu LNG-powered containerships ordered by the French container line. The vessels emit 99% less SOx, have a 85% NOx reduction, and produce 20% less $CO_2$ emissions than a ship using fuel oil.

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