

## Ocean shipping rates reflecting September optimism

Forwarders and ocean carriers are betting a major holiday in Asia and seasonal inventory building at U.S. retailers will provide a boost to container shipping rates. Despite the short-term bump, one outlook for 2019 suggests the container shipping industry will remain challenged. Spot rates on one of the busiest ocean trade lanes for moving containerized goods are starting September at the highest level seen in nearly two months. The Freightos Baltic Daily Index for China-North America West Coast sat at \$1,617 per forty-foot equivalent unit (FEU) as of September 3. The index reflects spot transactions for capacity on eastbound trans-Pacific container ships. The \$329 per FEU jump from August 30 reflects the general rate increases that container ship lines have thus far pushed through to customers. Mediterranean Shipping Company (MSC) issued a \$1,000 increase per standard FEU for eastbound shipments from Asia to U.S. ports starting in September. The increase drops to \$600 per FEU on September 15. MSC is increasing rates as steamship lines are "challenged to maintain service profitability since freight rates are at levels that are no longer sustainable," it said in a statement announcing the increase. But it will not be the first carrier to push through an increase as rates remain weak.

## Plans to expand Colombo Port capacity to 35 mn TEUs

A passenger ferry service between Kankesanthurai and South India is expected soon to facilitate displaced returnees and pilgrims home, said Sirimevan Ranasinghe, Secretary to the Ministry of Ports and Shipping and Western Development. Delivering the key note speech at the German-Sri Lankan Logistics Conference held in Colombo yesterday, he said, the government has embarked on a massive development project to develop ports across the country to achieve Sri Lanka's ambitious target of becoming a maritime hub in the region. Accordingly, the port of Colombo will continue to develop its facilities for container handling by continuous addition of capacity, advanced handling and processing technology. "The development of the East Container Terminal (ECT) will be followed by the West Container Terminal (WCT 1 and 2) ahead of demand. The ECT and the South Asia Gateway Terminal will be expanded to create an ultra large container terminal, expanding the total capacity to 35 million TEUs in the coming years." he said. Out of the six main ports in the country, Port of Colombo, Hambantota and Trincomalee have become the focal point for future development as far as international shipping and logistics are concerned, he noted.

## South Korea keen to invest in Bangladesh's ports, shipping, LNG

South Korea has expressed their interest to invest in the development of Bangladesh's shipping sector, especially in the establishment of Chittagong port's Bay-terminal and Liquefied Natural Gas (LNG) terminal. The country has informed Bangladesh about their interest in these sectors during a meeting between Bangladesh's state minister for shipping Khalid Mahmud Chowdhury and South Korea's ocean and fisheries minister Moon Seong-hyeok at Seoul's recently. The two countries have discussed several issues and interests on each other, and also covered issues such as Bangladesh's blue biotechnology, tidal energy, woman safety, training in maritime sector, jobs for mariners and ship-building. Abida Islam, Bangladesh's high commissioner in South Korea, along with Chittagong port authority chairman rear admiral Zulfiqar Aziz, joint-chief of Bangladesh's ministry of shipping Rafique Ahmed Siddique, joint secretary Md Muhiul Islam and senior information officer Md Jahangir Alam Khan were present in the meeting- while the director general of Korea's ocean and fisheries ministry Kim Seong-bum with the director Chang Ki-uk, attended the meeting on behalf of Korea.

## Salalah ports sets productivity record

With an annual capacity of around 5 million TEU, the Port of Salalah set a new productivity record this month, delivering 412.97 Port Moves per Hour (PMPH) on vessel Cap San Tainaro. The Port handled 3,820 moves in a port stay of 9.25 hours. Oman's major regional gateway port and transshipment hub, located on the Arabian Sea has recorded the highest productivity ever achieved in the region. Last month, an investment of USD 31 million in asset replacement and capacity improvements over the past year at the Port of Salalah paid off. Referencing improvements in standards of work, safety and reliability achieved as part of APM Terminals Hub Excellence Program Mark Hardiman, Chief Executive Officer of the Port of Salalah said: "Our customer-centric approach and the commitment of our employees has been the key to our continued success. We continue to place a very high emphasis on safety and focus on continuously improving our processes to deliver world class productivity." He added: "In the competitive environment of the transshipment business, delivering these levels of performance enhances the overall value proposition of Salalah to the shipping line in terms of network cost savings and reliability."

## Sabah Ports inks MoU with Indonesia Port Corporation

Sabah Ports Sdn Bhd and Indonesia Port Corporation (IPC) or PT Pelabuhan Indonesia II (Persero) signed a MoU yesterday to explore business potential to enhance bilateral trade and cooperation and port related training apprenticeship, exchange of information and technical assistance for the purpose of improving port efficiency. The MoU entered into signifies a strong commitment by both parties to mutually explore investment and business potentials as well as build capacity and skills for the purpose of increasing port efficiency. Sabah Ports seeks to engage the expertise of the massive IPC, which operates 12 seaports in 10 provinces of Indonesia (West Sumatra, Bengkulu, Jambi, Lampung, South Sumatra, Bangka Belitung, Jakarta, West Kalimantan, Banten and West Java). Indonesia's primary international trade gateway, Port of Tanjung Priok, Jakarta, which is considered one of the busiest and advanced Indonesian seaports, is among the ports managed under IPC. Sabah Ports Sdn Bhd's managing director cum group managing director for Suria Capital Holdings Berhad, Ng Kiat Min, in her speech, said that Sabah Ports is eager to learn from IPC's expertise in the field of port management and operations as well as exploring ways to facilitate trade between Sabah, Malaysia and Indonesia.

## Piraeus container terminal star performer for Cosco Shipping Ports

Piraeus container terminal has been a star performer for leading ports operator, Cosco Shipping Ports (CSP) as the Chinese group's global operation lifted revenue but saw profit slide in the first six months of 2019. The group lifted revenue in the first half to \$517.9m up 4.5% y-o-y. But gross profit at \$153.4m, was down 2.6% year-on-year and profit attributable to the company's equity holders at \$147.8m was down 12.5% year-on-year. Total throughput was 59.76m teu was up, 5.4% year-on-year and organic growth of total throughput was up 4.4%. Cosco said: "Profit from terminal companies in which the group has controlling stakes was mainly attributable to Piraeus Container Terminal in Greece, the CSP Spain Group, Guangzhou South China Ocean Gate Container Terminal Company Ltd and Xiamen Ocean Gate Container Terminal Co., Ltd." For the first half of 2019, throughput at the Piraeus terminal increased 23.8% y-o-y though a new higher lease agreement was in operation. Profit recorded in Piraeus for January to June 2019 was \$15.24m up from \$13.64m, in the corresponding 2018 period. Excluding impact of the new lease standard, profit recorded by Piraeus increased to \$16.787m from \$13.64m, or 23.1% year-on-year. Piraeus saw a 14.8% increase year-on-year in its throughput revenue.

## Qatar ports container traffic stays buoyant in July

Qatar witnessed strong container traffic growth year-on-year in July 2019 with Ras Laffan and Hamad ports together accounting for about 78% of the total maritime traffic. The container traffic through Qatar ports more than doubled year-on-year to 11.74mn tonnes in July this 2019, said the data released by the Planning and Statistics Authority in its latest monthly bulletin. On a monthly basis, the net tonnage witnessed about 4% decline. The number of vessels calling on Qatar ports stood at 747, which registered 26% and 7.5% expansion on annual and monthly basis respectively in July this year. Ras Laffan Port berthed 245 vessels in July 2019. The net tonnage through the port was 6.16mn, accounting for more than 52% of the total container traffic in the country's ports. Ras Laffan Port has been designed and purpose built primarily as the export facility for liquefied natural gas, liquid petroleum gas, condensates, petroleum products and sulphur derived from the processing of gas landed from the North Field gas reservoir. Hamad Port, which has seen the world's largest shipping companies seek entry and growth in the Qatari and regional markets, berthed 141 vessels in July 2019, which saw more than 1% growth month-on-month but fell more than 5% year-on-year.

## Afghanistan sends 1st perishable cargo to India via Chabahar

"The reefer ship carried grapes from Afghanistan through Chabahar's Shahid Beheshti Port to India's Jawaharlal Nehru Port, also known as Nhava Sheva," he explained. Noting that the construction of the main container site of Chabahar's Shahid Beheshti Port, with a capacity of 150 refrigerated containers for loading and unloading of perishables, is underway, Aqaei said, "Currently, Shahid Beheshti Port is equipped with a temporary cold storage unit with a capacity of 16 refrigerated containers." Earlier in February, in a ceremony attended by Afghan President Ashraf Ghani, the neighboring country started sending goods to India through Chabahar Port from Zaranj in Nimroz Province in western Afghanistan. The cargo contained 570 tons of commodities carried by 23 trucks, according to Financial Tribune. The first phase of Shahid Beheshti Port was inaugurated in December 2017 by Iranian President Hassan Rouhani, opening a new strategic route connecting Iran, India and Afghanistan. The inauguration of the first phase of Shahid Beheshti Port (out of a total of 5 development phases) has tripled Chabahar's capacity to 8.5 million tons (equal to that of all the northern ports of the country). It allows the docking of super-large container ships and increase India's connectivity with Afghanistan.

## Sri Lanka begins massive project to develop ports

The Sri Lankan government on Friday said it has begun a massive development project to further modernize its ports across the country in order to transform Sri Lanka into a maritime hub in the region. The government information department said in a statement that under this mega development project, the Port of Colombo will continue to develop its facilities for container handling by continuous addition of capacity, advanced handling and processing technology. "The development of the East Container Terminal (ECT) at the Port of Colombo will be followed by the West Container Terminal (WCT 1 and 2) ahead of demand. The ECT and the South Asia Gateway Terminal will be expanded to create an ultra large container terminal, expanding the total capacity to 35 million TEUs in the coming years," Sirimevan Ranasinghe, Secretary to the Ministry of Ports and Shipping and Western Development said. Last year, the Port of Colombo handled a record breaking seven million TEUs (twenty-foot equivalent units). Ranasinghe said out of the six main ports in the country, Port of Colombo, Hambantota Port in the south and Trincomalee Port in the east have become the focal point for future development as far as international shipping and logistics are concerned.

## India Govt to consider India-Mauritius free trade agreement

The Cabinet will soon consider the proposed India-Mauritius free trade agreement, aimed at liberalising norms to boost two-way commerce and investments, for approval, an official said. In a free trade agreement, two trading partners cut or eliminate duties on the majority of goods besides liberalising norms to promote services trade and boost investments. "The Cabinet would soon take up the agreement for its consideration. After its approval, a date would be finalised for the signing of the agreement, after which it will be implemented," the official said. India and Mauritius have been negotiating the pact, officially dubbed as the Comprehensive Economic Cooperation and Partnership Agreement (CECPA), since 2005. According to experts, India may not get huge benefit in the goods sector as Mauritius is a small market, but services sectors such as IT and tourism hold huge potential to enhance economic ties. Mauritius was the second top source of foreign direct investment (FDI) into India in 2018-19. India received USD 8 billion (about Rs 56,000 crore) foreign inflows from the country. The bilateral trade between the countries increased marginally to USD 1.2 billion in 2018-19 from USD 1.1 billion in 2017-18.

## Singapore's 1st dual-fuel bunker tanker named

Singapore's first dual-fuel bunker tanker has been named Marine Vicky, Keppel Offshore & Marine (Keppel O&M) said. The naming ceremony for the 9,000 dwt newbuilding was held at Keppel Nantong Shipyard on September 3. "This is Singapore's first bunker tanker to run on LNG and signifies the emphasis that Singapore is placing on developing Singapore into a LNG bunkering hub as the industry gains momentum to adopt LNG as a marine fuel," Quah Ley Hoon, Chief Executive of the Maritime and Port Authority of Singapore and Lady Sponsor of the vessel, commented on the occasion. "MPA is pleased to be able to partner Keppel O&M and Sinanju through the MPA LNG bunkering pilot programme. The maritime sector is evolving and through these steps, we aim to further strengthen Singapore's offering as a global maritime hub and a LNG hub." "We are at the forefront in providing environmental solutions in the marine industry, enabling us to support Sinanju with our dual-fuel vessel solutions. This bunker tanker will be the third dual-fuel vessel to be delivered by Keppel O&M. The dual-fuel technology enables more sustainable and economical operations, with more efficient fuel consumption," Tan Leong Peng, Executive Director (New Builds), Keppel O&M, said.

## Novatek signs LNG MoU with India's H-Energy, Petronet LNG

Russian gas producer Novatek has signed Memorandums of Understanding (MoUs) with Indian natural gas companies H-Energy Global and Petronet LNG for the sale of Russian LNG in India. The MoU with H-Energy outlines a cooperation on long-term deliveries of LNG to India in addition to joint investment in future LNG terminals of H-Energy and LNG projects of Novatek. The two sides will also evaluate the establishment of a joint venture to market LNG and natural gas from Novatek's portfolio to end-customers in India, Bangladesh and other markets. The second MoU, signed with Petronet LNG, will allow Novatek to offer LNG as motor fuel in India. "India is one of the largest and fastest growing LNG markets, and will be one of the main sources of future growth in global demand for natural gas," Leonid Mikhelson, Novatek's Chairman of the Management Board, noted. "H-Energy is excited to partner with Novatek in Arctic LNG 2, to participate in and bring supplies to the downstream customers in India and Bangladesh through its terminals in Jaigarh, Kakinada, Haldia and its two pipelines Jaigarh to Mangalore and Kannai Chatta to Shrirampur," Darshan Hiranandani, CEO of H-Energy, said.