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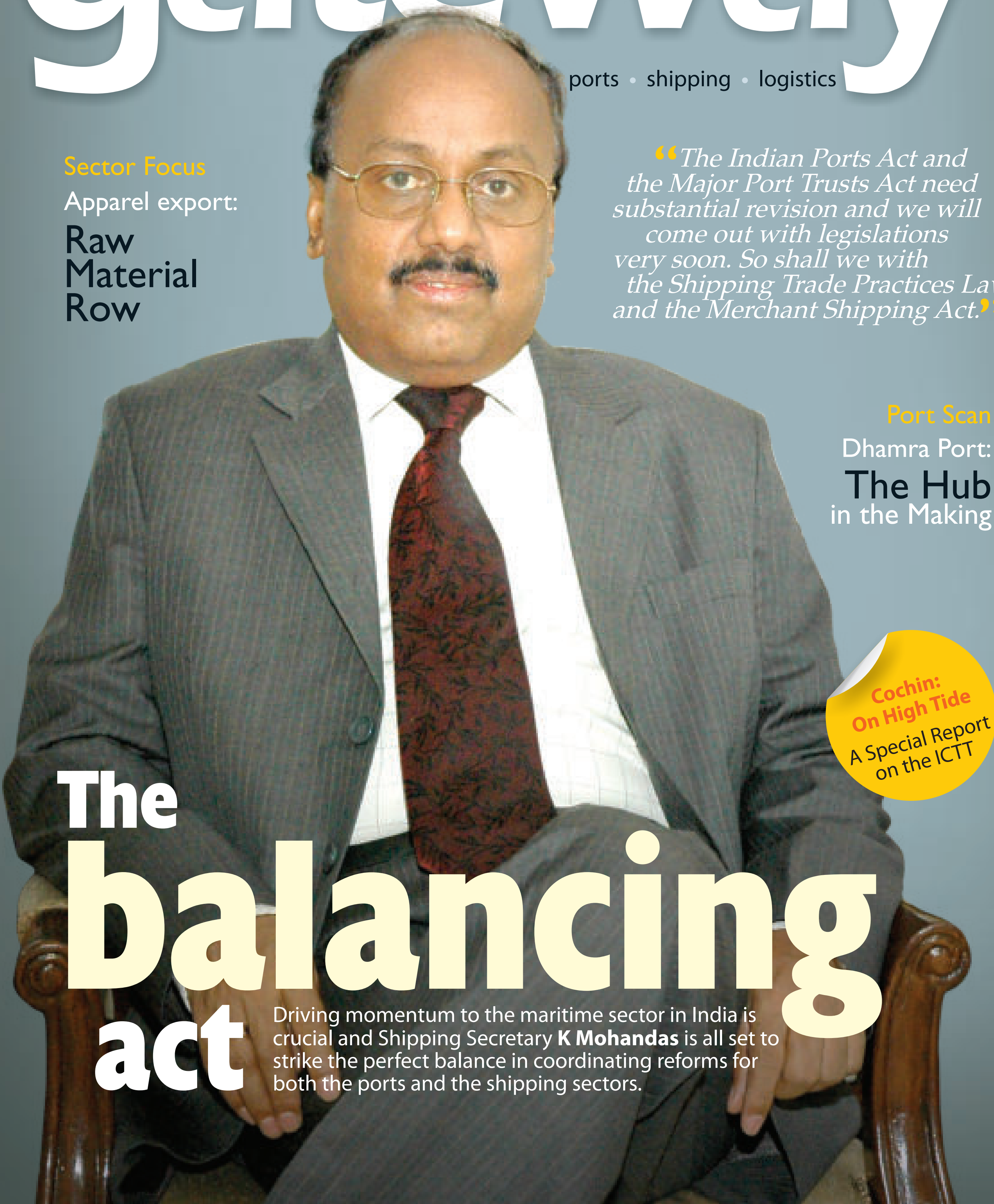

Sector Focus

Apparel export:

Raw Material Row

"The Indian Ports Act and the Major Port Trusts Act need substantial revision and we will come out with legislations very soon. So shall we with the Shipping Trade Practices Law and the Merchant Shipping Act."

Port Scan

Dhamra Port:

The Hub in the Making

Cochin: On High Tide

A Special Report on the ICTT

The balancing act

Driving momentum to the maritime sector in India is crucial and Shipping Secretary **K Mohandas** is all set to strike the perfect balance in coordinating reforms for both the ports and the shipping sectors.

CONTENTS

Good Governance the Goal

India is rich with natural and human resources – a more than true statement that Indians have been living with to the point of abhorring the fact. But the country has been slipping ranks in global competitiveness index and now stands at 64 among the 'best' countries for business.

Normally, parameters like enterprise competitiveness, industrial structure, competitive human resources, business environment and global connections are considered while judging the feasibility of doing business in a country. But more importantly, it is good governance that steadily transforms a society in struggle-for-survival to a social order that triumphs in trade.

If littoral India has had and still has rich possessions that need to be tapped and streamlined, it has its own persistent woes that basically arise out of a disconnect between the industry and the government and therefore bad administration. One only needs to look at thriving nations in the continent to take a leaf or two out of their state-led drive towards maritime development and economic growth.

To put things in perspective and thereby assist in revving up India's national development, Shipping Secretary K Mohandas has been instrumental in proposing policies on infrastructure development, business policies and trade practices in the maritime industry. Though he humbly disowns any credit for any change or pace that is taking place in the ports and the shipping sectors, *Maritime Gateway* would like to acknowledge his sense of focus and determination in implementing reforms and initiating greater interaction between the government, the industry and the users. The exclusive and elaborate interview, which he patiently sat through, brings out his spirit of governance, action and vision for the industry. And we do hope that our readers will more than agree.

The secretary's efforts in resolving the cabotage issue also finds a detailed mention in the course of the interview. As the soft launch of the Vallarpadam International Container Transshipment Terminal is round the corner, though slated for commissioning in the next 2-3 months, a special report on the project, its potential and its promise for the country is definitely a feather in our cap. Please read on.

And finally, a word on infrastructure at ports. The maritime fraternity is tired of the teething problems despite ports being in trade for quite a long time. And all the concerns are only reaching a crescendo. Hope the NMDP and its successor will bail out the trade community. More than the action plan, it is again a matter of right action. Let it be our goal for now!

Best Regards,

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volume 2 issue 10

maritime gateway
ports • shipping • logistics

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Maritime Gateway is printed by L Vijayanand Reddy published by L Vijayanand Reddy on behalf of Gateway Media Pvt. Ltd., Plot No.761, Road No.39, Jubilee Hills, Hyderabad – 500 033, A.P., India and Printed at M/s. Kala Jyothi Process Pvt. Ltd., 1-1-60/5, RTC cross roads, Musheerabad, Hyderabad - 500 020. and Published at Gateway Media Pvt. Ltd. Plot No.761, Road No.39, Jubilee Hills, Hyderabad – 500 033, A.P., India
Editor: L Vijayanand Reddy

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OPINION

J K Jain

Exim Call to Ports:

Let's Get Back to Basics

Facilities and not finances. This is what has been worrying the exim community in the country, thanks to the lack of a basic structure in place in the major ports.

Infrastructure is the key to any physical operation and ports are no exception. Lack of basic facilities such as navigable roads, storage houses, handling capacities and equipment have been derailing logistics operations of exports and imports in India. The main worry, therefore, for an exporter/importer is port operations.

When importing a large cargo vessel, one is not sure if the selected port is just right for the purpose and whether it has enough draft and berths. And while exporting, one is not sure when the container load will be connected to the vessel because there is always the question of congestion. More importantly, the availability of cranes and the number of containers is one big matter. So, in short, infrastructure at ports has been the biggest problem troubling exporters and importers.

Ironically, after a transaction is struck, the next big concern is not the finance part but infrastructure at the port – how are we going to manage given the situation. For instance, we have a vessel waiting for almost 20 days in Mumbai and the reasons are one, rains and two, lack of sufficient warehouses at the port. We face a similar situation at Kandla Port. Though the warehousing problem has been solved at Kandla, there is the problem of movement of cargo from there since the roads are in bad condition, with constant water logging, especially during the rainy season. So, if we are importing a commodity like sugar, we have to liquidate our stocks immediately from the port.

> "There is a need for a lot of logistics planning, almost always and we need to be very clear on how to ferry our load because one small mistake can make things worse."

From our experience of using about 16-17 ports in the country, we have also taken stock of the problems at every port. For instance, at Kolkata we cannot think of any direct import. We always have to first think of vessel size and then ensure a two-port discharge because of shallow draft. So, the vessel has to first discharge half of the load at Visakhapatnam and then move to either Sagar or Kolkata. So, 90 per cent of the time we end up discharging half of the east-bound cargo at Vizag. Similarly with exports, half of the load like iron ore has to be first loaded at Haldia Port and then brought to Paradip Port because the maximum Haldia can handle is only 18,000-19,000 tonnes.

As for Chennai Port, we have stopped using it despite paying huge demurrage and port charges because there is a shortage of container freight stations in the immediate vicinity. Transporting the load is a big problem as it is allowed only during the night time. So half of the time, the containers are stuck at the port.

The only remedy is to build infrastructure – improve the draft and the port capacity.

Also, mechanised handling can be a big boost in speeding up things. But the biggest problem all the port trusts face is the payment of double the cost to the labour as per the existing rules. A classic example is Kakinada Port. Though a new berth was built there, only the new cargo can go through this shore berth. And all the old cargo such as iron ore still continues to be loaded manually mid-stream 3-5 km away using barges. By doing so, we are unnecessarily increasing the cost. Today, we spend about US$ 7-8 to handle cargo from the port to the vessel but the cost in other advanced countries is less than US$ 2. We should try and work out mechanical handling to save port charges. By doing so, we can also hasten turnaround time because the maximum manual handling can manage is 5,000-6,000 tonnes as against 18,000-20000 tonnes by mechanical handling. MG

J K Jain *is the joint managing director of LMJ Logistics and the chairman of FIEO Northern region.*

Ports NEWS

Destination Gujarat

State gears up to be first port of call

Business honchos, top government officials brainstorm at the 'Port-led Development in Gujarat' conference on how to make the state an international cargo hub.

Keeping in mind the upcoming Delhi-Mumbai Industrial Corridor (DMIC), a conference on 'Port-led Development in Gujarat' was organised in Ahmedabad recently with top government officials saying the state, with 42 ports handling 33.7 per cent of India's cargo, is yet to meet international standards.

The state government, through its regulatory body, Gujarat Maritime Board (GMB), proposed to double port capacity in the state in a few years, to increase its share in the country's cargo handled to over 40 per cent.

Since 565 km of the proposed 1,483-km DMIC will be located in Gujarat, the conference organised by the Gujarat Maritime Board and the Confederation of Indian Industry looked at the challenges as well as opportunities this would bring for the state with the country's longest coastline.

The main foreseen opportunity was that the goods coming into the ports in Gujarat could directly and easily supply the entire northern part of India, while the products coming out of the industrial zones along the DMIC (150 km flanking the corridor's length on both sides would be allotted for industrial zones) would have a nearby outlet.

The State's Minister for Industries Saurabh Patel expressed hope that

Gujarat, currently handling 285 million tonnes of cargo annually, would increase its capacity to over 500 million tonnes in two to three years time. While the state's ports take care of 33.72 per cent of the cargo handled by Indian ports, their share has been going up three per cent each year.

K Mohandas, Secretary, Ministry of Shipping, hailed the state's development model in private sector participation through competitive bidding. Stressing on the need for more port capacity, he said, "The berths should be waiting for ships; ships should not have to wait at the anchorage points."

The state government also had plans to initiate the development of self-sustained port cities at Pipavav, Hazira, Mundra and Navlakhi, said A K Sharma, CEO of Gujarat Infrastructure Development Board. The port cities will have modern urban amenities and serve as international cargo transportation hubs, he added.

Illegal export

Belekeri Port to be shut

The Karnataka State Pollution Control Board has ordered the closure of Belekeri Port which is in the eye of a storm over illegal export of huge quantities of iron ore on the grounds that the port had not obtained necessary clearances for operations.

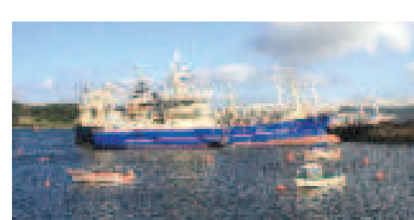
The KSPCB in an order on June 17 directed closure of the port in Karwar which is exclusively used for exporting iron ore and was recently in the news for the mysterious shipment of 5 lakh tonnes of seized iron ore.

The closure was ordered on the grounds that the Department of Ports and the Shipping companies were violating the Environment and Forests Ministry's norms, Member Secretary, KSPCB, M S Gouder told PTI.

Fisheries port revival

A project proposal worth Rs 567 crore has been sent to the Centre for extension of the fisheries port in Mangalore, said DK district in charge minister J Kirshna Palemar.

The present jetty at the port is 603 m long and about 1,500 boats of different varieties are functioning here. However, this jetty is not sufficient to accommodate all these boats and it had to be extended by 502 m southwards.



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Dharamtar cargo

Ispat jetty gets customs nod

Ispat jetty at Dharamtar, south of Jawaharlal Nehru Port (JNP), has reportedly received Customs approval for handling multiple cargo of third parties, apart from handling its captive cargo. The port is managed and operated by the Geetapuram Port Services Ltd. (GPSL).

Following the Customs nod, GPSL will be able to market the port to the shipping, trade and industry for handling of dry bulk and break-bulk cargo, mainly coal, coke, bauxite, iron ore, cement, fertilisers and fertiliser raw materials etc.

The port will be beneficial to industries situated in Raigad/Pune districts and southern part of Maharashtra and would result in significant savings for importers. Also, since the waiting period for ships using the jetty will be almost nil, importers/shipping lines can save considerably on ship demurrage compared to other ports.

At present, GPSL operates with a 425-m long jetty with four fully-mechanised cranes – one LHM-280 with handling capacity of 800 tonnes per hour, one LHM-250 with handling capacity of 600 tonnes per hour and barge unloaders – two TATA-MAN with handling capacity of 550 tonnes per hour per crane for handling of bulk cargo.

The jetty is being expanded by 100 m and will be completed by October this year.

Faster transit

Mundra gets rail overbridge

A four-lane 1.5-km dedicated rail overbridge, built at a cost of Rs 50 crore by the Adanis at Mundra, was inaugurated recently. This is the first private overbridge within a port area in India, capable of withstanding loads of up to 100 tonnes and enabling smoother and faster road cargo movement.

The Adani Group has been upgrading and mechanising the entire infrastructure to keep pace with demand and expectations of port users. "To facilitate this, we have initiated doubling of the 57-km private rail line between Mundra to Adipur for improving cargo movement by rail, are adding eight new berths, including world's largest and dedicated coal import terminal, and are building high-quality road infrastructure for connectivity to the national highway network," said Gautam Adani, chairman of the Adani Group.

Appointments

Biplav Kumar to head Paradip Port

Biplav Kumar, deputy chairman of Paradip Port, has taken over as the chairman of the port from K Raghuramaiah, who superannuated on June 30. Biplav Kumar, a member of the IRTS 1991 batch joined as deputy chairman of the port on May 26, 2008.

He has experience of working in various railway departments. He completed his studies from St. Columbia's College, Hazaribag, Jharkhand and obtained MSc in physics from Patna University in 1987.

He is also a recipient of the individual excellence award from the general manager of the Eastern Railways for outstanding commercial performance as the divisional team leader in 2004 and the National Award of Railway Minister in 2007 for excellent performance in Individual capacity.

S S Kulkarni takes charge as IPPTA secretary-general

Shashank S Kulkarni has taken charge as the secretary-general of the Indian Private Ports and Terminals' Association (IPPTA) with effect from July 1.

He was earlier Secretary-General of the Indian National Shipowners' Association (INSA) for a decade and owing to his long experience, he has now been assigned the task of establishing a formal Secretariat at IPPTA. He is looking forward to the challenge of steering the association ahead in today's changed and vibrant scenario in the country's ports sector.

IPPTA, formed in the early 2003 to promote the interests of private ports and terminal operators, today has 19 members comprising independent private port/terminal operators and terminal operators at major ports.

Port land

KoPT to resolve Salukhali issue

The Kolkata Port Trust (KoPT) expects to resolve the issue of land acquisition for a Rs.600-crore port at Salukhali in East Midnapore district, a top port official said recently. "We are talking with the state government and hope to resolve the issue next week," KoPT chairman M L Meena said here during an interactive session organised by the Merchants' Chamber of Commerce.

"We will get 160-170 acres, which is sufficient as of now and another 300-400 acres will be taken through reclamation of land method," he said. The port would come up in the public-private-partnership mode and three bulk cargo jetties would be built initially, he said. It would have a natural draught of 9 m.

Bunker fuel

Matrix Bharat to supply at Kochi Port

Singapore-based joint-venture firm Matrix Bharat Marine Fuels (MXB) will start supplying bunker fuel to two ports in Kochi from July 22, to capitalise on growing demand in the country, said Stefan Herde, managing director of MXB. The company, a 50:50 joint-venture between Matrix Marine Fuels, a subsidiary of German oil trading firm Mabanaft, and Bharat Petroleum Corporation Limited (BPCL), expects to sell at least 3,000-4,000 tonnes of marine fuels a month by end-2010 at Cochin Oil Terminal and Wellington Island in Kochi, adding to its volumes in Singapore and Mumbai.

MXB aims to grow its monthly bunker volume in India to at least 14,000-15,000 tonnes by year end, including its Mumbai volumes, and become the second-biggest player in the market, after Singapore-listed Chemoil Energy, by first-quarter 2011. MXB estimates total demand for marine fuels in India to reach 1.4 million tonne this year, up by 30 per cent as compared to 2009, the bulk of which is sold from the tax-free Jamnagar-Mundra area by Chemoil Adani. "Our main objective is to grow the market in India. As a part of this strategy, we have expanded to Kochi after starting our operations in Mumbai at the beginning of this year to add to our market presence," said Herde.

"Kochi is along the shipping lane, so we expect a lot of demand from containers, bulk break cargo and tankers. We also chose Kochi because BPCL has a refinery located nearby," said Avik Ghosh, general manager for MXB. MXB acts as the international bunkering agent of BPCL in Singapore and India. -Reuters

Traffic monitoring

Columbus module being tested

European Space Agency's (ESA) Columbus module, a ship detection system, is being tested for monitoring global sea traffic from space. The module is based on Automatic Identification System (AIS), the marine equivalent of the air traffic control system. All international vessels including cargo ships above certain weights and passenger carriers of all sizes are required to carry 'Class A' AIS transponders for continually broadcasting updated identification and navigation data.

The ship detection system will enable port authorities and coastguards to track seagoing traffic. The system uses VHF radio signals with a horizontal range of just 40 nautical miles (74 km), which makes it useful within coastal zones and on a ship-to-ship basis but open ocean traffic remains out of reach. However, AIS signals travel much further vertically – all the way up to the International Space Station.

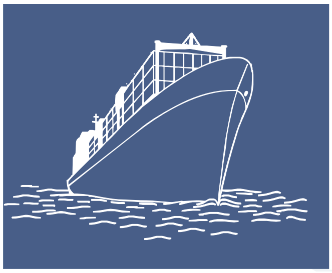
According to Karsten Strauch, project manager, ESA, "The COLAIS (Columbus AIS) experiment was switched on at the start of June. With commissioning completed, the experiment is run remotely and the results are routed via the Columbus Control Centre in Oberpfaffenhofen, Germany to COLAIS teams. We are currently testing the NORAIS receiver, built by the Norwegian Defence Research Establishment and Kongsberg Seatex."

Chennai Terminal

TAMP approves upfront tariff

The Tariff Authority for Major Ports (TAMP) has cleared upfront tariff for the proposed mega container terminal (CT) at Chennai Port, which will be port-specific and not project-specific and valid normally for five years as per TAMP guidelines. While the Rs 3,686-crore terminal's rated capacity has been projected at 4 million TEU, it is expected to handle vessels of up to 18,000-TEU size. The proposed terminal, which is now in the request for qualification (RFQ) stage, will start with Rs 2.25/GRT (gross registered tonnage) for an hour as the berth hire charge.

The port has two private container terminals operated by DP World and Port of Singapore Authority, with a combined capacity of 2.2 million TEU. The container throughput demand is likely to outstrip the capacity by 2016-17. Capt Subhash Kumar said the terminal was coming up with a depth alongside of 22 m to handle Emma Maersk, the world's biggest containership.



NEWS

Shipbuilding initiative

Gujarat scripts policy

The policy talks about initiatives, such as creating global competitiveness, simultaneous competition and cooperation.

The Gujarat government has, through the Gujarat Maritime Board (GMB), come up with the Shipbuilding Policy 2010 as the state enjoys over 60 per cent share of the Indian shipbuilding order book.

The objectives of the policy are to:

- Explore potential as well as resources available on the state's coast for shipbuilding
- Maintain the state's share in the national target in the shipbuilding/repair and offshore rig building/repair sector
- Attract private investments in the shipbuilding sector
- Provide world-class ship repair facilities for the ships calling at the state's ports and in their vicinity
- Enhance industrial growth of the state by encouraging establishment of downstream ancillary industries
- Achieve targets set for shipbuilding in the state
- Generate matching Human Resource Development (HRD) support for shipbuilding
- Generate employment opportunities in the shipbuilding sector
- Boost the overall socio-economic development of the coastal region.

Sportrider

The policy gives priority to set up shipyards within Marine Shipbuilding Parks (MSP), the territorial limits of the existing GMB ports, within the private ports as also to stand-alone proposals at isolated locations (only in exceptional cases).

As a developer, regulator and facilitator, GMB will acquire government land for the MSPs and other shipbuilding yard sites; develop the land; conduct technical studies and prepare development plans; assist and coordinate to provide infrastructures, viz. road, water, power and drainage; endeavour for providing link approach to nearby national highway/state highway/major district road; coordinate to provide common user jetty, if required; provide navigational aids and dredging at MSP; common safety services; earmark area for common amenities, viz. technical institutes, R&D, banking/postal services, shopping, weighbridges, primary health centres; and endeavour to allot plots/facilities for shipbuilding and other services.

Infrastructure development: Meanwhile, the state government has estimated infrastructure projects worth Rs 11.81 lakh crore for the next 10 years. Calculated in the authoritative three-volume project report 'Blueprint for Infrastructure in Gujarat (BIG) 2020' released recently, it says that lion's share will be of the power sector, with Rs 2.23 lakh crore.

Ports and shipbuilding will attract Rs 1.19 lakh crore of investment, gas sector Rs 1.23 lakh crore, urban infrastructure Rs 1.12 lakh crore, and Dholera Special Investment Region (SIR) Rs 1.09 lakh crore.

The report says, "Bulk of the funding (79 per cent) has to come through the public-private partnership (PPP) route. Hence, all actions with respect to enabling private investments need to be accelerated."

GE Shipping

Jag Pavitra delivered

The Great Eastern Shipping Company Ltd. (GE Shipping) delivered its 1985 built Medium Range product carrier 'Jag Pavitra' (about 50,500 dwt) to the buyers. The vessel was contracted for sale in Q1FY'11. With the delivery of this vessel, the company's current fleet stands at 35 vessels, comprising 29 tankers (11 crude carriers, 17 product carriers, 1 LPG carrier) and 6 drybulk carriers (1 Capesize, 1 Panamax, 2 Supramax, 1 Handymax, 1 Handysize) with an average age of 10.5 years aggregating 2.66 mn dwt.

BOT Terminal

Eredene wins Ennore bid

Eredene Capital Plc, the AIM (alternative investment market of the London Stock Exchange) quoted investor in Indian infrastructure, has won a bid in a consortium to build and operate the container terminal at Ennore Port in Tamil Nadu. The estimated project cost is £ 207 million (Rs 1,428 crore).

According to a release, Eredene bid for the project in consortium headed by Spain's leading port operator, Barcelona-based Grup Maritim TCB SL together with international construction group Obrascon Huarte Lain SA and one of India's leading construction, power and engineering conglomerates, Lanco Infratech.

The consortium was given a letter of award in relation to the project on June 26 by Ennore Port. Six contenders had been shorlisted.

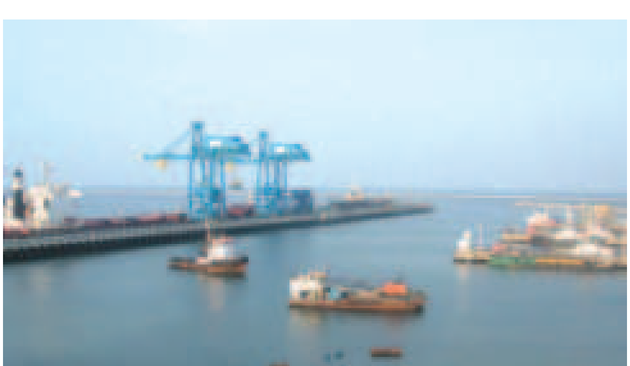
Work on the new Ennore Container Terminal is scheduled to take 33 months and it is expected to be operational by the end of 2013. Concession will be awarded on a build, operate and transfer (BOT) basis for 30 years.

The terminal will have a quay length of 1,000 m and an estimated throughput of 1.5 million TEU (Twenty-foot equivalent unit) annually. It will provide 15-m water depth at the berths and will be able to handle three container vessels of up to 8,000 TEU simultaneously.

Eredene has a 22 per cent stake in the consortium, and the equity commitment is about 23 million (about Rs 158.70 crore). This commitment will initially be funded through existing cash reserves and then through the raising of additional capital into Eredene.

The Eredene group team is headed by Nikhil Naik, formerly regional director of P&O India and CEO of Mundra International Container Terminal.

Grup Maritim at present operates 13 terminals in six countries with a total installed capacity of 4.5 million TEU.


Imagestack

East-West run

New services launched

Several shipping lines are collaborating among themselves to provide new service from Asia to the West, including Africa, Europe and the Americas.

Maersk Line to reinstate TP2 VSA service: Maersk Line will reinstate the Transpacific 2 (TP2) weekly service from five major ports in Asia with a direct call to Long Beach. It will participate in the vessel sharing agreement (VSA) with MSC and CMA CGM. According to Bill Woodhour, senior vice-president, Maersk Line North America, the decision was based on customer feedback surrounding expected market demand with the approach of peak season.

The new TP2 service rotation will be Kaohsiung, Taiwan; Hong Kong, China; Xiamen, China; Shanghai, China; Qingdao, China; and Long Beach, California eastbound. The westbound rotation will be Long Beach, California; Kaohsiung, Taiwan; Hong Kong, China; Xiamen, China; Shanghai, China; and Qingdao, China. Maersk Line will operate two of the six vessels which will slow steam. MSC will operate three and CMA CGM will operate one. The service will utilise 6,500-TEU capacity vessels.

K Line launches new direct service: Kawasaki Kisen Kaisha, Ltd. (K Line) has launched a new direct service from Far East to West Africa with a feeder service from South Africa to West Africa using transshipment. The new service will provide a faster transit time with direct service from Far East to West Africa which will be jointly operated by K Line, China Shipping, and Hapag-Lloyd. Eight vessels will be deployed with K Line providing 3 vessels, China Shipping 4 vessels, and Hapag-Llloyd one covering a 70-day round voyage.

Evergreen Line, China Shipping & CMA CGM upgrade service: Evergreen Line, China Shipping and CMA CGM have together launched an upgraded AEX7 (Asia-Europe service). The new cooperation, commenced from the end of June, provides greater frequency and meets requirements and expectations of customers in this service. This is the first time the three carriers have combined their efforts to integrate the Asia-Europe AEX7 service. It is expected that by fully utilising the current containerships and through flexible strategy the three carriers together will deploy a total of nine vessels of 8,000-9,250-TEU capacity.

The AEX7 service will operate with six CSCL vessels, two from Evergreen and one from CMA CGM. The AEX7 service port rotation is: Shanghai, Ningbo, Shekou, Hong Kong, Yantian, Port Klang, Le Havre, Rotterdam, Hamburg, Zeebrugge, Port Klang, Shanghai.

Carbon credits

Railways to set up 2 wind power plants

In a bid to cut down on rising power costs and carbon emissions, Indian Railways is turning to wind power. It is setting up two wind mill power plants with a target of generating 21 MW wind power by next year.

As India's long coastline and vast desert expanses are endowed with high wind power potentials are best suited for the wind energy generation projects, Indian Railways wants to cash in on its need for power by setting up power plants in the near future. The plants are likely to be operational by next year.

"We have finalised plans for setting up two wind mill power plants in Rajasthan and Tamil Nadu at an estimated cost of Rs 140 crore. Both the plants will generate a total of 21 MW power," said a senior Railway Ministry official.

The plants will be set up along the coastal belt of Tamil Nadu and in the desert area of Jaisalmer. Each plant would generate 10.5 MW wind power and cost about Rs 70 crore.

Besides reducing the electric consumption, the wind power will also earn us carbon credits, said the official.

Railways consume 5 billion units of power a year and spend about Rs 5,500 on power bills. "We would supply the power to the grid and it would be adjusted against our power billing," said the official.

It already has an operational 10.5-mw plant at Tirunelveli in Tamil Nadu. "We had saved about Rs 8 crore on power bills due to this plant," the official said.

Since wind power is eco-friendly, railways are expecting to earn about Rs 1 crore as carbon credits from the wind power ventures. The largest PSU with 14 lakh employees is going green by channelising its vast resources.

From designing bio-toilets, using bio-diesel and gravity valve technique to cutting down on water wastage, railways are undertaking a series of steps to reduce emissions and global warming.

Discount on diesel: Meanwhile, the Railways is learnt to get a discount of 30 paise a litre for high-speed diesel (HSD) from public sector oil marketing companies (OMCs) for three months (July-September). This makes the prices less by about Rs 3-4 than the retail price. For instance, at depots near Mumbai, the Railways will pay about Rs 37-38 a litre (the retail price of diesel in Mumbai is Rs 41.98/litre), while at Delhi the HSD will cost it about Rs 36-37/litre (the Delhi retail price is Rs 40.10/litre).

Fennel&Associates

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Oil marketing companies like Indian Oil Corporation, Bharat Petroleum Corporation and Hindustan Petroleum Corporation are bringing down the discount extended in view of Railway consumption of about 2.36 million kilolitres HSD a year and an annual fuel bill of Rs 7,997 crore.

This year, the Railways extended the contract by a three-month period from January. Together, the oil companies will extend an annual discount of around Rs 70 crore to the Railways due to the decision. IOC takes care of over 70 per cent of the Railways' total HSD requirement. The discount is over and above the rate at which the oil retailers despatch the fuel to their retail outlets. The despatch price varies across location and time period.

Logistics park

Shri Kailash launches Logicity

Shri Kailash Logistics is setting up Logicity in Oragadam, near Chennai at a cost of Rs 120 crore. The logistics park will have 1 million sq ft of modern warehousing, container freight station, built-to-suit units and value-added services such as 3PL/4PL, banks, insurance firms, traffic flow management, security & safety systems besides lodging and parking.

The project was conceptualised and designed in conjunction with BPS Global, Singapore, a leader in designing logistics parks. Logicity aims to provide state-of-the-art supply-chain solutions to automotive, FMCG, retail and industrial segments. In the first phase, a multi-model logistics park is being planned over 30 acres. It will grow to over 100 acres in the second phase at a cost of Rs 200 crore. Already, 15 acres were acquired in agreements and the first phase would be completed in 18 months, Rajkumar, vice-chairman of the Shri Kailash group, said.

The project outlay will be met with equity and debt and the promoters are also planning to bring in more funds. The group is also exploring possibilities to get private equity fund.

Submarine shipment

HCL handles huge load

Hindustan Cargo Ltd. (HCL) became the first freight forwarding company in India to load a single piece weighing over 2,000 tonne for export recently. The shipment, a submarine weighing 2,325 tonnes and 74.50 m in length, 9.90 m width and 14.73 m height, was heading from Visakhapatnam Port to Severodvinsk, Russia for a refit. HCL won the contract along with RollDock Shipping. The vessel, RollDock Sun, took two days for the upload and it was later shifted to the main Vizag Port. The deputy conservator and traffic manager of VPT were present during the operation.

The ship was submerged to a depth of 6.3 m and was stabilised. After welding the side support, the lashing and securing of cargo was done. However, due to the swell caused by the rising tide, the ballasting work was slow. The swell resulted in rolling movement and additional tugs had to be brought in. The vessel sailed on its way to Russia via the Cape of Good Hope. The total transit time is expected to be 42-47 days.

Capital flow

World Bank to fund DFC

The World Bank will provide an aid of US$ 9.3 billion to the dedicated freight corridor (DFC) project in the financial year ending June and assist in other programmes related to sustainable development. The total lending includes US$ 2.6 billion interest-free credit and US$ 6.7 billion in the form of long-term, low-interest loans spread across 25 new projects. The project is, however, yet to be approved by the board of directors of the bank.

The funding is an increase from the US$ 2.2 billion lent by the bank last year. Over the years, World Bank lending to India has averaged about US$ 2.5-3 billion a year. The Indian government has asked the bank to support the DFC project in order to mobilise capital for infrastructure development. "Going forward, we would focus on some large transformative projects, which would help the government achieve its aim of spending US$ 300 billion towards infrastructure development during the current five-year Plan," Roberto Zagha, World Bank country Director in India, said.

Trade ties

India offers aid to Mozambique

Seeking to boost trade ties, India has recently offered to train Mozambique nationals in exploring and extracting the mineral-rich country's vast coal deposits and also extended liberal aid to the youth to pursue higher studies.

External Affairs Minister S M Krishna announced that India would help set up an Apex Planning and Training Organisation focussing on the coal sector which New Delhi seeks to tap to meet its growing energy needs.

Krishna, the first External Affairs Minister to pay a bilateral visit to Mozambique in decades, reviewed the entire gamut of bilateral ties during his discussions with President Armando Guebuza and Foreign Minister Oldemiro Baloi.

"We are providing US$ 40 million to set up an Apex Planning and Training Organisations in the coal sector which we consider one of the vital and critical sectors both from Mozambique's point of view as well as India's point of view," Krishna told reporters.

The Apex Planning Organisation and the Apex Training Organisation will be set up by state-run Coal India Limited. It is expected to help in training Mozambique nationals and those in the neighbouring countries in coal exploration and extraction activities.

State-run Coal India Limited, Essar and the Tata Group-Riverdale joint venture have already been allotted coal blocks in this mineral-rich African nation.

"Mozambique has been blessed with very rich coal resources and for India, which is growing at 8 per cent every year, energy becomes critical in our development agenda," Krishna said.

India also extended a US$ 25 million Line of Credit to Mozambique which is expected to be utilised for setting up power transmission lines in two of its provinces. The bilateral trade was US$ 172.7 million in 2008 out of which exports from India amounted to US$ 144.3 million. Exports from Mozambique to India were US$ 28.4 million.

Mining Grant: India has offered Mozambique a grant of US$ 40 million for improving technical capacity in coal mining and a US$ 25 million line of credit for rural electrification. The minister signed the agreements for the two loans in Mozambique's capital Maputo. The grant for improving technical capacity in coal mining is significant as India has been trying to get access to Mozambique's huge coal resources. "Mozambique is a country rich in coal resources, and the question of energy is critical for the development of India. Hence, our cooperation is prioritising the energy sector," Krishna said.

Export credit

FIEO for continuation

The Federation of Indian Export Organisations (FIEO) urged the Ministries of Finance and Commerce that the Reserve Bank of India should continue to regulate export credit to ensure that the cost of export credit does not increase under base rate regime. The apex organisation of exports has expressed apprehension at the RBI's decision to deregulate the interest on export credit, from July 1, 2010 onwards, allowing banks to decide the lending rate of export credit. FIEO president A Sakthivel said that it will increase the cost of credit making exports uncompetitive. Cost of export credit in India is much higher than the international benchmark and about 4 to 5 per cent higher than what the competitors are getting it.

The situation has further compounded due to liquidity crisis particularly in Eurozone where buyers are asking for longer period of credit. The payments which used to be realised between three to four months from the shipment are now being realised between six to nine months of shipments. "This itself necessitates availability of credit at a lower rate for longer duration," Sakthivel added.

Export growth: Reacting to the trade data showing a growth of 35.1 per cent in May 2010, Sakthivel said the spurt in growth is welcome, but it is against a lower base. According to FIEO, exports in May 2010 amounted to US$ 16.1 billion (Rs 73,964 crore), which is much less than US$ 18.5 billion registered in May 2008. The government should consider extending focus market benefits to other European countries, he added.

Poor output

Wheat imports to rise

Flour millers may import about 2 lakh tonnes of wheat, mainly from Australia, this fiscal to meet their requirement of high-protein variety of the grain. In last fiscal, the country had imported 1.58 lakh tonnes of wheat. At present, there is no import duty on wheat.

Flour millers require high-protein wheat for blending, which is used to make bakery products. This year there is less availability of this variety due to poor crop in Gujarat and Rajasthan, and higher procurement in Madhya Pradesh," Roller Flour Millers Federation former president M K Dattaraj said. He said wheat imports could rise to about 2 lakh tonnes this fiscal, but it would depend on the policies regarding imports and open market sale scheme.

"Currently, Australian wheat is cheaper by Rs 40-50 a quintal in southern states compared to domestic wheat," he said, adding that flour millers are importing wheat due to inadequate supply of high protein variety in the domestic market and not because of price factor.

At present, the delivered price of Australian premium wheat is Rs 1,570 per quintal in Bangalore city. Millers import wheat directly or through trading agencies. India produced a record 80.98 million tonnes of wheat in 2009-10, exceeding last year's 80.68 million tonnes. -PTI

Price correction

Govt plans sugar import tax

The government plans to impose a tax on white sugar imports in the new season that starts in October, but it will wait until it gets a clear picture of the cane crop in the next two months, Farm Minister Sharad Pawar said.

India allowed tax-free imports of sugar last year to calm soaring prices and overcome a domestic shortfall as farmers had reduced cane planting and the crop was damaged by a severe drought. However, sugar prices have fallen and Indian millers say imports would be cheaper than local output unless the government levies a tax again.

"We will take a decision on sugar import tax before the current season ends in September. The new import tax on sugar (would) be implemented from the new season," Pawar told reporters. The June-September monsoon rains are a key influence on cane output, particularly in Uttar Pradesh.

Rainfall was 16 per cent below normal in June. "The total picture on cane will be clear in August-September," Pawar said. The government is also considering reversing its earlier decision to increase the amount of sugar millers are forced to sell to official agencies at low state-set prices for welfare schemes. -Reuters

MRPL deal

Fuel export to Mauritius

India has signed a three-year agreement to export fuel worth US$ 2 billion to Mauritius and also agreed to look into the possibility of setting up a refinery in the Island nation. The agreement was signed by Mangalore Refinery and Petrochemical Limited (MRPL) Managing Director, U K Basu and Mauritius State Trading Corporation General Manager Ranjit Singh Soomarooah. It was agreed that MRPL would export 1.1 million tonnes of auto fuels, jet fuel and furnace oil annually for three years.

Mauritius would buy one lakh tonnes of petrol, 3.50 lakh tonnes of diesel and 2.70 lakh tonnes of jet fuel annually for three years beginning August 1, Soomarooah said during the signing ceremony.

Mauritius' Minister of Commerce and Industry Showkutally Soodhun invited MRPL and its parent firm Oil and Natural Gas Corporation for a 50:50 joint venture to set up the Island nation's maiden refinery. "We will certainly consider participating in the project as and when Mauritius firms it up," Basu said.

Interview:
Ramprasad and **Radhika Rani G**

The balancing act

Name
K Mohandas

Birth
February 18, 1952

Family
Wife **Usha** is a fulltime homemaker.
Two daughters: Elder daughter **Devi**, an engineer-turned-management graduate from IIM Ahmedabad, is married and lives in London. Younger daughter **Karthika**, a medical doctor, is married to a doctor and is doing her post graduation in Chennai. They have an eight-month-old son.

Early days

- Started his career as sub-collector, Trivandrum (1976-78)
- Managing director of Kerala State Co-operative Bank (1980-81)
- District collector, Kottayam (1981 to 1983)
- Managing Director of the Kerala Financial Corporation (1983-86)
- Director of Collegiate Education (1986-87). Also functioned as vice-chancellor of some of the Universities in Kerala.
- Secretary, Local Administration (1991 and 1996)
- Principal Secretary, Industries (1997 to 2001)
- Principal Secretary, Higher Education (2001-04)
- Secretary/Additional Secretary, Department of Revenue, Ministry of Finance, since March 2005
- Secretary, Ministry of Shipping since November 25, 2009.

Shipping secretaries are normally known to assume charge towards the fag end of their service by which time they lose the will and the interest to do anything proactive or bring about serious changes to the system. This has been the story so far. There have been exceptions though.

At a time when a pompous and controversial shipping minister exited and gave way to a gentle yet disinterested minister, the serving Shipping Secretary Mohandas took over the challenging task – of initiating prompt action. Though new to the maritime sector, he quickly learnt the ropes. If he has filled the vacant chairman posts in major ports, he is keen to bring about market-friendly reforms such as relaxation of cabotage to facilitate the growth of the Vallarapadam transshipment hub. Many more action plans are underway.

Q: Six months ago you took charge as secretary in the Ministry of Shipping. How has the experience been?

Shipping is a very exciting sector and I found that this is one sector where one can contribute substantially to national development. This provides one an opportunity to be directly associated with one of the most important sectors in this country. I find it a very rewarding experience to be part of this sector.

Q: It has been the experience of the industry that MoS moves at a snail's pace. Of late, we see some positive and quick action happening. Can we attribute this change to you?

I would not like to claim credit for any change or pace that has taken place. But quick action is necessary and we have been working to do things fast. But all said and done, what is important is that the delivery of service has to keep pace with the requirement. For example, if you are working on infrastructure development, you have to provide the requisite quantum of infrastructure when it is required. Right now we are short of that so we will have to do it fast. On the policy side, there are quite a few things that need intervention. We have been able to do a few things but there is a lot more that remains to be done. While I am happy that we have achieved certain things, there is a long way to go as far as action in this sector is concerned.

Q: There is a strong concern being voiced over coordination hurdles between the shipping ministry and allied ministries like finance, railways and commerce. Is this due to lack of coordination or sheer apathy on the part of the ministries? What are the efforts being made to improve the situation?

It is true that the shipping ministry cannot function in isolation. We deal with several other organs of the government, the most important being the Ministry of Finance and the Planning Commission on a regular basis as far as project approvals are concerned. But on ground, the most relevant associates for us are the railways and road transport. Both these are important because when we speak about increase in port capacity, this increase takes place not just by adding more terminals, equipment or even by deepening of the harbour. We also need capacity to evacuate. This is where the railways and the road network become important. As far as the railways are concerned, we have been working together. There is an institutionalised system of a committee headed by the chairman of the Railway Board and a committee headed by the joint secretary which looks at the port connectivity projects. But this is one area where we would like to go further and are working on that. For both the major ports under the central government and the minor ports promoted by the state governments, we would like all the required connectivity to be provided.

As far as road connectivity is concerned, we do have regular meetings with the sister Ministry of Port Transport to implement projects in many places. It is a continuing thing. We don't find a real hiccup or a handicap in coordinating in these two areas.

But with the Ministry of Commerce, the interaction is on a different plain in the sense that the ministry represents the users of ports and shipping facility. It is more like an interaction between the service provider and the user. Again here, there has been interaction, both at institutional and bilateral levels.

Generally, we have been able to think on the same lines. Everybody agrees that the quality of service by infrastructure providers, whether ports or shipping sector has to be excellent and we have to strive towards excellence in the quality of service. That's why we consider the implementation of the PCS as very important development at the port level where you have connectivity with all the players who are associated with the movement of cargo. We are also fully in agreement with the commerce ministry that there has to be transparency in fixing rates. That way we have been working with all the organs of the government and we don't really find a problem here. As I already mentioned, we have institutionalised arrangement for coordination and we do take up individual issues and sort out matters.

Q: Recently, the MoS has come up with quite a few reforms. What are the dated provisions and policies that the ministry is working on to pave the growth of the Indian maritime industry?

There are quite a few things which require attention. As far as port development is concerned, it is accepted that projects will be undertaken primarily through the PPP route. That being so, we have to make the private investment process smooth. It is a process of continuous reform too. For instance, we have standardised model concession agreement and RFP but these are subject to continuous review and improvement. At the same time, we are working on policies which are friendly to investment and against malpractices.

One of the policy areas where we are yet to come out with a new statement is the policy on the monopoly in the ports sector. This is important because ports should not function as monopolies. Ports have a natural

Secretary at Work

As an individual, how do you describe yourself?

As a person, I am simple and straightforward. As an officer, I am totally dedicated, without any vested interest other than getting results.

What do you do in your free time?

These days, I watch the football match (FIFA!).
I generally read books, watch television, listen to light music. I read almost everything – a lot of fiction, nonfiction, general stuff and subject-related. Since I am in shipping now, I read on ports, shipbuilding and container development.

As an administrator, what is your style of functioning?

I think my people should say that! But one thing I can say is that I am able to get business done without shouting at my people. I never shout at my subordinates but am able to make them work according to my plan. That is the style I am comfortable with. That also makes the environment pleasant for the rest of the people.

What is that you like in people?

When it concerns work, someone who is committed and who can deliver. And in a second or third-level officer, someone who can come out with a holistic view, with the pros and cons of an issue that help in decision making. But basically, in the office, I would like to have people who are reliable and dependable. Integrity is of paramount importance.

What is the goal you have set for yourself?

I have less than two years to retire. Looking back on my career, I feel happy that I have been a disciplined officer. I have done my best and I believe that when I left a job, I left the place in a condition better than when I took over. This is the simple assessment that I make.

As a civil servant, one doesn't really have much of a scope for having any particular goal other than performing the job assigned to you in the best possible manner. In this sense, I have tried to do my best in all my jobs.

geographical monopoly but that should not degenerate into a commercial monopoly. At the port level, private operators too should not have the opportunity to become monopolies. That is one area where we are coming up with a more clear statement in the future.

The second area which is probably not directly related to port operations as such is the land policy because all the old ports have a lot of land and much of it is not required for operations per se. The use of the port land has been a matter under criticism from several quarters. In fact, there have even been investigations against several officers who handled land issues. We would like to have clear land use plan for each of the ports and based on the plan, ensure the best utilisation of the land. Ideally, the land near the harbour should be used for direct operations that facilitate port activities and the land which is not directly abutting the harbour can be used for other activities that add to port business. But we are coming out with a further improved land policy very soon, a definite improvement on the 2004 policy.

There are again several other areas where reforms have been sought, both in ports and shipping. We are working on them in a steady manner.

Q: The ministry is coming up with a draft policy to curb the monopoly of private terminal operators. By restricting, do we lose the edge of having highly competent players?

There has to be a balance between the two. You need the best players in the world to operate the terminals in India and the policy will definitely facilitate that. At the same time, you do not want the ports to be monopolised by any single operator because such a practice leads to vested interests and malpractices. So, there has to be competition in the operation of terminals in the port. In any case, the number of operators available globally who are willing to invest in India is increasing and we don't find a problem in getting the right bidders. Apart from this, we find that a lot of Indian companies are developing both the financial and technical capacity to develop and operate ports. This has to be encouraged. We are happy that more and more people are getting into this business of port operations.

Q: Where do you see the industry today and what is the potential of India's ports and transportation sectors five years from now?

Now, all experts who have studied port management have recommended that the corporate structure is ideal for effective functioning of the ports in a competitive environment.

A Stark Challenge

What Mohandas is trying to formulate and fix

- A 10-year action plan for maritime development (sequel to the NMDP)
- New policy on TAMP and monopoly at ports
- Infrastructure for hassle-free intermodal movement of goods
- Incentives or facilitation in the form of carbon credit
- Speeding up implementation of port projects
- Corporatisation of major ports

Predicting the five-year profile is certainly a difficult thing because all of us know that the unpredictable has happened in the recent past. Nobody expected the slowdown in world trade which started two years ago. Of course, Indian economy was not badly hit by the general economic slowdown worldwide, but it's a fact that world trade has slowed down and affected India as well. Although last year's figures – the volume of business handled by the major ports in India – have shown a growth of 6-6.5 per cent growth over the previous year, this is certainly not an impressive figure and the growth should have been much more based on the trend that we had in the middle of the last decade. Now of course everybody is expecting the revival of the global economy to the earlier levels of growth but then it is a time-consuming process.

On the other hand, you also have people who are predicting doom and the second round of recession to take place, but one really doesn't know that. The positive thing is that the Indian economy is showing signs of resilience and dynamic growth. With India growing even if the rest of the economy doesn't grow with dynamism, it should be possible for India to increase its share in the world business and that should contribute to more activity at our ports and more utilisation of our fleet.

Q: Could you elaborate on the proposed corporatisation of major ports?

Corporatisation of ports is something which was debated over and over again. It was recommended by several expert bodies. Experts who have studied port management have recommended that the corporate structure is ideal for effective functioning of the ports in a competitive environment. There are certain provisions in the Major Port Trust Act which probably stand in the way of effective functioning of ports. Now, if you look at the geographical position of ports, there are several places where private ports have come up very close to the major ports. It is good and it generates competition. So, it is necessary that the major ports are also prepared fully, organisationally, financially and efficiency-wise to face the competition. A corporate structure would probably helpful in that because a port is not really a social entity, but more or less a commercial entity – an infrastructure service provider which has to function on a commercial basis.

But because of historical reasons, it is not possible to have immediate corporatisation of all the ports. But there are some ports which can be converted into a corporate structure and can function efficiently in a large board. So, we do propose to look at three ports to begin with, which might be taken up for study this year. Based on that experience, we would go further.

Q: What are the key changes you wish to bring about through corporatisation?

The first stage will be the legal – changing the port management into a company under the

Company's Act, to be fully owned by the government. It would be a company that is operating the port. The functional changes will not be immediate. They will happen over a period of time, as it is in the case of Ennore, a landlord port. In many major ports, the major part of the capacity is handled by private players. So operationally, there is no immediate change that will happen. But it is the empowering of the management to do business in the second decade of the 21st century.

Q: Can we have more professional people coming up as members onto the board at major ports rather than people coming through lobbying?

No, the port trust boards are not fully composed of internal people. Even the outsiders are nominated to the board – people from the industry and trade unions. That way, there is a wide spectrum of people. But I would agree that it is desirable to have independent professionals on the board who can give their inputs. One must also concede that some slots available for nomination were filled up by people with similar interests. Independent professionals are rarely been nominated to port trust boards.

Q: With private and Greenfield ports coming up in a big way, are there any plans to regulate tariffs?

The Tariff Authority of Major Ports determines the tariff after a thorough analysis of the proposals from the major ports. For the other ports, there is no tariff regulation. We do not really propose to introduce more restrictions. On the other hand, we are examining how the tariff authority can have a new redefined role.

While being proactive on port development, there are issues concerning national security and the quality of service on which it is necessary that there are certain prescribed norms and standards. So, there is a need to establish some norms and standards under which all ports operate. There will have to be transparency in tariff. So it would be necessary to have some system under which all the ports operate under a uniform regulatory regime.

In other words, while there will be no imposition of tariff regulation on the ports, our effort is to remove the restrictions which are being applied against the major port trusts. Any service sector has to be subject to an appropriate regulatory framework. It cannot be left to exploit consumers and for a country like India where logistics sector plays a crucial role in economic development. But any decision will be taken in consultation with all the stakeholders and in public interest.

At the cost of repetition, I must say that the intention is not to stifle investment or functioning of the ports.

Q: There are conflicting impressions among the trade about Cabotage.

Yes, two issues have been raised. One, the port tariff and the vessel charges. However, the Cochin port has tried to bring down their tariffs on par with those of the neighbouring ports. So the tariff level is no longer an issue.

The second issue is the cabotage. It is proposed that the mainline vessels should have the freedom to tie up with any shipping line, Indian or foreign, for movement of exim containers from Cochin to any other port in India. This is something on which we are yet to take a final view. We have received suggestions and counter-suggestions from various players and we are looking at all the aspects of it and we will definitely take a view very soon.

But the important thing is that: One, we would want the Indian shipping to be supported. We would like Indian shipping to do the coastal part of it. Two, we also want the transshipment business to move to Cochin. Since it is to be additional business which is right now not available for the Indian shipping line, an incentive in the form of relaxation in cabotage may not be out of the blue. But we are yet to take a final view.

Q: What are the efforts being made by the ministry to make Indian shipping more attractive in terms of more ships coming under the Indian flag?

This is a very important matter. In fact over the years, we have not really made much headway in this. The Indian shipping industry has pointed out a few factors that are primarily tax related. Since this is not within the purview of this ministry, we cannot make a statement right now. But what the industry feels is that the primary factors involved are about taxation of the corporate entity as well as the taxation of the seafarers. What they say is that if a vessel is flagged at a port of convenience or at another country, the tax implications are not there so they are not competitive. This needs further examination and we need to go into specific details. It cannot be a one-sided story and we have to examine all the aspects of it. So that is the

Q: But would you mean that the transshipment hub will augment coastal shipping?

Yes. Since mainlines come to Cochin, the containers from various parts of India have to reach Cochin and containers that are brought from abroad will have to be distributed. So naturally, there will be movement of vessels between Cochin and the other ports. But the whole question is whether this should be restricted to Indian ships. The argument against is that it is primarily exim cargo and not coastal cargo moving from one place to another in India. The argument in support of relaxation is that the main lines will prefer to have the freedom to choose whether it is a foreign vessel or Indian flagged vessel.

main issue but otherwise we would like the regulatory regime to be facilitative, but no real serious issue has been brought forth by the industry.

We would be interacting further with the industry and various players in the field so that we will have appropriate intervention.

Q: Trade has been looking forward to the Shipping Trade Practices Bill. What is the reason for the delay?

Well, we are working on that bill. The opinion is divided. As far as the ministry is concerned, we do want transparency in the business. A working group was constituted headed by the Directorate General of Shipping, with

representatives from all the sections. They have given a draft which has been discussed and we have decided to go ahead with it.

Q: There is a divided opinion in the industry on issues...

This is a natural thing. You can't blame people for having differing opinion. In STP bill, the conflict is between service provider and service user. On the issue of cabotage, the issue is between Indian shipowners and the users. There will be divided opinions on that. But ultimately what should prevail is the public interest. It is our duty to take care of this aspect. I am sure we can have near consensus on many things and that is what we are attempting to bring about. We would not expect everybody to put their signatures or agree 100 per cent but whatever is felt to be in the best interest of the people, growth of the economy and providing quality service to users, we will come out with the best solution.

Q: In India, safety norms at ship-breaking yards are pathetic. In view of the IMO regulations for ship recycling, what measures are being taken to improve the condition of ship-breaking yards?

I must start with a caveat. This is a subject under the ministry of steel as per the allocation of business in India. Since we deal with IMO and IMO conventions, we are in the picture. Indian ship-breaking industry has a lot of apprehensions about the implications of the IMO conventions. So, what we are looking at is, since India cannot go back on our commitment to the environmental standards, we are committed to implementing whatever norms there are for the future environment.

At the same time, the apprehensions of the Indian industry have to be taken care of, understood and appreciated. And if there is some sort of support that is required for the industry, that sort of support, the needs have to be identified and we will have to work out appropriately. So, what is now required or propose to do is to interact with the Indian ship-breaking industry and then go forward with the ratification of the convention and appropriate legal action.

Q: Will the government extend subsidy to shipbuilders?

No, the subsidy expired in 2007 but what we found that when the subsidy was there, the Indian shipbuilding industry grew substantially. The ministry has always felt that there has to be some sort of support for the development of shipbuilding in India.

The problem comes up when the overall budgetary resources are apportioned. Subsidies will primarily go for the weaker sections. We are working out economic rationale of a certain level of subsidy for the shipbuilding sector because the shipbuilding activity has multidimensional implications. It can offer a variety of benefits to the economy – in the form of employment, economic activity and even taxes. So, as additional economic activity will be generated some sort of incentive will be justified. We are working out some tentative schemes which will have to be discussed further with other organs of the government.

Q: What is the government commitment for producing quality maritime human resources in the global scenario?

The most important thing done was the establishment of the Indian Maritime University. Once it is there, you can expect the academic standards to go up. There will be primarily two kinds of activities in maritime training. One, expansion of numbers where you will be able to provide more seafarers available for the global maritime activity. India of course will continue to train and provide manpower in a big way to the seafaring profession.

Second, we would like to promote, at the upper end, more professionals in maritime business management, maritime law and other related areas where so far, our performance has not been that high. So, we need enough number of high quality professionals. And the IMU is working on these areas.

Q: How can cruise shipping be made a viable tourist proposition?

Cruise shipping is considered important and we have been discussing with the Ministry of Tourism as well. We would be going in for a perceptible development of cruise shipping. Specific cruise terminals will be set up in some of the ports. We don't have cruise terminals even in Goa, Cochin or Mumbai. So, cruise terminals will come up in these ports soon.

The problem with cruise terminals is that, based on analysis on vessel charges, they are not financially viable for a port or a private investor. So, there will have to be either government funding or viability gap funding. Either of these measures will have to be adopted and we have agreed that in principle. Along with that, ports would probably develop additional facilities for tourists to take the cruise route. Hopefully, we will see a considerable improvement in this area in the near future.

Q: Security is a major concern at ports. What are the measures being taken to enhance security at major ports and the coast?

Security is very important and the ISPS code has been introduced by the IMO and ports have all been asked to comply with the ISPS code and implement security measures as per individual port requirements. This will cover a wide variety of surveillance methods, cameras, physical barriers and so on. The security related areas will be comprehensively taken care of the ports and there will be no let up on that. This applies to other ports too which have to comply with ISPS code and this will be monitored very closely.

Q: How do we convince the investor community to invest in the Indian maritime sector and that things will move in a transparent manner?

I believe that the process which is now being followed is transparent. The model documents are all available in the public domain and these are uniformly applicable to all investors. These are not tampered with for any particular work or person. That way there is total transparency. And, I do not think the investors have any feeling that things are not transparent. As far as investors are concerned, we have to provide a conducive environment for investment and once we do that, the funds will flow. In the port projects, we find that there is substantial investor interest and projects are awarded through reasonably stiff competition.

Speed is an issue...

Yes, speed is an issue but when you work in a government system, and that too in a transparent set-up, we have to go through the well-defined process. There are some delays but these are inevitable as part of the transparent process that we are following. Improvement of course will be possible. Reforms in tariffs policy will bring more speed to the whole activity. Of course, the biggest delay is in environment-related and coastal zone clearances, whether state or central government. Environment again is a very important area and one cannot complain.

Q: How do you plan to spend the next two years?

There are a lot of things that remain to be done. One of the important things is legislative work – to revise the Indian Ports Act and the Major Port Trusts Act. These two acts need substantial revision and we will have to come out with a new Indian Ports Act. The second is the Shipping Trade Practices Law and the third is the Merchant Shipping Act amendment. This legislative business takes a long time and I hope I will be able to complete it within my tenure.

On the administrative side, there needs to be greater interaction with the industry and the users. Industry would mean the ports because we hardly have any professional interaction with the ports and terminals and also the users of the facilities. MG

> If there is some sort of support that is required for the industry, the needs have to be identified and we will have to work out appropriately.

The number of incidents in the Indian coastal waters of vessels involved in loading iron ore fines ought to have received a little more attention by the Government. The object of this article is not to fault with anybody or provide statistics of the accidents, but only to invite the attention of the authorities to the malady.

by **S Venkiteswaran**

Export of Iron Ore Fines

Safety & Liability

There is very good demand for iron ore in China, and large quantities are being shipped from India.

It is well-known that iron ore is stowed in open lots, exposed to the rigours of monsoon. As and when a ship is ready, the cargo is transported to the ship's side, wharf or iron ore loader by barges / trucks, as the case may be. During the monsoons, it is obvious that iron ore fines would be completely wet and there will be substantial moisture content.

There have been several incidents in the past where ships carrying iron ore have grounded and/or sunk, causing not only loss of vessel and property but also loss of human lives. Water seeps through the iron ore and finds its own level at the bottom. In the process, water collected at the bottom of the ship's hold produces, what is called, 'free surface effect'. Free movement of that water in the form of slush, affects the stability of the vessel. Having investigated causes of several such accidents, experts have arrived at a quantum of moisture that is transportable in a ship. If any cargo is found to have moisture content in excess of such recommended transportable quantity, cargo should be discharged and allowed to be stowed in the open, so as to be dry before it is loaded on board the ship.

Wikipedia

Shippers can encash an L/C (letter of credit), which is the value of the cargo, only when they produce a Bill of Lading (B/L), which, in turn, is issued only when the cargo is loaded on board the ship. That is the reason for the anxiety of the shippers to load a ship urgently. Thus, cargo gets loaded in a hurry, unmindful of the fact that the transportable moisture quantity is more than the permitted limits. History has shown that, very often, shippers produce incorrect figures, which, more often than not, are accepted blindly by master / chief officer. Shippers in their anxiety to load and obtain a B/L will resort to such practices. There are cases of corruption, collusion in these matters. There are certain responsibilities on the shoulders of the master and chief officer of the vessel but, at the same time, shippers have an equal responsibility in the matter of providing correct information in regard to the cargo loaded on board a ship. Lack of an authority to exercise control over the shippers over a period of time has resulted in corruption and negligence, leading to accidents. The authorities, in the ordinary course, blame the ship's master and the chief officer for all or any of such incidents. In the case of a vessel which got grounded at Mangalore, the master and the crew were detained for an indefinitely long time; even criminal cases were filed against the master. In Kolkata / Haldia, the port is only looking to the shipowner for the removal of wreck.

However, no action was taken against the shippers. I am not saying that the master should not take care or that he could be negligent: I am only saying that the shipper is also guilty of the act because he is the one who has allowed the cargo to be loaded on board the ship, despite knowing that the act is imminently dangerous and could lead to loss of the vessel and lives.

Flag state administrations are expected to lay down and also ensure that proper norms are followed even by shippers. This can only be achieved if there is an awareness and desire in the officialdom to do something about this. The flag exercises jurisdiction not only on Indian vessels but also on foreign flag vessels when they are within Indian coastal waters. Unless the Director General of Shipping (DGS) lays down specific parameters, which the ship's crew and shipper must follow – and there must be sanction for enforcement against both the parties for failure to take care of those parameters – every shipper will merrily continue to load iron ore with transportable moisture content in excess of the permitted quantity, resulting in possible loss of lives and vessels.

Recently, after several incidents on the Indian coast, the authorities woke up, albeit late, and proceeded to issue orders imposing obligations on the ships' crew as also their P&I Clubs, who are only insurers, but not a word is spoken about the obligations of the shippers. MG

S Venkiteswaran *is a senior advocate specialising in maritime matters. He has been awarded the Varuna Award, the highest civilian award in Shipping. He is also involved in shipping cases the world over.*

SPECIAL REPORT

COCHIN on high tide!

ICTT Echoes the Changing Ethos. Of Cochin & India Trade.

As India is poised to emerge as an international trade hub, effective port infrastructure shall play a key role in driving the volume of export-import trade. A transshipment hub with world-class infrastructure, catering to all kinds of cargo, equipped with bunkering facilities, rail & road connectivity and a special economic zone abutting the port is the pre-requisite for the country's global trade. And Vallarpadam is right here, sprucing up to be India's only Transshipment Hub, and the answer to the growing demands.

Maritime Gateway comes up with a special report, just in time, as the International Container Transshipment Terminal at Vallarpadam gets ready for a soft launch.

"The ICTT at Vallarpadam is one of the most prestigious projects undertaken in the ports sector in India and we do hope that a substantial part of the transshipment business will shift from neighbouring country ports to Cochin. The central government has done substantial facilitation for this in the form of creating rail and highway [road] connectivity. And with all this, it is expected that Cochin would turn out to be a major transshipment centre in this part of the world. The advantage for Cochin is that it is close to the main shipping lines and the mainline vessels would find it convenient to call on Cochin Port. So, we do expect this to be a major turning point in the history of our ports. And work is nearing completion and it should be ready for commissioning in the next month or two."

-K Mohandas
Secretary, Ministry of Shipping

All Set

G K Vasan

Minister of Shipping, Government of India

The transshipment container terminal at Kochi would be completed soon. The construction of the terminal would allow berthing of mother vessels — large ships carrying containers — at Vallarpadam. Shippers can now use this facility instead of shipping their containers to transshipment hubs such as Colombo and Dubai.

Competitive Tariff

N Ramachandran

Chairman, Cochin Port Trust

International Container Transsipment Terminal (ICTT), Vallarpadam shall be competitive with international transshipment ports in the Southern / South East Asian regions, and the vessel-related charges at the ICTT shall match the tariff at these ports. The terminal enjoying strategic proximity to the international sea routes, and with excellent hinterland connectivity, is set on commissioning in August 2010. The competitive tariff is a pricing decision taken by Cochin Port Trust and DP World towards developing ICTT as a transshipment port and fulfills the promise of developing Cochin as a transshipment hub for national and international cargo.

Vessel Related Charges for Mainline vessels at ICTT

Item	Unit	Rate (US$)
Port Dues	Per GRT	0.0455
Pilotage	Per GRT	0.0865
Berth Hire	Per GRT per hour	0.0022

Fleet Flexibility

Capt. Anil Singh

Sr. Vice President & Managing Director, DP World

The Cochin Port Trust has taken an exemplary step in the right direction while aligning the vessel-related charges applicable to ICTT with that available to transshipment hubs in the region. The decision of the Cochin Port Trust has created a wave of excitement among the shipping fraternity.

The fraternity, particularly the major shipping lines, have been emphasising that there should be flexibility in operating their fleet at the ICTT and that ICTT should be cost-effective. While Cochin Port Trust has signalled to the trade that the port will be cost-effective, the issue of flexibility of operating the fleet of shipping lines is yet to be resolved by the Shipping Ministry. Unless an early resolution happens on the cabotage issue, the good work done by the Cochin Port Trust cannot be leveraged on.

INTERVIEW

The New Dawn

Suresh Joseph
General Manager,
DP World Cochin

Suresh Joseph, General Manager, DP World Cochin, believes that the collective efforts of him and his team to build the International Container Transhipment Terminal at Vallarpadam near Cochin will herald a new dawn in the maritime history of the country. "The development of the ICTT presents Kerala and India with bountiful economic possibilities and opportunities," he says. Having started his present assignment with a mandate to coordinate the business, develop the existing Rajiv Gandhi International terminal and facilitate migration to the greenfield port project site at Vallarpadam, he hopes that the new terminal will go on to add volumes and value to trade. Having accomplished the setting up of the domestic division of CONCOR in the southern region as its group general manager between 1998 and 2003, he should know well. "The building of the infrastructure (at the ICTT) was extremely challenging and backbreaking. However, the proof of its utility is only when the business begins to 'pour in'," he avers in an interview with **Maritime Gateway**. Excerpts:

Q: As the ICTT gets ready at Vallarpadam, what are your thoughts?

The ICTT Vallarpadam is arguably the most ambitious integrated port development undertaken in post-Independent India. In an environment studded by die-hard sceptics, unrepentant obstructionists, vicious political diatribes, exemplary welfare measures built on unsustainable economic and social policies; tempered by an ambitious Gen Next, an expectant society, a supportive media and an educated and attitudinally motivated workforce provide a vibrant atmosphere never before experienced in Kerala. The project is the culmination of efforts by Kerala, which has put its past well behind it and wants to move on to a new dawn of opportunities and fulfilled promises. In short, we have demonstrated that hard work and commitment pay.

> "Business is the result of not just an organisation. It is the reinforcement of belief and credibility in a society that is capable of attracting the best and retaining them. We have it in us to do just that and I expect to live and experience it in Cochin."

Q: What are the immediate concerns of DP World Cochin regarding kickstarting activity/operations at the ICTT? How is the government providing policy support for improving trade? What is the status of road connectivity to the project?

The past few months have seen the completion of numerous milestones at the ICTT. The entire 605-m wharf was completed in May 2010 – nearly 45 days ahead of schedule; the stack yards and service roads have been completed; 11 Rubber Tyred Gantry Cranes were transported to the ICTT from Abu Dhabi in two lots and commissioned; the electrical sub stations have been energised; and the four Ship-to-Shore Quay Cranes have been received and are under commissioning. The rail and road connectivity works have substantially progressed. The most significant milestone is the announcement of vessel-related charges by Cochin Port Trust for the ICTT that are extremely competitive and in line with some of the neighbouring transshipment ports in the region. This initiative is a path-breaking effort by Cochin Port Trust and strengthens our belief that we are on the threshold of a new, promising dawn.

Prior to the 'Bells & Whistles and the Tape & Plaque', the ICTT Vallarpadam will be put through numerous 'dry runs' and 'a weathering course'. We expect to start this process in the last fortnight of July 2010. On course to this, we do have a few crucial concerns to be addressed and resolved. The relaxation of the anti-diluvian Cabotage restrictions is prime among them. The ICTT is positioned as 'the transshipment hub' of India. Transshipment presupposes exceptional sea route connectivities of Indian and international ports and the interfaces among them. The antiquated restrictions that are in conflict with such a development should be addressed by the Ministry of Shipping. The second concern is the full-fledged road connectivity to the ICTT Vallarpadam. It is a fact that humongous amount of work has been done in the past six months. The residual works have to be completed sooner rather than later. Thirdly, Cochin Port has to commit the drafts required to operationlise the ICTT. There have been a few slippages in this activity. DP World is certain that Cochin Port will provide the drafts necessary to 'go live' at the ICTT in July 2010.

Q: What are the marketing initiatives for attracting business? How is the trade community responding to the new facility?

The initiatives to attract business are not something new. The initiatives were rolled out from the time DP World established its operational roots in Cochin at the Rajiv Gandhi Container Terminal in April 2005. The formula adopted to build the customer base was 3(MC). The 3Ms of Men, Material and Method were addressed first. The right skilled personnel, with the right equipment working the right processes were the initial focus of DP World to attract business. The 3Cs were taken up while working on the 3Ms. The 3Cs of Cost, Connectivity and Customer Service are intertwined with the 3Ms. Giving the customer the best bang for his buck, providing operational networks and exceptional customer service were what we believed in and practiced in DP World. These initiatives have been institutionalised in DP World Cochin and it has been a long journey, but very rewarding. Customers have come to expect the best of and from us. Thus, even before operationalising the ICTT, transshipment businesses have come

> "In many ways, the experience at the RGCT has been a great learning experience for DP World."

our way at the RGCT. The cashews from West Africa skipped the traditional transshipment base of Colombo and called at Cochin this season. The containers meant for Tuticorin and Mangalore were transshipped in feeders from Cochin. We have even undertaken transshipment of containers for Colombo and China from Cochin this season. Despite the limitations of dealing bigger vessels and costs, the trade has perceived and experienced an economic advantage in dealing with DP World in Cochin. The groundswell of a 'can do, will do' atmosphere is palpable.

The international marketing efforts have been underway for sometime now. Certain policy initiatives have to be tackled further before the fruits of these marketing efforts are felt. The marketing forays with customers in India are an ongoing engagement. Trade meets and road shows in India will start in July to sensitise the customers to the opportunities that await them at the ICTT.

Q: There is a concern that commissioning of the ICTT is resulting in soil erosion. How is this issue being addressed?

It is understood that the dredging activity of the Cochin Port was cleared by the Ministry of Environment and Forests in 2006 after analysing and studying physical and computer aided simulation trials. A lot of background information was collected and collated to arrive at the necessary decisions in 2006. Whatever are the present concerns, we expect that they will be addressed by the Cochin Port.

Q: How do you see the ICTT two years from now?

The ICTT Vallarpadam will put Kerala firmly back on the international maritime map. The signing up of major customers into the run-up of the commissioning of the ICTT will see the rapid ramping up of throughput in the ICTT. If all goes well, I foresee a "filled up to Phase 1A capacity terminal" in the second full year of business.

The ICTT Vallarpadam presents Kerala and India with business opportunities. It will take the next two years for many of those opportunities to be economically assessed and worked on. In the immediate vicinity of the ICTT, the setting up of container freight stations, warehousing centres and logistics parks are what I envision in the next two years. Greener transportation alternatives such as water transportation between the ICTT and other coastal business districts of Kerala such as Quilon, Calicut and Cannanore should see major initiatives in the next few years. The first link has been laid with the Ro-Ro transportation between the Willingdon Island and Bolgatty. The development of the National Waterway 3 and freight stations linked to them will provide the necessary fillip to hinterland waterway connectivity. The supply of fresh water to the ships calling at the ICTT presents the entrepreneurial possibility of putting up water purification plants at Vallarpadam and Vypeen. This initiative can also address the drinking water supply concerns of these thickly populated islands and those nearby. MG

Benchmark of Efficiency and Excellence

C P Xavier

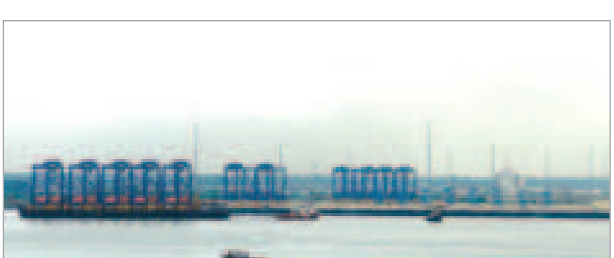
President,
The Cochin Custom House Agents Association

It is learnt that the managements of DP World and Cochin Port are taking steps to fix a competitive rate for ICTT at Vallarpadam so that it can compete effectively with other transshipment ports. This will definitely be very helpful to increase the export/import trade.

The exim trade from the hinterlands previously routed through neighbouring ports is keenly watching the development of ICTT and once a favorable climate is established there is every possibility that this cargo would be diverted through ICTT.

The ICTT will bring in more main line vessels and there is every possibility of dedicated direct vessels calling at Cochin Port on a weekly schedule. This would attract more cargo through Cochin Port. The country would save substantial foreign exchange and the cost of our exports would come down due to the reduction in the transshipment costs. Colombo Port handles about 2 million Indian containers at a cost of US$ 200 per box approximately. The exports will reach their destinations at much faster speed. In today's business it is the cost and speed which is taken as the benchmark of efficiency and excellence.

ICTT would also ensure faster clearance of export/import cargo. It is set up under the Port-based Special Economic Zone under the control of Development Commissioner, SEZ. The procedures would be liberal with emphasis on the clearance of cargo on a fast track. Already more and more CFSs are coming up in the new container road connecting Vallarpadam to National Highway 47 at Kalameseery near Cochin and in the vicinity of ICTT and Cochin Port. There is a newly laid dedicated rail connectivity provided to ICTT at Vallarpadam from Edapilly railway Station. This would further accelerate the movement of containerised cargo from other South Indian States and even from West and North India.



Suggestions for the ICTT management

Being India's first exclusive Port based Special Economic Zone, the all country and other major Transshipment Terminals in the region are be keenly watching the progress and development of the ICTT at Vallarpadam.

It is not going to be all smooth affair – being a new project there is every possibility of initial teething problems. The management of ICTT should take effective and practical suggestions and advices of trade bodies, chambers of commerce and commodity boards. A core committee should be constituted with the representatives of the user bodies/government agencies to sort out the initial teething problems on a fast track.

The paramount aspect should be to fix a reasonable and competitive rate for the operations at ICTT at Vallarpadam. As far as possible, new cost elements should be avoided. There should be uninterrupted and time-bound systematic loading and unloading of containers. The procedures should be streamlined, transparent and unnecessary bottlenecks should be avoided. ICTT terminal should be user-friendly to attract more and more cargo with incentives to major shippers and volume based shipments. There should be fixed time-bound operations of the major shipping lines with direct sailing to major destinations.

As the president of Cochin Custom House Agents Association I wish Suresh Joseph, GM of IGTPL and all other officials of IGTPL the very best and assure the support and cooperation of The Cochin Custom House Agents Association to the management of IGTPL so that the new ICTT at Vallarpadam, turns to be a mega hit immediately after its commissioning attracting more and more cargo through ICTT, thereby the entire user community and the exim trade is benefitted. I earnestly hope, in the times to come, ICTT at Vallarpadam should be the flag bearer of the maritime of the nation and the entire South Asia.

Relook at Cabotage Law

M Bhasker Kini

Chairman and Managing Director,
Kin-Ship Service (India) Pvt Ltd

Timing for soft launching of ICTT augurs well with reversal/up-turn in World Trade & Global Economy, though slow. At least a temporary relaxation of cabotage may be advisable until adequate container feeder tonnage under Indian Flag starts trading on the coast.

This will entail foreign flag feeder vessels chartered by Indian operaters to ply in coastal waters. Such flexibility will also allow inter competition to meet the ends of competition Commission's intent & purpose as against monopolies & restrictive trade practices and/or formation of cartels for trade practices.

Impact on trade

East-West bound Container vessels can cut short voyage time, save fuel consumption costs as well as Suez Canal dues by calling, landing and repositioning the containers at VICTT for relay operations for onward traffic to their final destination ports. Thus mother vessels or main line vessels stand to achieve more number of voyages by shortcutting say short-circuiting long distance voyages between the Orient and the Occident.

Volume growth in overall traffic will open up ample opportunities to service providers engaged in port-related, ship-related and cargo related activities. The growth of Container Freight Stations is a sure or positive signal in this context

Suggestions for the ICTT management

It goes without saying that management should be left in the hands of experts well experienced in Modern Port Management System aided by highly advanced technological innovation, on-line and network communication facilities – IT, in short. Port services need to be marketed on modern lines of publicity and advertisement including perhaps good agency network media.

Industrial Promotion

C S Kartha

General Manager,
Bengal Tiger Line, Cochin

It is really a very happy occasion for the Kochinites, especially the shipping trade, to see the dream project of Cochin becoming a reality. The project will promote a balanced regional development ensuring additional employment opportunities to thousands of people directly and indirectly, especially the tech-savvy younger generation, paving the way for investment flow, promoting industries and boosting service sectors which will change the face of Cochin and the Kerala state as well.

More vehicles will ply through the region and the government will enjoy the benefit by way of different taxes collected from them. The hitherto underdeveloped area of Cochin will get a boost by the construction of bridges and roads for the port. With improved infrastructure, Cochin will be an attractive destination for more business and tourism.

Impact on Trade

Now a lot of cargo is moving from our neighbouring districts to Tuticorin and New Mangalore. These volumes would definitely come back to Cochin because of the direct sailings to the USA, Far East and Europe. Tirupur and Bangalore volumes will come through Cochin to connect with the mainliners and the exim trade can save the additional expenses. With the commencement of direct callers, the trade will pick up. Exim trade can reach out their destinations speedily and at reduced costs. Their commitments can be fulfilled and they can give better service to their customers and thereby boost their business.

Suggestions for the ICTT management

The ICTT management must take up the issue of cabotage law relaxation with the central government. Otherwise, the feedering of transshipment cargo will be a disaster with the shortage of required Indian tonnage. The ICCT area must be declared as a strike free area and the exim trade should get a special treatment vis-à-vis domestic trade.

TAMP: An Assessment

Tariff guidelines have been issued by the TAMP in 1998, 2005 and 2008. The year of setting up a terminal or berth determines the applicability of the guideline.

by ***Vijay Sarma***

The 1998 guideline followed the approach of a normative cost plus 20 per cent Return on Equity (RoE). In the 2005 guidelines, the assured rate of return was revised to a pre-tax return on capital employed (RoCE) of 15 per cent. Capital employed is defined as Net Fixed Assets plus Normative Working Capital. However, the main change brought about by the 2005 revision was to eliminate the royalty quoted by a private operator, as an element of cost for calculation of RoCE. For projects bid before July 2003, revenue share/royalty quoted by the second highest bidder was allowed as a pass-through but for those after July 2003, even this is not allowed. This had a hugely negative impact on the viability of such projects.

The 2008 guidelines are meant for PPP projects in major ports. The key modifications included change of RoCE from 15 per cent to 16 per cent, and a normative approach for determining costs and traffic. Finally inflation indexation of tariffs was allowed. Till then tariff calculations were based on estimates of the Port Trust/private operator, but the 2008 guidelines are determined by capital cost and terminal capacity – actual costs or traffic potential are not taken into account. The guidelines also permit inflation indexation of tariff at 60 per cent of the WPI.

Concerns of port developers

The TAMP guidelines have generated significant concerns which are highlighted below:

2005

- The ROCE cap of 16 per cent less revenue share may be inadequate to generate acceptable level of returns
- No inflation indexation
- Revision every three years would mean higher traffic will be factored into the operating capacity for the next review period and bring it down – only 50 per cent of the efficiency gains will be allowed to the developer

2008

The 2008 guidelines are an improvement from the investor's viewpoint because:

- Tariff is inflation is indexed at 60 per cent of WPI
- A higher ROCE of 16 per cent is allowed
- Five-year review period as against three years as per 2005 means a longer timeframe for benefiting from efficiencies and higher traffic
- Basis for ROCE is 'project cost' which does not change rather than 'capital employed' which will reduce by the depreciation amount. However, this may be an oversight which may be later modified.

However, the following problems have been voiced with respect to the 2008 guidelines:

- Calculation of "Operating Capacity" is not related to the traffic forecast. This is beneficial if a terminal operates at high capacity utilisation, but new terminals typically go through a "ramp-up" period before reaching capacity. During this time debt servicing burden is also at its highest.
- Tariff set for any terminal at a port would be applicable for all terminals handling that cargo in the same port for five years. The investment in different terminals for same cargo can be different and does not necessarily depend on volume alone.
- The guidelines are not clear on impact of higher traffic and efficiencies. 'Extraordinary events' and 'progressively higher norms' whether TAMP will pass on benefit of efficiencies and traffic is not clear.

However, the bigger question is the competitiveness of major port terminals as compared to non-major ports which have flexibility to fix their own tariffs. However, they will still face competitive pressure based on the TAMP's orders from neighbouring major port terminals.

Strong regulation

The concerns highlighted may well be start-up problems and may be addressed as the sector matures and the issues are better understood by stakeholders. A related regulatory

A comparative assessment of the 2008 and 2005

Issues	2008 guidelines	2005 guidelines[1]
Applicability	Terminals proposed after 26 Feb, 2008	• Terminals proposed before 26 Feb, 2008
Capital & Operating costs	Norms for operating costs to be followed	• No norms for capital & operating costs for the cargo terminal
Tariff validity period	• Tariffs to be reviewed after five years • Contains reference to changed norms for tariff revision but modalities are not explicit	• Tariffs to be set for a maximum period of three years • 50% of credit for operational efficiency and 0% of credit for (projected) traffic increase
Principle of tariff setting	• 16% cap on ROCE • ROCE based on 'project cost'	• 15% cap on ROCE • Tariff finalised every three years based on the extant 'capital employed' (after depreciation)
Yearly tariff escalation	• Annual escalation to the extent of 60% of WPI	• No annual escalation allowed on tariff set
Tariffs for similar facilities at the same port in future	Tariff applies to all terminals bid out in the same port for five years	• New SOR to be finalised for each new terminal being bid out
Operating Capacity	70% of capacity as per norms irrespective of traffic demand	• As per traffic forecast subject to a minimum of 60% of capacity

[1] *The basic principle of tariff fixation in both scenarios is "Annual Revenue Requirement" (ARR) divided by "Operating Capacity". ARR, in turn, consists of operating costs, ROCE and depreciation*

development around the corner is the Major Port Regulatory Authority (MPRA), and the key issues are:

- Inconsistency in tariff scenarios confronting major and minor ports
- Inconsistency among major port terminals operating under various tariff guidelines
- Investor uncertainty engendered by frequent changes in the rules of the game, sometimes with retrospective effect

The industry hopes for a stronger regulator which strikes the right balance the interests of investment promotion and competitiveness. This will also enhance the prospects of private investment in the sector.

Vijay Sarma *is the Associate Director of PricewaterhouseCoopers, Mumbai.*

Wanted: Warehouses & Wagons

Adequate warehousing coupled with last-mile rail connectivity can play a vital role in reducing food inflation in India. A **Maritime Gateway** report.

Food inflation has been raging the country for several months and the situation has assumed serious proportions with deficient warehousing facilities. This has created supply side constraints, which in turn enabled the prices of food grains to remain firm.

Deficient warehousing has led to several supply constraints such as pilferage of stock, wastage due to vagaries of weather conditions, rodent attacks and more. More than one million tonnes of rice and wheat stocks are reported to be left in the open, subjecting the precious stock to the vagaries of weather. Notwithstanding, the problem of high prices has been further aggravated with the decision of the government to hold back stocks rather than selling them in the open market or exporting them.

Prices are well expected to remain firm in the immediate and long term. This is because, despite assurances from the Ministry of Food and Agriculture to ease supply side constraints, there has been no clear roadmap as of now to create sufficient warehousing infrastructure to store rice and wheat. As per estimates, a record 80 million tonnes of wheat harvest is expected this year.

If the indications are to be believed, rice and wheat prices will remain firm in the coming months. The Food Corporation of India has targeted a procurement of a humungous quantity of 24 million tonnes of wheat this fiscal. This is despite having negligible spare capacity to store the commodity in the country. As per the Ministry of Food & Agriculture, official rice and wheat stocks are projected to be about 42 million tonnes, more than twice the minimum buffer stock norm of 16.2 million tonnes.

The answer to the anomaly definitely lies in creating sufficient warehousing space. However, the FCI being the sole food grains procurement authority in India, it will take years to improve the situation.

Morning Journal

Rule in place: *Regulations that specify standards for the warehousing industry can be implemented.*

As per a top official from Indian Infrastructure Development Corporation, "the problem of deficient warehousing with the FCI is further compounded with the lack of any regulations for the warehousing industry. There are no regulations that would specify the standards for warehousing industry. The Warehousing Development and Regulatory Act is yet to be rolled out." Formulating the act will bring more players for creating additional commodity storage capacity. Further, it will standardise storage procedures, thereby minimising the wastage of food stocks.

Wagon shortage & connectivity

With creation of fresh warehousing capacity, it will be important to ensure adequate supply of wagons for transportation of food grains. Spare wagon capacity will be essential to ensure regular off take of the commodity from warehouse. At present, the railways has a wagon holding of 42,907 units of BCN/A and 4,625 units of BCX wagons. The specified wagons are being used for the transportation of food grains. However, FCI figures indicate that the present wagon capacity is less than adequate. The railways transported 35.51 million tonnes of food grains during 2008-09 down from 45 million tonnes in 2005-06.

New initiatives

However, with the view to transport increased volume of food grains, the railways has initiated development of rail-side warehouses. The initiative is expected to minimise pilferage of food commodity.

Under the initiative, the Indian Railways and Central Warehousing Corporation (CWC) initiated a pilot project at Whitefield satellite goods terminal in Bengaluru in 2002 to provide seamless door-to-door transportation. Under this project CWC had built state-of-the-art warehouses along the railway track in goods yards. It also provided ancillary facilities in integrated goods sheds complex.

Encouraged by customers' response the railways and CWC have entered into a MOU in 2003 to develop rail side warehouses at 22 different locations on the same lines and 11 out of them have already become functional.

As per the 2007-08 budget, the railways has proposed for developing 48 freight terminals over its entire network – out of which 16 freight terminals were handling more than 15 rakes per month. These 16 freight terminals are Ahmednagar, New Mulund, Balabhgarh, Gonda, Barbil, Noamundi, Lakshmibai Nagar, Saharsa, Danapur, Sukinda Road, Yamuna Bridge, Sanvardam, Sankaval, Gosalpur, Mandideep and Mandi Govind Garh (prime wheat and rice loading point in Punjab). The total cost for the improvements in the 16 freight terminals is expected to be around Rs 57.58 crore.

Octopus Logistics

Linking warehouses: *Efficient connectivity initiatives are the need of the hour.*

Liberalisation of siding rules is yet another initiative taken by the railways for the efficient storage and movement of food grains. Under this concept, railways would share the cost of new siding if the user industry comes with a long-term traffic commitment for ten years or more commensurate with the investment of the railways. Under this provision, capital cost of additional traffic facility works will be borne by the railways.

With the liberalisation of siding rules, overhead charges of the railways have not only been rationalised, but have also been reduced considerably. Further, in all private sidings, except the cost of one commercial staff per shift, cost of all other railway staff will be borne by the railways. However, in case of siding working on electric overhead lines, cost of all staff will be borne by the railways. Additionally, as per the liberalised rules, electrification of old sidings will be done by the railways. Electrification of new sidings will be done by the siding owner. However, maintenance of overhead equipments will be done at railway's cost.

Creation of additional rolling stock and fixed infrastructure are certainly good initiatives on the railways part for increased off take and transportation of food commodities. However, this needs to be dovetailed with efficient connectivity initiatives from the warehouses. According to D Bhowmick, Senior Faculty, Logistics, Indian Institute of Management, Kolkata, "There has to be last-mile connectivity initiatives from the railways to transport the commodity from the mother warehouse, logistics parks or terminals where commodity is stored. Last-mile connectivity is important as food grains consumption is not restricted to local consumption. The periphery of consumption is large and growing with emergence of good numbers of wholesale points across the country."

Last-mile rail connectivity would bring down the cost of transportation per tonne by drawing back the commodity from road transportation. Most important, it will also bring down FCI's storage costs, which are estimated to be to the tune of Rs 2,400 a tonne.With burgeoning buffer stocks, it has already added over 20 per cent of the last year's wheat and rice in storage. The annual carrying cost of tens of millions of tonnes runs into several thousand crores, adding to the already ballooning food subsidy. MG

India Bulk & Project Cargo Summit

Bulk Handling | Coastal Shipping | IWT | ODC

August 20, 2010 | Taj Bengal, Kolkata

Gateway Knowledge Forum, a unique platform that brings together the industry, trade and the government to debate and deliberate on the most pressing issues, brings to you India Bulk & Project Cargo Summit, a highly focussed event on bulk and project cargo.

Bulk cargo, be it dry or wet, plays a very crucial role in the country's economic development. While iron ore and coal are the two major commodities under dry bulk, crude and POL rule the roost in the wet bulk segment. India's energy security is very much linked to the movement of the coal and crude and this calls for a need to take stock of existing demand and supply, market trends, modes of transportation and their cost efficiencies.

Apart from bulk cargo, movement of project cargo is gaining prominence across the country. With power sector sanctioning power plants to meet the growing power demand, the project cargo industry is all set to experience a boom period in the coming years. But the issues pertaining to movement of project / over dimensional cargo (ODC) still remain. Bottlenecks like poor infrastructure at ports, bad roads and weight restrictions hinder the growth of this industry.

The event highlights all these issues and looks at bringing together all the stakeholders like port operators, transporters, transport authorities and users onto a single platform to express their views and build efficient business relationships.

This one-day conference is being supported by premiere trade and industry bodies including Baltic and International Maritime Council, Federation of Indian Export Organisations, Indian National Shipowners Association, Association of Shipping Interests in Culcutta, Federation of Freight Forwarders Association in India, Calcutta Custom House Agents' Association, Calcutta Freight Brokers Association, Eastern India Shipper Association and Indian Barge Onwers Association.

This one-day conference focusses on the movement of these cargoes – both ocean and inland movement. The event brings to table discussions and presentation on the various issues (national and regional) in these segments and attempts to address the pressing ones through collective deliberation. MG

Confirmed Speakers

Mr Mukul Roy
Honourable Minister of State for Shipping,

Mr K Mohandas
Secretary, Ministry of Shipping

Mr Rakesh Srivastava
JS (P&A)

Mr Janardhan Rao
MD, IPA

Mr Rinkesh Roy
Director, Traffic Transportation, Railway Board

Mr M L Meena
Chairman, Kolkata Port

Mr Biplav Kumar
Chairman, Paradip Port

Ms Bhupinder Prasad
Chairperson, IWAI

Mr Sunil Kumar
Vice Chairman, IWAI

Mr Manish Saigal
Executive Director, KPMG

Capt K S Nair
Director, Bulk & Liner, The Shipping Corporation of India

Mr L R Sridhar
MD, SICAL Logistics Ltd

Mr D P Singh
Chairman, Gopalpur Port

Mr SK Shahi
Chairman, SKS Logistics & President Indian Barge Owners Association

Mr Dibyendu Bose
MD, TMIL Ltd

Mr H B Ganguly
VP – Hydro, Jindal Power Ltd

Mr Naveen Alagh
Sr. VP – Hydro Projects, Reliance Power Ltd

Mr Acharyulu
Marg Karaikal Port

Mr Sid Sridhar
President & CEO, Seabulk Systems Inc, Canada

Mr Jakob Hansen
Vice President, CSL Asia Shipping Pte Ltd, Singapore

PORT SCAN

Dhamra Port:

A Hub in the Making

A deep water port coupled with a mineral rich hinterland – are the main features that the promoters of Dhamra Port Company are banking on. In course of time, the port is expected to be a better bet for traders and shippers doing business in this mineral belt.

Dhamra Port is being developed as deep water, all-weather port that is ideally located adjacent to the mineral stretches extending from Chhattisgarh to Jharkhand and West Bengal. Developed jointly by Tata Steel Ltd. and Larsen & Toubro Ltd., Dhamra will be become the deepest port in the eastern part of the country that will have the capability to handle capsize vessels of 1,80,000 DWT with ease.

Notwithstanding the protests from the green activists about the nesting grounds of the endangered Olive Ridley turtle, the port administration is going ahead with the development work by taking adequate measures not to harm this species during the development and operations.

While it is an entirely different subject matter to delve deep into the greener aspects, the scope of this piece is limited to the business potential of the port and its hinterland. Primarily, the Dhamra Port enjoys a big location advantage as it is situated towards south of Haldia and north of Paradip. As Haldia is suffering from acute draft issues, Dhamra has the potential to become the gateway port to the hinterland that includes states of Orissa, Jharkhand, West Bengal and Bihar.

The development work is nearing completion and the Dhamra to Bhadrak rail link is almost finished. S K Mohapatra, CEO, Dhamra Port states that various equipment that are newly installed are going through trial operations and the no-load and load trials are currently being carried out. "The connecting rail link of 89 km of route length too is almost finished. We are trying to see that everything is completed by July 31 and put the port to commercial operations thereafter," says Mohapatra.

Phased development

While the master plan of the port can accommodate 18 berths, the first phase will have only two berths which will handle dry bulk cargo. With all the 18 berths and mechanised cargo-handling systems in place, the port capacity will reach as much as 109 million tonnes. "This includes about 28 million tonnes of crude oil. Five berths are dedicated will be dedicated for dry bulk cargo where each can handle 10 to 12 million tonnes of cargo. Another six berths are for containers, general cargo and other clean cargo," says Mohapatra.

Only 2 of the 18 berths have been developed for handling dry bulk cargo like coal, iron ore and limestone. The berths will of 350 m each and will have an impressive 18 m draft to bring in super capesize vessels along with adequate backup facilities. At any given point of time, two capesize vessels can be berthed at the port wherein discharging and loading operations can be carried out simultaneously.

Salient features:

Discharging vessels at the rate of **60,000 MT/day**

Loading rakes within **1.5 hours**

Unloading rakes within **3 hours**

Loading vessels at the rate of **80,000 MT/day**

This phase will have an initial capacity of 22 million tonnes and will be upgraded to 27 million tonnes by the end of 2011. When asked about the remaining 16 berths, Mohapatra said, "Their development will be purely demand-driven," indicating that the port is in no hurry to build capacity before the demand picks up. This farsightedness is much appreciated in the background of keeping the costs low. However, Mohapatra clarifies that going by the way in which the cargo demand is growing currently, he hopes that all the 18 berths will be up and running by the end of 2016.

In the first phase, the demand will be generated basically from iron ore exports and coal imports. The port is in the process of attracting miners and traders for iron ore exports and steel plants for coking coal imports. Mohapatra is also confident about roping in coal-fired power plants that are in the vicinity and also the ones that are going to come up in the region. The best part of the entire development, Mohapatra reveals, is that more than 50 per cent of the first phase capacity, i.e. about 11 million tonnes is already secured through long-term contracts with these clients. He is of firm opinion that once the operations commence, the remaining capacity will also be put to use within short time.

Hub port concept

On the backdrop of this confidence, emanates a vision that Mohapatra is

S K Mohapatra
CEO, Dhamra Port

all the more willing to share. In his words, Dhamra could become a mother port where cargo bound for Haldia first arrives at Dhamra in mother vessels and then transshipped into small vessels and barges for transportation to Haldia.

He explains that with the current situation at Haldia, Panamax-sized vessels bound for Haldia are being diverted to Paradip. From there cargo is sent either by barges or by rail to Haldia. If it is by rail, there is always the problem of availability of rakes and hence cargo has to wait for a longer time till the rakes are made available. In other instances, vessels offload most of their cargo at Paradip and leave for Haldia with limited loads to fit in to the draft.

If Dhamra is brought into this equation, there are at least three benefits for Haldia. One, Dhamra is much nearer to Haldia than Paradip and second, it can handle capesize vessels with larger parcel sizes and hence lesser costs. Third, the mechanised cargo-handling at Dhamra will reduce the handling time drastically. The mechanised handling equipments are designed to discharge 60,000 tonnes per day and load 80,000 tonnes per day. It implies a typical Panamax vessel can be entirely unloaded or loaded in a single day, which will usually take three days through conventional

The New Age Port

What are the unique advantages that attract users to Dhamra?

There are many. First and foremost is the location advantage. The port is north of Paradip and south of Haldia and is ideally located for the trade. For example, in the current situation, vessels bound for Haldia have to come to Paradip, unload enough cargo to reduce the draft requirement and then sail to Haldia. As Dhamra is located in the middle, exporters and importers can avoid dual handling.

Secondly, Dhamra can accommodate larger capesize vessels of upto 1,80,000 DWT as compared to Paradip (which can handle Panamax and Post-Panamax of about 80,000 DWT) and Haldia (which handles less than 50,000 DWT vessels). In that way, vessels with larger parcel sizes can use Dhamra, which in turn can reduce the costs for the shippers.

Thirdly, the mechanised cargo-handling helps in reducing the time taken to load or unload cargo. A typical 60,000-tonnes parcel can be loaded in a single day at Dhamra, whereas the same takes about three days through conventional handling.

Fourthly, some users may find it convenient to transship from larger vessels to smaller vessels at Dhamra and then go to Haldia. To that extent Dhamra will be complimentary to the existing ports.

Another important aspect is the connectivity to the port. Rail infrastructure is well in place to facilitate easier access to the port. This could be a convenient port both from the point of cost and efficiency, especially to the hinterland of Orissa, Jharkhand and West Bengal. Therefore, by using Dhamra Port, customers will benefit from savings in overall logistics costs.

Please elaborate on the agreement with the International Union for Conservation of Nature (IUCN) in mitigating the associated environmental risks?

There are no risks that cannot be fully mitigated. We have reached an association with IUCN for adopting global best practices in areas like dredging, lighting and in preparation of environment management plan. For the first time in India dredgers have been fitted with turtle deflectors and the port lights have been designed conforming to dark- sky-friendly lighting manual wherein lighting at the port is arranged in such a way that lights do not raise skywards nor do they fall on the sea waters.

Tariffs at private ports have been an issue. While private ports offer latest infrastructure and cargo-handling equipment, they charge higher rates. How do you justify this for Dhamra Port?

Tariffs will be different, I won't say high or low, but they will be different. Because, in a typical government port, a port user may pay, say, Rs 70 towards wharfage, but may end up spending another Rs 150 towards stevedores, intermediates, intra-port transporters, handlers etc. But in a private port like ours, there are no stevedores and handlers and everything is taken care by the port. Therefore, in totality, he may not be paying as much as he would for a major port.

Government is looking at bringing private ports under the purview of TAMP. What is your comment on this? Do you think this will hamper the progress of the port sector?

TAMP by definition is for the major ports. A regulatory authority for all ports is not a bad idea as port is an infrastructure and the users and investors may need an independent grievance redressal authority. But regulating tariff would kill entrepreneurial interest in new ports.

The wagon tippler complex in the port vicinity.

handling. The port can also load an entire rake of wagons in just one and half hours and can unload the same in three hours.

Either way, cost to the shippers will be reduced considerably, as compared to the present costs and they stand to benefit through reduced overall logistics costs. Therefore, in the long run, Dhamra has the potential to become the hub port wherein Haldia can be serviced as a satellite port for all types of cargo.

Asked about Dhamra's potential to sustain in case there is considerable improvement in other nearby ports in future – Paradip Port enhancing capacity through mechanised handling and Haldia Port improving its draft situation – Mohapatra looked positive when he said, "Yes there is every possibility of Paradip enhancing the capacity and competing. But if we look at the cargo growth in the hinterland, there is more than enough cargo for both the ports to operate comfortably in the long run."

Caring for the Environment

Though the focus of this write-up is more to do with the business aspects of the port operations, it is worthwhile mentioning about some of the good deeds that port administration has taken up to mitigate the concerned risks, as this would also influence its business up to some extent.

It is a known fact that from the time this project was conceived, there has been a row over imminent danger to the survival of Olive Ridley turtles. The port is now coming up nearer to the breeding grounds of this species of turtles which come to this place every year in hundreds and thousands to nest and breed.

The port management is actively working to protect turtles and their habitat from being affected. It signed an agreement with the World Conservation Union (IUCN) to develop environmental standards and design mitigation measures for the protection of turtles during construction and development of the port. Industry experts see this as a positive step forward in promoting corporate responsibility for the environment.

The objectives of this collaboration are to avoid wherever possible, or minimise and mitigate the impacts of Dhamra Port development on turtles, and compensate or offset residual impact, if any, that cannot be avoided or reasonably mitigated. Some analysts say that this agreement could become a benchmark upon which such other conversation alliances could be based upon.

In addition to this, the port is also actively engaged in creating awareness among the local people especially the school children in the areas of Dhamra and Bhadrak to know more about Olive Ridley turtles and their breeding practices. The awareness programmes are aimed at generating interest among the children on the conservation of turtles.

The road ahead

Having perched in a strategic location with proximity to mineral stretches, benefits are many for the trade to use the port of Dhamra. As it accommodates larger vessels and handles cargo through mechanised systems, shippers stand to benefit in terms of cost and time savings. While Dhamra Port has the potential to become a hub port serving the adjacent Haldia and Kolkata ports, it can always compliment the existing ports when transshipping the cargo to places around. MG

ENVIRONMENT

Preparing for a

Low Carbon & Emissions Future

Asia is home to 11 of the world's top 15 ports, handling over 175 million TEU per annum. In South China, the Pearl River Delta (PRD) region has the largest concentration – with Hong Kong, Shenzhen and Guangzhou together accounting for 12 per cent of global container movements. In line with gradual economic recovery, container volumes in China and the Asia region will continue to grow over the medium to long term, albeit at somewhat slower rates than in recent years.

Changing of ways amid climate change

by **Nazery Khalid**

The need to address the issue of climate change has become a matter of priority, and players in the shipping industry must stand up and be counted to play their part to reduce carbon emissions.

Being a crucial facilitator of trade and at the forefront of activities such as offshore oil and gas exploration and production, expectation is high for the shipping industry to take urgent, meaningful action to adopt green practices.

One way or another, industry players must prepare themselves for a lower carbon future, and that future is looming in the horizon. Delaying actions – or worse, not taking any action – is simply not an option.

There is growing pressure for transport operators, including in shipping, to take serious actions to mitigate the risks of climate change.

The failure of the United Nations Conference of Parties on Climate Change (COP 15) held in Copenhagen in December 2009 to reach a consensus to advance the agenda is a wake-up call for industries, including the transport sector, to act quickly to reverse the adverse impacts of climate change on the environment.

Curbing emissions in shipping

In a December 2009 report published by *Lloyd's List*, it was stated that despite shipping contributing a mere 3.3 per cent of the global total of carbon emissions from economic activities, emissions from the sector were estimated to have doubled since 1990.

The report projected that this percentage would grow by a factor of two to three by 2050 from 2007 levels should no regulatory measures were put in place to lower the emissions from shipping.

This should make industry players sit up and take note of the dire prospect, and not become complacent and 'lulled' by the fact that shipping contributed only a small percentage to the total global carbon emissions.

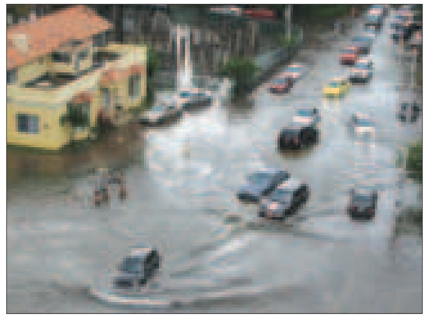
Following COP15, several governments made commitments to cut down national emissions levels. For example, Malaysia was committed to cut down up to 40 per cent of its carbon emissions intensity of GDP by 2010 (from 2005 levels).

Such commitment should be seen as a clarion call for industries to reduce their carbon footprints.

To this end, shipping industry players must rally behind the commitment made by governments to reduce emissions. They must make the issue of reducing carbon emission as a priority and must aim to put in place strategic measures to reduce or limit the volume of carbon emitted from their operations.

Overcoming challenges, clearing obstacles

While admirable efforts had been initiated and were being planned by the International Maritime Organisation (IMO) to lead the way in reducing carbon footprint in the shipping industry, many issues and challenges must be addressed and overcome for the shipping industry to cut down its carbon emissions in a systematic and meaningful way.



What is urgently needed is that IMO should put in place a globally accepted regime to curb carbon emissions. A national or regional regime based on a piecemeal approach would not do, given the global nature of shipping.

The intensity of opposition towards reduce carbon emissions in shipping could be seen in proposals such as applying the Common But Differentiated Responsibilities among maritime nations and introducing market-based instruments.

Other issues include the lack of financial resources, the need to develop adequate and skilled manpower, overcoming technological challenges, high cost of compliance, lack of enforcement, and that challenge of balancing 'going green' with business imperatives.

IMO's Greenhouse Gas Study updated in 2009 reported that the application of 'known technology and practices' could make vessels more efficient between 25-75 per cent, depending on the types of vessels.

However, adapting such technology and practices may give rise to other issues. In the event that shipowners pass the costs incurred from 'going green' onto their customers, the latter will in turn pass their costs down to end users and consumers of the cargo they ship.

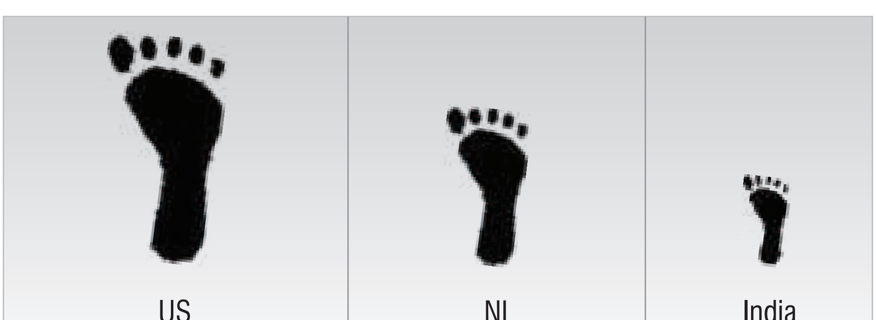
There is reservation among industry players and observers that given the considerable costs involved in practicing 'green shipping', there may not be much of an incentive for shipowners to increase efficiency of their ships to a level that will make a difference on a global scale.

Unless they can gain competitive advantage by 'going green', or at least can avoid competitive disadvantage, it is hard to imagine that shipowners are going to adopt a voluntary technological revolution to change the entire shipping industry to a greener one. What more at a time when many of them are reeling from the crushing impact of global recession, credit crunch and falling demand for shipping services.

These issues and anxiety need to be exhaustively debated and addressed before a consensual approach to address climate change can be attained by shipping industry players.

While it is encouraging to note the growing awareness among stakeholders in the sector of the need for them to reduce carbon outputs, there is also a need to anticipate the effects of adapting measures to mitigate the risk of climate change.

This calls for nuanced measures and policy options leading to implementable, practical and effective solutions to reduce carbon emissions in the shipping sector, while meeting the need for smooth and efficient flow of trade along the maritime supply chain. MG



In US, It takes 12.2 acres to supply the average person's basic needs; in NL, 8 acres; in India, 1 acre. The Dutch ecological footprint covers 15 times the area of the NL., whereas India's footprint exceeds its area by only about 35%. Most strikingly, if the entire world lived like North Americans, it would take three planet earths to support the present population.

Source: Donella Meadow, "Our Footprints' Are Treading Too Much Earth", *Charlestin (SC) Gazette*, April 1996.

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India Maritime Human Resources Summit

Ports | Shipping | Logistics

September 3, Taj Coromandel, Chennai

Key Speakers

Mr K Mohan Das
Secretary, Ministry of Shipping

Mr Ashok Mahapatra
Head Maritime Training & Human Element Section, IMO

Mr Mohan Verghese Chunkath
Principal Secretary, Tamil Nadu Maritime Board

Dr P Vijayan
Vice Chancellor, IMU

Mr S Hajara
CMD, SCI

Mr B Sridhar
Director, BTL India

Capt A K Bansal
Master Mariner, Chennai

Mr S N Srikanth
Maritime & Port Consultants, Hauer Associates

Dr Satish Agnihotri
Joint Director-General of Shipping

Capt K Vivekanand
Pro Vice Chancellor, Vels University

Capt S Bhardwaj
Vice Chancellor, AMET

Initiated by
maritime gateway
IMU

Gateway Knowledge Forum is a unique platform where key business, political and academic leaders, who bring diverse perspectives but a shared commitment to improve trade and business, are invited to debate and deliberate on the most pressing issues of our time.

The International Maritime Organization has designated 2010 as the Year of the Seafarer and the time is right to discuss seafaring as a rewarding career and motivate youth to 'Go to Sea'. The IMO campaign is keen to improve the image of shipping and promote seafaring as an adventurous career. For this to happen, there is a need for the industry to provide fundamental information and valued insights to the youth to help them make informed and intelligent decisions.

India Maritime Human Resources Summit will do just that. It will bring together the industry, the institutions and the aspirants to spread the IMO message and raise awareness of seafaring as an exciting and rewarding career option. Industry players, experts, both national and international, and government representatives will share their working knowledge and information with the aspiring youth and demystify myths, if any, in the process. The summit is being supported by INSA.

Ride on the High Tide

According to the Baltic and International Maritime Council, the world's biggest private shipping organisation, a gap in officer shortage in global shipping is likely to grow from 10,000 to 27,000 by 2015. As the growth of shipping has led to shortage of seafarers, one industry estimate suggests that 400,000 new seafarers and 45,000 new officers will be needed by 2015.

There is a huge divide, both now and in the near future, between the demand and supply of officer-level entrants in shipping. It is time to rise to the alert and beckon youth to go places!

To do this, the day-long convention, will be divided into four sessions – each addressing a specific theme: Go to Sea, Maritime Education in India and abroad, Quality of Education and Building Human Resources for Maritime Sector. As experts, comprising of both the government and industry players, will discuss the pressing issues of the day, the conference will come out with fruitful and feasible solutions and recommendations. Not to miss this summit! MG

SECTOR FOCUS

Apparel export: Raw Material Row

by ***Jagadeesh Napa***

India is recognised as one of the best sourcing destinations for textiles and apparels by top apparel brands world over. While Indian garments are known for their superior quality, exporters today are facing a rather fundamental problem of managing costs. This has become more apparent at a time when the global markets are coming out of recession and demand is set to increase. With the cost of raw materials shooting up drastically in the recent past and the appreciation of rupee against the dollar and euro, their bottom lines are thinning out rapidly. With ambitious targets set for this fiscal, it is high time to sort out this issue to stay competitive in the market.

Enter a posh apparel store on a busy street in New York in the US and chances are that a sizeable chunk of new garments placed on the hangers would have been manufactured in the vicinity of Tirupur in Tamil Nadu. India is one of the largest garment exporters to the US and European countries and Indian garments have the reputation for superior quality over the other exporting countries.

The country is today recognised as one of the best sourcing destinations of top apparel brands in the world. Indian apparels and garments are known for their perfect blend of designs, textures, colours and finish, while going in sync with the latest fashions in the global markets.

Being the second largest producer of textile and garments, India supports about 7 million people as part of its workforce. This sector is also the second largest provider of employment in the country after agriculture. According to Apparel Export Promotion Council (AEPC), for every Rs 100,000 invested in this sector, about seven additional jobs are created. Of the textiles and apparels, the apparel sector alone contributes to the extent of 8 per cent of the country's total exports and this figure is expected to almost double to 15 per cent by the end of the fiscal 2011-12. In the readymade garments segment, today India ranks sixth in the world, garnering a market share of 2.6 per cent and a breezy growth rate of 11 per cent.

In financial performance, the sector accrued total export revenue of US$ 10.93 billion during the year 2008-09 as against US$ 9.68 billions during 2007-08. But with the major economies like US, UK and other European countries going into recession, the exports for 2009-10 dropped marginally to US$ 10.63

billion. In rupee terms, however, there was a negligible recovery of 0.37 per cent. Apparel exports totalled Rs 50,479 crore in 2009-10 compared to Rs 50,293 crore in 2008-09. But in dollar terms, all months of 2009-10 except July, August and November showed a downslide.

Concerns

Despite the rosy picture, all is not well with the second largest employment generating sector in India, says AEPC, which is seriously working towards addressing the concerns. "Garment exporters are in deep trouble as the industry is reeling under unprecedented price hike of yarn and fabrics," said AEPC's chairman Premal Udani in a release. "The past four months have witnessed a mind-boggling 50 to 80 per cent increase in the prices of basic raw materials. Just when there were signs of initial recovery in global markets, the industry has been plunged into a gloom because of the high raw material prices and their erratic supply," he said.

The fabric cost in garment industry accounts for about one-third of the total manufacturing cost of the garment and hence, this industry is sensitive to any rise in the raw material costs. Today garment exporters are not in a position to absorb the increase in prices of the raw material as they are already reeling under pressure due to strengthening of rupee against the dollar and Euro, which they could not pass on to their customers owing to global competition.

AEPC looks to be acting on a multipronged strategy wherein it is working towards reducing the input prices as well as reducing the export duties of finished garments.

There is a strong contention from this industry to discourage the export of basic raw material like cotton and cotton yarn, which is actually a prime reason for hike in the prices of yarn and fabrics. These exports have led to reduced supply domestically resulting in increased demand and price hikes. Indian cotton and cotton yarn is exported in large quantities mainly to countries like China, Bangladesh and Pakistan, who also happens to be some of the major exporters of finished garments in the world.

China imported 4.76 lakh tonnes of raw cotton from India during January to March 2010 which is about 56 per cent of its total cotton imports. It also imported cotton yarn worth US$ 5.5 million from India, marking an increase of 136 per cent over the same period of previous year in value terms and 183 per cent in volume terms. In the same period, Bangladesh imported of raw cotton from India totalled 42,000 tonnes and were pegged at US$ 46.57 million in value terms.

Udani has urged the government to impose a 15 per cent tax on exports of cotton yarn and to fix monthly quota and start strict monitoring for calibrated exports. "At a time when domestic demand for fabrics and yarns is booming, free exports of

"Today garment exporters are not in a position to absorb the increase in prices of the raw material as they are already reeling under pressure due to strengthening of rupee against the dollar and Euro, which they could not pass on to their customers owing to global competition."

basic raw materials like cotton and cotton yarn take millions of jobs away from the country," he said.

The duty drawback rates as applicable to apparel exports are currently 8.8 per cent in India. Undai has also approached Drawback Committee chairman, along with the members of the AEPC, to review these rates in the backdrop of escalated input prices. He said the drawback rates on cotton knitted fabrics should be raised from 8.8 to 12.52 per cent, on blended products from 9.8 to 12.84 per cent, on garments of man-made fabrics from 10.5 to 13.63 per cent and for others from 8.8 to 12.52 per cent. The drawback on export of readymade garments in neighboring countries is 17 per cent of FoB value in China and 11 per cent in Bangladesh compared to 8.8 per cent in India.

The proposed value cap should be raised on cotton knitted fabrics from 49 to 58 per cent, for blended from 51 to 60 per cent, for man-made fabrics from 50 to 63 per cent and others from 49 to 58 per cent. Fabric, yarn, sewing thread, embroidery thread interlining, zipper, elastic, tape, felt fabric, snaps, lace, embellishments, dyes and chemicals, packing material, input services are

Garment exports in the last three years

Year	Exports in US$ billion
2007-08	9.68
2008-09	10.93
2009-10	10.63

Source: AEPC

Future outlook for cotton production and consumption

(figures in lakh bales)

Year	Production	Consumption	Surplus
2010-11	319	267	52
2014-15	384	323	61
2019-20	483	413	70

Source: National Fibre Policy

the major inputs considered for drawback.

He had further expressed fear that our share in the global market for clothing is going down. "Bangladesh has become a larger garment exporter than India. By next year, Vietnam will also overtake us," Udani said. With the Asian yarn prices going north, countries like China and Pakistan have already taken corrective steps to cap their respective exports of yarn. So the question is why at all should India export these raw materials?

Government measures

The Ministry of Textiles under the aegis of Dayanidhi Maran has come out with a National Fibre Policy that aims to address the above concerns. The draft policy that is made public for comments from industry and trade calls for a healthy stock-to-use ratio to be maintained to avoid any distortion in the cotton export market. The policy states that only surplus cotton is to be exported. In slots where there is a deficit in the domestic production, it can be imported on need basis for which there should be no import duties. The policy further states that exports of cotton fibre should be monitored on a time-to-time basis in each cotton year to ensure stability in supply as well as prices to domestic mills.

Besides these direct measures, the policy also states many indirect measures for improving productivity of cotton, so that the supply side remains healthy. It covers from drip irrigation to precision farming to educating farmers on using technology in farming. The policy also calls for consolidation and sustainable development in all the sub sectors of cotton economy through forward and backward integration and a more vibrant marketing mechanism.

The year ahead

The textile ministry has set an export target of US$ 15 billion for the fiscal 2010-11, which is in line with the post-quota projections and plan targets. However, AEPC is looking at a target that is much humbler than this one. Given the figure of last year exports US$ 10.63 billion, to reach US$ 15 billion this year, the garment exports should register a 41 per cent growth, which is very difficult to achieve, feels AEPC.

To achieve those extra US$ 5 billion, it requires, for instance, the production of 1.65 billion additional shirts, incremental fabric consumption of 2.85 billion metres, 450 million to 500 million kg of yarn, 425 billion metres of sewing thread, US$ 400 million of accessories like buttons, tags and labels, and additional 375,000 containers of shipping space.

Therefore, AEPC is looking at a much reasonable target of 10 to 15 per cent at US$ 12.24 billion. Nevertheless, on the hindsight, AEPC looks optmistic to meet the target set by the textile ministry, provided the ongoing free trade agreement with countries and regional blocks like the European Union can be concluded successfully and that the prices of the raw materials come down to reasonable levels. MG

INTERNATIONAL

Rotterdam Reigns

Land reclamation is going full steam in the North Sea to provide space for the container sector and the chemical industry and thereby the creation of a new world-class port and industrial area in Rotterdam.

by ***Radhika Rani G***

The new roadmap: *Minco van Heezen, the press officer of the Port of Rotterdam, explains the features and facilities of the new port, at the Futureland Information Centre.*

Maasvlakte 2 as the new landmark is a big draw among tourists visiting Rotterdam. A 2,000-hectare area of land being reclaimed since 2008, the new piece of earth coming up from nowhere will launch at least three container terminals by 2013 and berth the largest ships in the world. The new mass will eventually accommodate distribution networks and a chemical industry to support the growing trade. But for now, it is work in process and progress.

A sprawling harbour spread along a stretch of 40 km from the city centre right up the sea, the Port of Rotterdam serves as the gateway to Northwest Europe. And the second phase of land reclamation following the earlier one in the early 1970s is timed to cater to the growing and future demands. The Rotterdam Port, though ranked four in the world in cargo throughput and ten in container volumes, is by far the largest port in Europe, handling 420 million tonnes of cargo a year. Located on the Rhine estuary and opening up into the North Sea, the Dutch maritime hub serves as the transit port for nearly 460 million Europeans by transporting essential commodities and raw materials via five competing modalities: road, rail, inland shipping, coastal shipping and pipeline.

Rotterdam, according to Minco van Heezen, is the logistics hub and industrial complex to several other goods. "In order for the port to develop, it is crucial to attract good flows and industrial activity," says the press officer of the port as he shows around various facilities dotting the coastline. "The port is investing continually to extend and improve its service," Minco notes.

Specialised handling

The port is the leader in Europe for every type of breakbulk cargo such as steel, project cargo, non-ferrous metals, paper & other forest products, the automotive sector and fruit. Its transshipment facilities allow plenty of room for handling and storage, including several

Photos: Radhika Rani G

terminals for handling non-ferrous metals such as aluminum, copper, zinc, lead, tin and nickel. Currently, 27 breakbulk and Ro-Ro terminals are operational, together handling a total of 25.6 million tonnes. Also, 7,000 reefer points with about 2.5 million cubic metres of cold storage cater to transshipment of fresh fruit, vegetables and fruit juices in containers.

Dry bulk handling forms a major chunk of the port throughput and is catered to by transshipment, storage, processing and distribution facilities. The total throughput of dry bulk averages 90 million tonnes a year with iron ore and coal counting for 75 per cent of the total volume. The remaining cargo comprises agribulk, minerals and construction materials. While the port handles 83 million tonnes of bulk cargo each year, dry agribulk accounts for roughly 10 million tonnes.

With an average of about 9.7 million TEU passing through the port each year, Rotterdam by far outstrips all the other ports in Europe as the main port for container transport. It also serves as the hub for the UK, the Baltic and the Iberian Peninsula. The new land scheme that entails roughly 1,000 hectares of new company sites and container-related activities is likely to triple the port's container-handling capacity.

The uniqueness of the port, however, lies in the fact that it is one of the world's major centers for oil and chemicals, owing to its strategic location and access to markets all over Europe. More than 40 chemical and petrochemical companies and four world-class oil refineries are spread along the port besides three industrial gas producers and 13 major tank storage and distribution companies. All of these operations are interconnected via a network of pipelines totalling more than 1,500 km in length.

Three reasons for opting Rotterdam, as the cluster of oil firms point out, are: first-class logistics and transport options, availability of a full range of chemical feedstocks and a high degree of operational integration between the various chemical plants and tank storage terminals.

With work on Maasvlakte 2 all set to increase the surface area of the current port and industrial complex by 20 percent, the port will accommodate ships up to 24 m draft in some of its deepest basins, informs Minco. Meanwhile, the European Combined Terminals (ECT), bulk stevedore EMO and the Port of Rotterdam Authority have agreed to widen the Amazonehaven from 255 to 305 m to allow for larger vessels at a cost of US$ 208.5 million beginning 2011. At the same time, EMO will relocate some of its operations to the Hartelstrook on the southern side of the

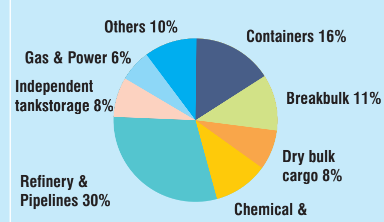
At a Glance

- In a year, nearly 34,000 vessels call at the port and 133,000 inland vessels
- The most important port in Europe for coal imports that are crucial for Dutch and German power generation
- 100 million tonnes of crude oil passes through the port
- 10 million TEU containers are handled annually
- The deepest draft of up to 24 metres equals an 8-storey block of flats. The biggest ship Berge Stahl that carries iron ore between Brazil and Rotterdam is 360-metres long and 65-metre wide
- Every day, 200 trucks leave the port city laden with fresh fruit and vegetables that arrive by sea and head to various destinations in Europe
- The port city is the transit hub for nearly 270,000 cars from America, Japan and Korea that find their way to dealers across Europe

Facts 'n Figures

- **Port Authority:** The Port of Rotterdam Authority employs 1,200 people
- **Turnover:** € 450 million
- **Port area:** Approx. 10,500 hectares, length 40 km
- **Direct employment:** Over 70,000 jobs
- **Goods throughput:** Over 400 million tonnes of goods per year

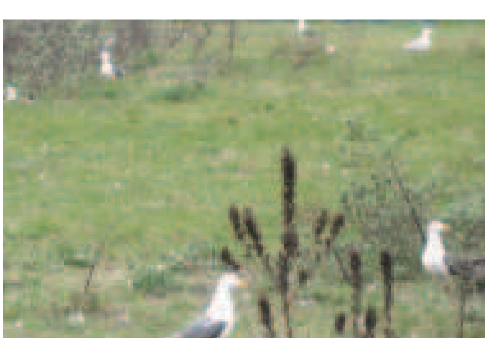
Land use:



History in the Making: *Dredging and rainbowing in full steam at the Maasvlakte 2 construction site.*

Mississippihaven. "These two projects," says Port Authority CEO Hans Smits, "are very much in line with our policy to make optimum use of the space in the existing port area."

At the moment, the port is competing with other ports in the Hamburg-Le Havre (HLH) range in attracting trade flows for the hinterland of Northwestern Europe. While these ports are also major transshipment ports for good-flows to and from the United Kingdom and Ireland, as well as the Scandinavian and Baltic ports, Rotterdam occupies an increasingly important position in this area.



Give and Take: *As the new port area is home to marine ecosystem and birds, a 25,000-hectare sea bed protection area is being established as compensation.*

Strong recovery

Throughput in the port has recorded a considerable increase this year. In the first quarter of 2010, 107 million tonnes of goods were handled, 14 per cent more than in the same period of 2009. They comprise: iron ore and scrap (+77 per cent), other dry bulk (+32 per cent), mineral oil products (+30 per cent), containers (+21 per cent), other liquid bulk (+7 per cent), roll on/roll off (+8 per cent). Throughput figures for agribulk (-32 per cent) and coal were down (-17 per cent) and those for other general cargo and crude oil remained virtually unchanged.

The share of container transshipment rose from 28 to 30 per cent. However, with the total throughput declining with 10 per cent to 9.7 million TEU, the transshipment volume dropped 2 per cent to 2.9 million TEU.

Inland shipping too strengthened its position in the hinterland transport of containers with its share in the modal split of the port of Rotterdam rising from 30 to 33 per cent.

The previous time such a large gain was recorded, was in the previous century, the port informs. Rail transport declined from 13 to 11 per cent and is back on the 2006 level. Road transport moved back from 57 to 56 per cent. But the scenario is poised to look up with a recovering global economy and the improving volumes speak for themselves.

As Maasvlakte 2 takes shape, the port authority is gearing up to offer first-rate facilities for the handling of shipping traffic, safety levels and hinterland connections with a wide choice of lines and service providers. Rotterdam Rules! Truly. MG

EVENTS

Ship classification

Indian Registry new member of IACS

The National Ship Classification Society – Indian Register of Shipping (IRS) – has been admitted as a full member of the elite International Association of Classification Societies (IACS) at a council meeting in Hamburg recently.

The IACS has welcomed the IRS as the first new member after the introduction of new membership criteria in October 2009. IRS, established in March 1975, is the 11th member of IACS that comprises of the most advanced ship classification societies in the world. The IACS Council accepted the full membership application of IRS during the first day of its 61st council meeting in Hamburg. IACS Chairman Dr Hermann J Klein asked IRS Chairman Capt J C Anand to support IACS' ongoing efforts towards increasing ship safety and quality. "The membership of IRS in IACS is a good sign for our organisation and for our clients. It is a reflection of the quality philosophy and high quality standards imposed by the Indian Register of Shipping," he said.

IRS has been the 'Associated Member' of IACS since 1991. This membership category was abandoned in October 2009 when IACS introduced a single class of membership.

IACS Chairman Dr Hermann J Klein, (right) welcomes IRS Chairman Capt J C Anand (left) to IACS in Hamburg.

Diving recognition

Yak first in Asia to enter IDSA

Yak Group Chairman D S Yadav receiving the membership certificate from IDSA Chairman Leo Lagarde in Navi Mumbai recently.

The International Diving Schools Association (IDSA), based in France, has entered India by awarding full membership to Yak Diving Academy, Navi Mumbai. IDSA is the apex organisation that sets standards for diving education worldwide. Yak claims to be the first institution in Asia to receive recognition for its state-of-the-art facilities and its quality training curriculum from IDSA. IDSA Chairman Leo Lagarde handed over the membership certificate to Yak Group Chairman D S Yadav in Navi Mumbai recently. In addition to various merchant navy courses, Yak Group conducts courses in commercial air diving, underwater welding, underwater cutting, and underwater videography at its Yak Diving Academy campus in Khopoli, near Navi Mumbai. It also conducts a course in scuba diving. Admissions are open for the first batch of courses that will start in July.

Rise in applications

IMU releases CET results

Maritime courses have begun to attract more students this year with the number of candidates appearing in the common entrance test conducted by the Indian Maritime University (IMU), a central university, going up by over 25 per cent compared to that of last year.

Releasing the CET results in Chennai recently, IMU Vice-Chancellor Dr P Vijayan said, “Nearly 6,093 candidates from across the country appeared for the CET conducted in early June. This is a significant increase from the 4,538 applicants who took the examination in 2009. Even the number of girls in the fray has gone up from 28 to 37 this year.” Incidentally, to encourage girls to join maritime courses, the central government offers a waiver in tuition fees, Dr Vijayan added.

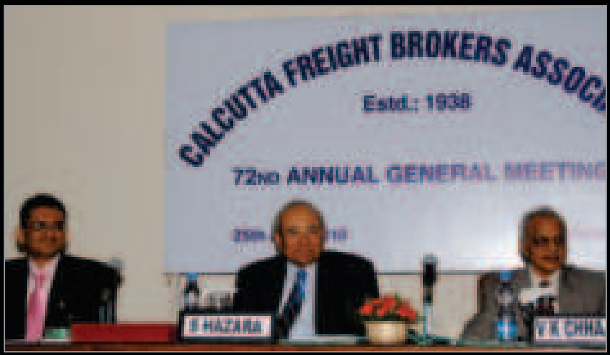
The single window counselling for admission into various courses maritime institutions across India is being held at the IMU campus in Uthandi near Chennai. The number of seats available is around 2,130 in nearly two dozen institutions.

Vice-Chancellor of Indian Maritime University Dr P Vijayan and other officials during the release of the common entrance test results at the university in Chennai recently.

72nd AGM of CFBA

Brokers asked to be tech-savvy

The 72nd annual general meeting (AGM) of the Calcutta Freight Brokers Association (CFBA called upon brokers to adopt new technologies and provide additional services. CFBA Chairman V K Chhajer asked shipping lines to patronise and encourage the professionalism and ability of freight brokers rather than approach shippers and other logistics players directly. "It is my request to deal through freight brokers and pay brokerage to registered freight brokers. This will lead to transparency in all departments of shipping,” he said.



Chairman and MD of the Shipping Corporation of India, S Hajara, Chairman, CFBA V K Chhajer and Vice-Chairman Bharat Jain (left) at CFBA annual general meeting in Kolkata.

The Shipping Corporation of India Chairman and Managing Director S Hajara, who was the chief guest, said the SCI has embarked on an ambitious ship acquisition plan covering tankers, dry bulk, container and offshore segments. “The SCI believes in taking its presence in container shipping to the next level,” he added.

The dignitaries who were present included BOFBA Chairman, Ramesh Jaisingh, office-bearers Nitin Kayani, Kamlesh Gandhi and Gurudatta Deosthalee and Mukesh Oza of the Samsara Group. CFBA Vice-Chairman Bharat Jain proposed the vote of thanks.

Big Bet for Lion Service

Mediterranean Shipping Company (MSC) plans to introduce 14,000-TEU ships – the biggest in the world – on its Asia-Europe Lion Service, which now only deploys nine 9,200-TEU and two 11,600-TEU vessels. The 14,000-TEU MSC Bettina and MSC Irene are expected to set sail in July on the Lion Service after several months of lying idle at the Samsung yards because of delayed delivery dates, reported Alphaliner.

The company's Asia-Europe Silk Service is expected to be ready with a flotilla of 13,798-14,000-TEU ships by August. Nine of the 11 are of that size, and two more 14,000-TEU vessels, the MSC Meltilde and the MSC Paloma, will be added soon, said Alphaliner.

The Lion Service rotation will be Le Havre, Hamburg, Bremerhaven, Antwerp, Felixstowe, Singapore, Shenzhen-Chiwan, Busan, Qingdao, Ningbo, Shanghai, Shenzhen-Yantian, Guangzhou-Nansha, Hong Kong, Shenzhen-Chiwan, Singapore, Salalah and back to Le Havre.

Arguably, the largest box ship in the world, the MSC Kalina was welcomed at DP World's flagship, Jebel Ali Port recently.

It's time for trade shows, exhibitions and conferences in the maritime sector. Here are a few events lined up for the coming months.

SMM Shipbuilding, Machinery & Marine Technology

Hamburg, Germany

September 7-10

The trade fair offers nearly 2,000 exhibitors from all continents and 50,000 visitors a platform to present and view the latest technology and product developments for the maritime sector. It serves as a trend show and a focal point for knowhow transfer worldwide.

www.hamburg-messe.de

5th Southern Asia Ports, Logistics & Shipping 2010 India

The Leela Kempinski Hotel Mumbai, India

September 16-17

The two-day conference and exhibition will invite 500 senior executive attendees from over 20 countries consisting of the world's leading maritime companies to analyse the latest global container transportation and logistics issues in the Southern Asian region and its impact on global shipping and trade.

www.transportevents.com

India Shipping Summit

Mumbai, India

September 24-25

The conference and exhibition bring together 500 senior decision-makers for a powerful networking besides serving as a forum to address the most topical issues affecting India's shipping industry, such as port infrastructure challenges, reduced money flow, charter party failures, container market vulnerability, management models and technological advances.

www.indiashippingsummit.com

gateway KNOWLEDGE FORUM

Idea Exchange for Business Innovation

India Bulk & Project Cargo Summit

Taj Bengal, Kolkata, India

August 20

The event highlights all the issues involved in the transportation of bulk and project cargoes and looks at bringing together the all the stakeholders like port terminals, transporters, transport authorities and users on to a single platform to express their views and build efficient business relationships.

www.maritimegateway.com

India Maritime HR Summit

Taj Coromandel, Chennai, India

September 3

The conference attempts to spread the IMO message of 'Go to Sea' and raise awareness of seafaring as an exciting and rewarding career. Industry players, both national and international, experts and government representatives will share their working knowledge and information.

www.maritimegateway.com

Wista 2010

Greece

September 29-Oct 1

Women's International Shipping and Trading Association will facilitate first-hand information and exchange of ideas with decision makers and key leaders in the shipping industry worldwide.

www.wistaconference.org

Seatrade Middle East Maritime

Dubai Int. Convention & Exhibition Centre

Oct 26-28

The exhibition and conference in the UAE brings together the global ship owning community with ship equipment, product and service suppliers.

www.seatrade-middleeast.com

ADIPEC 2010

Abu Dhabi, UAE

Nov 1-4

Abu Dhabi International Petroleum Exhibition and Conference will bring 1,500 exhibitors from around the world with their extensive ranges of products and services in oil and gas.

www.adipec.com

9th International Oil and Gas Events and Conference

New Delhi, India

Oct 31-Nov 3

It is a biennial platform for global hydrocarbon industry to deliberate and exchange ideas on petroleum economics, security, sustainability and environmental concerns, emerging technologies, processes and chart new directions for the industry.

www.petrotech.in

RNI NO.: APENG/2009/30633