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the mass effect

Bulk and project cargo form an integral part of shipping and contribute immensely to world trade. It is time to focus on the opportunities and challenges that face the sector as it rebounds from recession to regain its leviathan status.

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Jaigarh Port:
Nurturing
Nature

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Kolkata Port Trust:
Dredger's Comrade
M L Meena, Chairman, KoPT

Reinforcing the Rail

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Future of LNG Trade:
India Cooks on Gas

Infrastructure

PPP: Balance is the Key





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THE MASS EFFECT

Bulk and project cargo form an integral part of shipping and contribute immensely to world trade. It is time to focus on the opportunities and challenges that face the sector as it rebounds from recession to regain its leviathan status. This special issue comes up with focussed articles and updates on handling of bulk and project cargoes.

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Capacity to Cope with Calamity



Ports have enough reason to self-examine their risk management capacities and capabilities, thanks to the recent ship collision off Mumbai coast. Floating containers and submerged boxes in the channel, despite tremendous salvage operations by the Navy and the Coast Guard, have forced a halt in shipping activity causing a heavy loss to the trade. It is rather unfortunate that an accident like the oil spill, termed as the biggest ever in India by the environment minister, should force government and port authorities to sit up and do a reality check.

Minister Jairam Ramesh has said that it was one thing to read about an oil spill, but another to literally see one – an observation enough to hint at the enormity of the impact. The rippling effect

of a 'freak' accident like this that goes beyond control shows that 'calm after the storm' is no good; and a d(e)lay is long enough for cargo and fuel to diffuse in all directions and hard enough for recovery. A good lesson this.

While mishaps are inevitable, capability on the part of all the teams involved in managing risk should be the focus. It is therefore time that Indian ports got the act right because at the end of the day, it is business-as-usual that matters and ensures a good sleep for a fresh morrow.

While on this topic of competence, *Maritime Gateway's* first of its kind national conference on bulk and project cargo being held in the city of Kolkata seeks to find answers to several issues pertaining to the capacities at bulk handling seaports, challenges in the growth of bulk cargo and issues affecting transporters besides a host of other topics involving a whole lot of stakeholders.

Born out of a deep need to bring the industry and the government together for sorting out issues and charting out an eventful voyage, the Gateway Knowledge Forum hopes to provide the perfect platform this time round too as experts and the experienced get ready to discuss mass and matter. Watch out this space as we come up with helpful recommendations for the government and more timely trade interactions in the future. This focussed issue already comes bundled with interviews, features and articles concerning bulk and project cargo trade. We would be too glad to receive your feedback, only to improve our capabilities!

And as the authorities introspect their functional and operational aspects, one hopes the debris clears early enough for traffic to resume at India's premier ports and it is again back to business for all, with a renewed focus on tackling calamities.

Best Regards,

Ramprasada, Publications Director
 ramprasada@gatewaymedia.in

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Copy Editor Srinivas Reddy G

Head - Design Jayaraj Frederick

Sr Designers Vijay Masa, Lakshmi Dandamudi

Designers Srinivas P, Nagaraju N S

Web Upender Reddy V

Head - Business & Events Wilson Rajan
 wilson@gatewaymedia.in - 099499 05432

Manager - MarCom Padmapriya C
 padmapriya@gatewaymedia.in - 099890 59259

Marketing & Sales

Mumbai Dr Shibu John Head-Strategy & BD
 shibu@gatewaymedia.in - 098676 82002

Delhi K N Sudheer Regional Manager
 sudheer@gatewaymedia.in - 099101 66443

Kolkata Nikhil Doshi Region Head
 nikhil@gatewaymedia.in - 098369 96293

Chennai W Sudhakar Manager
 sudhakar@gatewaymedia.in - 097899 81869

Cochin N N Jayakumar Manager
 jayakumar@gatewaymedia.in - 096568 72901

Circulation Unnikrishna Pillai S
 unnikrishnan@gatewaymedia.in - 095059 19923

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write to : Gateway Media Pvt. Ltd.,
 # 407, Fifth Floor, Pavani Plaza, Khairatabad,
 Hyderabad - 500 004, INDIA
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Room for Growth

The Ministry of Shipping is going ahead in a unified and planned manner to improve the capacities of ports and to create forward and backward rail linkages to them.

At the Ministry of Shipping, our first and foremost concern is to create capacities. Whether these capacities are created in the major ports or the non-major ports, it is secondary. At major ports, in particular, creating capacities is a big challenge due to various factors. Ideally, there should be a 30-per cent gap between the capacity and the traffic. It means if a port's capacity

is 100 million tonnes per annum, then the port should be handling only 70 million tonnes per annum. Surprisingly, it is not so in the Indian scenario, especially in major ports. Had we been in the manufacturing sector, we would have got umpteen appreciations and certificates for our performance since the average capacity utilisation at major ports today is over 95 per cent with ports like the JNPT doing more than 100 per cent. That shows how badly our ports are stressed up. And this is not a good sign at all.

So, the ministry is seriously working towards adding capacities. We are doing this primarily in three ways. First, we have launched an ambitious plan of adding new berths and new terminals. Second is to take up

dredging – both in the channels and the harbours. Third is to embrace mechanisation and further improve those ports that are already mechanised. Finally, the emphasis is on improving the rail and road connectivity networks.

Indications show that we could achieve about 860 to 900 million tonnes by March 31, 2010. We may fall short by a small amount and we are trying to bridge that gap. For the non-major ports, we want to have a total capacity of 500 million tonnes by the end of the same period. So, the total capacity of both major and non-major ports could stand at 1.5 billion tonnes by the end of 2011-12. At this juncture, I would also like to add that the combined traffic handled by both major and non-major ports by the end of 2010-11 would have crossed the 1-billion mark. There are very few countries in the world that do over a billion tonnes. Perhaps, China may be one among them and India will soon be joining them.

In the year 2009-10, non-major ports have handled 30 to 33 per cent of the total cargo, thereby giving stiff competition to the major ports. It is good for the country as it keeps everyone on their toes.

The ministry, therefore, is pleased to acknowledge the fact that non-major ports are doing well. I go a step further and say that the ministry has formulated and submitted a scheme to

the finance ministry for its approval regarding providing of rail and road connectivity to non-major ports through the respective state maritime boards. We, at the ministry, sincerely feel that we should facilitate the non-major ports too. Irrespective of state-owned or private-run, the ministry is keen on creating forward and backward linkages to all the non-major ports. Because, we feel that even non-major ports can become more buoyant and act as facilitators of trade in the country, adding value to the economy as a whole.

Of late, there has been a demand from the major ports that non-major ports should also be brought under the purview of TAMP in order to have a level-playing field. Now that there is an increasing comparison between major ports and non-major ports and that the latter are free to set their own tariff, a level-playing field needs to be created. Therefore, this issue, of bringing the non-major ports under the TAMP, is also under consideration of the government.

But on a broader plane, the government does not distinguish between major and non-major ports and we want to do the handholding of non-major ports and help them reach at least 50 per cent of the total cargo handled in the next two or three years and even surpass the major ports' throughput. **MG**

Rakesh Srivastava is the Joint Secretary (Ports & Admin) in the Ministry of Shipping, the Government of India.

“The capacity of the major ports should reach 1 billion tonnes by the end of the Eleventh Five Year Plan. Private ports could reach 500 million tonnes in the same period.”

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Ship collision

Ports shutdown costs ₹ 85 cr a day, calls for risk management

The collision of cargo ships MSC Chitra and MV Khalijia-3 off the coast of Mumbai exposes several lacunae and snowballs into larger issues such as the lack of a proper nautical protocol and disaster management system and their dire need in all the Indian ports. As oil spills, the daily import duty loss goes uphill.

The recent mishap involving the collision of MSC Chitra, a container ship with a steel cargo-laden Khalijia-3 around 5 nautical miles off the Mumbai shore has led to an environmental disaster and maritime industry crisis. As nearly 200 litres of hydraulic oil leaked out from MSC Chitra polluting the sea, the usual blame game has begun and questions are being raised over rules and regulations.

Meanwhile, vessels bound for Mumbai Port and the Jawaharlal Nehru Port Trust are being diverted to Gujarat after the two ports have been closed



for cargo traffic following the spill.

While the accident is being attributed to failure in navigation protocols, experts say both the JNPT and the Mumbai Port Trust have vessel guidance systems and were in touch with the two ships. So, it could have been a case of serious miscommunication for the collision to take place.

The Union Government has initiated legal action against the owners of the ships. Yet the larger issue is the need for timely action to plug the crisis. Going at the pace at which salvage measures are being taken, the industry vehemently moots for an 'efficient' disaster management and emergency response service in all the ports.

PPP in ports

Ministry awards 25 projects

The shipping ministry would award 25 port projects of about ₹ 800 crore under the public private partnership scheme during the current financial year. "We would award 25 PPP port projects in the current fiscal," a shipping ministry official said, adding that the collective value of these contracts would be about ₹ 700-800 crore.

Two of these projects at Paradip and Ennore near Chennai have already been awarded to Sterlite-Leighton and Eredene Capital consortium, respectively. These projects also include creation of a mega container terminal or bulk transshipment at Chennai Port, New Mangalore Port and conversion of berth for container terminal at Tuticorin port.

Installation of three mechanised handling facilities at Vizag Port in Andhra Pradesh, development of two eastern wings or keys at Vizag Port, creation of a container terminal at Jawaharlal Nehru Port Trust (JNPT) and construction of two riverine jetties at Kolkata Port are some of the other projects. The government may also award an international cruise terminal at Cochin.

These 25 PPP projects also include development and operation of two berths at Indira dock as dry bulk cargo terminal in Mumbai and development and operation of a dry commercial cargo at Mumbai Port. -PTI

Spill Kill

- While JNPT handles more than half of India's container traffic, MPT manages one-fifth of India's sea trade – roughly 1.5 lakh tonnes of cargo per day and six to seven vessels.
- The two ports generate an import duty of ₹ 26,000 crore annually. The daily import duty loss owing to the mishap is pegged at ₹ 85 crore per day.
- JNPT is losing business to the tune of around 10,000 containers a day; three to five ships have been diverted to Pipavav Port in Gujarat while a few others may be diverted to Mundra.

RKI-CCI run

APM Pipavav inaugurates service

APM Terminals operated Pipavav Port received vessels from RCL, Wan Hai and Hamburg Sud on their inaugural visits to Pipavav recently. All the companies are part of the prestigious RKI-CCI Service, which includes five vessels run by RCL, Wan Hai, Hamburg Sud and Seacon, a consortium of companies.



The RKI-CCI Service will call on APM Terminals Pipavav after calling Gateway Terminals India (GTI) at Nhava Sheva en route to Colombo. The ports of call for the service are: Shanghai, Ningbo, Hong Kong, Singapore, Port Kelang, Mumbai-Nhava Sheva, Pipavav, Colombo, Port Kelang, Singapore, Hong Kong and Shanghai.

"We are delighted to inaugurate the RKI-CCI Service at APM Terminals Pipavav," said Prakash Tuisiani, MD, APM Terminals Pipavav. "The service substantially enhances Gujarat and North India's connectivity with Far East Asia and Central China. I am glad that we are able to contribute to India's growth, by expanding accessibility and reach for customers seeking business opportunities in India."

Chabahar port

India, Iran discuss strategy

Regional strategy in Afghanistan and crucial bilateral issues, including expansion of Chabahar Port in Iran figured very high in the meetings Iranian Deputy Foreign Minister Mohd Ali Fathollahi had with the Indian leadership in New Delhi recently. The visiting minister also allayed the fears of any "drastic impact" on its trade ties with Asian countries, including India, due to recent sanctions imposed by the UN and the US. The minister said that the port will become functional soon. The minister also made a strong pitch for funds for the port's development that could deepen India's outreach in both Afghanistan and Central Asia. He said that at present the port, with two active harbours, was functional and had a capacity of only 2.5 million tonnes but the target was 12 million tonnes per year and this could be achieved as soon as the funds start coming in. -PTI

East coast ports

ABG, IMC to build berths

West Quay Multiport Pvt. Ltd., a joint venture of ABG Infralogistics Ltd. and ABG-LDA Bulk Handling Pvt. Ltd., will take up the construction of a new berth West Quay-6 in the inner harbour of Visakhapatnam Port for handling bulk cargoes. West Quay and Visakhapatnam Port Trust signed an agreement to this extent.

The berth will be constructed on a 'develop, build, finance, operate, and transfer' basis and the lease period is 30 years. The company will pay 47 per cent of the revenue to the port, said CEO of West Quay Gurpreet Malhi.

The WQ-6 berth would cater to vessels up to 195-205 m LOA and for a dredge depth of 14 m. The company will be allotted stacking area of 12.2 acres for the entire lease period. It will procure and install state-of-the-art cranes and handling equipment for the berth, to be constructed at a cost of ₹ 150 crore, and it will handle CP coke, lam coke, steel and granite blocks that will add 2.08 million tonnes of capacity to Vizag Port. The berth will have an exclusivity over these cargoes for the initial five years. The construction will be finished in two years with no cost overruns, the CEO added.

Liquid cargo berth: Meanwhile, the port has tied up with the Indian Molasses Company, a port logistics service provider, to construct a 160-metre-long liquid cargo berth at its inner harbour in public private partnership. IMC was the only company that bid for constructing the EQ-10 berth at a cost of ₹ 55 crore.



Tuticorin Port: Meanwhile, ABG-LDA Bulk Handling has offered to pay a record revenue share of 52.17 per cent to the Tuticorin Port Trust for the development of North Cargo Berth II for handling coal. The project includes construction of the berth, installation of mechanised cargo-handling equipment and yard construction and the entire project is estimated to cost ₹ 332 crore.



Inland water

Route planned along Brahmani-Kharasua

The Ministry of Shipping is planning to develop an inland water route along the Brahmani-Kharasua River to transport coal from Talcher to Paradip and Dhamra ports in Orissa.

Discussions are underway to build the inland water project after getting its project report as per the PPP mode, according to Shipping Secretary K Mohandas.

The Brahmani-Kharasua River flows along the Talcher coal deposits and iron ore mines in Daiteri in Orissa. This route can help in the transportation of transport coal to Paradip and Dhamra ports, for onward transportation to Ennore and Tuticorin by large ships. At the moment coal is being transported by rail to Paradip from Talcher.

Inland water transport is yet to become popular in the country though its potential was huge. The overall project cost may be ₹ 4,209 crore (as per 2009 estimates), the secretary said. According to a detailed project report, developing the river portion would cost ₹ 2,230 crore and

the canal portion another ₹ 1,979 crore. The river flows could be made navigable round-the-year after taking proper regulatory measures, he opined.

The Centre had declared the Brahmani-Kharasua-Mahanadi River National Waterway 5 in November 2008. Out of the total length of 588 km, the river portion is 371 km and the canal, 217 km.

To maintain a draft of 2 m in the Brahmani River all through the year, five barrages with heights equal to the highest flood level were proposed to be constructed at every 26 km between Talcher and Jokadia. Each barrage would have a navigational lock to allow the passage of two 500-tonne vessels at a time, Mohandas added.

Demerger move

Essar splits ports, shipping units

Essar Shipping Ports & Logistics Ltd. (ESPLL) has received the company board's approval to demerge its shipping, logistics & oilfields businesses into two separate entities, Essar Ports Ltd and Essar Shipping Ltd.

"This demerger will create two separate entities proposed to be named Essar Ports Ltd. (existing ESPLL) and Essar Shipping Ltd. (Resulting

Company'). The scheme also includes merger of two wholly-owned investment subsidiaries into ESPLL," a company statement said.

ESPLL registered revenue growth of 18 per cent at ₹ 795 crore compared to ₹ 676 crore during Q1 of FY 2010. The net profit at ₹ 39 crore was higher by 544 per cent compared to ₹ 6 crore during the same period last year.

SCI board

Govt appoints 7 part-time directors

The government has appointed seven part-time directors on the board of Shipping Corporation of India (SCI), in which it proposes to divest up to a 10 per cent stake. "Seven persons have been appointed as non-official part-time directors on the board of Shipping Corporation of India Limited (SCI). These directors will continue in office for a period of three years," an official statement said.

The directors comprise IDFC MD and CEO Nasser Munjee, former secretaries to the government of India SC Tripathi and Arun Ramanathan, former BPCL Chairman and Managing Director U Sundararajan, IIM-Kolkata Professor Sushil Khanna, Chartered Accountant Arun Varma and former GRSE CMD TS Ganeshan.

The move will help SCI comply with SEBI's guidelines related to independent directors. The government proposes to disinvest up to a 10 per cent stake in SCI through a follow-on public offer in the current financial year.

However, the quantum of fresh equity to be raised by the company is yet to be decided. The Centre holds an 80.12 per cent stake in SCI, while over 10 per cent is held by LIC. The remaining 3.15 per cent is with the public.

SCI is likely to utilise the proceeds from the follow-on offer for further acquisitions. At present, SCI owns 76 ships of 5.1 million DWT (deadweight tonnage) and has interests in all segments of shipping trade. -PTI



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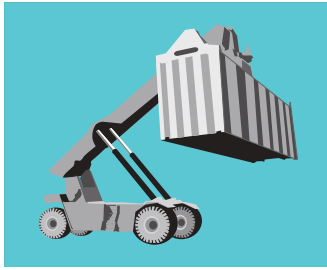
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NEWS

Coal cash

Adani regains Galilee block

Gautam Adani-led Adani Enterprises Ltd. (AEL) entered into a pact with Australia's Linc Energy to buy the latter's coal assets for A\$ 500 million (about ₹ 2,100 crore).

Adani will pay a royalty of A\$ 2 on every tonne of coal mined over the next 20 years to the Australian miner Linc Energy, under the purchase agreement inked by its subsidiary, Adani Mining Pty. The royalty payments are estimated at A\$ 2.5 billion (about ₹ 10,500 crore), taking the overall deal size to ₹ 12,600 crore. "We were in search of coal mines to enable the rapid expansion of the power business of Adani Power in India while also expanding AEL's coal business, where we are the largest importer of thermal coal," said AEL CFO Devang Desai.

"As per our Vision 2020 development plan, we aim to increase our power generation capacity from 13,000 MW to 20,000 MW," Desai said. The Galilee tenement, which Adani agreed to buy, had resources of 7.8 million tonnes of coal, which makes it the single largest tenement in Australia in terms of coal resources, he said, adding that the entire transaction had been financed

from the company's own accruals and loans from banks.

"The purchase has received approval of the Foreign Investment Review Board (FIRB) and the indicative approval of the Queensland government," he said. "We will be able to start mining from these mines in the next four years," Desai further said.

"While multiple evacuation routes are available for the mined coal, Adani (through Mundra Port and SEZ Ltd.) has recently been awarded the preferred proponent status for the development of the Dudgeon point terminal in Macay, Queensland, which gives Adani the right (subject to technical and commercial feasibility) to develop a coal terminal with a capacity between 30-60 mtpa," Desai said.

"We will develop the infrastructure required there," he said, without giving any details of the proposed investment in Australia. -PTI

Iron ore export

Centre to study ban

The Centre will take a 'considered' view of the Karnataka government's decision to ban export of iron ore from 10 ports, said Commerce and Industry Minister Anand Sharma.

"This (export ban) is a decision which the Government of India will take a considered view on," Mr. Sharma said. Earlier, Minister of State for Commerce Jyotiraditya Scindia had informed the Lok Sabha that the Centre has no plans to bring about a policy to ban export of iron ore.

In an oblique reference to the alleged illegal mining in the southern State, he had said, "The Karnataka government has permitted what should not have been permitted for too long, including disappearance of close to one million tonnes of iron ore, and there are many questions there." - PTI

FIMI move: The Federation of Indian Mineral Industries (FIMI), Southern Region, may opt for a legal solution against Karnataka government's decision to ban iron ore exports.

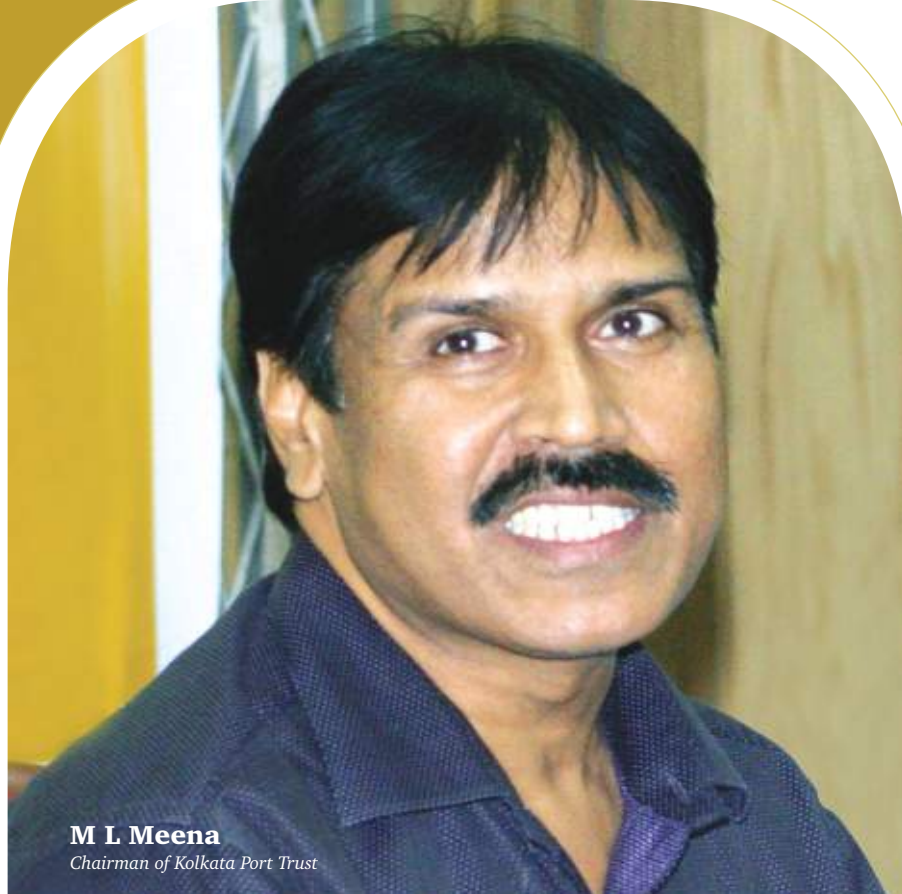
According to its director David Pichamuthu, "the knee-jerk action of the government determines its helplessness and inability to curb illegal mining of iron ore in the state. It shows a complete lack of political will and failure in the governance to take suitable action against those indulging in illegal mining".

Iron ore is a major mineral and came under the jurisdiction of the Union government. Exports come under the Centre and it was unclear under what powers the state government was banning exports, he said.

TPS nexus

Delhi HC overrules DoR circulars

In a major victory to the exporters, the Delhi High Court has defined nexus in a broad sense under the Target Plus Scheme. The High Court has quashed the Department of Revenue / DGFT Circulars / Notifications imposing restrictions due to close nexus in case of Target Plus Schemes. President of the Federation of Indian Export Organisations, A Sakthivel, has welcomed the judgment which will "help in a number of other cases where Customs authorities insist on close nexus."



M L Meena
Chairman of Kolkata Port Trust

Kolkata Port Trust

Dredger's Comrade



Kolkata Port users are a concerned lot. The siltation has been coming back to the port like a recurring deposit, dashing their hope of timely imports and exports. The port, by virtue of its location, collects silt and so requires dredging on a continual basis. But things, at least in Kolkata, are easier said than done! Besides, the oldest and the only riverine port with two dock systems – Kolkata Dock System and Haldia Dock Complex – today has several other infrastructure and capacity challenges to face and live up to its expectations. Will it do it? Well, the new chief who has taken charge after the absence of a helmsman for a long time, hopes to steer the port onto a growth path by clearing the backlog. **M L Meena**, chairman of Kolkata Port Trust, shares his work plan for the port in an interview with **Maritime Gateway**. Excerpts:

Q: Having been in the port sector for quite some time, how do you see your new role as the chairman of Kolkata Port Trust?

It is definitely a more challenging role as the chairman of Kolkata Port Trust because the draft situation in the river has been critical due to inadequate dredging in the channel. As against dredging requirement of 22 million cubic metre per annum, in the last few years only 60 per cent on an average per annum was lifted from the river. Average parcel load of ships has fallen leading to the decline of cargo, which also has adversely affected the revenue of this port.

Q: Since the port did not have a full-fledged chairman for days, do you have any extra targets and timelines?

All efforts are being made to squeeze the timelines for different development projects as far as possible. Action has also been initiated for the development of shore disposal facilities at Sagar and Rasulpur through reclamation of land and without resorting to any acquisition of land. This will enable more efficient dredging in the shipping channel. Besides, steps have also been taken for optimal utilisation of infrastructure at Kolkata and Haldia by resorting to lighterage of more and more vessels at deeper drafted anchorage points in the river and transportation of the cargo by barges to Kolkata and Haldia.

Q: The exim trade has been concerned over the draft and congestion problems at Kolkata Dock System and Haldia Dock Complex that have been hindering loading and unloading of large cargos. What are the steps being taken to address these issues?

To prevent further deterioration of draft in the shipping channel, regular interactions are held with DCI to ensure availability of at least six dredgers for round-the-clock and round-the-year dredging. For improvement of draft, KoPT has also formulated RRM schemes and a scheme for one-time additional maintenance dredging at Haldia. These schemes will require Government approval for which the matter is under process. In addition, KoPT has taken action for opening of the Eden Channel for movement of ships to Haldia bypassing the Auckland Bar, which is the governing bar and has deteriorated over the time. Eden Channel is expected to provide a better draft and the tender for the removal of impediments from this channel is almost finalised and work order is expected to be issued by September, 2010. The channel is expected to be opened by next March.

As regards congestion, it may be mentioned that at KDS, in the last year there was some congestion at the container terminal due to non-availability of sufficient off-dock CFSs and equipment failure inside the dock. To address the situation, more private equipment have been inducted at KDS and apart from two old CFSs of CWC and Balmer Lawrie, two new private CFSs have also come up outside KDS and presently, containers are being removed to CFSs if not cleared after five days of landing. Besides, additional 20,000 sq m of yard space has also been created in NSD. Presently, there is no congestion in KDS container terminal.

At HDC, congestion of vessels occurs at times inside the impounded dock due to bunching of vessels and limited operations through lock gate. While steps have been taken to increase the efficiency of the existing lock gate of HDC, action



Photos courtesy: Amar

has also been taken simultaneously to develop two riverine jetties outside the lock gate, one for handling bigger ships and the other one for handling smaller ships and barges and these are expected to come up by 2011. In addition, steps have also been taken for the development of small barge jetties at Haldia to facilitate handling of bigger ships at deeper drafted anchorage points and a tender for this is going to be issued shortly and the barge jetties are expected to come up within 6-8 months.

It has also been planned to develop new port facilities at Sagar Island, Haldia Dock-II (Salukkhali) and Diamond Harbour. At Sagar, around 10-m draft is available without dredging and port facilities will be created through reclamation of land on account of shore disposal. Ministry of Railways has also been approached for necessary rail connectivity along with rail-cum-road bridge. A detailed feasibility study for this project is going to be undertaken shortly. Prima

facie, Sagar Port will have a capacity to handle 60 million tonnes of bulk cargo, break bulk cargo and containers.

At the other two locations, 9-m draft is available without dredging. At Salukkhali, the Government of West Bengal has been approached for transfer of 163 acres of land and this is in an advanced stage. Four jetties will come up here with a capacity of 20 million tonnes for bulk cargo handling. At Diamond Harbour, a dedicated container terminal with four jetties will be developed. Feasibility study has been completed. We have requested the Ministry of Defence for the transfer of 43 acres of their riverfront land, which is in the final stage. Immediately after a clearance from them, tender process will be initiated. Diamond Harbour terminal will have a capacity to handle up to 1.6 million TEU.

KoPT has also planned for transloading of dry bulk cargo in large-size vessels at Sandheads and Kanika Sand round the year for which good response has been received from the market and this facility is going to be created in an integrated manner with back-up facilities at the proposed riverine jetty outside the lock gate. SAIL and SCI have formed a joint venture to undertake this job in a composite manner and this is under consideration of the ministry. Under this mode, cargo will be transported from the transloading point to Haldia by small vessels and barges thereby increasing traffic at Haldia considerably.

Q: Could you brief us on the freight corridor coming up in West Bengal and also various ports and projects being planned?

The eastern DFC is at present planned from Ludhiana in Punjab to Dankuni in West Bengal. The matter is being taken up with the Ministry of Railway for connectivity of the eastern DFC with the proposed new port facility projects at Sagar Island, Haldia Dock-II (Salukkhali) and Diamond Harbour as mentioned above. This freight corridor will increase movement of north Indian and Far East traffic through Kolkata Port. Even from the security point of view, this is important because in case of any disruption in the western DFC, the eastern DFC will be able to function as a lifeline for this country.

Q: Since Kolkata is the hub for bulk cargo, what are the steps being taken to augment capacities and improve hinterland connectivity?

Bulk cargo like petroleum crude, product, coking coal, thermal coal, coke, iron ore etc. are mainly

handled at Haldia. There is a good prospect of increase in handling of dry bulk cargo like thermal coal, coking coal at Haldia due to expansion of the existing steel/power plants, setting up of new steel/power plants in the hinterland of this port. As already mentioned, capacity augmentation at Haldia has been planned through development of riverine jetties outside the lock gate and also through lighterage of vessels at anchorage points with the creation of necessary infrastructure at Haldia for barge handling. In addition, new port facility i.e. Haldia Dock-II has been planned at Salukkhali about 7-8 km upstream of Haldia and jetties will be constructed there for handling bulk cargo.

Haldia already has an efficient hinterland connectivity by rail and road and NHAI has already taken up four-laning of NH 41. The South Eastern Railway has also taken up doubling of 60-km Haldia-Panskura section. Doubling has been completed over a distance of about 15 km between Panskura and Rajgoda. For the balance portion from Rajgoda to Haldia, the matter has been taken up with the Railway authority to start the work at the earliest. This is necessary in view of the increasing rail-borne traffic at Haldia which has already touched 17 million tonnes and this is going to be around 25 million tonnes within next Five-Year Plan.

Q: How is container-handling capacity being increased and modernised at the port?

For the efficient container handling at Haldia, two RMQCs and four RTGCs have already been installed along with development of back yard. At KDS, two berths have been equipped with Mobile Harbour Cranes and steps have also been taken to operate a third berth with proper equipping through private sector participation in an integrated manner with midstream discharge of container at anchorage points and also at HDC. Besides, a dedicated modern container terminal will also be set up by the port at Diamond Harbour which will increase the present handling of 0.5 million TEU by more than three times.

Q: As Kolkata is suitable for inland water traffic, what are various facilities that are being planned to promote inland water transport?

For the development of IWT terminal on the river, private entrepreneurs have been allowed to develop jetties at Kolkata, Howrah and Budge Budge. IWAI is also operating one jetty each at Haldia and Howrah. They are also developing a

There is a good prospect of increase in handling of dry bulk cargo like thermal coal, coking coal at Haldia due to expansion of the existing steel/power plants



Photo: Anindyo Ghosh

modern jetty at No.2 GR Jetty. In addition, port has decided to revamp its jetty No.3 and 4 Garden Reach through private sector participation for which tender is going to be published shortly. Apart from this, an HOD committee has been set up to identify more locations along the river for the development of IWT terminals and once this exercise is completed, which will take about a month, more areas will be tendered out for development of IWT terminals.

Apart from this, there are plans to handle thermal coal required for the power plants of NTPC and WBPDC at Farakka/ Kahalgaon and Sagardighi in the IWT mode. The matter is being actively pursued with NTPC and WBPDC and IWAI for the development of facilities at Sagardighi and Farakka/Kahalgaon for barge handling. In that case, thermal coal can be brought by bigger vessels at the anchorage points and thereafter transferred into barges for direct movement to the plant site. Some thermal coal is also being brought by NTPC through Haldia. The coal can also be moved by barges to Farakka for which the discussions are going on.

Q: What is your vision for Kolkata Port Trust, especially as a bulk cargo port?

Because of proximity to the existing steel plants and their on-going expansion programmes, the new steel plants that are being set up in the hinterland of this port, the new industries like sugar industry, coke oven plants and their increasing requirement of imported thermal coal for their power plants in the eastern India and the majority of such cargo being handled at Haldia Dock Complex, this port has tremendous potential to develop as a premier bulk handling port in the eastern India. This is more so because Haldia has a very good geographical advantage and it is well connected by rail and road to a vast hinterland. The average traffic at Haldia is around 42 million tonnes and as per reports recently submitted by

Haldia has a potential to handle about 57 million tonnes of cargo in near future, which will further go up to 96 million tonnes in another ten years' period.

M/s RITES, it has a potential to handle about 57 million tonnes of cargo in near future, which will further go up to 96 million tonnes in another ten years' period. Keeping this in view, various projects, such as transloading of cargo and development of Haldia Dock-II, have been taken up.

As far as Kolkata Dock System is concerned, the major traffic is container, which has a natural growth in this region. With the development of Diamond Harbour container terminal, more containers will be attracted to this region apart from its normal growth, particularly from north India which is facing congestion at the west coast ports. Eastern DFC will give a boost to such container movement.

Q: Following the recent incident of a ship arriving with suspicious consignment, what are the measures being taken to increase port security?

The incident happened mainly because the agent of the vessel did not disclose the entire consignments on board the ship, particularly the retention cargo which will be carried forward to another port of call. Action has been initiated against the steamer agent for his lapses. Simultaneously, all the agents have been advised to disclose all the consignments on their ships along with retention cargo, if any, without fail so that such a situation can be avoided in future.

Q: Any other plans for the port?

Several measures have been taken for maintaining the draft in the river and its improvement including the opening of Eden Channel and introduction of new techniques such as shore disposal for efficient dredging. Various new projects have been taken up at deeper drafted locations including the development of transloading facilities at Haldia, setting up of riverine jetties and barge jetties at Haldia in a time-bound manner. With the augmentation of the hinterland connectivity and development of more IWT terminals, all of which have been planned to be executed in a time-bound manner, this port will not only be able to survive, but will also flourish and restore its premier position in the country.

For this, more devotion and dedication is needed from the port officers and employees and the fullest cooperation is required from the shipping lines, importers, exporters, clearing agents, freight forwarders, railway authority, highway authority, customs, private entrepreneurs and all others associated with the port activities. **MC**

Reinforcing the Rail



Rail is the most popular mode of transport for the inland movement of bulk cargoes. Unfortunately, the capacity expansions undertaken so far by the Railways have not been able to keep pace with the needs of growing traffic. There is an acute shortage of rolling stock to move cargo. Added to this, are the inefficiencies at loading and unloading terminals. Though the Railways is seriously working to overcome constraints and strengthen its network, the end users too should play their part by ramping up their loading and unloading capacities to eliminate all the inefficiencies along the chain, opines **Rinkesh Roy**, Director, Traffic Transportation, Railway Board, Indian Railways, in an interview with **Maritime Gateway**.

Q: In accordance to the whitepaper released last year by the Railway Ministry, what are the steps that are being taken by the Indian Railways to improve its share of freight transportation?

The modal share of freight traffic and shift from one mode to another depends on a host of factors like the direct freight cost, cost of double handling vis-à-vis door-to-door delivery, warehousing costs etc. Thus, modal shifts can only take place when the entire logistics costs for a customer are favourable for a particular mode. The disadvantages of moving by rail are lack of door-to-door delivery facilities, added cost of double handling and inventory costs, since the movement is in bulk and incur additional warehousing costs. To ensure a modal shift to rail, the railways have strategised to:

- a) *Keep the direct freight cost low:* In case of bulk cargo movement, the Indian Railways (IR) is not increasing the freight rates despite the increase in fuel cost.
- b) *Keep the warehousing cost low:* The IR has come up with a private freight terminal policy wherein private freight terminal operators will provide add-on services to customers in the form of warehousing, door-to-door delivery etc.
- c) *Keep the double handling cost low:* The IR has opened up the container sector for private container operators and a lot of white goods cargo which is containerable is expected to gradually shift to rail-based containers.

Efficiencies in rail loading from ports have not been commensurate with the increased demand.

- d) The railways have also come up with the SPTO policy wherein commodities like molasses, caustic soda and vegetable oil have been opened up to players wanting to invest in specialised wagons for these categories of commodities which predominantly move by road.

The above policies cover the entire gamut of logistics costs. It is expected that with private sector investment and private sector efficiencies coming into play along with the long-term environment friendliness of rail transport, we would see a perceptible shift in transport modal priorities to rail.

Q: Reports indicate that there is an acute shortage of rolling stock and this is true in case of transporting coal. How is the IR addressing the issue?

Ans: The entire requirement of rolling stock on the IR is based on parameters of traffic increase. However, large-scale inefficiencies at the terminals – both loading and unloading – also lead to shortages of rolling stock. Coal loading at coal companies like BCCL, ECL, CCL South Karanpura and SECL Korea Rewa are by and large inefficient with respect to high loading time as compared to the more efficient coal companies like MCL, SECL Korba and CCL North Karanpura. Similarly, many power houses are highly inefficient in unloading rakes. Growth in imported coal has meant an increase in loading from ports. However, efficiencies in rail loading from ports have not been commensurate with the increased demand.

Thus, the entire issue of shortage of rolling stock has to be viewed not only as a function of increase in traffic, but also as a function of the increase in efficiencies that is brought about at loading and unloading terminals. Such efficiencies in many cases are managerial and not infrastructural. The Railways however has now started inducting more and more wagons every year. In the current year this is expected to be at a level of 18,000 wagons as compared to 13,000 wagons inducted last year.

Q: What is the present wagon utilisation and how do you foresee this in the next Five Year Plan?



The current turnaround of wagons is approximately five days. However, close to 30 per cent of this is at the terminals. Our focus, apart from improving speeds by improving the line capacities on congested routes, is to reduce detentions at terminals. Terminal improvement will play a key role in improving wagon utilisation.

Q: How can the strategies of “no exchange yards in transit” and “ports as mines” help in improving efficiencies in the movement of bulk cargo?

No exchange yards in transit: In the current scheme of things if a rake is to be loaded for Paradip Port then it will first be stopped at the Paradip exchange yard wherein the railways engine will be detached. Then the Paradip Port railway engine will be attached to this rake and it will move to the tippler for unloading. These are basically unnecessary detentions that a rake undergoes. The rake should have logically moved right up to the tipplers without any break in between. This would have saved a lot of detentions.

Ports as mines: Movement of coal for power houses depends on a combination of factors: (a) Loading capacity at the terminal; (b) Unloading at the power house and (c) En route capacity and congestion. Keeping these three factors in mind, loading for power houses is generally done. For example, if the tippler at a particular power house is under breakdown then loading is not done. At the same time loading capacities lost for one day cannot be made up in the next day.

When coal is loaded from mines, many destinations are available for dispatch of the said coal. However, in case of ports, this becomes customer-specific at particular period of time. For example, there is high stock of imported coal at ports meant for Farakka and Kahalgaon. This is due to the limited unloading capacities at Farakka and Kahalgaon whereas coal for West Bengal Power Houses is not available due to non-finalisation of contracts. This excess coal of Farakka and Kahalgaon could have been moved easily for West Bengal Power Houses and railways capacities could have been optimally utilised.

Q: What is the current status of the development of Dedicated Freight Corridors? When are these projects expected to be completed and when can the commercial operations start?

The Eastern and Western DFCs are expected to be commissioned latest by 2016-17. **MG**



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Corporate Office

105, 2nd Floor, Narayan Complex,
Opp: Pkt-D&E, Sarita Vihar, New Delhi-110 076, India.
Tel: +0091-11-2694 0067, 2694 5789 Fax: +0091-11-2694 2879;
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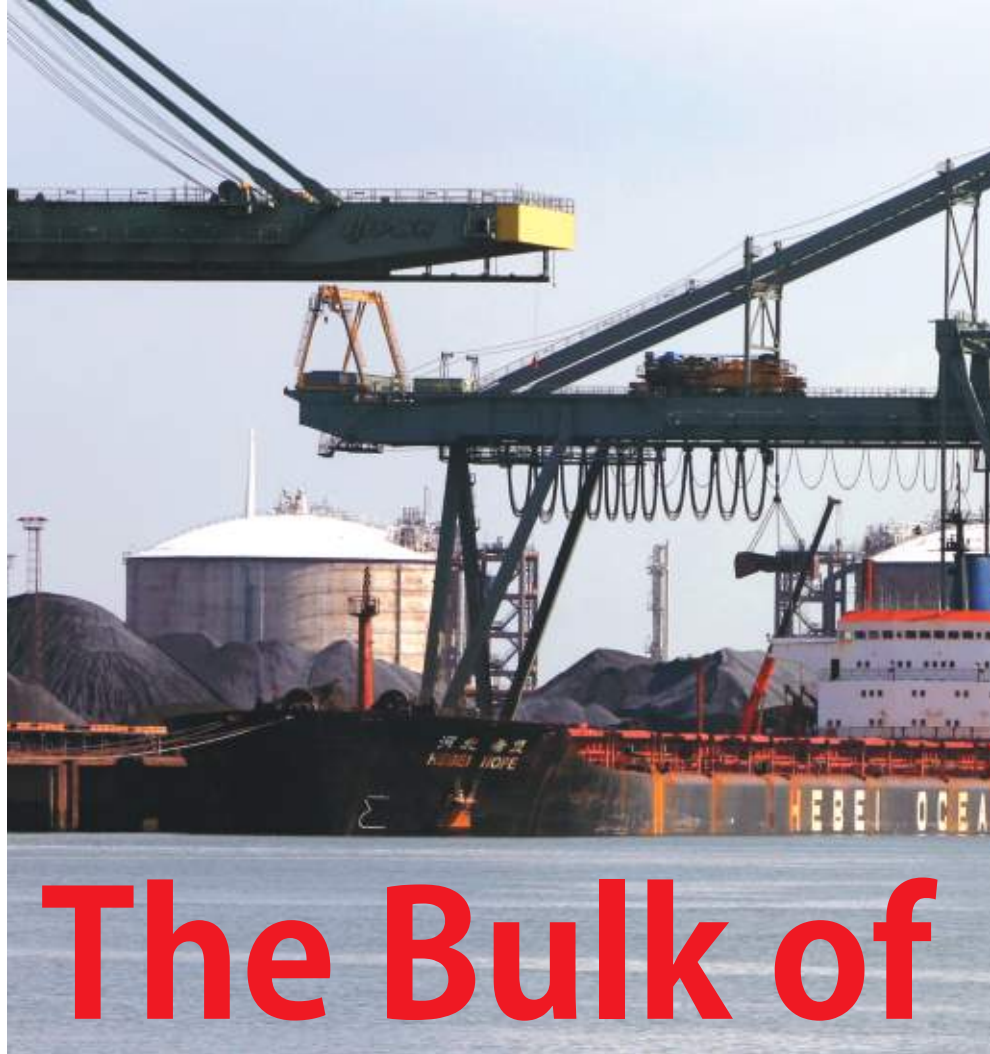
Nazery Khalid evaluates the rebound in the dry bulk trade and offers his prognosis on its near-term prospects.

The Incredible Bulk

The year 2010 has seen the dry bulk trade turning a sharp corner. Charter rates of bulk carriers have gone up considerably from their lows during the height of the global recession and prices of bulk carriers changing hands in the second-hand market in recent months have shown tremendous improvement compared to then. Day rate for Capesize bulkers was around US\$ 30,000 in early August 2010, compared to US\$ 10,000 in July 2010. Equally impressive, the price of a new Handymax bulker firmed up to US\$ 99 million in May 2010, compared to US\$ 30 million in January this year. On account of these evidences, there is cause to be optimistic about the prospects of a sustained recovery in the trade.

The dry bulk trade features the carriage of raw materials such as iron ore, steel, cargo and grains. Its performance therefore provides a fair reflection of the performance of the global economy as these commodities are widely used by industries and consumers. The trade also lacks that speculative element that so often distorts the demand and supply equilibrium of other shipping trades.

Increasing demand for bulk cargos has correspondingly pushed the demand for bulk carriers. Bulk operators and even shippers have been taking deliveries of new bulk carriers ordered with shipyards, a far cry from the dire situation during the peak of the recession and the slump



The Bulk of

in the trade last year when news of cancellation of orders dominated and scrapping activities for such vessels were at high levels.

Testimony to the convincing comeback of the dry bulk trade is the slow but sure ascent of the bellwether Baltic Dry Index that tracks the performance of the trade. At the point of writing this article, the BDI was hovering around 2,100 points, a marked improvement from the low of 663 points in December 2008. However, keen watchers of the trade will recall the BDI touching an all-time high of 11,793 points in May 2008. Current levels are of course way off those heady heights, but they provide an indication that there is huge upside potential for the dry bulk trade in its voyage towards full recovery.

Eastern promise

China, the world's most populous country and touted by many economists to become its largest

economy in another two decades, figures prominently in the recovery of the bulk trade. The voracious appetite of its 1.3 billion people for goods and materials, and recovering global appetite for Chinese made items, has almost single-handedly saved the dry bulk trade from hitting rock bottom during its downward spiral.

China is buying coal, iron ore and grains in huge volumes again to feed its industrial production and population. Companies in many industries which held back production during the downturn have started replenishing their inventories again, as demand from global markets for Chinese goods picks up in tandem with a recovering global economy. Goods are flowing out of China again to markets like Europe and the US, which only a little over a year ago cut back imports dramatically as their economies reeled from the vicious economic downturn.



Photos courtesy: Peet de Rouw

the Matter

Bulk trade recovery: Nothing to baulk at

Clarkson estimated in 2009 that over 700 Capesize bulk vessels are due for delivery in the next three to four years. This is a legacy from the ordering spree during the heydays of shipping markets prior to the recession, when the shipping market was awash with cheap financing. The entrance of huge new tonnage brings the prospect of overcapacity to a trade which is still recovering slowly from the massive hit it took as a result of the downturn. The yo-yo performance of the dry bulk trade in recent months, especially in the Capesize category, poses the kind of volatility that requires astute planning, strategising and decision-making on the part of bulk carrier owners and operators.

Although the prospect of significant new capacity coming into the trade has contributed to the current pessimism of shipping analysts towards the dry bulk trade, some were unperturbed by this. The optimist camp contended that it would take a while before the market suffers from a glut of capacity as demand for dry bulk commodities from China is expected to remain strong and should be able to absorb the arrival of new tonnage. In addition, with the coming winter months, demand for coal will increase. Combined with the customary year-end high seasonal demand for grains, this should ensure high demand for bulk carriers and translate into good earning for their owners and operators.

The spectre of huge new tonnage entering into the trade will also put pressure on its recovery. Threats of spiking oil price, disruptions to the supply of iron ore and congestions at bulk cargo ports should also not be discounted. The coming winter months may put the brakes on the bulk trade's recovery. One recalls the severity of the previous winter season which affected areas with colder climes, which dented the recovery of the dry bulk trade.

Underlining the 'good times are back' feel, Asia-Europe and Transpacific trades have been picking up steam, so much so carriers plying these trades have imposed peak season surcharge. That is quite a turnaround from those gloomy days when they cut back services and laid up capacity in those routes at the height of the economic downturn.

One sparrow does not a summer make, though. It would be unwise to think that the flourish shown by the bulk trade in the first half of 2010 would be indicative of its performance for the near future. Although demand for global dry bulk cargos will remain relentless, there is always a fear that the still-volatile conditions in the world economy and the global financial sector may hinder the recovery of the bulk trade. Already, there are signs that the Chinese economy is slowing down, after Beijing went on a loose monetary policy tangent to spur consumer demand and stave off the

impacts of the global recession. This could throw a spanner in the works of the dry bulk trade recovery. China's clout in influencing the trade is such that when it cut back on imports of iron ore in June-July 2010, it halted the recovery of the trade which was only beginning to show signs of coming out of its slump.

It would be interesting to see the impact of the growing clout and financial means of Chinese steel mills on dry bulk shipping. It would be possible that more of them would start thinking of developing their own fleet to control their supply chain better and to reduce their dependence on and exposure to foreign carriers. Some are already doing that, to the anxiety of the major bulk carriers. How this would pan out would be anybody's guess, but this 'creative destruction' process could shake the dry bulk trade to its foundations and could potentially turn the dynamics of the market on its head.



Several ports were literally frozen out and had to halt operations. Ports in Northern China for example had to stop their operations, owing to wintry conditions that render cargo-handling and quayside activities as dangerous. Should major bulk ports suffer the same fate this coming winter, disrupted sailing schedules and halted shipments may put downward pressure on the dry bulk trade's recovery.

It would take a seriously daring betting man to wage the family savings on the dry bulk trade to enter into another 'golden period' anytime soon. Despite the rise in rates and vessel prices, full recovery of the trade is far off on the horizon. Step in China to save the day. Demand from China for dry bulk commodities looks set to stay high, despite being subject to softening due to slower economic growth. Barring dramatic developments, the voracious demand from China is expected to prop up the dry bulk trade. Chinese manufacturers will continue to replenish their dwindling stock of iron ore to meet huge demand for steel, their power plants will continue to import large amounts of coal, and the country will go on importing huge volumes of grains to feed the world's most populous nation.

All eyes are on the activities of the world's biggest bulk carrier charterers like BHP Billiton, Vale and Rio Tinto, and not forgetting Chinese importers who figure prominently in

“It would take a seriously daring betting man to wage the family savings on the dry bulk trade to enter into another ‘golden period’ anytime soon. Full recovery of the trade is far off on the horizon.”

determining the direction of the dry bulk trade. Should Chinese steel mills decide to make good of their plans to develop their own fleet of bulk carriers to control their supply chain better and exercise their clout as major importers, this should add more tonnage to a trade already reeling from capacity overhang.

There are other concerns that may impede the recovery of the trade besides overcapacity. There are fears that the growth generated by the stimulus packages by major economies may not be sustainable. Worries over the vulnerability of the global economy and further shocks to the financial system still loom large. The ripple effects emanating from financial crises in Dubai and Greece, and the recent slump in the global

capital markets owing to fears of an economic slowdown in China, underscore this anxiety. Being at the forefront of global trade and economy, the dry bulk trade would be among the first sectors to be hit when an economic or financial storm kicks in.

The forecast of world economic growth of around 3 per cent in 2010 should be favourable to the dry bulk trade. China, which is seen by many analysts as the potential 'saviour' that can take the world economy, and hence shipping sector, out of its doldrums, is on course to register double-digit growth again in 2010, provided the global economic recovery holds up. If China's economic growth and global economic recovery are unimpeded, these augur well for the dry bulk trade to continue its upward trajectory.

A sense of perspective is needed to project how this key shipping trade will unravel in the near future. Dry bulk trade, as is the shipping sector a whole, is a long-term play and its worth should therefore not be assessed using short-term lens. Those who are 'in it to win it' should persevere and display resilience. There have been downturns before and almost always, the 'contrarians' who patiently ride out the storm will be best prepared to take advantage of the opportunities when consumer confidence, trade volumes and economic growth pick up steam again.

No doubt, it will take a while before the dry bulk trade can completely recover from the massive hit it took during the global recession. However, on the basis of its encouraging performance in recent months, and the immense importance of dry bulk items in our daily lives, this crucial shipping trade should show resilience and should head in calmer waters in the foreseeable future. **ME**



*Nazery Khalid
(nazery@mima.gov.my)
is Senior Fellow at
Maritime Institute of
Malaysia.*

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HIRALAL & COMPANY

Head Office

Thakker House, Swatantra Path, Vasco Da Gama, Goa
Tel : 2513828, 2512453, 2512874, 2513958
Fax : 0091-832-2513861/2511986,
CABLE ADDRESS: THAKKER Vasco-da-Gama
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Currently around 90 per cent of the energy demand in India is catered by coal, oil, biomass and waste. Natural gas, one of the cleanest fuels, has a share of only 6 per cent in the total Indian energy demand. Even though the demand for natural gas is huge, mainly from fertilisers plants and power generators, the lack of adequate supply in the past has been a major constraint in the growth of natural gas consumption in India. However, increasing gas discoveries and gas related infrastructure is expected to increase the contribution of natural gas in total energy demand. Domestic supply of natural gas witnessed a remarkable increase in 2009 when RIL's Krishna Godavari KG-D6 gas field started production.

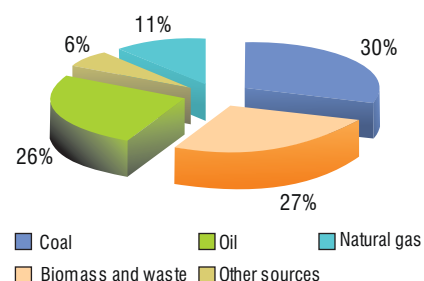


by **Navin Thakur** and **Pranay Shukla**

Future of LNG Trade India Cooks



Figure 1
Energy demand in India in 2009



Source: IEA

Natural gas production

Production of natural gas, which was almost negligible at the time of independence, is now at the level of around 151.82 MMSCMD. The main producers of natural gas are ONGC, Oil India, JVs of Tapti, Panna-Mukta, Ravva and RIL. Krishna-Godavari basin is one of the largest gas reserves in India. It started its production in 2009 from KG-D6 block, which is operated by RIL. As per latest estimates from BP Statistical Review 2010, India has gas reserves amounting to 1,115 bcm. This will be enough to sustain production for the next 28 years with the current level of exploration.

In the coming years, the Indian upstream sector is expected to gain momentum as the Directorate General of Hydrocarbons was reportedly looking forward to gradually phase out the existing NELP licensing regime and adopt new Open Acreage Licensing Policy (OALP) by 2011. Under OALP system, the bidders would be able to bid for blocks available for offer at any time of the year. Moreover, with Government of India introducing new APM prices, consumers in India are expected to increase their consumption for domestic natural gas.

Natural gas consumption

The consumption of natural gas is growing at a much faster rate than domestic production in India. Between 2000 and 2009, the consumption of natural gas has

on Gas!

Table 1

Natural gas production in India

	Volume (MMSCMD)
ONGC and Oil	54.32
RIL KG D6*	57.14
PMT/ Rava/Rava Satellite	18.67
Long term RLNG	21.69
Shell Spot*	5.54
Petronet Spot*	1.59
Other gas	2.70

* December 2009 data

Source: MoPNG and GAIL

grown at a CAGR of 7 per cent, which is 3 per cent higher than that of natural gas production.

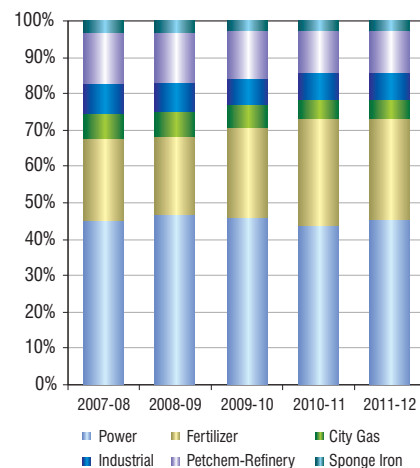
In India, natural gas is mainly used for energy purposes contributing around 65 per cent with remaining being used as a feedstock and petrochemical industry (See Table 2). The largest natural gas consumers are power stations, which use 35 per cent of total natural gas followed by fertiliser industry. Other usage of natural gas is found in LPG shrinkage

(16 per cent) and industrial fuel (10 per cent). In 2009, total natural gas consumption in India was 51.9 bcm.

The surge in demand of natural gas is being met by domestic sources and LNG, which is mainly imported from Qatar under long-term contract.

Figure 2

Segment-wise demand for natural gas



Source: Working Group report on petroleum and natural gas sector for the 11th plan period

Infrastructure

Pipeline Infrastructure

One of the important links in the gas distribution infrastructure is the extensive pipeline network. Pipeline network in India is most developed in the north-western region, while in other parts of India it is less developed.

Prior to 2006, GAIL was the only organisation in India involved in developing pipeline infrastructure. But in 2006, Reliance Gas Transportation Infrastructure (RGITL) also entered the field.

In 2008, RGITL laid up the East-West pipeline network, which linked KG-D6 to the existing network. The present pipeline network is about 10,000 km in length and supplies gas to over 0.8 million households and 0.4 million CNG vehicles. GAIL and RGITL have a pipeline network of 7,200 km and 1,375 km, respectively. The largest existing pipeline is the Hazira-Vijaypur-Jagdishpur, which covers a distance of 3,187 km.

LNG Infrastructure

India currently has only two operational LNG regasification terminals, both located in Gujarat – Petronet LNG's Dahej LNG terminal and Shell's Hazira LNG terminal. Both these terminals together have a regasification capacity of 13.4 million tonnes per annum (mtpa). Besides these, two more regasification terminals – Ratnagiri Gas and Power (formerly known as Dabhol) and Petronet's Kochi LNG terminal – are presently under construction. Again these two terminals will add another 5 mtpa of regasification capacity by 2012.

Dahej LNG terminal operated by Petronet LNG was started in 2004 and was the Southeast Asia's first LNG receiving and regasification terminal with an original nameplate capacity of 5 mtpa. In 2008, capacity of the terminal was expanded to 10 million tpa which got commissioned in June 2009. The expansion involved construction of two additional LNG storage tanks and

Table 2

Industry-wise off-take trend of natural gas in India

Segment	1995-96	2000-01	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08
Power Generation	6,836	8,801	10,510	11,478	12,099	11,878	11,963	12,037
Industrial Fuel	2,301	2,870	2,939	3,099	3,569	3,780	3,205	3,324
Tea Plantation	111	151	119	142	142	151	170	160
Domestic Fuel	178	335	654	93	343	75	443	39
Captive use/LPG shrinkage	589	5,004	5,409	4,865	4,944	5,048	5,034	5,618
Others	0	38	136	1,263	231	1,120	40	1,258
Total	10,015	17,199	19,767	20,940	21,328	22,052	20,855	22,436
% of grand total	55%	62%	66%	68%	69%	71%	66%	65%
Fertiliser Industry	7,602	8,480	7,955	7,889	8,173	7,762	8,497	9,822
Petrochemicals	474	779	1,027	1,128	1,236	1,175	1,377	1,432
CNG				1				
Others		1,402	1,215	948	37	36	639	638
Total	8,076	10,661	10,197	9,966	9,446	8,973	10,513	11,892
% of grand total	45	38	34	32	31	29	34	35
Grand Total(A+B)	18,091	27,860	29,964	30,906	30,774	31,025	31,368	34,328

Source: Ministry of Petroleum and Natural Gas, GOI

other vaporisation facilities. The terminal is currently meeting around 20 per cent of the total gas demand of the country.

Hazira LNG has an infrastructure for 5 mtpa while its initial throughput capacity was of 2.5 mtpa. In 2008, the terminal capacity was increased to 3.4 mtpa. The Shell and Total operated terminal has two cryogenic tanks each with a net capacity of 160,000 cbm each. The site has option for increasing the capacity to 10 mtpa with two additional tanks.

Ratnagiri LNG terminal, the third LNG regasification terminal with a nameplate capacity of 5 mtpa is scheduled to become operational in 2010. Out of 5 mtpa, 2.9 mtpa of regasification capacity will be available for merchant sales. In its initial phase of operation, the terminal will only operate at half of its peak capacity. It was earlier scheduled to get commissioned in mid-April 2009 that was delayed till January 2010, which is now expected to get commissioned by the end of 2010. The terminal is intended to operate initially at a capacity of 1 mtpa and will gradually ramp up regasification capacity.

The fourth terminal that is under construction, is **Kochi LNG** terminal operated by Petronet LNG. The terminal is scheduled to get commissioned by 2012 and with a nameplate capacity of 2.5 mtpa, which is further expandable to 5 mtpa.

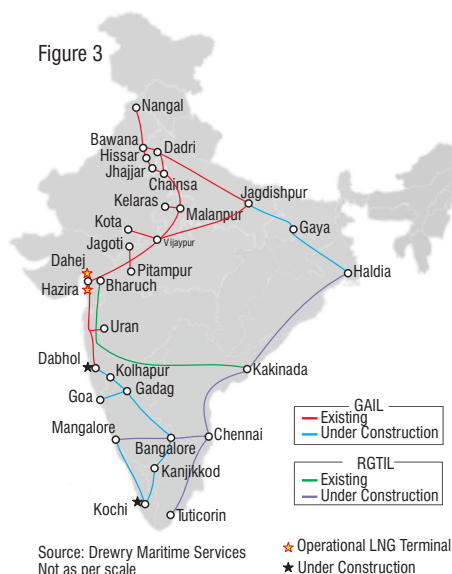
Existing LNG contracts

The LNG in India is imported under long-term contracts at Dahej and on spot through Hazira LNG terminal, which operates on a merchant



Photo: Panhandleenergy

Figure 3



model. Both these terminals have a combined import capacity of 20.4 bcm, which can be further expanded to 25 bcm.

Dahej LNG terminal signed a SPA with Qatar in 2004 for the supply of 7.5 mtpa LNG. Apart from Qatar, Petronet LNG has signed a 20-year SPA with ExxonMobil for the supply of 1.5 mtpa of LNG from its share of the Gorgon project for Kochi LNG terminal starting 2014.

Two vessels, both 2004-built *Disha* (136,026 cbm) and *Raahi* (136,062 cbm), are dedicated to ship LNG from Qatar to Dahej terminal. In 2009, both these vessels performed 59 voyages from Qatar to Dahej. In the previous year, 127 LNG vessels called at the two existing LNG regasification terminals together under short-term and long-term contracts. The surplus in global LNG is due to the less of demand from the two big importers like Japan and South Korea which enabled both the existing Indian regasification terminal to secure spot cargoes from Algeria, Australia, Egypt, Equatorial Guinea, Indonesia, Malaysia, Nigeria, Oman, Qatar, Russia, Trinidad, and UAE as well.

LNG Trade

India began to import LNG in 2004 with the first cargo arriving at Dahej LNG terminal from Qatar under a long-term contract. India as an

Table 3

List of LNG regasification terminals in India

Status	Name	Company	Port	Start Year	Capacity (mtpa)
Current	Dahej LNG	Petronet	Dahej	2004	10.0
Current	Hazira LNG	Shell India	Hazira	2005	3.4
Under Construction	Kochi LNG	Petronet	Kochi	2012	2.5
Under Construction	Ratnagiri Gas and Power Ltd	GAIL	Dabhol	2010	5.0

Source: LNGOneWorld

importer has grown phenomenally in the last six years. Now India sources LNG from a range of exporters from all parts of the world. In 2009, it was sixth highest LNG importer in the world. In the last six years, LNG imports to India have grown at a CAGR of 37 per cent.

Petronet LNG is India's largest importer of LNG. Initially it has started Dahej LNG terminal, which had operational capacity of 5 mtpa, under long-term contract from Qatar. As the demand for LNG increased, Petronet LNG also started importing spot LNG cargoes.

Shell's Hazira LNG terminal imports LNG purely on 'spot' basis. It does not have any long-term contracts with any supplier. Therefore, the import of LNG at Hazira LNG terminal has been very erratic. During peak demand season as the cargo prices go up, a merchant model based terminal struggles to find cargoes, which has been the case with Hazira LNG in the past. Dahej LNG terminal, however, has had more regular flow of cargoes despite fluctuating demand and volatile cargo prices because it gets cargo on long-term basis.

Bottlenecks in LNG trade growth

After RGTIL's East West Gas Pipeline (EWPL) became operational, the natural gas from the KG-D6 basin is being easily transported to the state of Gujarat and adjoining areas. The North Western Region of India is the key demand centre for natural gas as most of the gas run industries are concentrated in this region. The KG

Figure 4

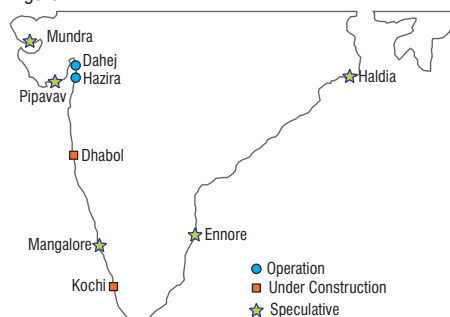


Table 4

LNG Sale & Purchase contracts

Signed On	Export Country	Import Company	Quantity (mtpa)	Start Year	Export Terminal	Export Company	Importing Terminal	Contract Till
1998	Qatar	Petronet	7.5	2004	RasGas	RasGas	Dahej LNG	2028
2009	Australia	Petronet	1.5	2014	Gorgon LNG	Exxon Mobil	Kochi	2031

Source: LNGOneWorld

Table 5

LNG vessels on long term charter

Vessel	Shipyard	Built	Owner	Capacity (cbm)	Trade Route
Disha	Daewoo H.I.	2004	Petronet	136,026	Qatar-India
Raahi	Daewoo H.I.	2004	Petronet	136,062	Qatar-India
Aseem	Samsung H.I.	2009	K Line	154,800	Qatar-India

Source: LNGOneWorld

Table 6

LNG imports to India

	(bcm)
2004	2.63
2005	6.04
2006	7.99
2007	9.98
2008	10.79
2009	12.62

Source: LNGOneWorld

basin production from RIL's KG-D6 is expected to ramp up to 60 MMSCMD by the end of 2011. The EWPL pipeline would be instrumental in transporting this gas to key demand centers. Consequently, it would

dampen the import of LNG cargoes at the existing regasification terminals.

Spot LNG prices in the last couple of years have fallen from a peak of US\$ 20/MMBtu in 2008 to a low of less than US\$ 4/MMBtu in 2010. While international LNG prices are very volatile in nature, the domestic gas is likely to follow a stable pricing mechanism due to regulatory environment in India. Therefore, domestic gas consumers are more likely to go in for agreements with indigenous gas producers rather than buying spot LNG cargoes, subject to availability of gas locally.



Congestion in existing distribution pipeline network is another issue that needs to be addressed before LNG imports could be ramped up. Petronet LNG has reportedly limited the import of spot LNG cargoes at the Dahej terminal this year. In the first five months of 2010, not even a single spot LNG cargo was imported at Dahej LNG terminal. Interestingly, Dahej LNG terminal had imported more than 40 short-term LNG cargoes in 2009 and was ranked among top three LNG terminals importing spot LNG cargoes.

Competition from Naphtha as an alternate fuel for power generation and feedgas for fertiliser industry is another major concern in the growth of LNG trade in India. As and when the price of Naphtha becomes cheaper than regasified LNG, the demand for LNG declines and industries switch to Naphtha. This creates erratic and unpredictable demand pattern for LNG.

The outlook

With global leaders putting emphasis on use of cleaner fuels to reduce emissions, natural gas consumption is expected to grow at the expense of non-clean fuels like coal and oil. The present domestic gas supply at 65 MMSCMD predicts a supply deficit and this could be met through increased domestic production and

imports of gas.

India's projected economic growth will fuel growth of industrial demand for natural gas. Besides existing demand centres, new gas-based industries are likely to mushroom, especially on the east coast of India. These industries will have to be supplied from KG basin gas reserves as that is the only gas source available to them. Also, there are no concrete plans of any LNG regasification terminals on the eastern coast.

Chances of imports of natural gas through international pipelines (mainly Iran-Pakistan-India pipeline and Myanmar-India pipeline) are bleak in the near future. India has not been able to resolve the issues related to laying of natural gas pipelines with Pakistan due to political situation between the two neighbours. Myanmar has also been doing flip flop on pipeline exports to India. As a result, India has had to look to other destinations for gas supply in the past. LNG imports are the only option that could promptly serve India's purpose.

Even when KG basin exploration blocks start operating at their optimum capacity, there will still be a supply deficit of natural gas in India. In the absence of pipelines, this has to be met by LNG imports. All the

operational and proposed LNG terminals in India will be ready to handle 22.5 mtpa of imports by the end of 2012.

India's LNG imports are more likely to grow than not. Current state of LNG imports might not be the best indicator to point on future of LNG imports in India. With government policies gradually moving towards deregulation, India could possibly compete for all available LNG cargoes round the year. Energy security would be paramount in India's journey of becoming a developed economy in which LNG imports could just lend a helping hand. [MG](#)

Navin Thakur (thakur@drewry.co.uk) is the deputy general manager India – research at Drewry Maritime Services Pvt Ltd. He has in-depth knowledge of the various aspects of LNG industry, including LNG projects, fleet, shipping, trade, contracts and LNG financing chain.



Pranay Shukla (pranay@drewry.co.uk) is the research analyst at Drewry is also the online editor of news & editorial for LNGOneWorld website. They are the co-authors of 'The Drewry Annual LNG Shipping Market and Review 2010'.



The Coastal Advantage

India's coastal hinterland, covering an area of more than 380,000 sq km in 40 districts spread across five states on the west coast and four states and a UT Puducherry on the east coast along with another 8,300 sq km covering the islands in Arabian Sea and the Bay of Bengal, depends on coastal shipping for the transportation of cargo and passengers. Much has been said about the importance of coastal shipping and it is time to rethink on the options coastal shipping offers for the shipment of cargo.

As India Inc. braces up to be a name to reckon with in global trade and more and more industries and infrastructure projects take shape, coastal shipping could emerge as a viable option, provided the issues are addressed forthwith. As the government plans to spend nearly US\$ 492 billion on infrastructure projects such as power, roads, bridges, railroads and ports and nearly US\$ 300 billion on oil exploration and production; the movement of heavy equipment across the country is the need of the hour. And coastal shipping is the best mode of transportation. Here's a quick look at the advantages and the challenges.

by Surendra Sharma

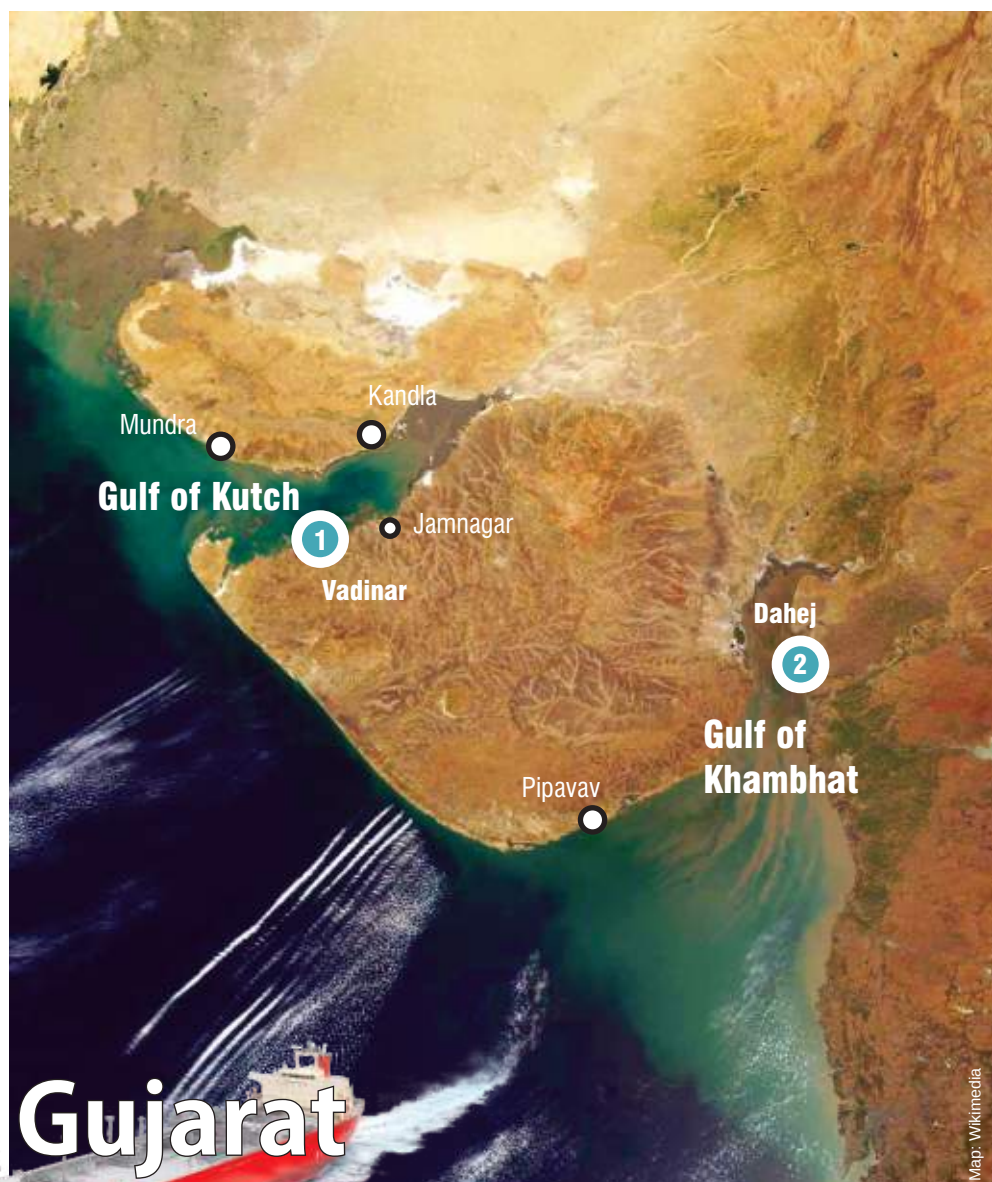
India imported 154.51 million metric tonnes (mmt) of oil in 2008-09, out of which crude oil component was 128.16 mmt, as per the Economic Division (Ministry of Petroleum & Natural Gas). With the natural advantage of its 41 minor ports and 1 major port and supported by a consistent and proactive policy, the state of Gujarat continues to handle a lion's share of India's oil traffic enforcing its position as the oil capital of India.

Oil cargo consisting of crude oil, petrochemical (POL), edible oil, and other specialised liquid cargo moves in bulk, especially for large quantity shipment. Loading and discharging is done through pipelines, due to the advantages of speed it offers and pipeline loading / unloading is also considered a safe and cost-effective method, practiced all over the world. Crude oil cargo especially moves in tankers. The tanker capacity is assessed by the deadweight metric tonnes (dwt). The biggest are the ULCC (Ultra Large Crude Carriers) whose storage is between 3,20,000 to 5,49,000 dwt. Next are the VLCC (Very Large Crude Carrier) with a size of 1,60,000 to 3,19,999 dwt. VLCCs with their huge size (of about 330 m length and breadth 58 m) are restricted to operate only in deep sea ports with draft of 22 m or more. For shallow ports, single point mooring (SPM) facilities are constructed in the deeper waters connected to the port through pipelines.

The advantage

With its unique geographic advantage of having two gulfs – the Gulf of Kutch and the Gulf of Khambhat – the state offers favourable marine conditions for the development of infrastructure and also to handle large specialised oil tankers.

Oil cargo terminal infrastructure in the state is mainly concentrated in these two gulfs.



Gujarat The Oil Capital

Ideally located on the western coast of India, the state of Gujarat, with the longest coastline of 1,600 km, has emerged as a major oil-importing and refinery hub. The state facing the Arabian Sea is in close proximity to oil exporting Middle East countries, and is also near the major east-west cargo sea routes.

GULF OF KUTCH

Gulf of Kutch is a water basin 45 km in breadth and 130 km in length with about 60 m deep at the mouth, sloping up to a depth of less than 20 m at the head, visited by 'mixed semidiurnal' tides, i.e. it experiences two high tides and two low tides of variable ranges every day. It separates its southern landmass of Saurashtra from the northern landmass of Kutch. Seventy per cent of India's total crude import is estimated to move through the Gulf of Kutch.

Saurashtra, an arid peninsula, receives an average rainfall of 500 mm annually. The calm and deep waters of its southern shores, together with the relative protection it enjoys from monsoon waves, make the Gulf of Kutch an ideal commercial cargo transit channel.

Vadinar located in Jamnagar district (refer to zone1 in Figure 1) on the southern side of the gulf combines the benefits of a dry region with the deep draft tranquility of the Gulf of Kutch and it is here that one of the world's largest refinery site (with a combined refining capacity, of above 75 mmtpa) is located. The site is linked to the Kandla-Bhatinda product pipeline through the Vadinar-Kandla pipeline, giving it easy access to the key markets of north India.

Vadinar offers sheltered deep draft with tranquil sea conditions around the year even during monsoon. This makes it an ideal place for VLCCs to direct discharge by offshore Single Buoy Mooring (SBM) into the shore-based tanks, as also for lirage operations wherein small vessels (daughter ships) double bank with the VLCCs (mother ship) to enable cargo from the mother ship be discharged in to the daughter ships. Small ships can then enter port terminals across India for alongside discharge in onshore tanks. During monsoon such double banking operations cannot be held in the

open seas.

On the northern bank of the Gulf of Kutch, deep in the gulf, lies Kandla Port (which handles the largest quantity of cargo in India) and at the outer limits of the gulf's northern side lies Mundra Port, which is also one of India's fastest developing ports.

Oil terminals and infrastructure – Kutch

Mundra Port and Special Economic Zone Ltd. – Kutch

- Port has berths with facilities to handle bulk liquid cargoes, supported by nine pipelines of various sizes connecting shore-based storage tanks. Tank terminal has 81 tanks with total storage volume of 3,45,624 kilolitre (kl) for storage of various liquids like edible oils, petroleum products, bitumen in bulk and chemicals. Tank terminal has efficient loading bays with supporting pumps for fast loading onto road tankers, as also loading on export vessels from with Radar Gauges and Mass flow meters for measurement at delivery end
- Port has a Single Point Mooring (SPM) 8 km offshore, at a depth of 32 m, for handling crude oil. SPM can handle ULCCs up to 5,00,000 dwt with a discharge rate of 8,000 to 12,000 tonnes per hour (thp)
- Port has a bunkering terminal meeting MARPOL Annex VI requirements; with ISO 9001-2000 accredited Bunker Supply Chain Management for 24 X 7 working. Terminal offers all grades of fuel oil and gas oil as per ISO specification at globally competitive price with delivery both alongside and offshore
- Future developments include three additional SPMs and a Crude Oil Terminal (COT)

Kandla Port Trust – Kutch

- Port has six oil jetties, as also five inner anchorages mooring with

two virtual jetties for tanker loading / unloading including via barges. Port has a storage tank with the capacity of 6,30,248 kl and another of 1, 41,500-kl capacity under construction. Port can handle various liquid cargoes including: A, B, C, LG, NH and EO classes of chemicals at very competitive tariff rates

- Vadinar, which comes under Kandla Port, has two SBMs of the Indian Oil Corporation (IOC) and one of Essar Oil. The SBMs are capable of handling VLCCs for discharge via pipeline. Future plans include additional SBMs
- Future developments include development of satellite Port Tuna and Offshore facilities

Cairn India Ltd. – Jamnagar

- Managala Oil field in Rajasthan is the largest onshore oil field in India with a potential to produce 240,000 barrels of oil per day (bopd)
- Oil moves through a dedicated heated and insulated pipeline system from the oil field in Rajasthan to the downstream terminal (590 km) point at Bhogat (Jamnagar) for loading on coastal ships. Pipeline is also connected to the refinery zone near Vadinar
- Company has plans for offshore oil terminal facilities with twin SPM system which is expected to be operational by 2011

Essar Oil Ltd. – Jamnagar

- Refinery at Jamnagar with 10.5 mmtpa capacities which is to be increased to 16 mmtpa by 2010 year end
- The Marine Infrastructure facilities include an SBM capable of handling vessels up to 3,50,000 dwt with a capacity of 25 mmtpa, tankages with interconnecting pipelines of 20 mmtpa capacities; marine product dispatch capacity of 12 mmtpa and rail-car and truck loading facilities

- Two jetties at Vadinar to handle export of refined petroleum products with a total capacity of 14 mmtpa

Reliance Industries Ltd. (RIL) – Jamnagar

- Refineries with a combined capacity of 64.6 mmtpa at Jamnagar
- Marine Infrastructure facilities include two SPMs and four tanker berths for exporting petroleum products. Expansion includes additional SPM for import and export.
- Liquid fuel jetty (3.50 mmtpa) at Dahej

HPCL-Mittal Energy Limited (HMEL) – Jamnagar

- A JV of Hindustan Petroleum Corporation Limited (HPCL) and Mittal Energy Limited (MEL), it has 9-mmtpa Guru Gobind Singh Refinery at Bhatinda (Punjab)
- An offshore SPM 10 km in the Gulf of Kutch with 16 km of pipeline connecting it to the

onshore COT. Storage capacity of over 8,00,000 kl capacity at Mundra.

- A 1,014 km long cross-country pipeline, including one Intermediate Pumping Station to transfer crude oil from COT at Mundra to Guru Gobind Singh Refinery at Bhatinda

Bharat Oman Refineries Limited (BORL) – Jamnagar

- A JV of Bharat Petroleum Corporation Limited (BPCL) and Oman Oil Company Limited (OOCL), it has commissioned a 6-mmtpa refinery at Bina (Madhya Pradesh).
- An offshore SPM and onshore COT at Vadinar to supply crude oil to the refinery via 935-km pipeline

GULF OF KHAMBHAT

Gulf of Khambhat which separates the landmass of Bhavnagar and southern Ahmadabad district on the western side and Bharuch and Surat district on the eastern side is a water basin about 54 km in breadth at its mouth and nearly 110 km in length tapering towards Khambhat on the landward northern side. Its mouth faces the southern direction subjecting it to tidal waves unlike the Gulf of Kutch which faces northwestern direction.

Dahej Port located on the Gulf of Khambhat, north of the Narmada River (Refer Figure 1, zone 2) has developed as an important petroleum and product cargo landing, storage and distribution centre. Connected to the Arabian Sea through Grant Channel and Malacca Banks, the port offers 14-m draft with a high tidal variation of over 10 m, and can easily accommodate vessels up to 60,000 dwt depending upon the terminal.

While Gulf of Kutch has capacity to handle VLCCs and ULCCs, the Gulf of Khambhat has infrastructure for

specialised handling and storage system for LNG, liquid and gaseous chemicals falling in "A", "B" and "General" classes, including petroleum products. Caustic Lye, Methanol Aniline, Propylene/Propane, Naphtha / Kerosene, Butadiene, N-Paraffin/Mixed Xylene, Benzene / Styrene are some of the chemicals which can be effectively handled and stored.

Oil terminals and infrastructure – Khambhat

Gujarat Chemical Port Terminal Company Limited (GCPTCL) – Dahej

- With a capacity of 1.8 mmtpa at an investment of ₹ 9 billion, the terminal has a single berth Jetty with a height of 20 m above Chart Datum and a large service platform accommodating seven unloading / loading arms etc. which can cater to ships of various sizes, makes and standards
- Storage capacity includes 3,11,300 cu m of liquid and gaseous chemicals falling in A, B and General classes. Two cryogenic double walled storage tanks of 80,000 cu m capacity (largest in India)

Petroleum, Chemicals and Petrochemicals Investment Region (PCPIR) – Dahej

- Port-based PCPIR is spread over an area of 453 sq km, with a processing area of 186 sq km. The ONGC Petro Additions Limited (OPAL), a joint venture company promoted by ONGC and Gujarat State Petroleum Corporation (GSPC), is the anchor tenant with a grass root integrated petrochemical complex (1.1-mmtpa dual feed crackers)
- PCPIR includes companies like Indian Petrochemicals Corporation Limited (IPCL), Gujarat Alkalies and Chemicals Limited (GACL), BASF, Birla Copper, Gujarat

Gujarat maritime highlights

- Longest coastline of 1,600 km among all states in India
- Natural formation of sheltered Gulf of Kutch / Khambhat
- Vadinar Port offers VLCCs facilities for year round SBM discharge / lighterage operations
- The first state in India to develop a chemical terminal
- Dahej Port offers specialised cargo handling and storage facility for different types of POL ships
- Mundra port offers ULCCs SPM discharge facilities and also 24 X 7 bunkering facilities
- Largest concentration of refineries and petrochemical industries
- Intake point for imported crude for major refineries based in northern India
- Outlet point for largest onshore oil field, to export / ship crude oil
- ONGC and private companies have more than 126 onshore and offshore oil & gas fields in the state

Chemical Port Terminal Company Limited (GCPTCL), Petronet LNG and Welspun along with a number of SEZs

The way forward

Globally, the oil industry has more than 60 per cent of its revenue derived from refining and marketing activities. India with its surplus refining capacity, along with value addition (ability to process sour crude), is well poised to cover the demand in North America, China and other Southeast Asian countries like Indonesia, Taiwan, Vietnam, Sri Lanka, Pakistan, and Bangladesh.

Gujarat with its existing and new Greenfield ports has additional liquid-handling capacity. Simar Port by Shapoorji Pallonji (SP Group) and Dahej Port by Sandesara Group can be effectively used for storage and export of POL products.

A combined and coordinated approach by the Government of India and the state government along with other stakeholders, can ensure that the whole liquid logistics chain as well as the terminal infrastructure (which includes product carriers to transport domestic and export petroleum products and tank farm with linked pipelines for specialised products) are in place assisted by policy incentives and support, to develop POL export hubs at various locations across India.

Disclaimer

While all efforts have been made to provide accurate and reliable contents; Information given is only intended for general outline purpose and should not be regarded as comprehensive for taking any specific decisions. 

Surendra Sharma (surendrasea@gmail.com) is an expert on port-led logistics, with special focus on western India. He has also been actively associated with various management consulting projects (strategy and operations) for private, state and central government agencies.



The Trade Catalyst

Chennai Port grew 7 per cent in 2009-10 over the previous year – a clear indication of the huge growth South India is poised to experience in the coming years. Month-on-month the pace is growing and the volumes are increasing. A major contributor to this growth has been the Chennai Container Terminal Pvt. Ltd. owned and operated by DP World. Since its takeover in 2001 until last year, DP World Chennai was the only terminal operator at Chennai Port instrumental in taking the region's growth from 300,000 TEU to 1.2 million TEU, garnering 60 per cent of the share of the containerised traffic handled at the four container terminals in South India.

The terminal is unique in its location, in as much as the port is situated within city limits. Though the location in a populous area poses its own set of challenges, such was not the case in Chennai. Over the last eight years since commencing operations, the organisation has made effort in building up confidence in the South Indian trade fraternity and in reaching out to its customers' customers. Within the terminal, the biggest challenge was the limited yard space, which earlier led to huge delays and storage costs in the delivery of containers. DP World Chennai's efforts in process re-engineering have brought the dwell time of containers at the terminal from 7-8 days in 2001 to less than 24 hours today.

For a long time, the low productivities at the port, limited infrastructure and outdated equipment resulted in long vessel turnarounds and thereby US\$ 200 per TEU congestion surcharges that were passed to the exporters and importers. However, with the state-of-the-art equipment in place, improved productivity and importance to training of equipment operators, the turnaround time has come down to a day during the last three years leading nil congestion surcharge.

Chennai is also a major gateway for the automobile sector, and DP World Chennai's efforts with leading players like Hyundai and Toyota ensures a Just-in-Time model, where semi-finished cars are imported and delivered to their factories from port within 2 hours, the cars are assembled and the finished product is transported back to port for export all in a span of 36 hours.

"It is all about the customers," says DP World Chennai's CEO, Ennarasu Karunesan, "and matching customer requirements with operational efficiencies inside the terminal and well as beyond into the hinterland. This is DP World Chennai's winning formula to growing its business year on year by 18-22 per cent."



The 3 Ps of Success

If it's big, bulky and awkward, then it is Project Cargo – and this is a whole different freight game to moving garments, laptops and packaged foods. **Mark Millar** explores the success factors in the world of project logistics.

How do those large satellite dishes get delivered up to the very top of the hillside? Have you ever wondered how the wings of an Airbus get delivered to the facility that houses the fuselage?

Welcome to the world of Project Logistics which involves the handling, transporting and installing of all types of large, bulky, awkward and expensive industrial equipment and machinery, where every job is special and different. Let's explore the three P's of success in Project Logistics – People, Plans and Partners.

By the nature of Project Logistics, no one job is ever quite the same as another, so there is always something different.

PEOPLE

Project Logistics is not for beginners! The specialist nature of the cargo and related complexities of handling and transportation can only be handled by experienced professionals. The expertise required can only be gained through many years of on-the-job experience, studying under – and working alongside – the experienced project cargo professionals.

The sorts of people who thrive in this sector are those that enjoy plenty of variety and lots of challenges. By the nature of Project Logistics, no one job is ever quite the same as another, so there is always something different, and unforeseen challenges frequently arise during the assignment. There is definitely not much routine in the Project Logistics business.

Teamwork is another critical success factor. The project will typically involve a large team, comprising people from different functional disciplines – logisticians, transportation specialists, engineers, planners etc. – frequently from different backgrounds and various nationalities, cultures and languages. So, for the successful delivery and installation of the project cargo, effective team work is an essential ingredient.

PLANS

As with any complex project, there is a need for meticulous planning. Especially in Project Logistics, the success of the 'doing' directly relates to the diligence in the planning. Harnessing the extensive experience and expertise of the project team personnel, the plans have to address the careful handling and timely movement of very valuable, and often fragile, oversize and overweight cargoes – whilst accommodating the time and cost constraints of the project.

Multiple dimensions have to be factored into the plan. For example, from an infrastructure perspective, there will typically be limited transportation lanes available for use – due to the weight and size of the cargo. This could apply to any combination of road, rail, air and water transport routes. The journey may include passing through areas where there is limited availability of telecommunications services, or there may be no power available.

In addition to minimising any damage to the environment from a sustainability perspective, additional environmental factors have to be considered – such as the terrain of the land, the weather patterns during the journey. Of course, it is also essential to factor in appropriate safety precautions at all times.

And then there will inevitably be the regulatory aspects. Plans will no doubt have to include security considerations – of both the cargo and the personnel. The majority of project cargo moves involve international journeys, and therefore cross-border regulations need to be understood, observed and accommodated. Due to the size of these cargoes, there will frequently be a need to obtain special permissions – for example, road closures or special berthing arrangements.

And of course, much of these project cargo moves are happening to, from and between developing nations, where processes and procedures are encumbered with lots of bureaucracy. Therefore, harnessing the experience of the personnel to develop a solid project logistics plan is essential to the effective and efficient execution of successful project cargo movements.

A project will require various third party organisations to be commissioned to bring their particular area of expertise. Contractors will likely be required to provide specialist equipment-handling machinery

PARTNERS

The third P of successful Project Logistics is the selection, appointment and management of the Partners that will be involved in delivering the Plan.

The project will require various third-party organisations to be commissioned to bring their particular area of expertise. Contractors will likely be required to provide specialist equipment-handling machinery, such as heavy-duty trailers, cranes and industrial strength lifting equipment, together with the relevant manpower.

Likewise, there will usually be a need for specialised transportation assets, and the expertise to efficiently operate them – heavy lift planes, flat bed trailers, tugs and barges. These will generally be provided by subcontractor specialists within the Project Logistics sector – again reinforcing the importance of having experienced personnel on your team who know the business, know the providers – good and bad – and have the right contacts to procure the appropriate equipment and related services at value-for-money rates.

The final component of the Partner 'P', is the Project Forwarder's counterpart at the other end of the journey. The project forwarder at the origin needs to work with a fellow project forwarder at the destination to ensure a successful end-to-end project move that satisfies the customer's requirements.

Selection of the right partner is obviously critical to the success of the project, and typically project forwarders will seek out partners via membership of one of the freight network groups. These groups provide a membership platform through which forwarders can connect with fellow network members from around the world – and meet face-to-face at the regular in-person business-matching events hosted by the networks.

One such example is the China Logistics Club (CLC) which has a membership of almost 500 freight forwarders from over 90 countries – including 17 members from India. Such is the significance of Project Logistics in Asia Pacific, that in 2008 the CLC established a 'Project Division' – specifically to connect specialist and competent project forwarders around the region.

Under the leadership of founding member J-PAC Logistics of the Philippines – who are well respected as project cargo specialists, servicing the power, steel manufacturing, ports development and infrastructure sectors – the CLC Project Division has now grown to 80 members in 33 countries.

Increasing activity in India

Local company Forbes Patvolk, headquartered in Mumbai, is the ISO:9001-certified logistics business unit of Forbes & Company Limited, and they are handling several large project moves including relocating power plants and factories, and importing of heavy lift material and equipment.

According to Sanjiv Vaidya, Director of Shipping & Logistics, Forbes Patvolk is particularly active in project forwarding activities involving the Middle East and Africa, with many Indian companies increasing their involvement in major infrastructure projects in these developing regions.

Within the CLC Project Division there are now 15 members from the Indian subcontinent – 10 in India, 4 in

Pakistan, 1 in Sri Lanka – again reflecting the high level of project cargo movements interconnecting with India.

Transporting 2,240 tonnes of cranes

One recent Project Logistics example – successfully managed by ISO certified J-PAC Logistics – involved the handling, transportation and delivery of two ship-to-shore cranes at 800 tonnes each and four rubber tired gantry (RTG) cranes weighing 160 tonnes each. The total 2,240 tonnes of cranes were moved all the way from Japan south to the Mindanao Container Terminal project in Misamis Oriental, Philippines. This project involved management of all vessel arrangements, ship agency activities, stevedoring, Customs clearance and preparation work for

the roll out of the cranes directly onto the pier apron.

The world of project cargo is highly specialised and extraordinarily complicated. To ensure the successful completion of project cargo moves – on time and within budget – requires prudent management of the three P's of Project Logistics – the People, the Plans and the Partners. **MG**

*Logistics industry veteran **Mark Millar** leverages over 20 years of global experience to provide independent Consulting, Education and Advisory services that create value for*



clients by improving the performance of their logistics and supply chain activities in China and the Asia Pacific region. Contact him at mark@markmillar.com



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RTW LOGISTICS PVT. TD

802 Devika Towers 6, Nehru Place,
New Delhi - 110 019.

TEL:- +91 11 4661 5555,

FAX:- +91 11 4661 5500

e-mail:- general@rtw-logistics.com



www.rtw-logistics.com



Cochin:

Door No. 1, FF, INTUC Building, Venkitaraman Road, Willington Island, Cochin - 682 003
Tel: +91 484 3012 223, Fax: +91 484 2667 864 e-mail: cochin@rtw-logistics.com

Ludhiana:

217 Overseas Warehousing Corporation, Phase V, Focal Point, Ludhiana - 141 010
Telfax: +91 161 2670 879, e-mail: ludhiana@rtw-logistics.com

Mumbai:

C-4, Himalaya Society, N.P. Road, Asalpha, Ghatkoper West, Mumbai – 400 084
Telefax: +91 22 2511 0553, e-mail: mumbai@rtw-logistics.com

Chennai:

New No. 244 Angapan Naiker Street, First Floor, Chennai - 600001
Tel:- +91 44 52052819, Fax:- +91 44 42052818, email:- chennai@rtw-logistics.com

India's leading provider of
integrated multi-modal logistics solutions
for bulk and container cargo



Shipping | Port handling | Customs clearing | Freight forwarding
CFS | Trucking | Trains | Warehouses | Terminals

The Essar Group, the multinational conglomerate, with operations in more than 20 countries spread across five continents, employs 60,000 people, with revenues of about US\$ 15 billion. An end-to-end logistics services provider with investments in ports and terminals, logistics services, sea transportation and oilfield drilling services, it also provides supply chain management services to clients in oil and gas, steel and power generation industries. One of India's largest operators of ports, it has a cargo-handling capacity (dry and bulk) of over 150 million tonnes. Having executed ports and terminals at Vadinar, Hazira and Salaya in Gujarat, Essar has earlier this year signed a licence agreement with Paradip Port Trust (PPT) for mechanisation of multi-user berth for handling dry and bulk cargo with a total capacity of 16 million tonnes per annum (mtpa). The project is scheduled to be commissioned in April 2011.

Capt S Das, CEO, Essar Bulk Terminals Ltd., in an interview with **Maritime Gateway**, gives an insight into the company and its future plans.



Capt S Das,
CEO, Essar Bulk Terminals Ltd.

Exploring Opportunities



What are the cargoes that the Hazira bulk terminal handles and what industries would be benefitted?

Hazira bulk terminal is a subsidiary of Essar Shipping Ports & Logistics Limited, which handles iron ore, coal, coke, limestone and dolomite in bulk. It also handles steel products in the form of coils, sheets and plates, and project cargoes. It is proposed to handle containerised cargo shortly. All manufacturing industries and power producers using iron ore or coal will directly benefit from the terminal.

Please tell us about the loading and unloading facilities (and new technologies if any) at the Hazira bulk terminal.

The state-of-the-art bulk terminal is provided with modern ship unloaders and connected to various stackyards with mechanical conveying systems. The entire system is fully automated and controlled by a single operator at the master control and an operator on each ship unloader.

The handling capacity of the conveying system is rated at 100,000 tonnes per day at 80 per cent efficiency. For handling of steel products and project cargoes, several portal cranes with lifting capacities up to 80 tonnes are available. The load rate for steel products is expected to be 15,000 tonnes per day. Several modern

Location-wise capacity built-up (mtpa)

Location	2010	2011	2012	2013	2014
Vadinar	46.00	46.00	53.00	58.00	58.00
Hazira	8.00	30.00	30.00	50.00	50.00
Salaya	–	–	20.00	20.00	20.00
Paradip	–	–	16.00	30.00	30.00
Total	54.00	76.00	119.00	158.00	158.00

The Future Plan

Essar group is planning to raise the total capacity of its ports to 158 mtpa by FY13 at strategic locations with a total capex of US\$ 1.8 billion.

Operating:

- 46 mtpa liquid terminal at Vadinar
- 30 mtpa dry bulk terminal at Hazira

Under construction / development:

- 20 mtpa dry bulk terminal at Salaya
- 20 mtpa dry bulk terminal at Hazira
- 14 mtpa coal terminal at Paradip
- 16 mtpa iron ore berth at Paradip
- 7+5 mtpa liquid terminal expansion at Vadinar

mobile equipment, such as front-end loaders and heavy duty forklifts, are available to facilitate loading and discharge of all types of cargo.

What is your comment on the free fall of Baltic Dry Index in the recent days? Do you think it will recover in the short term?

The fall in the BDI has been dramatically impacted due to its overdependence on China, specifically the steel industry. It is expected to take some time to recover, maybe towards the end of 2010. It has also been affected due to several newbuilding deliveries.

How do you see the potential for movement of bulk cargo, especially iron ore and coal, in the medium and long term?

Global shipments of iron ore and coal are expected rise between 6 to 9 per cent as estimated and therefore there is a high potential for these movements.

What is the business potential that you are looking at for this fiscal from the Hazira bulk terminal?

There is a huge potential post-monsoon at the Hazira bulk terminal. It is expected to, in addition to the captive cargo of Essar Steel, handle cargoes of coal and fertiliser for several industries. It will also forge ahead with its plans of containerisation of its captive steel cargoes and operate container services within the next few months.

What is the status of the bulk terminal that is coming up at Salaya?

Most approvals are in place and site preparation has commenced. Construction activity will start soon. 

Bulk Port Projects

PPP: Balance is the Key

Infrastructure challenges at bulk ports in India can be surmounted if major ports can have an optimal balance between government control and private participation and minor ports can pitch in for constructive agreements between the Centre and the states.

by **Niraja Shukla**

In the current scenario, the bulk cargo trade is mainly within the domain of Indian major ports. Most of the major ports have saturated their capacity and the augmentation schemes have not been implemented as planned. For bulk cargo, the schemes for connectivity and mechanisation are crucial.

On the other hand, minor ports developed mainly through the privatisation route have also observed significant challenges like land acquisition, state and central government interface and so forth. However, the holistic approach and faster implementation have created a difference. This has increased the share of minor ports to around 30 per cent in the total port cargo.

With the underlying objective of developing capacity at all the three stages – seaside, landside and hinterland connectivity – the major ports need to bring about reforms by way of striking an optimal balance between government control and privatisation, whereas the minor ports require a favourable environment with effective centre-state agreements.

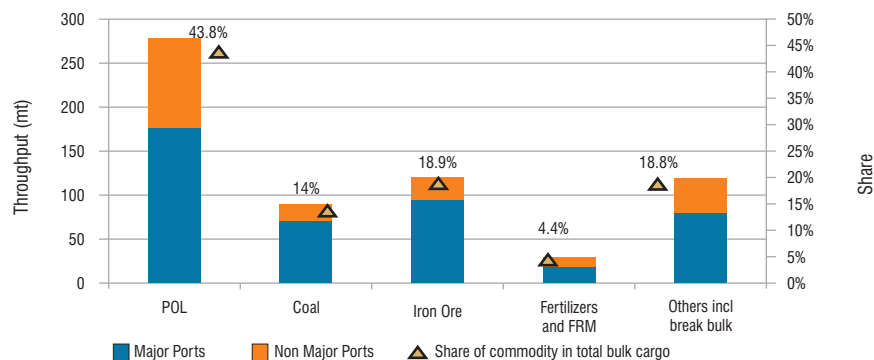
India's bulk ports

Indian ports which commenced with handling only bulk cargo have gradually grown to multi-commodity ports. Even today, some of them are largely bulk ports. In 2008-09, out of 743 million tonnes (mt) of cargo



handled at Indian ports, about 634 mt was bulk cargo, with a share of 85 per cent. Of this, 69 per cent was handled at the major ports. The bulk cargo share at Mumbai, Mormugao, Kandla, Haldia, Vizag, Paradip, Ennore and New Mangalore ports was 95-100 per cent of the total throughput. Amongst these, Ennore Port currently handles only bulk cargo. The second stage bulk dominated ports are Tuticorin, Cochin and Chennai, wherein 60-80

Figure 1: Share of commodities in major and minor ports of India



per cent of the cargo handled was bulk. JNPT and Kolkata are largely container ports.

Within the minor ports, Gujarat ports dominated the trade. Of the 198-mt minor port bulk cargo trade, 142 mt was handled by the Gujarat ports, followed by Andhra Pradesh ports at 29 mt, Goa at 12 mt, Maharashtra at 8 mt and other state ports at 7 mt.

By commodities, the share of major to non-major ports is as shown in Figure 1.

Infrastructure challenges at bulk ports

All the major sectors connected to the trading of bulk cargo via seaports, viz. power, petroleum and natural gas, steel, and agriculture, are expected to witness a strong growth. Also, India being an energy-deficit country, projects like Ultra Mega Power Plant (UMPP), LNG plants, Petroleum, Chemicals and Petrochemicals Region (PCPIR) and so forth are going to further catalyse bulk cargo trade.

Port is a node in the entire logistics chain and its development has to be holistic in nature, providing total integrated logistics solution to the users. The infrastructure in a port is at landside, seaside and its connection to the hinterland. While there are elements respective to these three segments as shown in Figure 2, technology and security upgradation are common. Specifically for bulk ports, modern mechanisation at all the three segments and evacuation of cargo are the focus areas.

Photos: Peet de Rouw

MAJOR PORTS

Capacity at various levels is a constraint at most of the major ports. The traffic growth rate was at 6.9 per cent CAGR from 2006-07 to 2008-09 as compared to 5.4 per cent projected in the Eleventh Five Year Plan for the same time.

However, a commensurate capacity expansion was not witnessed to accommodate the current and future demands. Of 170 schemes that are planned for the first phase of National Maritime Development Programme (March 2009), only 31 could be completed. This naturally created a supply-demand gap, leading to port inefficiency. The berths got overstretched leading to pre-berthing delays and longer ship turnaround time. Consequently, there was a ripple effect on the land side and the connectivity. Figure 3 shows the bulk cargo at major ports and their respective capacity utilisation for the year 2008-09.

According to a study done in February 2010 by Comptroller and Auditor General of India for the major ports, maritime trade lost ₹ 1,400 crore per year due to pre-berthing detentions. Excerpts on



capacity constraints from the report with respect to landside, seaside and connectivity are as follows:

- Lack of navigable depths, critical in the case of Haldia Port
 - Mismatch in drafts at berths and channel
 - Significant delays in providing pilotage in all major ports except Vizag Port
 - Most of the liquid berths had slow rate of discharge leading to higher vessel turnaround time
 - Lack of night navigation facilities
- at Kandla, Mumbai and Tuticorin
 - Only 8 per cent of all berths at the ports had specialised equipment for handling dry bulk. Thus majority of cargo was handled at non-mechanised berths leading to higher vessel turnaround time
 - Insufficient liquid cargo storage capacity at Haldia and Cochin
 - In all ports except JNPT, 55 per cent of all available equipments for handling cargo had crossed their economic life by 2007-08. At cochin, 94 per cent of the equipments were beyond its economic lives
 - Availability of open storage sheds was inadequate and of poor quality at Cochin, Kandla and Mumbai
 - The use of inland waterways and coastal shipping was minimal at the major ports, except at Mormogao Port
 - Railway infrastructure was found to be deficient at most ports. Rake availability was a serious issue
 - Efficient dispersal of cargo by road was hindered due to narrow last-mile linkages and city traffic restrictions

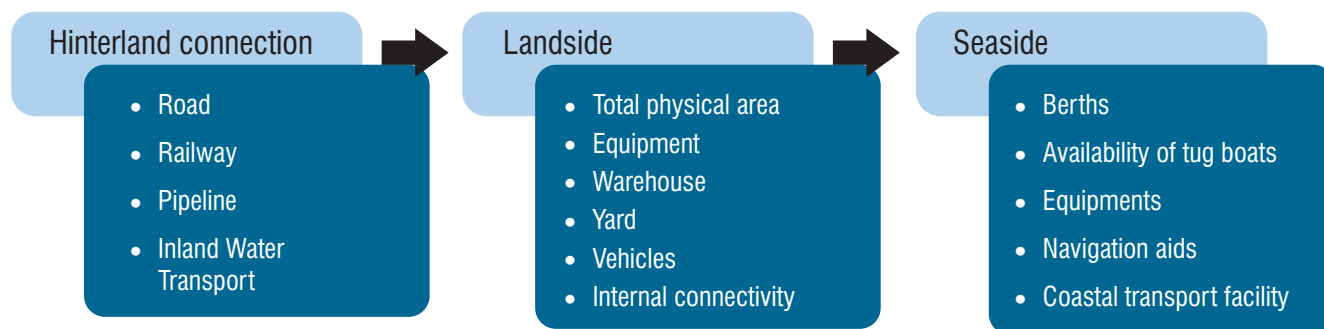
Principal bulk ports of India

Commodity	All India throughput (mt)	Principal Major ports	Principal state and its share in minor ports	Principal minor ports
POL	278	Mumbai – 34.3 mt Kandla – 45.5 mt	Gujarat (90%)	Sikka – 62.7 mt Mundra – 10.8 mt
Iron ore	120	Mormgao – 33.8 mt Vizag – 17.5 mt Paradip – 14.2 mt	Goa (46%) Gujarat (22%)	Panjim – 11.9 mt Magdalla – 5.3 mt
Coal	88	Paradip – 20.1 mt Vizag – 11.0 mt Ennore – 9.7 mt	Gujarat (87%)	Mundra – 7.2 mt Navlakhi – 2.7 mt Magdalla – 2.1 mt
Fertilisers and FRM	28	Kandla – 5.5 mt Vizag – 4.1 mt Paradip – 3.6 mt	Gujarat (67%)	Mundra – 2.9 mt
Others including break bulk	120	Kandla – 17.1 mt Mumbai – 12.6 mt Chennai – 10.5 mt Vizag – 10.1 mt	Gujarat (51%) Andhra Pradesh (34%)	Mul Dwarka and Jafrabad for Cement/Clinker Mundra for Iron and Steel

The other main challenges which have contributed to the infrastructure challenges are:

- Regulatory approvals and clearances
- Land acquisition

Figure 2



MINOR PORTS

The challenge that maritime state governments face is to create an organisational mechanism to facilitate the development process and make it investor-friendly. This can be one of the main reasons why a developer would hold back his project. Most of the minor ports today involve private participation.

The key pros for the government are development with a holistic approach and availability of funding, whereas, the challenges are providing an effective center-state interface along with support in land acquisition. While there are successful private participation projects like port of Mundra which has become the largest private port of the country and private jetties at Sikka where state-of-the-art infrastructure has been created, the ports like Rewas in Maharashtra have dealt with land acquisition delays since few years now.

Upcoming developments

The major ports Cochin, Ennore, New Mangalore, Kandla, Paradip, Mormugao and Vizag are in the process of adding about 81 mt of bulk cargo-handling capacity. In addition, there are projects in preliminary and planning stages that are set to enhance by 86 mt.

In case of minor ports, the Greenfield port development on a PPP basis has witnessed a strong interest within both Indian and foreign players. Some of the recently commissioned private ports are Gangavaram and Krishnapatnam in Andhra Pradesh, Jaigarh Port in Maharashtra and

Karaikal Port in Tamil Nadu. In 2010, Dhamra and Gopalpur ports in Orissa, and Dighi Port in Maharashtra are likely to turn operational. All these ports together shall add a capacity of about 137 mt in its phase I, a significant portion of which is for bulk cargo. Moreover, there are many Greenfield projects planned by the state governments of Gujarat, Maharashtra, Orissa and Andhra Pradesh to be developed in the next five years.

Some of the recent proposals by the private players in port development are 100-mt port of Adani, 20-mt port of SAIL to transport its coal requirements and 10-mt capacity port by Aditya Birla Group. All these projects are mainly catering to bulk cargo and are planned in Orissa.

Way ahead

Public Private Participation (PPP) has been leveraged at major ports in the last decade and has the potential to create a win-win situation for all. However, a great thrust in that direction is now required to fulfill the overall objective of integrated development at the port. Some of the broad ways to surmount the challenges and address the future cargo-handling demand at major ports can be:

1. Bring about port reform by way of either improving port organisation or commercialisation. Higher private sector involvement can be in areas of leasing berths or storage spaces, creation of new facilities and upgrading equipments.
2. For connectivity:

- a. Develop private railway mode for bulk cargo
 - b. Exploit inland water transport and coastal transport
3. Focus equally on port-led development such as SEZs, logistic parks, rail terminals, shipbuilding and repair units.

'Implementation' is the way ahead, keeping an optimal balance between PPP and government control.

Minor ports' share is definite to rise. To overcome the existing challenges, an effective agreement between the union and the state governments is inevitable, as ports are placed in the state list while the port services are with the union government. It would be desirable for the government to create a conducive environment for development and to get involved in providing basic infrastructure like breakwater and reclamation by taking advantage of the viability gap funding under the Central scheme. This would raise the comfort level of those port developers. Setting up of maritime boards is also essential. Investments in safety at ports, with respect to technology and expertise are equally vital. The recent incident of oil spill off Mumbai coast which has led to temporary shutdown of both Mumbai and JNPT ports, have created questions on the ability of ports to handle environmental risks. 

Niraja Shukla
(n.transportplanner@gmail.com) is a transport planner and a consultant in the area of transportation and logistics.



Global Line, Global Projects



*Capt Gamini Nanayakkara, chairman and
Capt A V Rajendra, executive director of Global Express Lines Pvt. Ltd.*

Photo: Jagadeesh N

Chennai-based Global Express Lines Pvt. Ltd. has been making strides in moving volumes of project cargo between India and China as well as between China and the African countries. It is backed by Green Lanka Group of Sri Lanka, a well-known name in ship agency and freight forwarding in Sri Lanka. Since its inception in 2006, Global Express Lines has earned a reputation for quality service and customer satisfaction. **Maritime Gateway** catches up with **Capt Gamini Nanayakkara**, chairman and **Capt A V Rajendra**, executive director of Global Express Lines in an informal chat to know more about the company and its operations in India and abroad. Excerpts:

Q: How did Global Express Lines happen in the first place and how has been the journey so far?

Capt Nanayakkara: Our company in Sri Lanka, which is Green Lanka, is basically involved in freight forwarding, shipping agency business and container depot operations. When we were carrying on these businesses, naturally there were many enquiries from India as to why our presence is not available in India and other neighbouring countries. So, we thought that the first step is to make our presence felt in the closest country. Prior to this, we were operating our own ships and moving cargo from Colombo to India and vice versa, which was facilitated by freight forwarding. In India, we are very comfortable with Chennai as it is a happening place and where trade is growing tremendously. Hence, we set our shop in Chennai.

Capt Rajendra: We were actually toying with this idea for about six to seven years, but eventually that became a reality only in 2006. So, when we started four years ago, we started small – only with freight forwarding. As the time passed, people got to know our name and they came to know the backing from the group from Sri Lanka.

And then, the opportunity really grew for the project

cargo. It is supposed to be a niche cargo with niche markets. We thought this is where we could make our presence felt. Though India is a large place, there are also a large number of players in freight forwarding. But in project cargo, there are very less number of players given the volumes. From then, we began to specialise in project cargo and grew to the current position. Word-of-mouth publicity too helped us a lot in our growth.

Q: How do you look at the Indian market in terms of project cargo demand?

Capt Nanayakkara: Indian market is vibrant. There is tremendous development in India, not only in states but also in the country as a whole. The ongoing infrastructure development is huge and it is directly connected to the people of India. If you look at Sri Lanka, there too, a lot of development is taking place. Now that the war is over, the rebuilding of the war-torn northeast parts of the country has already started and infrastructure development is taking place. Indian government too has come forward in lending its hand in the rebuilding processes. A lot of Indian companies too have shown interest in investing in the infrastructure development that is currently taking place. Therefore, given these scenarios, I can say that the potential for moving project cargo in both India and Sri Lanka is huge and we are sure that we will capitalise on this potential.

Q: Power industry is emerging as the biggest project cargo mover in India currently with lot of ODC equipment being imported and moved to project locations. Where do you see your company in this context?

Capt Rajendra: We have already carried project cargo for cement manufacturers and steel makers like Jindal Steel in Orissa. We directly bring the equipment for these clients from China through chartered vessels. We position ourselves as the quickest movers of project cargo in India. Especially for shipments bound for Haldia, we bring the cargo from China and unload it either at Vizag or Chennai. From there, we use coastal shipping to transport the cargo to Haldia. Given the waiting time at Haldia at 15 days, transporting the cargo in a big ship, say with 150 to 200 tonnes of single piece cargo, is a huge cost in terms of demurrage. Therefore, the cargo will

ODC is supposed to be a niche cargo with niche markets. We thought this is where we could make our presence felt. Word-of-mouth publicity too helped us a lot in our growth.

be offloaded with quick turnaround at Vizag or Chennai and transshipped through coastal vessels to Haldia.

Q: What are the major markets of project cargo movement that you do apart from India?

Capt Nanayakkara: We do a lot of cross-country project cargo movement from China to Africa, basically for the cement industry. Unlike in India, we follow the door-to-door concept in Africa, wherein we undertake the road transport as well. We take delivery of the equipment in China, transport through ocean, then road and deliver it at the door step of the client in Africa.

While undertaking such door-to-door deliveries, we take utmost care in moving the cargo through each mode of transport. We have dedicated agents in Africa to take care of this. In addition, our Executive Director of Indian operations, Gopi personally visits the place and oversees the entire operation to deliver the cargo safely to the client.

Q: What are the top three hurdles you face in the entire transportation chain?

Capt Rajendra: Getting a suitable vessel for the suitable cargo is a big challenge.

When you are working in Africa, first thing is that African ports have quality constraints and one cannot expect quality service from these ports. There are a lot of delays at these ports for various reasons. Therefore, we have to make sure that we deliver cargo within a reasonable period of time through advanced planning.

For instance, if ocean transportation from China to Africa takes 25 days and inland transportation takes 3 days, there is no guarantee that you can deliver the cargo in 28 days. The planning cannot be that simple. There are several hurdles in between. Right from the time the vessel approaches an African port, there will be a delay of about 10 days for the vessel to enter the port and unload the cargo. Once unloaded, Customs procedures will take some more time to clear the cargo. Once through with Customs, there are also the inland transportation hurdles that need to be considered. And of course, there is always the issue of payment. It is not that easy to get you payments from the African countries.

But if you do advanced planning taking care of all the minute aspects and perform direct

Ports like to clear smaller vessels first

We transship cargo to smaller vessels and use coastal shipping to save time and cost for the clients. There are two benefits here. One, when the ship is smaller, you can always find a place to berth in the port. Unlike larger vessels, you need not wait to find a place. On the other hand, ports always like to clear smaller vessels first as the smaller ones can be cleared from the port within 8-10 hours whereas bigger vessels always take more than a day to be cleared.



Once brought to the port, the project cargo can be shipped in two ways – either by surface transport, i.e. by road or by waterways. Road has the advantage of moving quicker, but with a lot of hurdles – first, a road survey has to be carried out, trailers to be planned depending on the weight of the cargo and clearances, alternate pathways have to be laid out etc. On top of all this, road transport is a costlier proposition for project cargo. Waterways, on the other hand, have the advantage of moving the cargo competitively thereby reducing the overall cost of transportation for the client.

Gopi D

Executive Director
Global Express Lines Pvt. Ltd.

supervision instead of depending on agents, then yes, a lot of these issues or problems will be addressed. Clients usually feel confident about you when there is a direct supervision of operations and agents too will get the confidence to deliver better results.

Q: Please tell us about your businesses other than project cargo both in India and Sri Lanka.

Capt Rajendra: Though Global Express Lines, we also do NVOCC business in India and we are into air freight and sea freight. In Sri

We do a lot of cross-country project cargo movement from China to Africa, basically for the cement industry. We follow door-to-door concept that includes road transport as well.

Lanka, of course, we are very well known as the Green Lanka group which is into agency function, container depots, freight forwarding, sea freight, manpower and property development.

Q: Do you have plans to set shop at Cochin to capture the container business that will evolve through the International Container Transshipment Terminal at Vallarpadam?

Capt Nanayakkara: It is like this. When you are in freight forwarding business, you use anything that suits you better. There is an opportunity through Vallarpadam, as we have in Nhava Sheva. If Vallarpadam comes up as a transshipment terminal, it will not only be competing with Colombo, but also with Nhava Sheva.

As for us, we as Global Express Lines will definitely use Vallarpadam as and when there is an opportunity. At the moment we don't have any plans to move in to Vallarpadam because it is too early to think about it. By what we hear, it will be only by the end of the year, probably November or December that the actual operations will start. After that we will wait and see how the business picks up there.

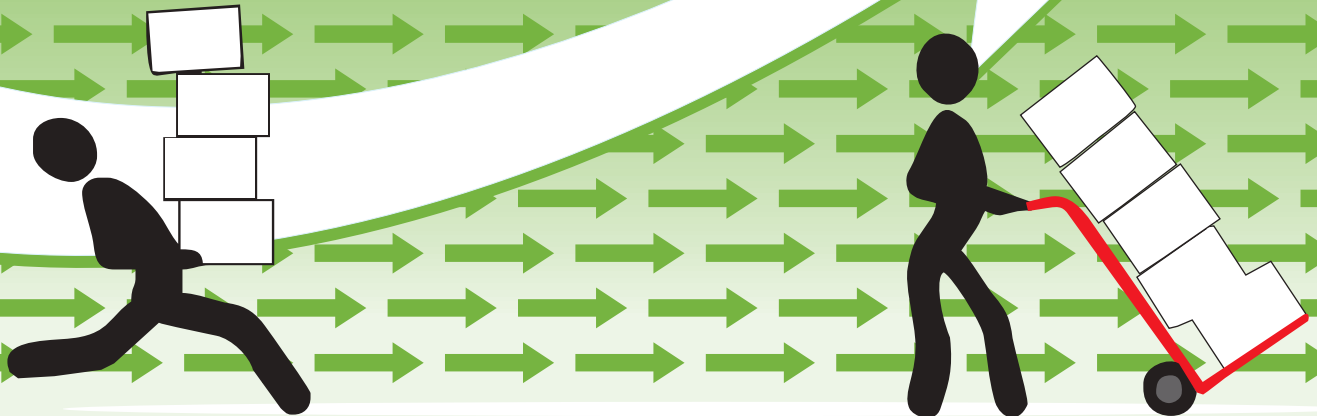
Q: How do you see the container volumes picking up and what according to you will be the outlook for container business in the near future?

Capt Rajendra: India has been growing at above 7 per cent in spite of the recession. In China too, the volumes are growing and they are also transporting big volumes. The ships that were laid off due to lack of volumes during recession are being brought back to service now and the number of idle ships is reduced to 160 odd ships currently as compared to above 300 in 2009.

However, I feel that the recession is not completely over. The US and Europe are the worst hit by the recession and they also happen to be the biggest export markets for Asian countries. Though these countries resumed buying from Asian countries and the container volumes are recovering, the business is yet to reach those comfortable levels that were experienced during the pre-recession times. So, for the western world, to come out of the recession completely, it will take another two years. May be by 2012 things will move back to the pre-recession levels. **ME**

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HEAD OFFICE
LMJ Complex, 15-B, Hemanta Basu Sarani, Kolkata - 700 001
Ph: +91-33-3983 9999 / 2231 0950-55
Fax: +91-33-2231 2525
E-mail: admin@lmjgroup.com

DELHI
LMJ House, 9, Hanuman Road, Connaught Place, New Delhi -110001
Ph: +91-11-2336 7203 / 05
Fax: +91-2336 7206
E-mail: ndelhi@lmjgroup.com

www.lmjlogisticsltd.com



Transloading facility in West Bengal

The Highs and Lows

As the government prepares to set up a transloading facility in the offshore waters of West Bengal through a joint venture between the Shipping Corporation of India and the Steel Authority of India, there is a concern that such a move is not in the common interest of the people and that even if the transloading facility commences operations, the issue of barges from within the state versus other states will remain. Here's a look into the matter.

by **Susenjit Guha**

The proposed transloading facility of the Kolkata Port Trust (KoPT) in association with the Shipping Corporation of India (SCI) in the Bay of Bengal is expected to provide a major boost to cargo and transport facilities in the region.

The step is supposed to be an important development with other port facilities at Salukhali, Diamond Harbour and Sagar. Haldia has been already losing 10 million tonnes of cargo every year because of the insufficient draft.

According to KoPT chairman M L Meena, "Three issues which we have decided to take up are dredging, opening up of the Eden channel and implementing the river regulatory measures." Technical feasibilities for midstream container handling with the facilities existing in Kolkata and Haldia docks would be carried out shortly.

The Steel Authority of India (SAIL) and the SCI have already floated a joint venture for the purposes of transloading in the Bay of Bengal. S Hajara, CMD of SCI also said that

talks were already initiated with the chairman of KoPT. On its own, SAIL is expected to start off with 1 million tonnes that would be ramped up to 6 million tonnes in course of time.

Other industry majors that have already expressed interest in the facility are NTPC and Tata Steel.

The chairman of KoPT also wants to create several facilities for cargo handling along the Hooghly River which are closer to the sea including midstream container handling.

He also alluded to Hong Kong where

nearly 40 percent of the container traffic was handled by way of midstream operation. More barge movement is expected to be encouraged for transporting bulk commodities like coal. Dry bulk cargoes are finding it difficult to navigate to the port at the moment and the transloading operation is expected to do away with the problem.

According to the KoPT chairman, the estimated cost of the River Regulatory Measures of 2002 project may have gone up from ₹ 400 crore to ₹ 1,000 crore, but it would still be taken up.

But there are some impediments on the way as the transloading operation in the Bay of Bengal cannot be undertaken throughout the year and the activity is expected to be limited from October to February or March the following year. Turbulent sea conditions will force it to land-based locations having sufficient draft. To tide over the problem, an alternative site was identified at Kanika Sands, an offshore island off the coast of Orissa. But this requires consent from the Orissa government as the area falls within the state's territorial limits to proceed any further. For the present venture, KoPT had also raised some objections as the venture went against the public-private partnership (PPP) proposed by the centre. They argued that special dispensation required to be granted if it was in the wider national interest and within the power of the government. To avoid competitive bidding, the government was expected to make a few exceptions as well.

Fear also exists that a private company can make an indirect entry by picking up a large stake in the venture in the event of a PPP. On the other hand, PPP votaries are arguing that if the proposed jetty at Haldia is entrusted to SAIL, it could become captive to the steel giant, but a PPP venture would make it accessible to others.

“Loss of cargo has been a common feature of Haldia Port and an estimated business of 8 million tonnes of crude was lost when Indian Oil Corporation (IOC) had installed the 330-km Haldia-Paradip pipeline at a cost of ₹ 700 crore.”

Many private firms had also expressed interest when tenders were floated by the KoPT early this year for the 275-m jetty which would handle more than 3 million tonnes of bulk cargo when operational and the total project cost is estimated at roughly ₹ 269 crore.

Loss of cargo has been a common feature of Haldia Port and an estimated business of 8 million tonnes of crude cargo was lost when Indian Oil Corporation (IOC) had installed the 330-km Haldia-Paradip pipeline at a cost of ₹ 700 crore. Haldia's handling fell by 10 metric tonnes in 2009-10 from the 41 metric tonnes it handled in 2008-09. Another reason for the fall in business was dwindling iron ore exports to China with enough stockpiles now which was the main driver of cargo business at Haldia. The loss is expected to be compensated by coking coal which also requires being transloaded.

Transloading operations are carried out with the help of barges and the entire facility when operational in West Bengal may not be risk-free either.

Recently, barges belonging to a Kolkata-based stevedore were literally hijacked in true Somali style allegedly by the supporters of Trinamool Congress, a political party in West Bengal, according to a The Times of India report, while the crew was busy unloading Indonesian coke from a ship M V Cruz, docked at the sandheads in the Bay of Bengal, off Diamond Harbour.

Even when the transloading facility gets operational, there is no surety that such acts would not be repeated

as the stevedores complained that the armed goons wanted them to hire local barges. The matter was settled after the coke importer, a Kharaghpur-based company called Wellman, lost more than US\$ 50,000 as the ship was idled off for no fault of the vessel.

The matter ended up in a joke as the stevedores immediately gave a written undertaking to a new organisation called the West Bengal Barge Owners Association (WBBOA) which had allegedly demanded that barges from outside the state cannot be hired.

But the stoppage of unloading work resumed only after a meeting of the association members and the stevedores in the presence of the district magistrate of South 24 Parganas where they gave an NOC that they did not object to hiring of outside barges. The funny part is that the WBBOA could not provide barges to the stevedores even when they agreed to source from them. The WBBOA had earlier complained that hiring of barges from outside states made it difficult for the unemployed local youths of the district who were already hard pressed paying EMIs against loans they had taken for plying barges.

This could be one off case, but there is no guarantee that such acts will not be repeated in future and jeopardise bulk cargo-handling facilities in the long run. **MC**



Susenjit Guha is the special correspondent of The Sunday Guardian, a weekly newspaper published every Sunday.

Bulk Handling Ports in India

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. Currently, every Indian port – be it a major port or a private-operated port – is pooling in all the available resources to expand their capacities to meet the demand generated by these bulk cargoes.

India is the seventh largest importer of crude oil in the world and fifth largest consumer of petroleum products in the world. It imports

more than 3 million barrels per day. With the economy growing at a brisk pace, this figure is expected to go over 5 million barrels per day in the next five years.

The demand for dry bulk cargoes like coal and iron ore too is rising at explosive rate in the global markets. India's mega plans for power security have led to setting up of numerous coal-fired power plants across the country resulting in a big surge in coal imports. India is expected to import more than 80 million tonnes in the fiscal 2011-12. Iron ore demand, on the other hand, is solely driven by the Chinese demand to

meet the requirements of its steel mills and manufacturing sector.

Given the predictions of growing demand for bulk cargo in the next decade, it would be prudent to take a look at the ground-level scenario of the bulk handling ports in the country. This feature, therefore, presents an overview of the existing set-up of Indian ports and their preparedness for the future to handle bulk cargoes. It essentially throws light on the major bulk-handling ports, their existing infrastructure, throughput handled in 2009-10 and the expansion projects that are in pipeline.



Coal unloading and iron ore loading equipment at the upcoming Dhamra Port in Orissa.

Geographical Location:

Latitude: 23° 01' N

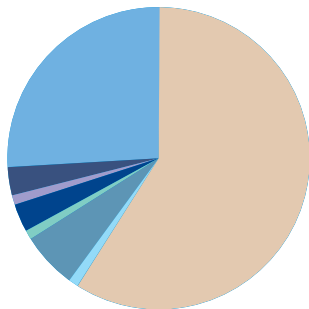
Longitude: 70° 13' E



KANDLA PORT

Throughput handled (2009-10):

79.5 million tonnes



59% – POL
1% – Iron Ore
6% – Fertilizer finished
1% – Fertilizer raw
3% – Thermal coal
1% – Coking coal
3% – Containers
26% – Others

Kandla port is the largest port in India with highest throughput. It is situated in the Kandla Creek in the Gulf of Kutch and is 90 km from the mouth of the Gulf. It is a protected natural harbour and is known as the biggest bulk port in India.

Types of Bulk Cargo Handled:

- Coal
- Iron ore
- Crude oil
- POL
- Chemicals
- Agri products
- Cement

Infrastructure:

- 10 berths,
- 6 oil jetties
- 1 single point mooring for crude
- 4 cargo moorings in the inner harbour area for stream handling
- 1 maintenance jetty
- 1 dry dock and small jetties for small vessels; Draft: 12 m

Future Expansion:

Deepening the channel to handle vessels up to 14 m Draft
Installation of Eight ELL cranes of 20/25 tonnes capacity
Deep draft multi-purpose berths at Vadinar
Commissioning of 13th cargo berth.

Geographical Location:

Latitude: 18° 56.3' N

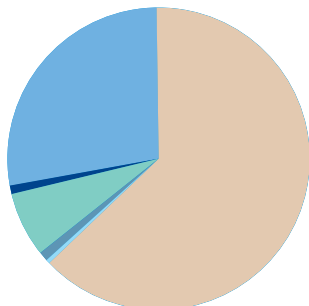
Longitude: 72° 45.9' E



MUMBAI PORT

Throughput handled (2009-10):

54.54 million tonnes



63% – POL
0.5% – Fertilizer finished
1% – Fertilizer raw
7% – Thermal coal
1% – Containers
27.5% – Others

The Port of Mumbai has long been the principal gateway of India. It has a natural deep-water harbour of 400 sq km. protected by mainland of Konkan on its east and island of Mumbai on its west. It has been the only big port to handle the entire exim trade of Maharashtra, Gujarat, Rajasthan, Punjab, Haryana and Uttar Pradesh.

Types of Bulk Cargo Handled:

- Coal
- Yellow Peas
- HR Coils
- Naptha
- Steel coils
- Iron & Steel
- Sugar

Infrastructure:

- Prince's Dock has 8 berths with 6.4 m draft; Victoria Dock has 14 berths with 6.7 m draft and Indira Dock has 21 berths inside the basin and 5 berths along the harbour wall.
- There are also 4 oil jetties with 11.1 m draft. New Pir Pau jetty can handle tankers of 47,000 dwt.

Future Expansion:

The port is expanding its capacity to achieve the projected traffic to the tune of 71 million tonnes by the end of 11th Five Year Plan. Construction of fifth Oil berth at Jawahar Dweep, construction of Off-shore Container Terminal and second Liquid Chemical Berth at New Pir Pau are in pipeline.

Geographical Location:

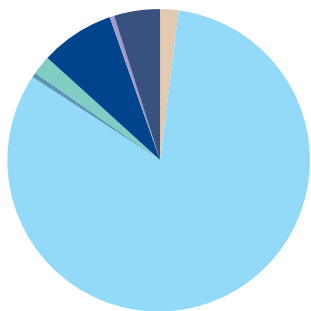
Latitude: 15°25' N

Longitude: 73°47' E



MORMUGAO PORT

Throughput handled (2009-10):

48.85 million tonnes


The Port of Mormugao is popular for the export of iron ore which is exported mainly to China, Europe and Japan. One of the twelve major ports in India, Mormugao is situated in Goa State and is located at the mouth of the River Zuari at about 580 km South of Mumbai.

Types of Bulk Cargo Handled:

- Coke/Coal
- Iron ore & iron ore pellets
- Hot Rolled Coils
- Fertilizers

Infrastructure:

- 11 berths
- Mechanical iron Ore Handling Complex with mechanised stackyard
- Vessel Traffic Management System (VTMS)
- Anchorage
- Bulk Liquid Discharging Facilities
- Draft in conjunction with tide at 14 m.

Future Expansion:

Development of a 4 mmtpa coal import terminal at berth no.1

Development of a 7.2 mmtpa iron ore export terminal at the waterfront west of breakwater.

Geographical Location:

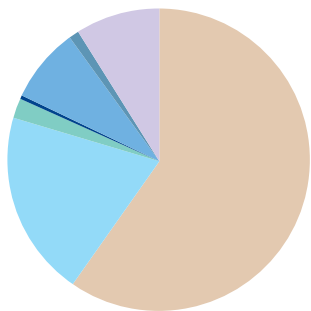
Latitude: 12° 55' N

Longitude: 74°46' E



NEW MANGALORE

Throughput handled (2009-10):

35.5 million tonnes


Types of Bulk Cargo Handled:

- Iron ore pellets
- Granite stone
- POL
- Crude
- Timber
- Coal
- Fertilizer
- Edible oil
- Iron ore fines
- Maize

Infrastructure:

- 14 berths with special facilities to handle hazardous cargoes and LPG.
- Unique system of delivery of import cargo by trucks at the hook point.
- LPG parcel size up to 23,000 tonnes can be handled very easily.

Future Expansion:

Development of bunkering facility, construction of POL (Petrol, Oil, Lubricant) berth at oil dock yard.

Setting up of mechanised iron ore facility under BOT (Build, Operate and Transfer) at berth no 14.

Geographical Location:

Latitude: 9° 58' N

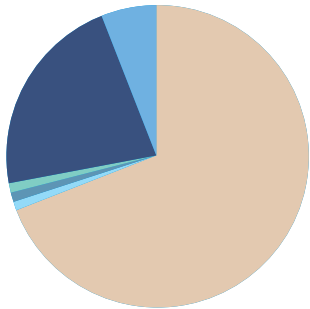
Longitude: 76° 16' E



COCHIN PORT

Throughput handled (2009-10):

17.43 million tonnes



69% – POL
1% – Fertilizer finished
1% – Fertilizer raw
1% – Thermal coal
22% – Containers
6% – Others

An all-weather natural Port, Port of Cochin is located strategically close to the busiest international sea routes. The Port is situated on the Willingdon Island. Today, it is also known for the International Container Transshipment Terminal that is coming up at Vallarpadam island.

Types of Bulk Cargo Handled:

- Coal
- Soda ash
- Oil cake
- Timber logs
- Rock Phosphate
- Sulphur
- Shredded scarp
- Murate of Potash

Infrastructure:

- 12 berths
- 1 single point mooring for crude oil import
- Average draft 9.14 m.
- Cochin port is the first major port in the country to implement ERP

Future Expansion:

Development of International Cruise Terminal cum Public Plaza at Willingdon Island.

Setting up of first Port Based Special Economic Zone in India; setting up of a LNG re-gasification terminal with associated facilities are in pipeline.

Geographical Location:

Latitude: 8° 45' N

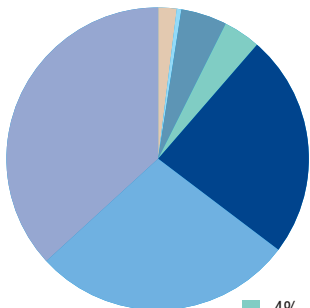
Longitude: 78° 13' E



TUTICORIN PORT

Throughput handled (2009-10):

23.75 million tonnes



2% – POL
0.5% – Iron Ore
5% – Fertilizer finished
4% – Fertilizer raw
24% – Thermal coal
28% – Containers
36.5% – Others

Tuticorin Port is located strategically close to the East-West International sea routes on the South-eastern coast of India. Located in the Gulf of Mannar, the port has been a centre for maritime trade and pearl fishery for more than a century.

Types of Bulk Cargo Handled:

- Coal (thermal & industrial)
- Fertiliser
- Timber logs
- Construction materials
- Granite stone

Infrastructure:

- 9 berths
- 3 Oil Jettys
- 10.67 m draft
- Mechanised coal handling with conveyor belts
- Open area for cargo stacking facilities.

Future Expansion:

Dredging the Dock basin and Channel to cater 12.80-m draft vessels.

Construction of coal berth at NBW for the JV Company of Neyveli Lignite Corporation – Tamil Nadu Electricity Board

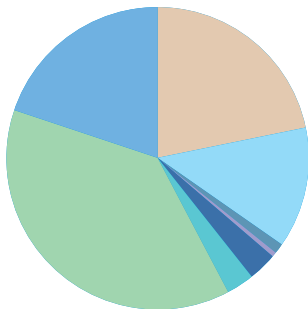
Optimisation of Inner Harbour

Geographical Location:
Latitude: 13° 06' N
Longitude: 80° 18' E



CHENNAI PORT

Throughput handled (2009-10):
61.06 million tonnes



22% – POL
 13% – Iron Ore
 1% – Fertilizer finished
 0.5% – Fertilizer raw
 3% – Thermal coal
 3% – Coking coal
 38% – Containers
 19.5% – Others

Port of Chennai is situated on the Coromandel Coast in Southeast India. The port has more than 125 years of tradition and is the busiest hub port on the east coast of the Indian subcontinent.

Types of Bulk Cargo Handled:

- Coal
- Iron ore
- Crude
- POL
- Fertilisers
- Steel products

Infrastructure:

- 21 deep drafted berths
- 2 Oil Jettys
- Draft between 12 m to 16.5 m.

Future Expansion:

Chennai-Ennore Port road connectivity project

Mechanised conveyor system for Coal to handle 9 MT

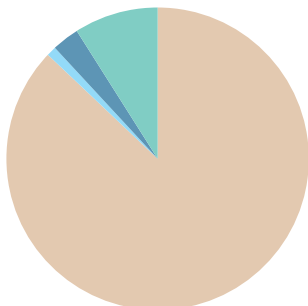
Break water extension from existing outer arm will be utilised to develop deep draft oil berth for handling VLCCs

Geographical Location:
Latitude: 13°-15' N
Longitude: 80°-20' E



ENNORE PORT

Throughput handled (2009-10):
10.703 million tonnes



3% – POL
 9% – Iron Ore
 87% – Thermal coal
 1% – Others

Ennore Port was developed as a greenfield port on the east coast of India at a distance of about 20 km to the north of Chennai Port. It is the first corporatised major port in India. The port was commissioned in June 2001 and since then the port mostly handles thermal coal for the power stations of Tamil Nadu Electricity Board (TNEB).

Types of Bulk Cargo Handled:

- Coal
- Iron ore
- Liquid Bulk
- POL

Infrastructure:

- 3 berths with 13.5 m draft
- Land availability of about 2,000 acres

Future Expansion:

6 mmtpa iron ore terminal (ongoing project)

8 mmtpa coal terminal (ongoing project)

5 mmtpa LNG terminal including regasification plant (future project)

Capital dredging of the berth areas of marine liquids, coal and iron ore terminals to -15 m.

Geographical Location:

Latitude: 17°41' N

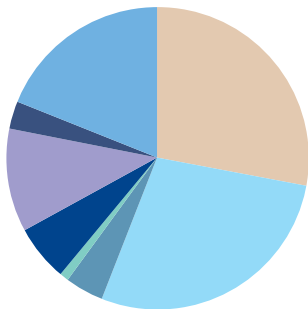
Longitude: 83°18' E



VIZAG PORT

Throughput handled (2009-10):

65.5 million tonnes



28% – POL
28% – Iron Ore
4% – Fertilizer finished
1% – Fertilizer raw
6% – Thermal coal
11% – Coking coal
3% – Containers
19% – Others

Described as the “Brightest Jewel” of all Indian major ports for its outstanding performance and productivity, Visakhapatnam Port serves as a catalyst for the eastern and central Indian trade. The port is known for handling iron ore, coal and POL in huge quantities.

Types of Bulk Cargo Handled:

- Thermal coal
- Coking coal & Lam coke
- Iron ore
- Iron pellets
- Crude oil and petroleum products
- Finished fertilizers
- Liquid bulk

Infrastructure:

- 9 berths in the Inner Harbour Northern Arm-East side;
- 6 berths in the Inner Harbour Northern Arm-West side;
- 3 berths in Inner Harbour North Western Side, Offshore Tanker Terminal;
- Average draft at 7.5 m in the inner harbour.

Future Expansion:

Upgradation of iron ore handling facilities of Outer Harbour

Strengthening of 8 berths to cater to 12.5-m draft vessels

Phase-III deepening of inner harbour and turning circle upto 14 m draft at inner harbour berths (Expected date of completion: March 2011).

Geographical Location:

Latitude: 20°15' N

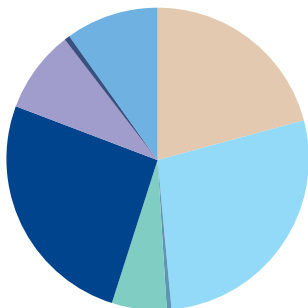
Longitude: 86°40' E



PARADIP PORT

Throughput handled (2009-10):

57.01 million tonnes



21% – POL
28% – Iron Ore
0.5% – Fertilizer finished
6% – Fertilizer raw
25.5% – Thermal coal
9% – Coking coal
0.5% – Containers
9.5% – Others

Paradip was declared a major port in 1966 making it the first major port in the East Coast commissioned after independence. Paradip port is situated 210 nautical miles south of Kolkata and 260 nautical miles north of Visakhapatnam. The Port mainly deals with bulk cargo and project cargo apart from other clean cargoes.

Types of Bulk Cargo Handled:

- Coal
- Iron ore
- Crude oil
- Rock Phosphate
- Ammonia

Infrastructure:

- 14 berths
- 2 Oil Jetties
- 13 m draft at all the berths.
- Single point mooring (SPM) of Indian Oil Corporation has become operational to handle VLCCs.

Future Expansion:

Construction of 10 mmtpa deep draft coal berth (ongoing).

Construction of 10 mmtpa deep draft iron ore berth (ongoing).

Construction of oil berth with 10 mtpa Capacity.

Installation of second Single Point Mooring with 15 mtpa capacity.

Geographical Location:

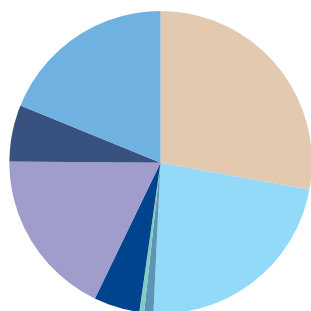
Latitude: 22° 02' N

Longitude: 88° 06' E



HALDIA DOCK COMPLEX

Throughput handled (2009-10):

33.2 million tonnes


28% – POL
23% – Iron Ore
1% – Fertilizer finished
0.5% – Fertilizer raw
5% – Thermal coal
18% – Coking coal
6% – Containers
18.5% – Others

Haldia, which is operated by Kolkata Port Trust, is a riverine port and is the lifeline for the export/import trade in the states of West Bengal, Bihar, Jharkhand and the Northeastern states. Landlocked countries like Nepal also depend on this port for their exim requirements.

Types of Bulk Cargo Handled:

- Iron ore
- Thermal coal
- Fertilizers
- Limestone
- Steel,
- POL
- Chemicals
- LPG
- Crude
- Break Bulk

Infrastructure:

- 3 riverine oil Jetties
- 12 berths inside an impounded dock
- Two riverine barge jetties and Haldia Anchorage for LASH vessels.
- Average draft availability is 8.5 m.

Future Expansion:

Construction of two multipurpose berths in the existing dock arm: Berth No. 2 having annual capacity of 2 million tonnes and Berth No.13 having annual capacity of 1 million tonnes. Planning is underway for setting up a transloading facility near Sagar Island.

Geographical Location:

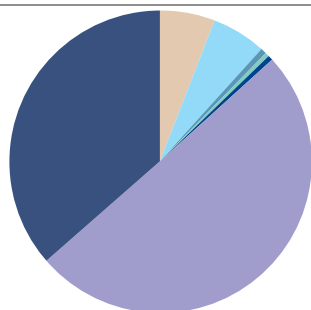
Latitude: 22°32' N

Longitude: 88°18' E



KOLKATA DOCK SYSTEM

Throughput handled (2009-10):

13.04 million tonnes


5.5% – POL
5% – Iron Ore
0.5% – Fertilizer finished
0.5% – Fertilizer raw
0.5% – Coking coal
51% – Containers
37% – Others

Kolkata is the oldest major port in the country. Kolkata Dock System (KDS) comprises the impounded dock systems at Kidderpore Dock (KPD), and Netaji Subhas Dock (NSD), in Kolkata, Petroleum Wharves at Budge Budge and Anchorages at Saugor, Diamond Harbour and Sandheads are grouped under Kolkata Dock System (KDS).

Types of Bulk Cargo Handled:

- Crude and POL products
- Fertiliser
- Rice
- Sugar
- Newsprint/Paper
- Limestone
- Coal
- Iron & Steel
- Machinery
- Scrap
- Tea

Infrastructure:

- 18 berths and 6 bouys/moorings at Kidderpore Dock.
- 10 berths and 2 bouys/moorings at Netaji Subhas Dock.
- It also has anchorages at Diamond Harbour.
- Saugor Road and Sand Heads for loading and unloading operations and takes care of Panamax size vessels with draft of 10.5 m.

Future Expansion:

Development of IT Infrastructure at KDS, Upgradation of Navigational Facilities at KDS.

Setting up of new Inland Water Transport (IWT) Terminals as well as renovation of port-owned riverside jetties for promotion of Inland Water Traffic and river tourism are also underway.

Geographical Location:

Latitude: 20°54' N

Longitude: 71°30' E



PIPAVAV PORT

Throughput handled (2009-10):

10.0 million tonnes

Backed by the world major APM Terminals, Port Pipavav is ideally located to address the requirements of a rich hinterland.

Types of Bulk Cargo Handled:

- Fertilizer
- Coal
- Cement
- Clinker
- Fertilizers
- Steel
- Iron Ore
- Steel
- Agri-products
- Salt and Soda ash

Infrastructure:

- 3 berths, GPPL Jetty, LPG Jetty, Ultratech Jetty with draft of 13.5 m.
- 340 m of quay length for handling bulk and break-bulk cargo.
- Dedicated LPG cargo handling berth 65 m in length and draft of 15.5 m.

Future Expansion:

Plans to utilise 1,000 acres of undeveloped land for further expansion of its operations.

Proposes to raise up to ₹ 500 crore through IPO of which nearly ₹ 200 crore will be invested in development of infrastructure.

Geographical Location:

Latitude: 17° 37' N

Longitude: 83° 14' E



GANGAVARAM PORT

Throughput handled (2009-10):

8 million tonnes

An all-weather, deep-draft, multi-purpose port, Gangavaram Port is a modern state-of-the-art port that can handle vessels of 200,000 dwt and above with ease. Centrally located along the East Coast of India about 15 km south of Visakhapatnam Port, Gangavaram is the deepest port among all the Indian ports with 21 m draft.

Types of Bulk Cargo Handled:

- Coal
- Iron ore
- Fertilizer
- Limestone
- Food grains
- Steel products
- Petrochemicals

Infrastructure:

- Five berths of which three are multipurpose berths.
- One berth each is dedicated to handling of coal and iron ore respectively.
- Over 2,800 acres of uninhabited backup area for transit storage and blending.

Future Expansion:

Plan to invest between ₹ 500 and 700 crore on the two berths and associated infrastructure development.

Marine Oil Terminal consisting of Single Point Mooring system for handling VLCCs.

Sub-sea pipeline and Tank farm.

Geographical Location:

Latitude: 14°15' N**Longitude:** 80°08' E

KRISHNAPATNAM PORT

Throughput handled (2009-10):

16.1 million tonnes

Krishnapatnam Port is a natural port ideally located on the East Coast of India 180 km north of Chennai. With as many as five power projects coming up in its vicinity (including an ultra mega power plant), the port will have its hands full in the coming decades.

Types of Bulk Cargo Handled:

- Coal
- Iron ore
- Fertilizers
- Granite
- Project cargo
- Minerals

Infrastructure:

- Six berths with 15 m draft to handle coal, iron ore and general cargo.
- The port has a deep draft of 15 m along side.
- Closed as well as open storage area for efficient and safe handling of dry cargo commodities.

Future Expansion:

Development work on handling vessels upto 2,00,000 dwt alongside in a phased manner.

Further potential to double up the number of berths up to 42 Nos.

Road connectivity to be increased to six lanes for easy access to the port.

Geographical Location:

Latitude: 22° 43' N**Longitude:** 69° 42' E

MUNDRA PORT AND SPECIAL ECONOMIC ZONE

Throughput handled (2009-10):

40.0 million tonnes

MPSEZ is India's largest private port and special economic zone promoted by Adani Enterprises Limited.

Incorporated in 1998, the port commenced commercial operations in October 2001. Ideally located at the mouth of the Gulf of Kutch, the port is the ideal gateway to the hinterlands of Gujarat, Rajasthan, Punjab and Haryana.

Types of Bulk Cargo Handled:

- Steam coal
- Steel coils
- Motor spirit
- Soya bean meal
- Containers
- Bentonite in Bulk
- Crude petroleum oil
- Nitro Phosphate with Potash
- High Speed Diesel

Infrastructure:

- Eight operational multipurpose berths with draft up to 17.5 m.
- 22 bagging lines capable of 1,008 TPH in total.
- One 1,000 TPH ship loader.
- 9 Dock Pipelines with diameters ranging from 8 inch to 24 inch (including 8" dia Stainless Steel line), connecting liquid berths to the shore tanks.

Future Expansion:

Expected to handle 100 mt of cargo in 2012-13 from Mundra alone.

Cal-handling jetty with a capacity of 30 million tonnes per annum.

Construction of dedicated LNG berth.

Tech Tools for Port Ops!



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Session I : Safety & Security

Theme : Protecting Ports: Safe and secure measures

The need and scope to protect port installations and beef up security through use of technology

Session II : Scanning & Screening

Theme : Secure Terminals and Secure Cargo: Next steps

Issues of cargo screening technologies and emerging trends

Session III : Technology & Tact

Theme : Improving Operational Efficiency: Tech Edge

Improving port efficiency through automated processes and cutting-edge technologies

Session IV : Energy & Environment

Theme : Sustainable Port Development

Evaluating the carbon footprint of the port sector and adopting greener processes to achieve Zero emission cargo movement at ports

For sponsorship and other opportunities, please contact:

Mumbai
Dr Shibu John
Head - Strategy & BD
shibu@gatewaymedia.in
+91 98676 82002

Delhi
K N Sudheer
Regional Manager
sudheer@gatewaymedia.in
+91 99101 66443

Kolkata
Nikhil Doshi
Regional Manager
nikhil@gatewaymedia.in
+91 98369 96293

Chennai
W Sudhakar
Manager - Marketing
sudhakar@gatewaymedia.in
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Iron ore exports from India could decrease modestly till 2013 and accelerate thereafter since they have already reached their peak in 2009-10 touching 110 million tonnes. While over three-fourth of the exports in the last fiscal were consigned towards China, the going now gets tough owing to rising domestic demand and government restrictions on iron ore exports. Elsewhere in the world too, mineral companies are finding it harder to export due to the growing domestic demand.

The Melting Point

Photos: Peet de Rouw



Key Speakers

Shri K Mohan Das

Secretary, Ministry of Shipping, GOI

Dr P Vijayan

Vice Chancellor, IMU

Mr Ashok Mahapatra

Head Maritime Training & Human Element Section, IMO

Dr Satish Agnihotri

Joint DG, Director General of Shipping

Capt A K Bansal

Master Mariner

Mr B Sridhar

Director, Bengal Tiger Lines, India

Mr S N Srikanth

Sr. Partner, Hauer Associates

Capt K Vivekanand

Pro Vice Chancellor, Vels University

Capt S Bhardwaj

Vice Chancellor, AMET University

Dr Brijendra K Saxena

Principal, Tolani Maritime Institute, Induri, Pune

Capt K N Deboo

Director and Principal, Anglo Eastern Maritime Training Centre

Capt K V John

Principal, Eurotech Maritime Academy, Cochin

Mr Swapan Das Sarma

Director, Teledata Marine Solutions Ltd & President, International Maritime University, USA

Capt Rod Short

Executive Secretary, GlobalMET Limited & Global Maritime Education & Training Association, New Zealand

Capt Navin Passey

Managing Director, Wallem Ship Management (India) Pvt Ltd.

Capt Rajesh Tandon

Managing Director & Operations Director, Manpower Services, V Ships India Pvt Ltd.

Mr Amit Ray

Head - DNV SeaSkill Asia

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Structure : It will have three presentation sessions on specific themes followed by a panel discussion.

Session I : **Go to Sea**
Theme : The dire need to promote shipping as a career

Session II : **Maritime Education in India and abroad**
Theme : The educational career avenues in India and abroad

Session III : **Quality of Education**
Theme : Quality of education in maritime institutes

Panel Discussion : **Building Human Resources for Maritime Sector**

Theme : The professional demands and needs of maritime industry

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ABG LDA Bulk Handling Pvt. Ltd. is a subsidiary of logistics infrastructure company ABG Infra Logistics. It handled the group's bulk handling mobile harbour crane business at various ports in India.

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e-mail: hq@abginfra.com

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Contact persons:

Vinay Prabhakar, Partner, Accenture

Mobile: +91 98 2021 3858

e-mail: vinay.prabhakar@accenture.com

Raghu Gullapalli, Partner, Accenture

Mobile: +91 98 2034 8016

e-mail: raghu.gullapalli@accenture.com

www.accenture.com

ASIC

Association of Shipping Interests in Calcutta (ASIC) works in the interests of the shipping fraternity including shipowners, agents, etc. in Kolkata.

Tel: 033 - 2248 1254 / 2230 6173

Fax: 033 - 2248 2035

B GHOSE & COMPANY

B. Ghose & Company Pvt. Ltd., established in Kolkata over 50 years ago to provide stevedoring and transportation at the ports of Kolkata and Haldia, has expanded its scope of activities to container handling, warehouse and terminal management, ship broking, shipping agency, project cargoes, freight forwarding, mining and ship owning.

It boasts of a fleet of more than a dozen barges and tugs fleet of fully owned as well time chartered vessels.

Tel: 033 2287 2966, Fax: 033 2287 3380

e-mail: bghoseco@vsnl.com

<http://bghoseco.com>

BIMCO

BIMCO is an independent international shipping association founded in 1905, with a membership composed of ship owners, managers, brokers, agents and many other stakeholders with vested interests in the shipping industry. The association acts on behalf of its global membership to promote higher standards and greater harmony in regulatory matters.

Bagtværdsvej 161, 2880 Bagsværd, Denmark

Tel: +45 44 36 68 00, Fax: +45 44 36 68 68

e-mail: mailbox@bimco.org

CCHAA

Calcutta Customs House Agents' Association (CCHAA) is an apex body of the authorized agents of Kolkata Customs, those are engaged in clearing and forwarding freight at the Airport and Seaports of West Bengal.

It maintains close tie with Calcutta Port authority, Air Port authorities and Customs authorities. The association is recognized as the sole representative of the Customs House Agents in West Bengal. It is also member of sub committees of Kolkata Custom House.

Tel: +91 33 2248 2951, Fax: +91 33 2248 7058

e-mail: cchaa@sify.com

CFBA

Calcutta Freight Brokers Association works in the interests of Freight Forwarding Agents & Brokers in Kolkata.

Tel: 033 - 2230 3733, Fax: 033 - 2220 1289

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Contact Person: Amit Kumar Jain

Tel: 0112924 3951, Mobile: 98 110 10009

e-mail: David.Truman@dbis.biz, www.dbis.biz

EASTERN INDIA SHIPPING ASSOCIATION

Eastern India Shipping Association works in the interests of importers and exporters in the Kolkata region.

Tel: 033 - 22207763

FFFAI

Federation of Freight Forwarders Associations of India (FFFAI) works with the objective of organising united action to project and promote the interests of the freight forwarders and custom house agents in all aspects at the national level; and for that purpose co-ordinate the activities of the Customs House Agents' Associations and their members.

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Fax: +91-22-67107500

e-mail: ffai@vsnl.com

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Contact Person:

Gopi D

Ph: +91 44 4262 7441, 42

Fax: +91 44 4262 7445

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e-mail: info@gopalpurports.com

INDIA BARGE OWNERS ASSOCIATION

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INLAND WATERWAYS AUTHORITY OF INDIA

The Inland Waterways Authority of India (IWAI) came into existence on 27th October 1986 for development and regulation of inland waterways for shipping and navigation.

The Authority primarily undertakes projects for development and maintenance of IWT infrastructure on national waterways through grant received from Ministry of Shipping. The head office of the Authority is at Noida. The Authority also has its regional offices at Patna, Kolkata, Guwahati and Kochi and sub-offices at Allahabad, Varanasi, Bhaglapur, Farakka and Kollam.

Tel: 95120-2544036, 2521684, 2522798,

2521724, Fax: 95120-2544009,

2544041, 2543973, 2521764

e-mail: iwainoi@nic.in, <http://iwai.nic.in/>

INSA

Indian National Shipowners Association (INSA) was established with the abiding objective of becoming a rallying force for all shipping companies based in India. As the torchbearer of the Indian shipping industry, INSA is committed to promote the overall development of the industry, and endeavouring to increase the profitability of its member companies and in turn their investors. With the advent of global village, INSA is working towards integrating the Indian shipping industry with the world economy.

Tel: 022 2218 2103, Fax: 022 2218 2104

www.insa.org.in

INTERCARGO

Intercargo is the short name for the International Association of Dry Cargo Shipowners. Its members predominantly operate bulk carriers in the international dry bulk trades, such as coal, grain, iron ore and other bulk commodities.

The association's main role is to work with its members, the regulators and other Shipping Associations to ensure that shipping operates safely, efficiently, environmentally and profitably.

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2262 0147, Fax: 91-22-2262 1878
e-mail: corp@jmbaxi.com, www.jmbaxi.com

JSW INFRASTRUCTURE LTD

JSW Infrastructure is part of the JSW Group and is committed to the development of infrastructure for ports, airports, ship repair, shipyard, township, roads & rail connectivity, inland waterways, water treatment plant and pipelines. It operates the South West Port Limited (SWPL), Goa (operational), JSW Jaigarh Port (JSWJPL), Jaigarh, Maharashtra (operational) and JSW Shipyard at Dabhol, Maharashtra.

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Kolkata Port is India's only riverine port with two dock systems - Kolkata Dock System at Kolkata with the oil wharves at Baj Baj and a deep water dock system at Haldia Dock Complex, Haldia for

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PARADIP PORT TRUST

Paradip Port is one of the major ports of India serving the Eastern and Central parts of the country. Its hinterland extends to Orissa, Jharkhand, Chhatisgarh, West Bengal, Madhya Pradesh and Bihar. The port mainly deals with bulk cargo apart from other clean cargoes and has witnessed an unprecedented growth in the traffic in the last five years. It has an ambitious expansion programme to double its capacity to meet the ever increasing demand.

Tel: (06722) 222046/ 222127 [Office]
Fax: (06722) 222256
e-mail: chmppt@paradiport.gov.in
www.paradiport.gov.in

R. PIYARELALL GROUP

R. Piyarelall Group with its vast experience of over three decades is a market leader in bulk commodities trading and a respected identity in the global arena. With a heritage in foodgrains trading, the group's other key interests include logistics management and manufacturing exports. The current group turnover as on March 31, 2010 stands at US\$440 million. Over the years, the group's activities have diversified and divided into member companies.

Contact details:
Tel: +91-22-43335444 / 66308597
Fax: +91-22-22822275, Email: rplal@vsnl.net / contact@rpiyarelall.in, www.rpiyarelall.com

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Incorporated in 1995, Sohom Shipping started a new era with multifarious diversifications in shipping zone in the eastern part of India.

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Fax: 033 22313833/22133594
e-mail: mail@sohomshipping.com
http://www.sohomshipping.com

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The Group's businesses include Ship Owning, Shipping Agencies, Ship Management, Marine & Container Repairs, Container Storage, Inland Transportation, the Group also has interests in Freight Forwarding and Logistics.

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Tel: + 91 33 2463 1990 (5 Lines)
Fax: + 91 33 2463 1994
e-mail: waterways@vivada.com
www.vivada.com

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 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

Technology at Ports and Terminals

Hotel Leela Kempinski, Mumbai

November 12

The one-day conference will focus on specific issues of safety and security of port installations, use of technology in improving port efficiencies and environmental issues at ports and terminals.

www.maritimegateway.com

India after GST Novotel, Juhu Beach, Mumbai

September 24

The Supply Chain Leadership Council's summit will help companies gain clarity on GST by bringing in cross-functional thought-leaders together onto one platform.

www.sclcln

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.

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Email: customerservice@krishnapatnamport.com

Website: www.krishnapatnamport.com



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It takes a **World Leader** to build a **World Class Terminal**

DP World needs no introduction. As one of the largest marine terminal operators in the world, it has 50 terminals and 11 new developments across 31 countries including some of the most dynamic economies in the world.

The new International Container Transshipment Terminal (ICTT) at Vallarpadam, Kochi is one such DP World project.

Soon, India will boast of its largest and one of the world's most sophisticated container terminal dedicated to the growing Indian market.



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International Container Transshipment Terminal

IGT House, Container Terminal, Willingdon Island, Kochi - 682 003, India,
Tel: +91-484-4080281 Fax: +91-484-4080250,
customersupport.igt@dpworld.com, www.dpworld.com/cochin



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