SPECIAL ISSUE ON TECHNOLOGY

November 2010 ₹ 100 www.maritimegateway.com

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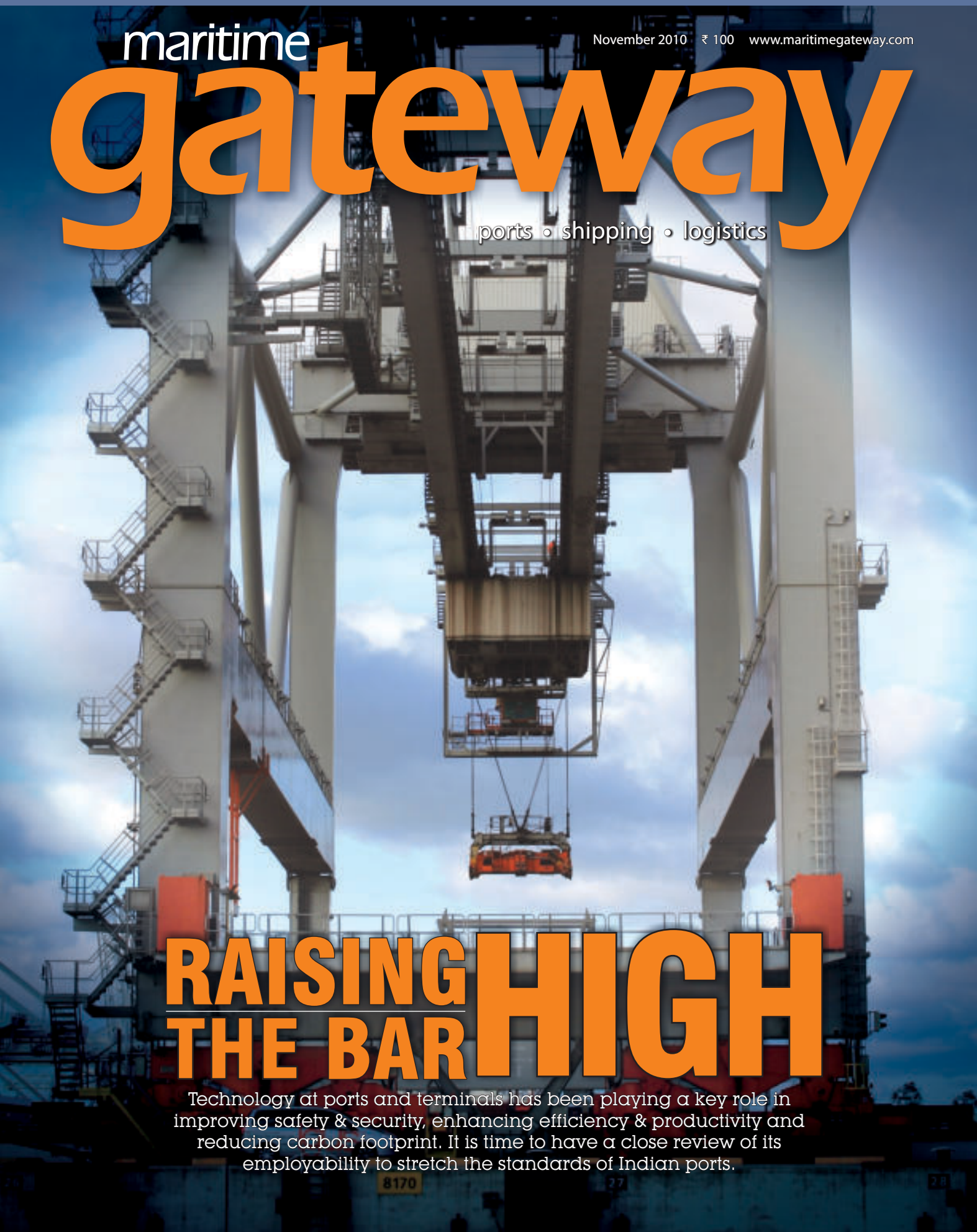

RAISING THE BAR HIGH

Technology at ports and terminals has been playing a key role in improving safety & security, enhancing efficiency & productivity and reducing carbon footprint. It is time to have a close review of its employability to stretch the standards of Indian ports.

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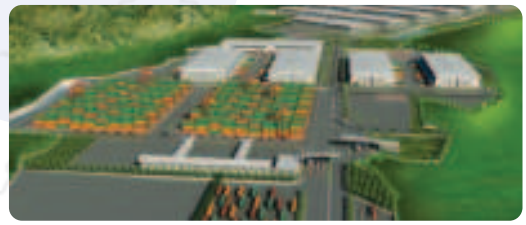


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RAISING THE BAR HIGH

Technology at ports and terminals has been playing a key role in improving safety and security, enhancing efficiency and productivity and reducing carbon footprint. It is time to have a close review of its employability to enhance the capability of Indian ports in setting new benchmarks and standards.

PUBLISHER'S DESK

Young blood for Lifeblood of World Trade

The International Maritime Organization has sounded the SOS: The global shortage of seafarers, especially officers, has already reached serious proportions, threatening the very future of the international shipping industry.

The IMO presents mindboggling numbers from reports – the officer requirement for 2008 was 498,000 with a shortfall of 34,000. This is expected to rise to a projected officer shortfall of 83,900 in 2012. Whether the figures seem believable or not, the need is no doubt immense, rue shipping NGOs as they go about the 'Go to Sea' mission to ensure that work-while-you-work will simply be play-while-you-sail.

If the global pool of competent and efficient seafarers is to meet future demand, then seafaring must be presented to younger generations as a viable career choice, the IMO calls on the industry and littoral governments to mount campaigns to improve seafarer recruitment.

This decade is perhaps the most challenging time for shipping employment which is forced to play the second fiddle to other lucrative and happy-go-lucky jobs. Think tanks meanwhile are busy devising ways to attract youth of the 'right calibre' to rewarding, stimulating and long-term prospects of careers in sea and the maritime industry. As mentioned in the earlier issue, the India Maritime Human Resources Summit 2010 being held in Chennai on November 27, 2010 will endorse the IMO efforts in the right earnest and draw suggestions from maritime experts on ways to take forward the campaign in a big way in India.

It is heartening to note that Johan Franson of Sweden has been conferred with the International Maritime Prize for 2009 for his contribution to maritime safety, security and prevention of pollution from ships. These issues call for dire attention in countries like India which by virtue of diversity, have been facing several issues at the same time. Maritime Gateway has been keen to play a role in helping the country take the lead in security issues and this edition comes packed with articles that attempt to address a host of subjects concerning the use of technology for safe and secure maritime operations.

We are glad to introduce ace maritime writer Ramadas Rao to our readers, who has been writing to reputed international magazines on all issues maritime. Ryan Skinner, a prolific writer on shipping, comes up with an illustrative article on the future technologies for viable shipping. We are also pleased to have Dr Probal Ghosh, Senior Fellow at the Observer Research Foundation and the brain behind the National Maritime Foundation, write on overcoming challenges in the Indian Ocean region. And on maritime human resources, we hope to come up with interesting reads in the coming issues.

Best Regards,

Ramprasad
Publications Director

volume 3 issue 2

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

Cover Page Photo Courtesy: Peet de Rouw

Pollution response

Coast Guard conducts drill

The Coast Guard recently conducted an oil spill clean-up exercise north of the Chennai coast as part of the National Oil Spill Disaster Contingency Plan.

The Indian Coast Guard ship Vishwast, along with Coast Guard vessels Sarang and Jijabai, took part in a drill, which simulated the collision of two ships, and subsequent clean-up. The two-day programme began with a workshop on oil spill containment, preparation of shoreline clean-up contingency plan, oil spill response options besides sensitivity mapping, involved 40 delegates from ports, State Pollution Control Boards and oil handling agencies of Tamil Nadu, Andhra Pradesh, Orissa and West Bengal took part.

The exercise included a heli-skimmer operation to demonstrate containing oil in shallow waters and the port area. The Coast Guard ships sailed six nautical miles north off the Chennai Port for the exercise. An Ennore Port Trust tug played the role of a polluting ship.

Coast Guard ships Sarang, Jijabai, Ennore Port tug and Chennai Port Trust tug laid a boom downstream of the polluting ship to simulate blocking the flow of oil to the shore. The collection and storage of oil was demonstrated by skimmers and dracone barge.

A Coast Guard Dornier plane and helicopter were deployed to spray oil spill dispersant on the "affected" area. The laying of boom and spraying dispersants was coordinated and executed by the Coast Guard ships/aircraft and tugs of Ennore and Chennai Port Trusts.

Speaking to the reporters on board the Vishwast, Deputy Inspector General BS Yadav, Coast Guard Commander for Tamil Nadu and Puducherry, said they are well prepared to meet any oil spill contingency in the Eastern Region.

NMPT trade hit

According to a recent report by broking house Motilal Oswal, Ennore and Kolkata ports reported a healthy 25 per cent-plus year-on-year growth in cargo in September while Kandla and New Mangalore Port lagged behind. NMPT accounts for 5 per cent of the country's cargo composition and close to a half of Karnataka's 30 million tonnes of iron ore exports. The port handled 8.38 lakh tonnes in September this year as against 37.53 lakh tonnes the same time last year. Iron ore shipments from India were 4.5 million tonnes in September 2010 compared to 5.2 million tonnes in September 2009, the report added.

New Mangalore Port: A 36-hour mock security drill Sagar Kavach-II involving multiple agencies of the state and the Centre was simultaneously launched in all the three coastal districts of Karnataka recently.

The exercise is part of an initiative of the Ministry of Home Affairs in coordination with the State Government and the Navy, Coast Guard and Central Industrial Security Force as well as State-level agencies such as the Coastal Security Police, the civil police and intelligence wings.

Several senior officers of these agencies, including the Additional Director-General of Police Bipin Gopal Krishna were present during the operation.

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China-Pak Express

APM Pipavav on service route

Orient Overseas Container Line (OOCL) and Yang Ming Marine Transport Corporation (YML) upgraded the joint China Pakistan Express (CPX) service by adding Port Pipavav as their port of call. After Nhava Sheva in Mumbai, Port Pipavav is the only other port of call for the CPX service in India.

"We are pleased to have the CPX Service routed through our port," said C K Rajan, Head of Container Business, APM Terminals Pipavav. "We want to give our customers the best possible options for transporting their cargo and are steadily increasing the number of lines calling the port," he added.

The new port rotation is as follows: Shanghai, Ningbo, Shekou, Singapore, Karachi, Pipavav, Nhava Sheva, Penang, Port Kelang, Singapore, Hong Kong, Shanghai.

The CPX service upgrade that commenced from August, 2010 offers the fastest transit time between Central China and India. It includes five vessels, two of OOCL and three of YML, with 3,600-TEU loadable capacity for each week.

Paradip facility

Essar raises ₹ 410 cr for terminal

Essar Bulk Terminal Paradip (EBTPL) of Essar Shipping Ports and Logistics (ESPLL) has raised ₹ 410 crore to finance a cargo terminal project at Paradip Port in Orissa. According to a newspaper report, the credit deal was signed with YES Bank and L&T Infrastructure Finance Company, each of whom have loaned out 50 per cent of the finance needed.

Both the banks have underwritten the loan. The funds will reportedly be used for mechanisation of CQuay III terminal of Paradip. The financing consists of a term loan of ₹ 385 crore and a bank guarantee facility of ₹ 25 crore. The loan will be repaid in 36 quarterly installments following a two-year grace period.

Exploring business

MARG joins hands with Oz trade body

MARG Limited, India's fastest growing integrated infrastructure company, announced that it will work actively with the Australian Trade Commission through BCA (Business Club Australia), with a view to connecting with potential Australian Business Houses & Universities to further the company's business ventures in Australia and India.

BCA is the Australian Government's official business networking programme around truly global sporting events. This programme is owned and led by the Australian Government's trade and Investment development agency, the Australian Trade Commission.

According to MARG Chairman and Managing Director GRK Reddy, Australia is a globally competitive location for business. "The primary goal of MARG is to increase stakeholder value. With strong support from BCA, we hope to explore business possibilities with and in Australia in the fields of mining, vocational training collaboration and development of water sports," he said.

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- Development of New Deep Draught Coal Berth on BOT basis - 10 MTPA.
- Mechanization of existing Berths - 8 MTPA.

Future Development Plans:

- Construction of Multipurpose Berth - 5 MTPA.
- Construction of Oil Berth - 10 MTPA.
- Installation of Second SPM for IOCL - 15 MTPA

The present capacity of 71 MTPA will be enhanced to 134 MTPA by the year 2012 - 13 with an expected volume of Cargo of more than 70 million tonnes.

Advanced vessel

ABG dedicates PVC to Coast Guard

Indian Coast Guard commissions pollution control vessel ICGS Samudra Prahari to ensure cleaner oceans and safe marine environment on the seas.

Chief Minister of Maharashtra Ashokrao Chavan commissioned the country's first Pollution Control Vessel (PCV) Samudra Prahari at the Mumbai Naval Dockyard recently. The 'Guardian of the Sea' and 'the first of its kind PVC in South Asia' built by ABG Shipyard Ltd, Surat is equipped with the most advanced and sophisticated pollution response equipment for mitigating marine oil spills in the Indian Exclusive Economic Zone.

The vessel has a capability to recover and store 300 tonnes of spilled oil from the sea, as also to continuously recover and transfer oil through floating barges. It is fitted with an Integrated Platform Management System, which provides the capability of controlling all machinery, including main engines, from six locations throughout the ship, through portable stations, or laptops.

Equipped with a maritime helicopter and an advanced external fire-fighting system, the 94-m 4,300-tonne vessel with a draft of 4.5 m is the largest vessel will considerably enhance the Coast Guard's capabilities. The 'Infra Red Surveillance System' installed onboard is an additional capability for the ship's crew to detect targets at night.

Speaking on the occasion, ABG Shipyard Chairman Rishi Agarwal said, "ABG would continue to be resilient in its efforts to use best available technology to help protect the environment." Vice Admiral Sanjeev Bhasin, Flag Officer Commanding-in-Chief of the Western Naval Command, and Vice Admiral Anil Chopra, DG, CG, also attended the event.

Samudra Prahari has a top speed of 21 knots with a total combined propulsive power of 9,100 KW. At economical speed, it has an endurance of 6,500 nautical miles and can stay at sea for 20 days.

Coast Guard awards ₹ 1,500-crore contract to Cochin Shipyard Ltd.

The project involves 20 Fast Patrol Vessels (FPVs) for coastal security.

The 1st ship will be delivered in 20 months and one every 3 months thereafter.

ICGS Samudra Prahari, manned by 10 officers and 100 men under the command of Deputy Inspector General Manoj Vasant Baadkar, will be based at Mumbai under the administrative and operational control of the Commander Coast Guard Region (West).

New orders: Meanwhile, ABG has received orders with combined worth of US$ 82.5 million (₹ 370 crore). Halul Offshore Services Company (HOSC) of Qatar placed an order for US$ 65 million 91-m twin screw diving support vessel, equipped with sub-sea maintenance and Manravi of Italy sought a 63.8-m twin screw 82T bollard pull anchor handling tug vessel (AHTV) for US$ 17.50 million.

Acquisition: ABG has acquired 60.26 per cent (17,75,50,000 shares) of the beleaguered Western India Shipyard Ltd. WISL reached its highest turnover, since inception, at ₹ 76.51 crore in FY10 with a PAT of ₹ 48.78 crore.

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Dutch deal

Cochin Shipyard delivers PSV

Cochin Shipyard delivered a platform supply vessel 'Vos Prevail' to the Dutch company Vroon Offshore BV. This is the fourth PSV being delivered to Vroon Offshore this year and the 20th to be built and delivered by CSL. Jose Mathew, Chief General Manager (Shipbuilding), signed the protocol documents on behalf of Cochin Shipyard and Eric Rikken on behalf of the owners. Senior officials of the shipyard were present on the occasion.

Cochin Shipyard is presently constructing 10 offshore support vessels besides the prestigious indigenous aircraft carrier project for the Indian Navy.

Vroon is a leading maritime offshore services supplier and is active in a number of specialised and commodity-type shipping segments. It operates and manages a diverse fleet of over 150 vessels.

The workhorse

PSVs act as the lifeline of the offshore oil field industry carrying all operational supplies and stores to far off offshore installations. They are designed for satisfying the specific demands of transport of deck cargo, pipes, liquid cargo, cement/ barite and unloading to rigs and production platforms and pipe-laying barges. As the Offshore industry moves into deeper waters, demand for such advanced vessels is expected to rise. The ship is built and classified under the most stringent rules and regulations of Det Norske Veritas and is classed for unmanned engine room and dynamic positioning grade II. The vessel also satisfies the 'clean' notation which signifies high standards of environmental safety.

The 'Vos Prevail' ready for Vroom.

Colombo buy

Greatship Global orders 2 PSVs

Greatship Global Offshore Services Pte Ltd, the Singapore subsidiary of Greatship (India) Limited of the Great Eastern Shipping Company Limited, has placed an order for two construction support vessels with Colombo Dockyard Limited. These Platform/ROV Support Vessels are due for delivery in Q4 FY 12 & Q1 FY 13, respectively.

The vessels are designed for operating as advanced PSVs and light construction support vessels, with enhanced accommodation (50 pax), SPS Code 2008 & Clean design requirements of LRS, DP2, fire fighting capability, oil recovery, capability to support ROV operations and are prepared for 50T active heave compensated crane, A-frame and helideck.

Aframax acquisition

SCI procures crude tanker

The Shipping Corporation of India accepted delivery of an Aframax crude oil tanker MT Desh Mahima recently, the first in four such tankers ordered at Hyundai Heavy Industries Co. Ltd, Korea, the largest shipyard in the world. The remaining three will be delivered in the next six months. Orders for these vessels, with a gross tonnage of 64,397 tonnes and DWT of 114,686 tonnes at scantling draft, were placed in August 2007.

The vessel has been classed with ABS and IRS and has been built to comply with international regulations. The ship also complies with the requirements of Green Passport – a safe and environmentally sound approach from building stage to recycling. With the addition of this vessel, SCI's fleet strength has increased to 77 vessels.

SCI on newbuilding splurge

The Board of Shipping Corporation of India Ltd has approved US$ 661.3 million of newbuilding purchases and is expected to announce orders for four 318,000 dwt VLCCs and three 6,500 TEU from Chinese shipbuilder Jiangsu Rongsheng Heavy Industries for US$ 104.95 million each. The containerships, each costing US$ 80.5 million, will be built at South Korea's STX Shipbuilding Co Ltd.

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Road expansion

Ministry seeks funds for repairs

The Road Transport & Highways Ministry hopes to complete construction activity by this year-end and seek ₹ 3,400 crore from the finance ministry for repairs to rain-damaged roads.

Union Minister for Road Transport and Highways Kamal Nath said 25,000 km of road expansion or construction work is expected to be completed by the end of this year.

Speaking at the Economic Editors Conference in New Delhi recently, he said 12 km of road is being built every day on an average. Nearly 4,000 km of road is being constructed in Naxal-affected areas and 16,000 km of one-lane highway is being converted into double lanes in different parts of the country.

Stating that the government has approved the National Permit Scheme to allow seamless travel and transport, the minister informed the participating editors that the government is also working on single-toll technology throughout the country.

The ministry sought an assistance of ₹ 3,400 crore from the finance ministry to repair highways across the country damaged due to this unprecedented rain this year. "We have approached the finance ministry for additional funding for maintenance of roads. We hope this will come in the supplementary demand in Parliament during the Winter Session," the minister said.

Road Transport and Highways Secretary RS Gujral said ₹ 1,000 crore has been sought for the overall maintenance and ₹ 1,650 for roads other than those covered under the National Highways Development Project. Another ₹ 700 crore has been sought from the Central Road Fund and ₹ 50 crore for repair of bridges.

The ministry also felt the need for environmental yardsticks for greenfield and widening of the brownfield highways projects. There is also a need to build either roads or widen them to accommodate increasing number of vehicles. If this is not possible, more garages should be built, the minister added.

Union Minister for Road Transport and Highways, Kamal Nath addressing the Economic Editors' Conference-2010, in New Delhi recently. Secretary, Ministry for Road Transport and Highways, R S Gujral and Principal Director General (M&C), Press Information Bureau, Neelam Kapur are also seen.

Service expansion

Allcargo acquires 2 Hong Kong firms

Allcargo Global Logistics Ltd has, through its step-down wholly owned subsidiary, recently acquired business rights and controlling stake in Hong Kong-based companies engaged in NVOCC business in China and other parts of the eastern region.

The acquisition valued at US$ 22 million has been undertaken in furtherance to Allcargo's expansion plan of its non-vessel owning common carrier (NVOCC) business and is set to expand its operating profit by adding nearly US$ 3.53 million annually.

Acquisition valued at US$ **22** million.

2 vessels of **6,500** tonnes DWT acquired.

The two companies with a workforce of 350 people are, according to Chairman and Managing Director Shashi Kiran Shetty, agents of ECU line within the global network. "As China is a leading international exim economy and large cargo volume generator, the acquisition will further consolidate our position in the global LCL market," Shetty said.

Meanwhile, to further expand into the project cargo movement business, Allcargo Global has acquired two vessels with a dead weight of 6,500 tonnes through its wholly owned subsidiary company.

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Liberty Marine shortlisted for award

Liberty Marine India has been nominated for the Best Maritime Services Award by Lloyds List – MEISC 2010 along with GAC Group, Wilhelmsen Ship Service and Sharaf Shipping Agency. According to a company release, the winners will be announced shortly at the Madinat Jumeirah in Dubai.

Freight corridor

Railways to use its land bank

Indian Railways will use 24,000 acres of its land bank to support the dedicated freight corridor project, thereby ruling out the option of forcible acquisition of farm land, according to Railways Minister Mamata Banerjee.

Addressing the economic editors' conference in New Delhi recently, the minister said, "We are using our land bank of 1.13 lakh acres for various railway projects including the dedicated freight corridor (DFC), and there is no need for forcible land acquisition."

Ruling out the need for a bill, the minister said the Railways will acquire land only with the consent of the land owner and with adequate compensation including a job offer

The dedicated freight corridor

Union Minister for Railways, Mamata Banerjee addressing at the Economic Editors' Conference-2010 in New Delhi recently.

project, that is all set to benefit the western and the eastern stretch of the country, will augment container transport capacity to meet the growing requirement of movement of freight traffic, the minister said. It may be noted that the work on the two stretches of the DFC – the eastern one running from Ludhiana to Dankuni and the western one from Navi Mumbai Port to Tughlakhabad – has seen slow progress, leading to significant cost escalation and time overruns.

The corridor cost estimated to be ₹ 49,624 crore by the ministry, may scale up to ₹ 60,000 crore by 2016, when it is scheduled to be done. The project was initially pegged at ₹ 28,000 crore and has significantly jumped the initial cost estimate thanks to addition of new segments and time overruns.

Meanwhile, the ministry hopes to cut down its operating expenses to ₹ 92,000 crore from ₹ 95,000 crore for the year 2010-11. The government will take steps to improve rail safety thereby reducing the number of accidents, Mamata added. "We will provide anti-collision device in every zone," she informed.

New LCL service

DHL links US-Asia

DHL has recently announced the launch of a new direct less-than-containerload (LCL) services from Seattle to Singapore serving as a gateway to 16 destinations in South Asia. The new weekly service will cover freight moving from Portland and Seattle and can ensure a travel time of 25 days, cutting the overall transit time between the US and Singapore by 12 to14 days compared to the current service transit time. Danmar Lines, DHL Global Forwarding's in-house carrier will operate the new service.

In the six years since the signing of the US-Singapore Free Trade Agreement, exports from the US grew by 34 per cent, with growth in exports of medical devices and construction equipment.

Amadou Diallo, CEO, Africa and South Asia Pacific, DHL Global Forwarding, said: "South Asia managed a GDP growth rate of 6.3 per cent in 2009. This speaks volumes of the resilience and ripeness of the region's markets."

The Seattle-Singapore service in 25 days cuts transit time by up to 14 days. It covers 16 destinations in South Asia in the following markets:

USA	South Asia	
Portland	Indonesia	India
Seattle	Malaysia	Sri Lanka
	Thailand	Pakistan
	Vietnam	

Service in China

Aqua opens subsidiary

Aqua Logistics Ltd, India's full-scope multinational service provider, opened its subsidiary, Aqua Logistics China Ltd (Aqua China), in Beijing recently. Aqua China aims to provide full-scope third-party logistics service with a 360-degree portfolio and an integrated solution approach.

Aqua China will be headed by Karl Liu. It will provide supply chain consulting, logistics execution and project logistics.

With the successful acquisition of three firms in Hong Kong, Aqua is planning for further acquisitions in neighbouring countries.

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Neighbour in need

India to export food grain to Bangladesh

Bangladesh seeks sops from India to ensure adequate supplies to its people and industry.

Union Minister for Commerce and Industry Anand Sharma said India will export 3 lakh tonnes of par-boiled rice and 2 lakh tonnes of wheat to Bangladesh despite a ban on shipment of food grain.

India banned export of wheat in October 2007 and non-basmati rice in April 2008 but it has been eased at times on diplomatic grounds.

Following a meeting with his Bangladeshi counterpart Muhammad Faruk Khan in New Delhi recently, Sharma said India will export 300,000 tonnes of par-boiled rice and 200,000 tonnes of wheat to Bangladesh.

The arrangements for the supply are being carried out. "The agencies and the public sector units have been mandated to do so expeditiously. The Director-General of Foreign Trade Anup K Pujari is monitoring it so that the quantity of rice and wheat reaches Bangladesh as early as possible," Sharma added.

Bangladesh imports around one million tonne of wheat and rice every year. Khan said India's decision follows his government request for an agreement to import rice and wheat every year.

Apparels: Meanwhile, India will import 1.7 million pieces of textiles from Bangladesh without any duty in the October-December quarter as part of New Delhi's earlier permission for duty-free import of 8 million textile pieces from Bangladesh during a calendar year. A fresh quota of 8 million pieces of textiles would be available from January 2011.

India has also given an assurance to Bangladesh that it would export 1.1 million bales of cotton in addition to what has already been decided according to the contracts.

Commerce Minister of Bangladesh Muhammad Faruk Khan (right) meets Union Minister for Commerce and Industry Anand Sharma in New Delhi recently.

Cotton Crisis

India's decision to restrict cotton exports to 55 lakh bales this season is facing criticism from global cotton industry representatives and is being charged as a violation of World Trade Organization (WTO) rules. India has imposed a restriction on cotton exports to facilitate better domestic supply in the wake of spiraling prices.

However, textile organisations of US, European Union, Mexico and Turkey are learnt to have sent a joint letter to their respective governments seeking immediate action to halt cotton trade restrictions by the Indian government. Global textile groups are blaming rise in international cotton prices by nearly 100 per cent (from 62 cent per lb to $1.20 per lb).

2015 demand

India to get 5 MT LPG

India plans to import over 5 million tonnes of Liquefied Petroleum Gas (LPG) by 2015, to meet increasing demand. "Demand for the cooking gas is rising, which stood at 10 per cent in September from the earlier 3-4 per cent. Looking at this, we will be importing 5.5 million tonnes of LPG by 2015," HPCL Chairman and MD, S Roy Choudhury, said.

Presently, the country imports 2.5 million tonnes of LPG. Demand will soar as the Rajiv Gandhi LPG Vitrak Yojana will cover 75 per cent of the population by 2015, he said. -PTI

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'Corporate Social Responsibility Award' for Mr. GRK Reddy the South East Asia Cargo & Logistics Awards by EXIM Shipping times on July 31, 2010

'Outstanding Achievement Award' for Port Development & Port Management by the CHEMTECH foundation on March 4, 2010

Phone – 91 44 45985252
Email – business@karaikalport.com
Website – www.karaikalport.com

Cargotec signs EUR 10 million order for anchor-handling systems

In October, Cargotec has secured EUR 10 million order from the Sinopacific Group in China for the supply of a further 16-shipsets of anchor-handling systems for BOURBON's newbuildings. The shipsets will be delivered between April 2011 and February 2012.

This contract follows an order placed in June this year for four ships in the same series, the first shipset is scheduled for delivery in Q1/2011.

The systems will be installed on anchor handling and tug supply (AHTS) vessels based on an SPA80 design and built by Zhejiang Shipyard. This design was jointly developed by major offshore oil and gas

services company BOURBON and its partner Shanghai Design Associates (SDA).

Cargotec LNG tractors

Cargotec has delivered liquefied natural gas-powered (LNG) terminal tractors that fully meet California's 2010 California Air Resources Board (CARB) standards for off-road vehicle emissions, while improving on the performance of equivalent diesel-powered units. Twelve Kalmar Ottawa 4x2 terminal tractors powered by LNG have been delivered to California Cartage Company, a Southern California leading import trucking and distribution company.

Sennebogen machine for J M Baxi

Sennebogen sales and service partner for India, Forsenia Engineering Pvt Ltd, handed over the first Sennebogen material handling machine 830 M (D series) to J M Baxi & Co at Mundra recently. The machine will be used for handling of coal, fertiliser, food grains, iron ore and other dry bulk cargo from/to barges as well as at the ports stockyard.

A team of 15 members from J M Baxi & Co, including managers, engineers, operators and service technicians, participated in a 3-day operation and maintenance training conducted at site.

Hamworthy secures UAE Navy contract

UK-headquartered Hamworthy, manufacturers of marine water management systems, secured a contract with Al Fattan Goltens Shipbuilding & Repair to supply its latest generation sewage treatment plant to a vessel in Abu Dhabi for the UAE Navy.

The STC-2A unit is being installed in a 75 m long, 15,000 dwt support vessel (a propelled landing craft), which is the first in a series that will be based by the Navy in Abu Dhabi. The ship is being built at the Al Sadr Port Shipyard at Taweelah, near Abu Dhabi with delivery due to take place in mid-2011, said Hamworthy Middle East Sales Manager, Nithin Sudarsan.

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The country's biggest vessel traffic and port management system (VTPMS) is going operational in Gujarat, in a record time of nearly two years. The special surveillance system installed in the trumpet-shaped gulf in the Arabian Sea – the Gulf of Khambhat (Gulf of Cambay) – had its timing right what with nations securing their seas and port establishments on a big scale and ensuring safe navigation of vessels. The VTPMS is the first of its kind in India built under the build-own-operate-transfer (BOOT) contract for 30 years.

Aatash Norcontrol, an Indian joint venture between Kongsberg Norcontrol IT AS, a Norwegian defence and surveillance equipment manufacturer, and Aatash Computers Ltd., signed the contract with the GMB in 2007. The agreement is for the provision of surveillance and VTS Information service to all vessel traffic to and from existing and future ports in the Gulf of Khambat.

The GUARD in the Gulf

A promising system in place with eight radars, multiple automatic information system, directional finders and sensors installed for the first time in India for coastal security, the Gulf – now the new shipping and security hub – is geared up to prevent any terror attacks or vessel accidents from taking place. And the port regulator GMB is upbeat about the success achieved so far and is ready to replicate the system along the 1600-km state coastline. "The VTPMS is expected to put Gujarat coast in line with international practice," **Pankaj Kumar**, IAS, Vice-Chairman & CEO, Gujarat Maritime Board, expresses hope. Other maritime states have taken the cue. They are initiating discussion with the GMB for setting up of the system, the CEO says. Excerpts from an interview with **Maritime Gateway**:

Pankaj Kumar
Vice-Chairman & CEO, Gujarat Maritime Board

What is the status of the functioning of the Vessel Traffic Monitoring System (VTMS) in the Gulf of Kutch?

At present, as informed by the Directorate General of Lighthouses and Lightships (DGLL) of the Government of India (GoI) – the implementation authority of the VTMS in Gulf of Kutch – about 80 per cent of the civil works have been completed and will be operational on the northern end of the Gulf of Kutch very soon.

How is the system poised to improve the safety of vessel traffic movement and coastal surveillance in the sensitive Kutch-Sind sector?

VTMS comprises complete system for vessel traffic management, surveillance, guidance and control. It includes specially designed radars, trackers and automatic identification system base stationed at strategic locations. Through the centralised control system, surveillance of the vessels arriving and leaving the port is possible.

How are the ports in the Gulf of Khambhat benefiting / will benefit from VTMS?

The ports in the Gulf of Khambhat are benefiting from enhanced security measures through VTMS, such as protection of vessels carrying hazardous cargo, providing vessel traffic information and navigation advice, monitoring of shipping lanes and separation scheme to enforce compliance of safe navigation regulations, assistance to coast guard & other authorities, detection of oil spill and improve overall port efficiency. The VTMS is expected to put Gujarat coast in line with international practice, as VTMS is prevalent in locations such as Europe and the Suez Gulf.

Who are the funding agencies of the system and the technical expertise providers?

Gujarat Maritime Board have always been undertaking necessary measures for protecting not just its ports but the entire coastline of Gujarat and in this regard Vessel Traffic & Port Management System (VTPMS) has been put up at Gulf of Khambhat on BOOT basis (Private investment/Funding: Aatash Norcontrol Ltd. by technical expert Konsberg Norcontrol IT AS, Norway).

In the Gulf of Kutch, funding agencies are GoI, Kandla Port Trust and Gujarat Maritime Board and the system is established by technical expertise provided by HITT, the Netherlands.

How it works

The vessel plying in the Gulf of Khambhat will get the navigational guidelines from VTPMS master control station (MCS), which will also send the data to the emergency response centre (ERC) at the Gandhinagar-based GMB and the Coast Guard station. In case of an emergency situation, the Coast Guard station and ERC will take over control from MCS and act directly.

The data of all radars – AIS, DF and VHF (very high frequency) – are brought to the MCS via a dedicated 28-Mbps microwave link. All these equipment and hydrological and meteorological sensors will be remotely controlled from MCS.

VTMS at Gulf of Kutch will be monitored by GoI to ensure smooth, accident-free movement of vessels and to tackle all the security concerns.

Is the Gujarat Maritime Board planning to replicate the system in other clusters? Have other ports in India too shown interest in your security model?

Yes, Gujarat Maritime Board is planning to expand and replicate the system throughout the 1,600 km of coastline in order to take safety measures of vessel movement and coastal area. Various maritime state governments have initiated discussion with GMB for setting up of VTMS.

With the introduction of VTMS, how are shipping lines responding to the new service and new tariff structure?

Due to additional cost to be incurred by the shipping lines, there has been initial tendency not to accept the new facility as the charges for VTMS services are yet not being collected in the Gulf of Kutch. However, as the additional charge will be slowly passed on to their customers and there is increased acceptance of the benefits of the VTMS, the shipping lines will welcome the innovative move by the Government for improving safety and navigation.

What are the other long-term goals of the GMB in improving maritime security and safety with the help of technology and IT?

Under the compliance of ISPS, various measures have been taken to improve maritime security and safety with the help of technology and IT. The long-term goals have been placed for the security of coastline and ports. These goals include patrolling boats for coastal security, metal dictators, radars, illumination facilities, CCTVs/camera and port community system (PCS). MG

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CFS Fraternity

All Set to Fuel Growth

The first focussed leadership conclave by Gateway Think Board in association with Kale Consultants Limited titled 'Container Freight: On the Growth Path' has been a huge success and struck the right chord with the CFS industry. The event drew the who's who of the Chennai CFS fraternity and discussions revolved around the business trends and issues of the CFS industry.

This leadership conclave had three powerful sessions and witnessed active participation from the prominent players of the industry through presentations and interactive discussions.

Session One

CFS Industry: Future and There On

The market size of the container logistics in India is estimated to be ₹ 100 billion, of which Inland Container Depot / Container Freight Station (ICD / CFS) business alone accounts for ₹ 25 billion. These figures speak of huge growth potential for the CFS industry along with warehouses and logistics parks. The panelists revealed that while the Indian economy is growing at 8 to 9 per cent, container trade is growing 14 per cent.

P S Krishnan, President, The Chennai Customs House Agents Association, who was the moderator for this session opened the session with his remarks on the container growth and laid the floor open for the panelists. V Nageswara Rao, Regional Manager, CWC, Chennai gave a broad picture of the container traffic flows in the southern region including Chennai and Tuticorin. He said that the growth of container freight stations is directly proportional to the container trade. He beamed confidence that the container traffic is poised to grow exponentially once the second container terminal in Chennai picks up steam.

Session I: *(L to R) Nageswara Rao, Regional Manager, CWC, Chennai; P S Krishnan, President, The Chennai Customs House Agents Association; V N Ravishankar, CMD, Triway Group; and Ganesh Ram, Joint Managing Director, PSTS Logistics Pvt Ltd.*

N Ravishankar, CMD, Triway Group recollected that the growth of CFS industry in Chennai region gained pace from mid-2006. Since then, this industry has grown about three-folds along with the growth in the container volumes at the port. But he cautioned that currently about 40 to 45 per cent of the total CFS capacity is under-utilised. He felt that there is a need for building more bonded warehouses within the CFS to facilitate faster turnaround of goods in the supply chain. Ganesh Ram, Joint Managing Director, PSTS Logistics Pvt Ltd, presented the perspective of a logistics service provider and highlighted the best practices from around the world. He suggested CFS operators to diversify their service offerings and also

provide other value-added services like kitting, bagging, packing, segregating, palleting etc.

Session Two

Smart CFS: Being Ahead with Technology and Innovation

Information Technology (IT) which is the back bone of the Logistics industry is also the biggest challenge to the logistics companies and this includes CFS operators too. Technology applications like vehicle tracking, inventory management and supply chain solutions are quite essential to run a CFS, but a large chunk of the CFSs are not properly equipped in these areas. This has resulted in the increased logistics costs for the end customer.

The session was moderated by S Xavier Britto, Chairman, Indev Group. Britto said that CFS operators can survive in today's market only if they could optimise the operational efficiencies. Being innovative and employing better technologies, he felt, are the sure ways to improve the operational efficiencies.

Alok Shukla, Commissioner of Customs, Exports, Chennai, dealt extensively about the role of technology in CFS operations and emphasised the need for efficient integration of the Customs and CFS operations through technology. He said that a smart CFS is one which is equipped with up-to-date information about each consignment to not only improve the coordination but also bring in transparency in the container movement and operations.

Session II: *(L to R) S Xavier Britto, Chairman, Indev Group and Vineet Malhotra, Senior Vice President, Kale Consultants Ltd*

Britto felt that this is the right time for every CFS operator to invest in technology to improve efficiencies, reduce overall costs, eliminate redundancies and bring in transparency in operations. He revealed that by 2012, more than ₹ 1,000 crore will be invested in technologies by the CFS operators. Vineet Malhotra, Senior Vice President, Kale Consultants Ltd shared that there are technology solutions available in the market today for which no upfront capital investment is required and that CFS operators can just pay for the services they use. Vineet also highlighted on "Pay as You Use" model, which gives CFS operators flexibility and the advantage of paying only for those services that are used.

Session III: *(L to R) S Narasimhan, Vice Chairman, Sattva Business Group;P S Krishnan, President, The Chennai Customs House Agents Association; A V Vijaya Kumar, MD, Paramount Logistics Pvt. Ltd; U Udayabhaskar Reddy, Director, Sanco Trans Ltd; and J David Raja, VP, St John Freight Systems, Tuticorin.*

Session Three

Overcoming Challenges

There are different operational as well as policy issues that CFS operators face today. While some of them are specific to Chennai region, others do have a pan-India effect. V Upendran, President, National Association of Container Freight Stations, in his message, mentioned a range of issues that CFS operators face in the Chennai region.

P S Krishnan was the moderator for this session and opened the discussion with a call for a change in mindsets of CFS operators in terms of looking at the issues and finding solutions through collective dialogue. The regional as well as pan-India issues that CFS operators face were discussed in this session. All the panelists agreed that road connectivity to the Chennai Port has been the biggest operational issue and they collectively called for speedy action from the government to address this issue.

S Narasimhan, Vice Chairman, Sattva Business Group, touched upon issues in setting up of a new CFS like multiple window clearances, high land and equipment cost, shortage of manpower etc. He said that a single-window clearance is the need of the hour for speedy clearances. U Udayabhaskar Reddy, Director, Sanco Trans Ltd explained the difficulties faced by the CFS operators in shifting from the current customs software to the new ICES 1.5 version. A V Vijaya Kumar, MD, Paramount Logistics Pvt. Ltd. provided the customer perspective in this discussion. He advised CFS operators to focus on setting up proper infrastructure and maintain quick turnaround times so that the customers could be benefitted through cost savings. J David Raja, VP, St John Freight Systems, Tuticorin highlighted the issues of Tuticorin region and said that though they are facing issues like infrastructure shortfall, they are ensuring fast turnarounds for their customers with the help of technology. MG

As India's economy surges ahead and trade increases, bringing desired efficiency in logistics and supply chain remains the biggest challenge for the country and also the largest opportunity. "Arshiya aims to create a revolution in India's logistics evolution, through innovative logistics infrastructure solutions such as FTWZs, rail and domestic distriparks," says **Ajay S Mittal**, Chairman and Managing Director of Arshiya International Ltd.

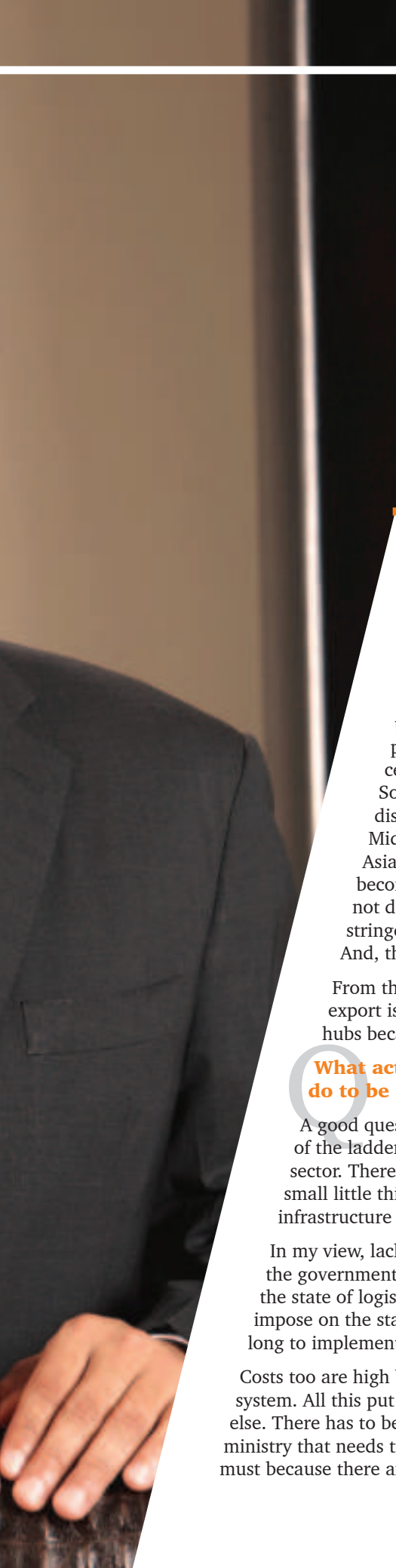
Arshiya International's first wave of the logistics infrastructure investments began operations in 2009 with Arshiya Rail infrastructure. In the coming three years, the company will invest ₹ 70 billion in three FTWZs, expanding rail footprint from 14 to 75 rakes and setting up a domestic distripark and five rail terminals.

Arshiya recently launched India's first Free Trade and Warehousing Zone (FTWZ) in Mumbai, Panvel. The 165-acre facility, 24 km from JNPT, will employ over 25,000 people at full capacity in two phases and is expected to cost nearly ₹ 1,500 crore. The state-of-the-art logistics park is one of the five zones planned across strategic locations in India. The next zone will be operational in Khurja (Near Delhi), followed by Nagpur, Chennai and one in East India.

Connecting these FTWZs and four strategically positioned domestic distriparks with rail sidings is part of Arshiya's pan-India connectivity plan. FTWZs, according to Arshiya, will give India the much-needed impetus to drive economic growth to the next level, while leveraging the nation's vast market as well as its cost and skill arbitrage.

A strong will by the government, supported by the participation of the private sector to improve infrastructure facilities and ensure efficiency in supply chain movement, can catapult India onto the global league of strong economies, Mittal shares his thoughts with **Ramprasad** of **Maritime Gateway**. Excerpts from the interview:

Ajay S Mittal
Chairman & Managing Director, Arshiya International Ltd.



Arshiya
The Game-Changer

Q How does the game-changer aspect of the industry work in the current scenario?

If you really see what is happening today in this part of the world, Dubai and Singapore are being used as hubs to distribute products But among the products sent there, about 60-70 per cent of them come to the Indian market. So why not India become a hub itself and distribute products from here to Dubai, Middle East countries and countries in the Asia Pacific region? That is how we wish to become a game-changer. But why this was not done in India earlier was because of the stringent rules and regulations prevailing then. And, there was no FTWZ concept.

From the customers' point of view, the cost of export is much lower in India than the other hubs because they don't get the labour there.

Q What actually as a country do we need to do to be a fast growing economy?

A good question! I think India is right at the bottom of the ladder in terms of efficiency in the logistics sector. There is no standardisation right from a small little thing like a truck. Because of lack of infrastructure like this, there is so much of inefficiency.

In my view, lack of infrastructure and lack of will from the government, to a large extent, are responsible for the state of logistics. What is stopping the government to impose on the state governments and why is it taking so long to implement the projects?

Costs too are high because of inefficiency in the logistics system. All this put together, we are far behind everybody else. There has to be a committee of ministers or a logistics ministry that needs to be formed in this country. This is a must because there are so many aspects of the entire logistics network like ports, airports, railways and roads. Though we have various ministries looking at these portfolios we need somebody looking at this in totality.

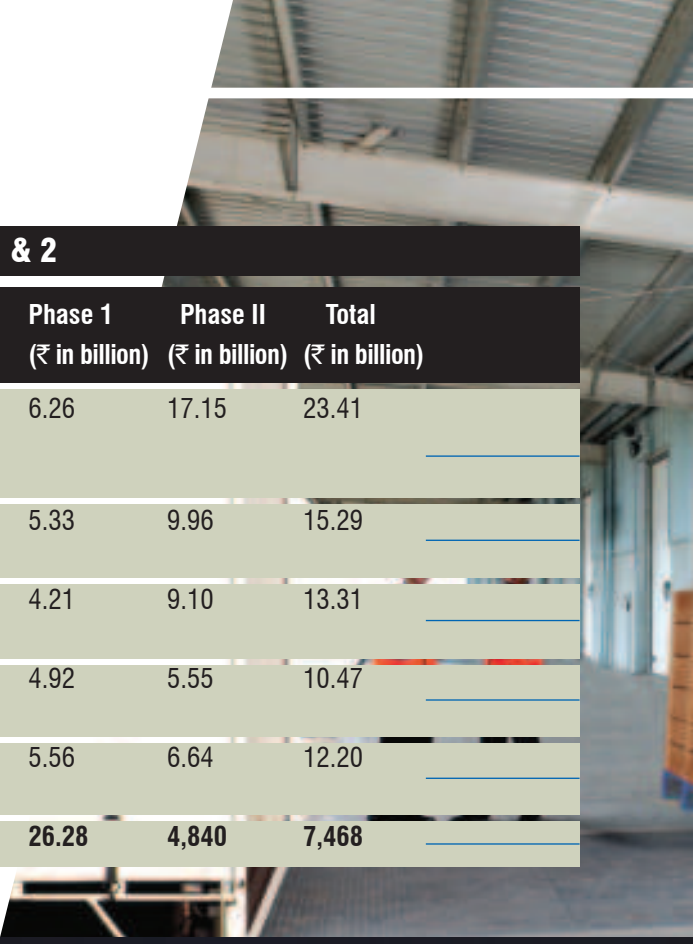
Statistically, people are more bullish about India compared to China. The demographics are fantastic here. But with all this dynamism how will you sustain the growth if you can't move products from one point to another. According to a report, even if we are growing at a rate of about 6 per cent we will double in the next five years. But where do we have the roads or railways to move the products. Roads and railways are not equipped. Today, they should be spending money, time and effort to build additional lines. But in the 60 plus years of independence they could build only 10,000 km of rail line. We need to build dedicated freight corridors, doubling of lines, guage conversion and better signaling system. So, it is inefficiency that needs to be addressed first.

Q To recognise and realise India as a global hub of logistics or outsourcing, what actually needs to be done from the industry side and the government side? Given the complaints that things are delayed in the government, can industry play a role in filling the gap?

That's exactly what we are doing.

Arshiya's infrastructure investment plan in Phase 1 & 2

Arshiya subsidiary	Location	Project scope	Phase 1 (₹ in billion)	Phase II (₹ in billion)	Total (₹ in billion)
Arshiya Rail Infrastructure	Pan-India operations	75 rakes and 5 terminals of 50 acres each	6.26	17.15	23.41
Arshiya Western FTWZ Ltd	Panvel	165 acres	5.33	9.96	15.29
Arshiya Northern FTWZ Ltd	Khurja	135 acres	4.21	9.10	13.31
Arshiya Central FTWZ Ltd	Nagpur	108 acres	4.92	5.55	10.47
Arshiya Northern Domestic Distripark Ltd	Khurja	130 acres	5.56	6.64	12.20
Total			**26.28**	**4,840**	**7,468**

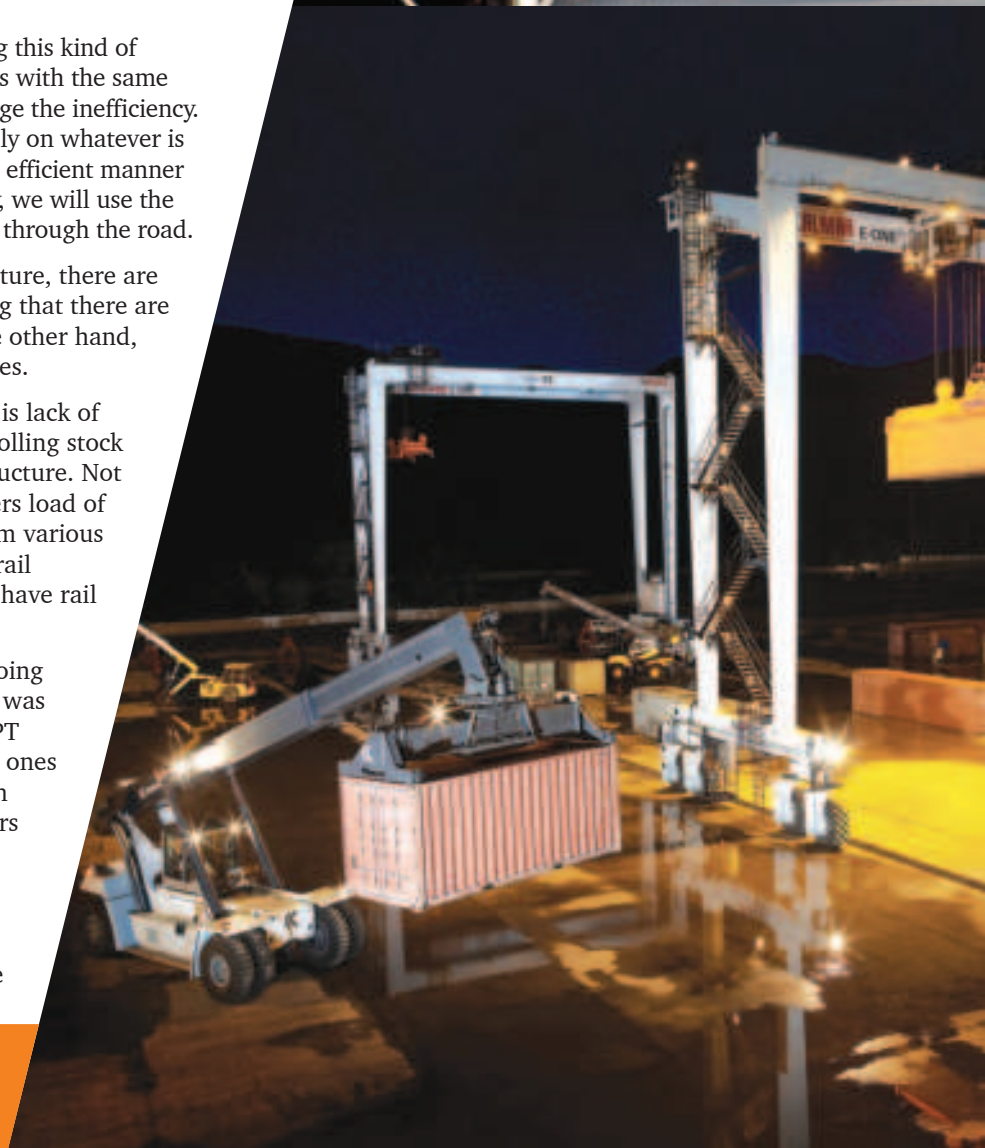


We are filling the gap out here by building this kind of infrastructure. We have gone into railways with the same concept that we will fill in the gap to bridge the inefficiency. We will do the end-to-end logistics and rely on whatever is available to us to do it in the best and the efficient manner possible. If we don't have the road facility, we will use the rail as far as possible and do the last mile through the road.

Since you have mentioned rail infrastructure, there are a lot of private rail operators complaining that there are not enough cargoes to he hauled. On the other hand, Arshiya is bullish about adding more rakes.

I don't think there is lack of cargo, there is lack of understanding. It is not just having the rolling stock and containers, we need to have infrastructure. Not every customer can give you 90 containers load of cargo. You need to consolidate cargo from various customers. For this, you need a siding a rail terminal at various places – at hubs that have rail connectivity.

Now, what the other rail operators are doing is to follow the CONCOR model – which was the simple moving of cargo from the JNPT Port to the NCR region. We were the last ones to join the rail freight business. But when exports and imports fell, the rail operators started complaining. They tried moving into domestic cargo but it is not easy because Railways has various rules and regulations. Also, the Railways has been coming up with various schemes that are not sustainable.



Playing His Ace

Ajay S Mittal

Age: 45

Education: MBA from the United States; returned to India to start new business entities.

Position: Chief Executive Officer of Arshiya International Ltd (named after his daughter) and Chairman of the Board. Also active with various social reform and community service organisations.

Vision: To be India's first fully integrated supply chain management and logistics infrastructure solutions company and play a major supporting role in India's economic transformation.

Entrepreneurial career: 17 years.

Key leadership position: Commercial and private real estate development, financial services, manufacturing, international trading, information technology and global supply chain management.

Over the last decade, he has successfully scaled Arshiya International by adding international logistics, supply chain management, IT, logistics infrastructure development & rail infrastructure to its integrated business portfolio.

Company value: Currently working on a phased plan towards infusing US$ 1.2 billion into developing infrastructure and bringing efficiency into supply chain management across India.

Pastime: Yoga and marathon.

There is no understanding whatsoever in the railways ministry for doing such things. They should be looking at increasing tracks instead of competing with private rail operators like us. We are no competition to them. They have 4,000 rakes whereas the private sector put together has 100 rakes. But arm-twisting is not a sustainable measure to increase profitability. They have to look at the larger picture and get their act right. Rolling stock needs to go up. That is why there has to be one ministry which can look into all the aspects of the supply chain movement. Vice versa, lack of integrated functioning is going to be one of the biggest reasons for inefficiency in this country.

Q What is your vision for the east coast of India?

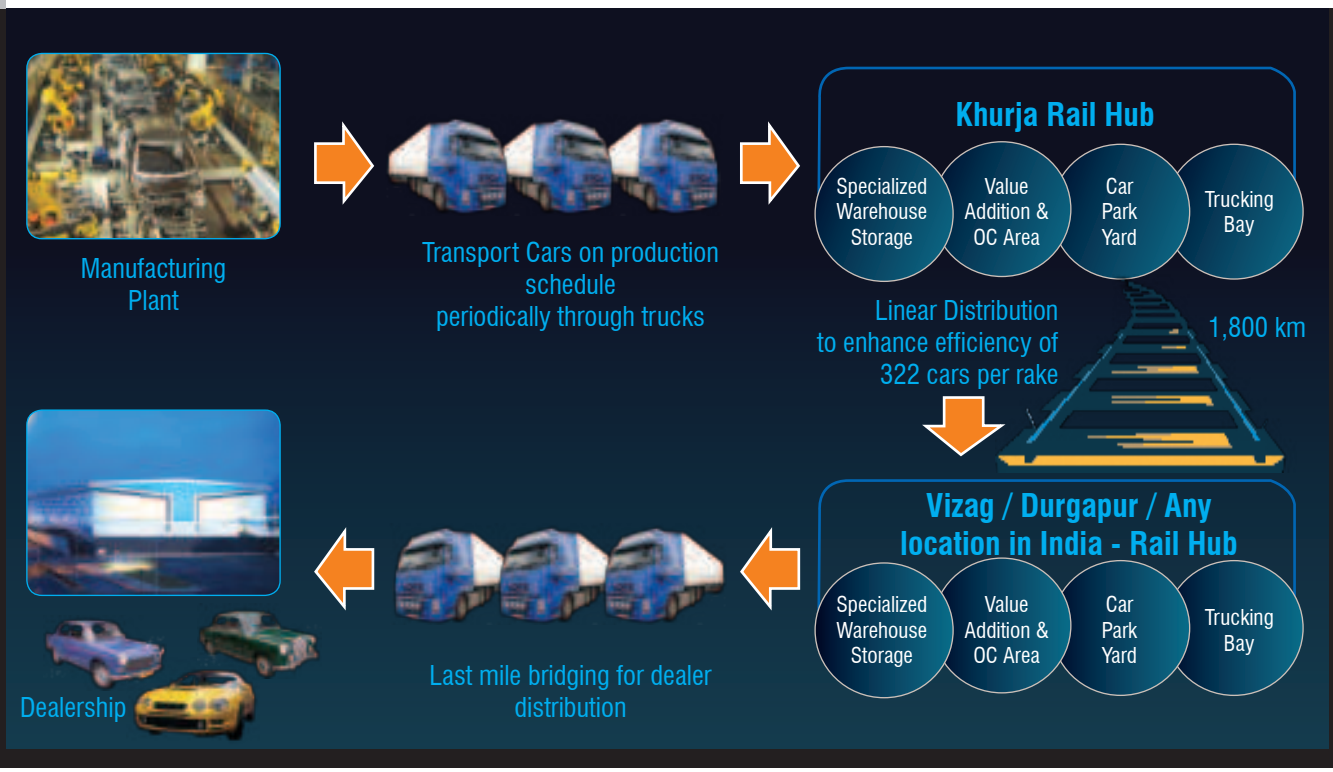
We have looked at Haldia and Kolkata. But both ports are in a mess and both don't qualify because growth is not happening there. The only port that seems to be coming up well is Dhamra being built by the Tatas and the LT. That is a port one could look at. We would like to go to the east but we will wait and watch how Dhamra will shape up.

Q With FTWZs in place and an effective rail operation, what does it actually mean to an end customer?

It means savings of 20-27 per cent in cost. And that is huge.

Q Which are the key verticals you look at for business coming here?

India will definitely grow. It has no other choice but to grow as a



Arshiya's solution through FTWZ

- Removal of regulatory limitations of consolidating products from suppliers in India, Pakistan, Sri Lanka and Bangladesh in Asia
- Reduction in DC operation costs in Asia and Europe
- Value-addition of end-distribution to world-wide stores and cost reduction
- Reduction in suppliers' working capital due to faster payment cycle
- Lowered reverse logistics cost
- Enhanced control and efficiency in inventory management – closer to the suppliers

country. We have a huge population which is young in age. With the inclusive growth policy of the government in place rather than a top-down approach or a bottom-up approach, people will get educated, will be employed and moneyed. There will be more demand for products. And so, all kinds of industries will come here – all manufacturing companies that need to export.

Q What is the driving force behind your passion in the logistics sector?

I have seen a gap and I am going to put my money where I have seen the gap, but obviously as an entrepreneur. But as an Indian, I see India not sustaining growth because of lack of infrastructure. This is something that needs to be addressed in totality. People don't even realise there is a gap and the gap is increasing. There is a need for questioning. We also need the media to do this.

I am worried that the growth is not sustainable if people cannot buy what they can. To elaborate, if we have people, young, educated and employed and can't buy a product that they can afford to buy, it will lead to frustration and the entire supply chain pyramid suffers. It is like being adult kids. We need to address this in totality as desperation can lead to destruction at times.

Q What is your management philosophy that runs Arshiya?

We have a very simple philosophy. First and forement, every person of Arshiya needs to understand the value that he/she can bring to this country, the company and the customer.

We give total freedom to do the way one wants to do. We are probably the highest paying and employee-friendly company. Our philosophy is to make everybody a partner in the company, make them realise the gaps that need to be addressed and go and fill it. Probably there is pressure to do it faster.

Q Perhaps, you are a man in hurry!

No, I am not personally. India is in hurry. We need it desperately. It is not the hunger of money but the passion of delivering that drives me. MG

Every containerized shipment generates 319 Kgs of CO_2 (approx)!

Liberty will plant one Sapling for each shipment to make this Planet Greener.
Reduce carbon footprint by showing your solidarity.

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- Finalist as " Best Ship Agent" by Seatrade 2010, Singapore
- Nominated under "Best Maritime Services Award" by Lloyds List 2010, Dubai

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* a single tree can absorb 20 Kgs of CO_2 per year

IT Matters

Nazery Khalid underlines the importance of Information technology in the maritime sector and its increasing use as a strategic tool by industry players in attaining competitiveness.

The role of IT in facilitating maritime transport

The use of Information Technology (IT) has long ceased to become an afterthought in the maritime sector which was once dominated by back-breaking manual labour. Today, IT has emerged as a strategic tool for industry practitioners to gain competitive advantage in this critical sector which has emerged as the main facilitator of international trade, the bulk of which is transported by ocean-going vessels. It has become pervasive in the operations and management of many key activities in the maritime sector.

To appreciate the enormity of the task at hand in meeting this objective, one has to just ponder the sheer size and scope of the numbers involved in world container trade. Without the use of IT to facilitate maritime trade, it would be impossible to transport hundreds of millions of tonnes of cargo in a speedy, safe and efficient manner around the globe throughout the year.

Let us analyse the application of IT in three key activities facilitating maritime transport, namely port operations, shipping and land-based logistics.

IT application in port operations and management

Ports are the lifeblood of international trade and a crucial facilitator in moving much of the world's cargo and containers. They have, over the years, evolved from being labour-intensive entities to sophisticated infrastructures involving state-of-the-art and technologically advanced systems, processes and equipment.

Further underlining the importance of ports is their increasing integration with other transport modes into the larger supply chain and global transportation network.

Today's commercial seaports have assumed a vital and strategic role in the economic developments of many trade-dependent countries. On a larger scale, they can be seen as indispensable components of the intermodal chain, providing an essential link in facilitating the delivery of goods in an increasingly globalised world and contributing significantly to its economic prosperity. In playing such a role, ports depend greatly on IT to support their development in tandem with their growing role as global trade facilitators.

IT has assumed a pivotal role in port operations and management to the extent that it determines the level of competitiveness of ports, along other 'traditional' port competitiveness yardsticks such as location, connectivity and physical features of ports. The smoothness of modern-day port operations hinges on the pillars of speed and efficiency, two criteria that have become

critical success factors to facilitate the increasingly huge volume of international maritime trade. Supply chain management concepts such as just-in-time (JIT) production, door-to-door delivery and zero inventory underline the obsession of producers and shippers to deliver goods in a speedy and efficient manner. More than ever, facilitating the delivery of cargo speedily and efficiently depends on IT as an enabler of modern transportation of goods.

Underlining the paramount role of IT in port operations today, the world's premier commercial ports are characterised by less dependency of labour and higher reliance on cutting-edge IT systems and state-of-the-art IT-backed technologies. Images of the past of longshoremen crowding along ships lifting sacks do not fit today's reality of ports having to deal with increasingly sophisticated ships of ever-growing size and capacity.

The growing trend of bigger and more sophisticated ships coming into play has greatly enhanced the role of IT in enabling ports to handle such vessels. The world's largest container ship currently in operation, Emma Maersk, has a capacity of 11,000 TEU, and vessels of greater capacity are coming on stream in the near future. Ships of such enormity require efficient handling that can only be made possible with the support of IT. The stacking and removal of thousands of containers at one go requires meticulous planning to ensure minimal berthing time for ships, not to mention of the need for efficiency to place and trace the containers in the ports' container yards. IT-enabled systems and equipment make carrying out these humongous tasks in an efficient, effective and safe manner possible.

The use of IT can be found throughout the port premises. On the shore side, sophisticated cranes backed by impressive IT controls are used to cater to equally sophisticated ships, and are scheduled to ensure the most optimal productivity of the cranes and the shortest waiting time for ships. On the yard side, the use of IT is paramount in the planning and management of container storage to optimise space, the use of container-handling equipment and manpower utilisation. With the entire supply chain extending much beyond the maritime network, IT has an important role to play in enabling the sharing of information between ports and other transport modes.

The use of IT can be found throughout the port premises. On the shore, sophisticated cranes with impressive IT controls are used to cater to equally sophisticated ships.

Beyond ship and cargo handling, IT is also important in other aspects of port operations such as security and communications. The success of post 9-11 maritime security measures such as ISPS Code and Container Security Initiatives hinge largely upon the use of IT. For example, the enormous task of inspecting enormous amounts of containers at ports for suspicious cargo would not be possible without the state-of-the-art IT-backed technologies such as Radio Frequency Identification (RFID) system and Global Positioning System (GPS). IT is also used to provide and improve better linkage between the ports and their users, hence enhancing the competitiveness of the ports by way of providing such value-added services. Port community systems (PCS) have been developed to assist the rapid flow of information between firms involved in moving goods in and out of ports. The application of PCS ensures the accuracy and reliability of information amongst port users, and facilitates speedy and advanced cargo clearance which is essential in facilitating significant trade volumes.

IT application in shipping

There are various types of ships – the common ones include cargo vessels, tankers, passenger vessels, leisure crafts, fishing vessels, scientific and research ships, offshore services vessels and warships. They are built to meet the demand of different needs of the world's merchant and naval fleet owners, hence the different hull shapes and sizes, speed requirements and propulsion types. Sometimes they are custom-built to suit the particular requirements of the owners and users, for example to transport and handle a certain type of cargo and its unique characteristics.

Shipbuilding is an important and strategic industry in a number of countries around the world. The building of a ship can be divided into several phases – namely, design, construction planning, construction, launching, final outfitting and sea trials. Sophisticated computer software have been developed and used in various stages of ship designing and construction. New concepts such as digital shipbuilding, virtual shipyard, and simulation-based design systems such as Virtual Assembly Simulation System for Shipbuilding (VASSS) and software such as Ship Design and Design Review enable the users to easily conceptualise the structure and model the frames of ships on the desktop or over the Web. One of the most recent technologies used in shipbuilding is the use of laser hybrid technology to improve the performance of laser welding, especially for heavy steel applications. These IT-based systems and technologies help boost productivity in shipbuilding tremendously, underscoring IT's significant contribution to the development of shipbuilding

techniques and technologies.

At shipyards, various other activities besides shipbuilding such as modification, maintenance, refurbishment and upgrading of vessels use a variety of IT-driven machineries and applications. To underline the importance of IT in these activities, the situation of shipyards in Malaysia is worth noted. The growth and competitiveness of most local shipyards are impaired by, among others, the lack of high technology facilities and equipment, especially in the shipbuilding segment. Malaysia lacks far behind established shipbuilding nations such as South Korea and Japan in the application of the latest IT technologies in ship construction.

Attaining greater speed and efficiency in cargo delivery have become a mantra in the logistics business, so much so that the competitiveness and even survival of service providers.

Growing global trade demands maximum efficiency in the loading and unloading of cargo. One of the latest IT-driven technologies introduced in the handling of cargo from ship to ship involves the use of self-unloading vessels. Such vessels are capable of discharging dry bulk cargo without assistance from any shore-side equipment or personnel, and they can transport and unload almost any free-flowing dry bulk commodity including iron ores, sand and grain. Cargo is discharged in a very short period of time, sparing shipping companies from investing in expensive shore-side unloading equipment. Such a technology provides yet another example of the significant use of IT in enhancing competitiveness and efficiency in the shipping sector.

IT-driven technologies used in communications and navigation equipment on board ships have been continuously developed and upgraded to suit various needs for shipping services and different sea conditions. Some of the IT-driven technologies and systems that are commonly used in global shipping today include:

- Automatic Identification System (AIS) – a global navigational positioning systems consisting of shipboard sensors and digital VHF radio communication equipment.
- Vessel Traffic Service (VTS) – designed to increase transportation system efficiency, expedite ship movements, improve all-weather operating capability, and provide monitoring and navigational advice for vessels in busy waterways.
- Global Maritime Distress and Safety System (GMDSS) – provides automatic distress alerting, assists in locating ships alert and locate ships, broadcasts maritime safety information and facilitates bridge-to-bridge communications.
- World Wide Navigational Warning Service (WWNWS) – a coordinated global service to provide mariners with early information of important incidents which may constitute a danger to navigation. WWNWS covers all international shipping routes through a system of broadcasts which transmit navigational warnings and alerts in English, although they may additionally be transmitted in other languages.

IT application in land-based logistics

IT has also emerged as a key enabler of global land-based logistics activities. Increasing emphasis on logistics and supply chain management by shippers underlines the need for efficient information flow and management along the entire maritime supply chain and beyond. With increasing integration of various transportation modes, as propagated by the concept of multimodal transport, the maritime supply chain has extended beyond the seas and ports to encompass a large number of transport service operators and components on the landside. Hence, it is worth discussing the application of IT in this sector to appreciate its role in facilitating smooth maritime transport and its contribution in enhancing the overall competitiveness of the maritime sector.

The extent of the parties taking part in trans-ocean transport for even a single shipment of cargo stretches beyond the oceans and the ports' premises. On any given day, a huge number of containers traverse the world's oceans and then travel via land. This makes the task of controlling overall information flow along the route to track the shipment from its point of origin to its point of delivery a tremendous challenge.

In order to meet the delivery requirements of their customers, almost all major liner shipping operators now offer extensive door-to-door tracking and tracing services. To land-based logistics players such as freight forwarders and hauliers, the pursuit of reducing the cost and time of transporting their clients' cargo and the efficient management of all related information in the fulfilment of this task has become almost an obsession. Attaining greater speed and efficiency in cargo delivery have become a mantra in the logistics business, so much so that the competitiveness and even survival of service providers in the ultra-competitive business of land-based freight delivery depend on the ability to deliver shipment in the fastest time and at the lowest cost.

This pursuit has facilitated greater trade over the years, but has also caused competition in the industry to reach near vicious proportions.

Examples of the use of IT to enhance competitiveness in land-based logistics in support of the maritime sector are aplenty. One of the most significant developments in the international logistics is the ever-improving technologies in tracking, tracing and controlling cargo shipments in a wireless and real-time environment. This has been made possible with the rapid development in telecommunications and in satellite-based technologies such as GPS and RFID, which are largely driven by IT applications and configurations. IT is also instrumental in linking the different systems used along the maritime supply chain into a cohesive, integrated management information system. Electronic Data Interchange (EDI) is also used by many of the world's leading ports to reduce handling costs and time of handling paper-based documents, and to facilitate the storage and manipulation of data electronically.

Current trends in supply chain management put a premium on speed and efficiency in the supply and delivery. As such, greater attention is paid to managing the information flow in various processes and activities along the supply chain. Many industries are putting great efforts and making substantial investments to improve the efficiency of their supply chain management and to reduce the cost of keeping and managing inventory, as propagated by supply chain management trends such as JIT. This can only be achieved through information sharing with their business partners along the supply chain such as various logistics service providers, banks and insurance agents, with the help of IT applications and networks.

Other instances of IT application in logistics include initiatives such as Collaborative Planning, Forecasting, and Replenishment System which

involves the sharing of information between logistics providers and their users as a means to provide better service to the end customers. In trucks and container haulage operations, the use of IT applications enables companies to manage their fleet efficiently. IT also plays a prominent role in activities such as scheduling, routing and tracking of prime movers and trailers.

Changes in customers and market demand are fast shaping the logistics sector and hence the maritime sector which it supports. More shippers opt for one-stop total logistics transportation for door-to-door service at predetermined itineraries and costs. They increasingly demand goods to be delivered faster, safer, cheaper and in greater quantity to hungry consumers and markets that cannot seem to wait a minute longer than they should. This demands service providers in the land-based logistics sector, a crucial component in the maritime supply chain, to invest in equipment and systems to meet the increasingly demanding and sophisticated expectations of shippers, and to leverage the use of IT in managing the flow of goods and information along the chain.

The strategic role of IT in the maritime sector

The tremendous growth in global maritime trade, and the corresponding developments in the maritime sector, owes much to the advent of IT-based applications and technologies. IT has emerged as a vital component in the sector so much so that it has evolved into playing a strategic role to assist the planning, operations and management of many companies and stakeholders involved in the maritime industry.

Investing in IT is a serious undertaking, but practitioners and stakeholders in the maritime industry need to view introducing state-of-the-art equipment and systems as a strategic investment to enhance their business performance and gain competitive advantage. More than ever, industry players should alter their perception of investments in IT from within short-term operational confines to a long-term tactical perspective. In an increasingly ultra-competitive field, port operators, shipping lines and land-based logistics companies supporting the maritime sector should seize the opportunity and leverage on the availability of state-of-the-art IT innovations and systems as a means to improve their level of services, productivity and performance. No doubt this will involve huge sums of capital outlay, but investments in IT today could prove wise in boosting their competitive advantage and in determining how their business will fare in the future.

More than ever, IT should be seen and used as a strategic tool in achieving innovation and in integrating various activities across the maritime supply chain. Available technologies and systems should be continuously improved upon and extensively applied to link the maritime sector and other transport modes.

Players in the maritime sector who underestimate the importance of IT as a strategic component in enhancing their competitiveness do so at their own risk. Innovation in IT and its use look set to shape and influence the maritime sector's landscape in the years to come. MG

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The Change of Course

1. Ballast water management systems
2. Composite hull materials
3. ECDIS
4. A profusion of propellors
5. Optimisation ad infinitum
6. Power without dinosaurs' help
7. Crowdsourced ship specification
8. Condition-Based Maintenance
9. Products that ship themselves

9 Technologies to Change Shipping

The world of shipping needs to be an economically viable enterprise to stay afloat in any given situation. **Ryan Skinner** lists out a few technologies that can help shipping change for the better – to stay fit with slim costs and fat revenues.

Courtesy: Wikimedia

1 Ballast water management systems: These systems are on the way in. And the technology will have a major impact on shipping, both in terms of outfitting and operations. Some would say it is unglamourous. It looks like a pump, (often) smells like a chemical and feels like a quick route to the poor house. But the real money in ballast water management systems is the liability. Ballast water from shipping has wiped out entire industries, causing damage in the hundreds of millions. Take the zebra mussel, for example.

The IMO finished a ballast water convention in 2004 that promises to fix the problem. It is yet to come into force. Only 18 of the 30 countries needed to ratify it, representing 15.4 per cent of a needed 35 per cent, according to the World Wildlife Fund. They estimate the losses related to failure to ratify the convention at US$ 50 billion.

2 Composite hull materials: In paradigm-changing shipping technologies, we swing from the ballistic (ballast water) to the futuristic. The idea of switching out steel with lighter stuff has been around for as long as ships have been built with steel. In the 90s and 00s, some ship design groups began making ground with unique composite materials.

Naturally, navies are leading the drive (what expense can the tax-payer not afford?). The US's latest destroyer class – Zumwalt – features a composite wheelhouse. Elsewhere, composite materials are being introduced wherever they are practical for cost and weight reasons. Some designs are more far-flung than others.

A leading Swedish research group has recently published final reports on composite materials in marine applications. It's hard to beat steel in terms of price, flexibility and performance. It's pretty easy to beat in terms of weight, though, and this may matter in a world of peak-oil bunker prices.

Courtesy: Westfalia Separator

1 The Westfalia Separator® BallastMaster works with a low energy consumption and low operating costs.The three-stage BallastMaster assures the efficient removal and killing of animal and vegetable organisms in ballast water and operating costs and, besides installation in newbuildings, is above all suitable for retrofitting on ships.

Courtesy: Composite World

2 Zumwalt is the first of a new class of destroyers designed to support both sea-based and land missions. It features a 'tumblehome' wave-piercing hull and an upper-section deckhouse made predominantly of carbon fiber-reinforced sandwich composites. Both the hull shape and composite deckhouse are intended to reduce the ship's radar cross-section and footprint. Source: Northrop Grumman Shipbuilding.

3 ECDIS: A report published by DNV back in 2007 stated that making ECDIS mandatory on large merchant vessels would reduce groundings by a third. At the time, several national authorities, like Norway, were lobbying IMO to do just that, and, last summer, the IMO resolved to make ECDIS mandatory on a rolling time-table.

Seemingly a humble monitor on the bridge, ECDIS will in time bring a revolution in how ships are run. Effectively, an ECDIS combines countless systems and sensors into a single interface that gives the user a complete picture of the ship and its environment, at any time in the past, present or future.

Even if ECDIS seems like hardware, the long-term significance, I argue, is attached to the information stream it creates. It's like the relationship between Dell and the Internet – sure, the box is important, but what you're really interested in is YouTube, Amazon and Facebook.

One day soon a master will be able to use weather, current, tide and geographical information, along with condition monitoring from the ship's power plant, the hull and cargo, along with data from the port,

shipowner and charterer to optimise a route, avoid danger and hit each stage of the journey where and when it is most profitable to do so.

4 A profusion of propellers: It takes no knowledge of hydrodynamics to conclude that novel propeller arrangements will change shipping. Why? A few major reasons:

1) Time – Shipyards, suppliers and naval architects have more time now to play with designs in model basins, and more incentive to do so, than during the boom years. Now they can incorporate an accumulation of innovations and studies into tomorrow's stand-by designs. Propeller and hull shape innovations will come first.

2) Electrical power – Perhaps, the last ship design to abandon traditional shaft-line arrangements will be a tanker floating out of a Filippino shipyard in 2050. The rest of the world's shippers will, however, have gone over to electric-based propulsion, enabling greater flexibility in design and thruster arrangements.

3) Fuel prices – As fuel prices are bound to go up, the simple efficiencies made possible by new propeller arrangements will look steadily more attractive.

   MOL's latest concept car carrier design features a contra-rotating propeller, in order to achieve the most of possible technological efficiencies. If anything, it may be the best evidence that this technology is one to count on for the future.

5 Optimisation ad infinitum: The sea is the ultimate variable. As Heraclitus said: "No man steps in the same river twice. It's not the same river and he's not the same man." The same applies to the sea, to ships, to officers and to operators. Everything is changing. Always.

But what if you could begin to isolate variables, thousands of them, and map them over time, compare them and fuss over them? Pretty soon you'd have some recursive models that allowed you to begin tweaking your behaviour, and improve performance. And that's just what's evolving.

Start with ship design. Anecdotal evidence from leading shipyards in Norway reveals that many are spending time and money in the model tanks, and behind the computer screen, to optimise hull, rudder and propellor interactions. They estimate that hydrodynamic optimisation of these can lead to double-digit efficiencies.

Look in the engine room too. More and more sensors are finding their way into the slimmest of spaces inside firing cylinders, bearings and oil reservoirs, where they measure temperature and pressure. With this kind of data, operators can begin to optimise how they run their engines. Kongsberg began working with Austrian AVL to do just that.

In operation, ships also see optimisation. One new solution

3

An Electronic Chart Display and Information System (ECDIS) displays the information from electronic navigational charts (ENC) and integrates position information from the Global Positioning System (GPS) and other navigational sensors, such as radar and automatic identification systems (AIS). It may also display additional navigation-related information, such as Sailing Directions and fathometer.

4

Courtesy: wikimedia

The close-up view of the shaft driver propeller under the port side stern of the US Navy's USS Churchill. Higher propulsion efficiency optimises speed, bollard pull performances, maneouverability, efficient use of the engine and cut down of power requirement, cost, fuel consumption and space requirement of auxiliary engines.

Courtesy: www.via-donau.org

Improved understanding of structural behavior in various sea states leads to more optimal designs and safer ship operation. Ships can be operated more safely by providing ship's Masters with the necessary information for selecting speed and heading in rough seas. Fuel consumption can be reduced by comparing design alternatives and thereby optimise wave resistance.

5

Courtesy: DNV

measures forces acting on the ship, engine settings and sea states to operate as efficiently as possible in transit. Further, autopilot systems possess a tremendous potential to optimise fuel efficiency, particularly in high-speed operations. Aviation has already seen this happen.

6 **Power without dinosaurs' help:** How do you power a huge merchant vessel without the help of fossil fuels? Among engineers within the industry, there's a lot of skepticism, but is it justified?

Both climate change and the focus on regulating emissions are spurring each other on, and, I think, few people would have foreseen the pace and intensity of these forces over the last five years or so. And I think that the pace and intensity of innovation and development within the industry will awe us all over the next five.

Consider a few sources of power that offer to change the paradigm:

1) Nuclear – The thought undoubtedly sends shivers down the backs of many shipowners, governments and seafarers, but more than one serious shipper has seriously discussed this option.

2) High-voltage shore connections – Not a solution for transits, but a new way to power ships while at berth. A global standard will be in place this year. That, combined with Sweden's and California's regulatory moves to stimulate this (if subtly), signal a sea change.

3) Fuel cells – The FellowSHIP project demonstrates that this can actually work in operation. Granted, only as auxiliary power, for now, but it was enough to get Richard Branson excited.

4) Biofuels – Both Solazyme and ExxonMobil are developing marine fuels based on bio-feedstock. Car-drivers in many countries can already choose gas with a small proportion of biofuel. Ships may be next.

Courtesy: Nippon Yusen KK

6

Nippon Yusen KK and Nippon Oil Corp are working on the world's first solar powered ship. Solar panels on top of the 60,000-tonne ship are capable of generating 40 kilowatts of electricity each. Fuel savings are expected to be in the neighborhood of 6.5% and carbon dioxide emissions will be reduced by 1-2% or 20 tonnes per year. It will cost Nippon Usen about US$ 1.4 million to create the solar panel system.

5) Batteries – Today you'd need to fill the ship with batteries, leaving little space for cargo, to power it across an ocean. But battery technology is due for a game-changing development very soon. Might the energizer bunny soon come to a ship near you?

What do you think? Do you know of a large merchant ship already operating without fossil fuels? When will this happen?

7 **Crowdsourced ship specification:** When I asked a few discussion groups to take part in the selection process of a ship design, some great ideas came in. But the real upshot of the experiment was what can be achieved by the mass of ship technology talent and ideas found on many Internet forums. The distance from a group of knowledgeable industry pros answering a speculative "What technologies are hot?" to a real specification for a future ship could be pretty short.

Craig Carter of Thordon Bearings Inc. says, "Prior to the 1950s, all ships used seawater-lubricated stern tube bearings. Are shipowners looking to return to seawater-lubricated non-metallic bearings? The cruise industry appears to have adapted this. Is mainstream

commercial shipping ready to return to saltwater?"

For Andre Stegmann of Lloyd Werft Bremerhaven, "the next big change will be foil technology instead of hull painting. This will reduce fuel consumption and repair costs. The second big change will be LNG for cruise and cargo ships."

Online collaboration on futuristic ship designs is already a reality, to some degree. And the more open it gets, the better and more exciting it'll get, I argue. Then every determined entrepreneur can assemble his own shipping company from best-of-breed technologies and innovative commercial ideas.

Courtesy: Wikimedia

7

Eco-ship: A new energy-efficient container ship design by Mitsubishi Heavy Industries promises a 35 per cent reduction in CO_2 emissions. Besides a dual propulsion system and a proprietary air lubrication system for the hull that reduces fraction as the vessel moves through the water, the design is for a 14,000-TEU container vessel of New Panamax size.

8 Condition-based maintenance: For those who work with it, Condition-Based Maintenance, or CBM, is a philosophy. To the rest of us, it's just "fix it before it breaks". Sounds simple, but to an industry that traditionally believes in corrective maintenance or "if it ain't broke don't fix it", it's a leap.

Vijaygopal Rengarajan Translucent says: "I've been around for a couple of years in the maritime technology space and I find transition from reactive to predictive maintenance, i.e. condition-based monitoring system. In my opinion, marine engineers need a companion who can measure continuously and help them get to solution rather than worrying about problem identification."

Courtesy: Rowsing Dynamics

8

As systems get more costly, and instrumentation and information systems tend to become cheaper and more reliable, CBM becomes an important tool for running a ship in an optimal manner. And lower use of resources may be one of the most important differentiators in a future where environmental issues become more important by the day.

Now CBM has been described as maintenance (a discipline), monitoring (a task) and a philosophy. But what makes it a bigger deal these days is technology. With fatter and more frequent Internet access on ships, the immediate access to information powers more and better CBM. Smart ship components with sensors talking together and talking to shore enable this whole thing.

CBM has unambiguous links with what the oil industry calls Integrated Operations, or smartfields, or e-fields, or what-have-you. You connect your physical assets at sea with expertise onshore, even distributed in many places. This at least is the remote diagnostics part of CBM. Perhaps, this will provide a cure to the technology bafflement raised by Clay Maitland's blog. No matter how mind-boggling the technology onboard, there is some expert, somewhere, who can help.

What's driving this philosophy, discipline, task, practice and technology? Simply enough, it costs less to address problems before they're problems. Further, it may mean less insurance. Both DNV and Lloyd's Register have made clear that shipowners with approved CBM programmes will pay less hull and machinery insurance.

9 **Products that ship themselves:** It starts with a demand. The US government has resolved to require every container arriving at US ports to be pre-scanned. The concern may be paranoid or legitimate, depending on whom you ask. Making it happen may also be ridiculously inefficient, a simple hurdle or a mind puzzle, depending on whom you ask.

But it has jump-started technology development and created a market. Cargotec, VeriTainer and SAIC are just three companies who are keen to throw themselves on that market bomb. All offer container scanning solutions.

That which was initiated to prevent vice, however, may end up serving virtue – specifically, the virtue of efficiency. Scans for radiation may be supplemented by all kinds of potential in non-invasive scanning, including RFID detection.

That means we progress from the shipment of generalised objects to specific objects. The container does not hold 500 flat-screen televisions; it holds 500 flat-screen televisions with inalienable and specific product histories. Container manifests report the former, not the latter.

At the industrial level of shippers, RFID tracking would probably have little purpose. Their interest is end-to-end. But there are parties interested in interpreting and micro-managing shipments on a more granular level; that would be individuals and small businesses.

This is drop shipping on steroids. Retailers, buyers, manufacturers all become part of the freight-forwarding picture through a relatively transparent logistics picture and closer cargo scanning. It's already being done on the high-end of transport. I think we'll see it come to the low end, as well.

This has some links to a rapidly evolving concept called The Internet of Things, or the physical web. The forces that are driving the concept of the physical web – massive data storage capability, virtualisation and remote manipulation – will have spillover effects on the shipping industry. We're already starting it to see with the proliferation of drop shippers. It'll grow.

Extended scanning, RFID and rule-based operations open the door to automated supply chains: Products that ship themselves. Is that messed up or what? MG

9

Courtesy: Mike Poverello's blog

Radio-frequency identification (RFID) is already used by warehouses across the world for the purpose of managing inventory and tracking its movement in a closed-ended chain. With rapid port-side RFID scanning, such tracking would take on a much more open-ended character.

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The Intelligent Eye

The use of surveillance cameras by governments and businesses the world over has dramatically increased over the last decade. In the UK, for example, there are about 4.2 million surveillance cameras at the rate of one per 14 people. The development of centralised networks of cameras watching public areas – linked to computer databases of people's pictures and identity – has been picking up pace to maintain social control, recognise and monitor threats, and prevent/investigate criminal activity. Axis Communications, a Swedish company operating for over 25 years in the 'security & surveillance' space, has been offering network video solutions for professional installations, with focus on security surveillance and remote monitoring. **Prakash Prabhu**, Country Manager of Axis, who leads the company's operations in India, has a mandate in hand: to build a customer-responsive organisation and sustain the ongoing shift towards IP-based surveillance and remote monitoring market in India. "Since most maritime sites involve huge expanse of open areas to be monitored, features such as HDTV resolution, edge-based intelligence, open platform for multi-system interoperability, ease of installation for faster roll outs and conformance to environmental safety standards will take precedence," he tells **Maritime Gateway**. Excerpts from an interview:

Prakash Prabhu
Country Manager,
Axis Communications, India

Q How has the use of surveillance technologies by governments and business establishments grown around the world?

In the past, the security and surveillance market has been dominated by analog technology, better known as CCTVs (closed-circuit television). But Axis believes that a technology shift is taking place in the surveillance industry. The analog-based, closed circuit systems of the past are giving way to IP-based (digital), open-source and fully integrated systems.

IP-based surveillance cameras are gaining popularity for superior technology features and affordability, and are therefore preferred over the legacy analog systems.

Across the globe, surveillance has been used to gather intelligence on criminal and terrorist activity and help deter untoward incidents. However, an interesting aspect is that surveillance is slowly moving out of the realm of pure physical security. With network video and remote monitoring capabilities, we can now also react to environmental threats,

fire hazards and chemical and nuclear contamination with the right blend of technology. Also, with the advent of embedded applications in security products, surveillance is now emerging as a tool for gathering business intelligence and other applications.

The second shift is happening from reactive surveillance to proactive surveillance with more adaptive intelligence built inside the cameras.

Intelligent cameras today can do motion detection, tampering detection, among other smart applications. Today, surveillance is not merely getting information 24/7, but getting relevant information at the right time. These cameras have in-built intelligence that enable them to alert security personnel or activate the recording if an event or an activity takes place in the camera's surveillance area unlike earlier when the camera used to record endless reels of useless information. This way, less storage space is used up and only relevant information is stored.

Q What are the challenges for physical security and surveillance technologies in the face of heightened hi-tech crime and terror threats?

Any physical security or surveillance technologies, fall within a general framework of security which may differ based on the location, environment, user requirement and many other parameters. Although technology remains the same, the way it is introduced and implemented will be based on these hygiene parameters. There will always be an interconnect between technology and the human interface to ensure seamless integration of all the applications. The benefit of IP-based surveillance outweighs the initial investment required to implement due to reduced TCO and the risking technology obsolescence by investing in OPEN standard platforms.

Primary challenges are market drivers and knowledge upgradation of the entire security ecosystem.

Q What is the demand for network video solutions in India, especially IP-based digital surveillance?

In India, the surveillance market, which is about 30 per cent of the entire security industry, predominantly consists of analog-based installations. There is however a steep shift happening from analog to IP-based surveillance. Training and education to the channels through the Axis communications academy has helped to increase the channel confidence in Network Video.

The Indian network video surveillance market is growing at a Compound Annual Growth Rate (CAGR) of 54.5 per cent. According to the 2009 edition of the annual IMS Research report, the network video surveillance market in India is currently valued at US$ 26.1 million and is poised to grow to US$ 89.2 million by 2013. The following are the projections for the Indian network video surveillance market size projections upto 2013, as per the IMS 2009 report:

2009 : US$ 16.3 million

2010 : US$ 26.1 million

2011 : US$ 41.1 million

2012 : US$ 63 million

2013 : US$ 89.2 million

Q How did Vizag Seaport enhance its monitoring capacity with the help of your solution?

The Vizag Seaport earlier had a completely manual security system with guards patrolling the port. With the International Ship & Port Security (ISPS) code coming into effect, port authorities decided to implement the Axis solution to address their need to enhance monitoring and surveillance capabilities.

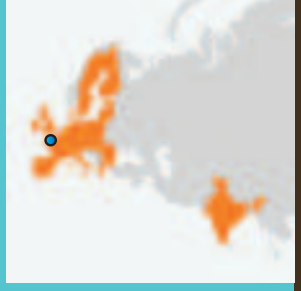
The Vizag Seaport authorities decided to go in for a greenfield IP-based surveillance solution from Axis Communications. In the first phase, the port has installed 17 cameras to monitor the cargo-handling operations and allied activities at the Vizag Seaport.

The migration to Axis network based surveillance system at Vizag seaport delivers the benefits of enhanced monitoring and operational alertness, enabling authorities to supervise port activities on a 24/7 basis with minimal manual intervention. Further, the surveillance system implemented goes beyond ensuring security and actually serves as a powerful training tool to help new employees understand port functioning, thus helping improve the seaport's operational efficiency.

With 24/7 surveillance in place, most of the top-level management has eyes and ears to all the locations of the seaport without moving out of their offices.

Q What are the other projects that you are taking up in the maritime industry?

Globally, we have a number of installations in the maritime industry including Shanghai International Port and Agemasa, Port of Bilbao. We are currently engaged in requirement definition at many other locations through our System Integration partners and can share more details of the same once they have been finalised and implemented. As you may understand there are long gestation periods on such projects due to the critical nature of such implementations. The solutions are now designed keeping in mind operational requirement as well as security assessments on such sites. MG



Port of Le Havre

Connecting India-Europe

The flat world economy presents the just-right opportunity to do business with India! With a fluid market dynamics assuring a good return on investment, the emerging nation is a lucrative destination and is on the 'to-do' (business) list of several countries. Business contingents have been studying the Indian market to promote trade. In the maritime sphere, the Port of Le Havre from France has been bullish about trade from Indian exporters hoping that Indian shipments, especially containers to the European Union, will make good of the new box facility thrown open by the port. "Le Havre is more than willing to develop trade with Indian companies. Traffic has been increasing yearly about 60 per cent. Shipping services between India and Port of Le Havre enjoy a significant boom and the port provides direct shipping connections with eight main Indian ports. In fact, the Shipping Corporation of India has initiated direct call at Le Havre this autumn," says **Laurent Castaing**, Executive Director of the Port of Le Havre. "Being the gateway to Europe, Le Havre benefits from an outstanding location and efficient pan-European logistics, guaranteeing cost and time savings. Located at the entrance to the English Channel, two hours from the Paris market, the Port of Le Havre plays a major role in the international transit of energy products, bulk cargo, ro-ro freight and containers," he adds. The port is represented in India by Seahorse Ship Agencies. (part of Seahorse Group of Companies), a leading agency house in India, with a pan-India network of offices with shipping industry connections. Excerpts from an interview with **Maritime Gateway**:

Laurent Castaing
Executive Director, Port of Le Havre

Q: What sets Port of Le Havre apart from the other ports in Europe?

As a deepwater sea port, Le Havre offers remarkable nautical conditions: it is accessible 24 hours a day and 7 days a week. The largest container ships can thus access the port by day or night, without tidal constraints.

From the end of the channel to the port terminals, pilotage time to the tidal basins is very short – about 1 hour 30 minutes. The terminals located on non-tidal docks are accessible to container-carrier ships of 10,000 TEU and 350 metres long, via the François 1er lock. The Port of Le Havre can also accommodate the largest Pure Car Carriers (8,000 CEU) without any restriction.

The location makes Le Havre France's leading foreign trade port and one of the top ports in Western Europe for international trade. It represents an extraordinary openness to the world and is a unique logistics and industrial development tool.

Regular shipping services

Major shipping companies schedule the Port of Le Havre in their regular shipping line services.

Owing to its exceptional geographic position, the Port of Le Havre is naturally chosen by shipping companies as their first stop in Northern Europe (import advantage) or as their last stop (export advantage). Furthermore, the Port of Le Havre offers numerous advantages which make it a natural hub for reaching the Iberian Peninsula market as well as the British Isles among others.

Specific facilities for container operations:

The Port of Le Havre offers about 7,500 metres of quays, for all sizes of container ships.

ULCS can take advantage of good infrastructure allowing them to call at Le Havre, whatever their draft and without tidal constraints. Following the investments carried out in the Port 2000 project, Le Havre Port's capacity will be tripled. With the completion of the Quai du Havre (4,200 metres of quay, 3,500 metres of which are completed), 12 ULCS will be able to moor and be operated at the same time on the same quay.

How did the port perform this fiscal?

- Container traffic: 8 per cent growth in first 10 months of 2010.
- Ultra large container carriers: 100 calls in one year
- 32 per cent growth in traffic of chemicals and 66 per cent for the ro-ro Terminal activity through July 2010
- 13 per cent growth for the river traffic and 5 per cent for the rail traffic (in the first semester 2010)

Q: What are the plans at the port to improve trade? What are your other growth plans?

Multimodal Terminal (in 2013)

The growth in containerised traffic requires developing consolidated transport for containers pre- and post-conveyance to the Port of

Ariel view of Le Havre's ro-ro terminal.

Le Havre. Block trains and barge services can be directly put together from the container terminals.

To complete this scheme, a multimodal terminal is being planned to open in the heart of the port zone in 2013. All types of intermodal transport units are expected to benefit from competitive consolidated waterway or rail services provided through this terminal.

On the ro-ro activity, we are considering the possibility of extending the storage area due to the high demand for space from logisticians and car manufacturers. It should be noted that Port of Le Havre can be used as an entry port and distribution platform for the French market and the UK market.

Q: How is the ports' dockworkers strike being resolved in France?

Within the scope of the national strikes related to the retirement scheme reform and that of French ports, the port of Le Havre carries on business. No local strike has been suffered since the Method Agreement (July 2010), an essential step within the framework of the implementation of the port reform locally.

> We are looking at the car industry as India has been exporting more cars to Europe of late. We are also looking at increasing India's agricultural exports to Europe via Le Havre and are working with the export federations and the logistics providers here in India.
>
> We expect the Indian exports to Europe to rise in the near future as Europe is the biggest market for consumption. We are talking to the Indian customers to utilise our facilities and infrastructure and benefit from them.
>
> **Hervé Cornède**
> Commercial & Marketing Director, Port Le Havre

The Normandy Bridge Logistics Park.

It should be noted that, except the national strikes related to the French retirement scheme reform, the ship reception, cargo-handling operations in Le Havre port terminals and the reception of transporters are carried out, owing to the mobilisation of all port trades (dockers, stevedores, GPMH personnel, transporters, services to ships)

Q: To which countries is the port offering its distribution facilities?

Generally speaking, the Port of Le Havre offers distribution facilities to all the countries which are directly linked to France. We offer inland means of transport to countries like South & West Germany, North Italy. We provide feeder services to the UK, Ireland, North Spain, Portugal, and Scandinavian countries.

Road

Access to the motorway network bypasses the city and guarantees fluidity for the transport of goods. It offers the possibility of reaching a wide hinterland smoothly.
Le Havre Port is connected to European motorway networks. In the south, the A28 offers a direct link to the south-west of France as well as to Spain and Portugal. Main Western European consumption basins can be served by road through Le Havre within 24 hours.

Rail

The combined transport services are being developed continuously in the port and these developmental activities support the expansion of Le Havre Port's zone of influence, particularly towards the eastern hinterland. The whole rail port network (200 km) belongs to GPMH to ensure open access to rail operators.

River

The Seine is the main development artery for transportation within the "Greater Paris" region (Le Havre-Rouen-Paris). Several

inland waterway container transport companies link the Port of Le Havre to the river ports of the Paris Area up to the Burgundy region: Radicatel, Rouen, Gennevilliers, Bonneuil sur Marne, Nogent-sur-Seine, Limay, Evry and Gron. Nineteen per cent of container traffic to the greater Paris area is moved on river barges from/ to Le Havre.


Photos: Le Havre Port (GPMH)

The long view of Port of LeHavre.

Q: What is the potential you see from Indian exporters to your facilities?

Le Havre is the Port of Paris, which is a market of more than 12 million inhabitants. Moreover, Le Havre can help Indian exporters save time to serve the wealthiest markets located in the heart of Europe.

Indian exporters will find in Le Havre all the necessary services to distribute their goods to the Paris markets, France and Western Europe:

- Warehouses.
- Logisticians providing added value services like sorting, preparation of orders, speciality products like fashion, food and chemicals.
- A safe and secure environment: Le Havre is the first port authority in Europe to be ISO 28000 certified; numerous operators are certified as AEOs "Authorised Economic Operators".
- Optimised Customs and Administrative procedures: Goods are cleared in less than eight minutes, tracking and tracing of goods through the cargo community system, dematerialised procedures, one-stop shop for veterinary inspections for food products.
- Delivery by pallets throughout Europe.

Q: How is Europe's maritime industry faring at the moment?

The Europe maritime industry has noted some upward trends in business these days and we are confident that the economy will recover gradually, both at local and global levels. MG

*(For more details, and updated information at Le Havre, visit **www.havre-port.fr**)*

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Port of Le Havre is the natural Gateway to Europe, being strategically located at the Entrance of English Channel. It can accommodate the largest container ships presently on order at the various terminals. The ongoing developments are aimed at guaranteeing Le Havre to be the leading port of Europe.

The port offers connectivity to European hinterland through an extensive network of congestion-free rail, road and short-sea feeder services. The well-developed Seine river inland waterway ensures a fluid and eco-friendly connectivity with NW Europe's major consumption area Greater Paris region to bring cost efficiencies.

India's GDP is expected to quadruple over the next 10 years to an over US $ 4 trillion economy by 2020 and is expected to play a major role in reshaping global economy in the 21st century.

The EU is today India's largest trading partner and largest source of (FDI). And, the excellent facilities at Port of Le Havre are well placed to further assist the exim community to optimise on the maritime trade between India and France and the entire EU.

Capt Avinash Batra
Chairman, Seahorse Ship Agencies

Challenges in the Indian Ocean
United We Fight

The changing world order in the post-cold war era has heralded the rise of economic globalisation which has been dominated by the desire for symbiotic cooperation and economic intercourse between states. The level of increasing interdependence is not restricted to economic matters but also in facing mutual challenges in the maritime domain. These security challenges have been enhanced over time due to the associated rise in seaborne trade, especially in the Indian Ocean region.

By ***Dr Probal Ghosh***

These emerging security challenges and rise in maritime crime, call for effective law enforcement and the maintenance of maritime order in generic terms by all littorals in the IOR (Indian Ocean Region) in tandem or in close cooperation. Unfortunately, the nature of regional diversity and diverse approaches to maritime governance with a difference in priorities (Hierarchy of Relevance) have led to the lack of enforcement and hence an alarming rise in maritime crime against commercial shipping.

SLOCs and their importance

In the globalised world of today, 80 per cent of world trade is conducted through the seas with most of ships passing through the different Sea Lines of Communication (SLOCs). According to a World Bank projection, the global seaborne trade which was pegged at 21,480 billion tonne-miles in 1999 was expected to rise to 41,800 billion tonne-miles by 2014. However, the economic downturn in 2008-09 played havoc and the boom experienced over the past few years is projected to fall sharply. Experts at Fearnleys, a leading shipbroker, predicted world seaborne trade to fall by 1.4 per cent in 2009, before turning around and growing at a slower rate of 2 per cent in 2010.

Meanwhile the oil trade, (including crude and oil products) is expected to remain at practically the same level as 2008.

Around 100,000 ships transit the expanse of the Indian Ocean annually. Roughly 40 per cent of this seaborne trade is accounted for by the Straits of Malacca. Every day 15.5 million barrels of oil, or 40 per cent of the entire global oil trade passes through the Straits of Hormuz and 11 million barrels of oil pass through the Malacca and Singapore Straits.

Courtesy: US Army Photo (free-photo.gatag.net)

In this context, the spiralling demand for energy from the "energy demand heartland" of Asia comprising states like India, China and Japan has led to an inevitable and enhanced sensitivity to the security of the SLOCs and the choke points of the region. These countries view SLOCs as their very lifelines. After all, at current levels of consumption, the oil import dependence of India is expected to rise to 91.6 per cent by 2020. In the case of China, it will be 76.9 per cent while for rest of South Asia it will be 96.1 per cent. Hence, it becomes inevitable for a country like India, with nearly 89 per cent of its oil imports coming by sea route, to ensure the security of its SLOCs.

Primary maritime challenges

The current geo-political scenario has spawned the rise of asymmetric challenges in the maritime sphere. Such challenges can easily affect the free flow of seaborne trade by its enhanced risk factor which in turn can have indirect impact in the form of rising insurance premiums and ultimately on the economic well-being of a nation.

Let's discuss some of the primary maritime challenges that maritime world faces today:

Piracy

Piracy is one of the most serious transnational crimes that seems to have made considerable impact on commercial shipping. In addition to the direct impact on ships, crews and cargoes, on the maritime industry and governments, piracy threatens global seaborne trade.

Earlier, piracy incidents were reported only in Indian Ocean, especially in the Malacca straits and Indonesian waters. However, the multipronged efforts in the form of coordinated anti-piracy patrols (both from sea and air, e.g. MALSINDO and Eyes in the sky), multilateral initiatives like the ReCAAP (Regional Cooperation Agreement on Combating Piracy and Armed Robbery or the Tokyo Agreement of November 11, 2004) along with other awareness programmes, finally bore fruit leading to a drastic reduction in the number of incidents in the region.

However, this respite proved to be temporary since piracy incidents have been reported from around the Horn of Africa. Having first made headlines in 2005, Somalian piracy has evolved within a short period of time from relatively modest beginnings of attempting to collect "tax", from intruding ships, to a well-established lucrative corporate industry with transnational characteristics. The Somalian pirates are now the façade and a part of large, well-financed and organised criminal gangs with inland tribal affiliations. The main aim of these pirates is to extract ransom money from shipping companies and hence the associated violence is relatively lesser than other types of piracy, but this aspect is slowly changing for the worse.

The number of incidents is supposedly shrinking, but pirates are using increasingly sophisticated equipment which enable them to carry out attacks from places far away from their bases (nearly 1150 nm away, which is nearer to India than Somalia) with the help of mother ships. In addition, they are also actively enhancing their linkages with terrorist organisations. It has now been established that the Somalian pirate groups interact extensively with Yemen-based Al Qaida and Somalia-based Al Shabab, mainly for logistic purposes.

The re-routing of ships to bypass the Gulf of Aden and the Suez Canal,

The Indian Ocean Region

higher insurance premiums costs associated with the hiring of security personnel and the installation of deterrent equipment are some of the temporary solutions to counter the problem, but they have been proved to be uneconomical in the long run. Taking into account all the cost factors, UNCTAD 2009 report estimates that re-routing 33 per cent of cargo via the Cape would cost shipowners an additional US$ 7.5 billion per annum. These costs will ultimately be passed on to shippers and consumers.

Ships that continue to traverse the Gulf of Aden and the Suez have to purchase coverage at US$ 20,000 per ship per voyage (excluding injury, liability and ransom coverage), as compared with the US$ 500 required a few years ago.

In such circumstances, the solutions to eradicate this scourge do not exclusively lie at sea as it is often perceived to be by most states. It requires a multipronged politico-

The geo-political scenario has spawned the rise of asymmetric challenges in the maritime sphere. Such challenges can easily affect the free flow of seaborne trade by its enhanced risk factor.

military approach rather than just a military one.

Maritime Terrorism

The international war on terrorism had taken a new dimension in the post-911 era while its maritime dimension has been highlighted post Mumbai blasts. Only 2-3 per cent of all terrorist attacks were linked to the sea directly and hence the issue of maritime terrorism was never taken seriously by the security analysts and governmental bodies. But the Mumbai blasts changed this perception as the incident was directly connected to the seas – especially as a supply route to terrorists.

Meanwhile, the US initiative of searching for terrorists and their personification in Al Qaeda continues on land, as well as at sea with the international coalition (mainly Task Force 150) on the look out for Bin Laden's terror ships termed as the 'phantom fleet'. The main idea is to prevent the Al Qaeda operatives from escaping or using the sea route.

As has been well-known, maritime terrorism can manifest itself in many dimensions. The linkages and the full import of "container security" to maritime terrorism was only realised now after it was reported in January 2002 that the search of a freighter by US naval forces nearly yielded a group of Al Qaeda terrorists who had been hiding inside a well-equipped shipping container.

With a dramatic increase in large (i.e. more than 6,000-TEU capacity) and small container transport by sea, the problem has become accentuated as these sealed containers often passed through ports without thorough checking and are capable of containing anything from human terrorist cargo to arms and ammunition. However, the government initiatives such as Container Security Initiative (CSI) and making ports ISPS-compliant have helped to a great extent in overcoming the security problems associated with container security, but robust shield is still a long way off.

Associated with the terrorism problem is a problem that is related to Flags of Convenience (FOC). Many phantom fleets fly FOC making it difficult to track them as they routinely change names and registry. FOCs – though common in

Be Alert and Aware

Defence Minister A K Antony asked the Indian Navy to remain on alert to handle the maritime security challenges following the existence of the complex maritime security environment in the Indian Ocean region. He also called for an increased Navy-to-Navy contact with the Indian Ocean countries to streamline inter-operability issues.

Addressing Naval Commanders Conference in New Delhi recently, he cautioned that the complex maritime security environment in the region requires the Navy to maintain a state of perpetual readiness.

Describing piracy as "a major area of concern in the Indian Ocean Region," Antony said, the Indian Navy's presence in the piracy-affected areas reflects its commitment and resolve to contribute the might in dealing with such threats.

He said New Delhi is committed to the continued deployment of ships and aircraft for enhanced surveillance off the coast of Maldives and Seychelles to ensure maritime security from piracy.

The minister also stressed at the need to engage like-minded African states in the Western Indian Ocean Region, such as Mozambique, South Africa, Tanzania and Kenya, to enhance India's strengths and contribute to peace and stability, not only in the Asia-Pacific region, but also in the entire Indian Ocean Region.

He observed, there is a need to sustain the momentum of cooperation with Sri Lanka to ensure peaceful fishing on either side of the International Maritime Boundary Line and to prevent a possible resurgence of the LTTE.

While asserting the need for modernisation, the minister assured the Naval Commanders that wherever required, import options would be considered to meet operational requirements.

Meanwhile, referring to the creation of operational infrastructure in the Andaman and Nicobar Islands and Lakshadweep and Minicoy Islands, the minister said it would be accorded due priority. The Government has also accorded approval for forward naval bases at Tuticorin and Paradip. -ANI

Defence Minister A K Antony addressing the Naval Commanders' Conference in New Delhi recently. Defence Secretary Pradeep Kumar and the Chief of Naval Staff Admiral Nirmal Verma are also seen.

the shipping world – pose a major challenge to maritime security. It is estimated that there are about 30 such registries (some in private hands) mainly run by small islands or impoverished nations.

The rise of narco-terrorism/ terror-crime nexus

An important adjunct to maritime terrorism is drug trafficking. With huge profits, drug trafficking is by far the most lucrative way of generating funds to fuel the ever-growing terrorist activities, insurgencies and piracies around the region.

Terrorist groups are often deeply linked with drug cartels. While this symbiotic relation provides established routes for drug and arms smuggling, it also provides the terrorists with the logistical infrastructure that facilitates the easy movement of goods and people.

India lies in the pivot of the Golden Triangle and the Golden Crescent – the two infamous drug producing areas – and is being used as a maritime transit point for both.

Maritime pollution and oil-related environmental disasters

Oil-related disasters at sea are cause of concern for not only environmentalists but mariners and security specialists as well. They can create havoc with the marine ecology as well as affect the free flow of trade and shipping. Ports and regions affected by such disasters have to be bypassed by ships, resulting in huge losses to the respective countries.

Regional governments are presently deeply worried about major oil spills or wrecks of oil tankers that occur at narrow approaches to harbours and choke points as they can seriously affect the flow of shipping traffic. The diversion of traffic affected by such disasters to other ports and routes poses several practical problems and results in increased costs.

Transnational security threats in the IOR have enhanced in recent years and can have serious effect on flows of trade and commerce and even the developmental indices of a state. Countering these threats requires consistent cooperation between the littorals and the associated maritime agencies. MG

Dr Probal Ghosh *(pkghosh@orfonline.org) is a Senior Fellow at the Observer Research Foundation. He was instrumental in setting up of the maritime thinktank National Maritime Foundation. He is also the Co-Chairman of the CSCAP (Council for Security Cooperation in Asia Pacific Region) International Study Group on Naval Enhancement (Maritime issues).*

Dick Welsh *has reason to smile as the Isle of Man Registry achieved healthy growth even during the lean times.*

Time to Face Up to Flag Realities

An island of just 572 km^2 and a population of 80,000 is steaming ahead towards realising its ambition of taking its place among the comity of quality ship registries of the world. Many of us may be forgiven for not knowing much about the Isle of Man if we did know anything at all. We may have heard and forgotten about it in the same instant – the memory as dim and fleeting as of ships passing at night. No longer. We are now hearing more and more about the Isle of Man, which registry officials like to point out as being bang on Europe's doorstep and in the centre of the British Isles. Director of the ship registry, **Dick Welsh** has been a frequent traveller to the Far East and Singapore in a bid to get into the consciousness of the people as he puts it to **Maritime Gateway**.

The efforts of the maritime team are beginning to bear fruit. The Registry grew 10 per cent in a difficult 2009 – the year was battered by the global recession – to reach 10.7 M GRT with key additions to the fleet including those from new owners and operators in the Far East.

As of 30 September this year the Isle of Man fleet had exceeded 1,000 vessels with total tonnage rising to 12.21 M GRT. To put things in perspective it must be mentioned that the fleet also includes small vessels, commercial and pleasure yachts and fishing boats. Still, merchant ships of 500 GRT and above number a healthy 341.

When we consider that the Isle of Man has squeezed into the top 20 flags, we cannot but look askance at the Indian ship registry. India is one of the emerging giants on the world economic stage, but its stunted maritime growth is one of the huge paradoxes that puzzle India

watchers. It was only recently that total Indian tonnage surpassed 10 M GRT thanks to a late surge this year that saw nearly 1 M GRT being added to the national fleet.

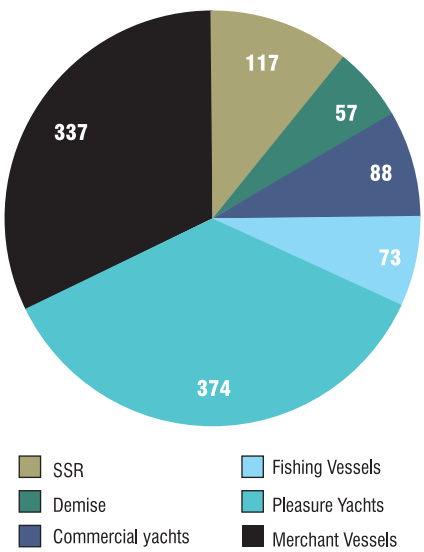
It is true that facile comparisons do not take into account harsh ground realities in a vast and diverse country such as India that has to cope with issues ranging from equitable distribution of wealth to political and social pressures within a liberalised, democratic framework. Still, when we consider that the Isle of Man tonnage stands at 12 M GRT, the gap between India and the rest of the world in terms of controlling merchant shipping tonnage becomes glaring. The gulf is more pronounced when we view the scenario from the top where tonnage under the Panamanian flag is way ahead of second placed Liberia, which is followed by the Marshall Islands, Bahamas, Hong Kong and Singapore.

Numbers, however, tell just one part of the story of where and why

> **The challenge is to balance quality services with minimal costs. While the system of tonnage tax that is prevalent in most ship registries is well received by owners they would prefer flags.**

the world's merchant ships are registered. Across the board, even among those flags such as Panama and Liberia that are called flags of convenience, there has been a leap in service standards to shipowners. Open national registries such as Singapore and Hong Kong have led the way with business-friendly policies targeted at establishing vibrant maritime clusters with the national ship registry acting as the central force driving the establishment of supporting and complementing infrastructure including repair and construction yards, terminals and services

Breakdown of Register Parts



Courtesy: Isle of Man Ship Registry

ranging from maritime arbitration to insurance, brokerage, ship surveying and bunkering, not to forget maritime training.

While numbers are indeed important, especially a critical mass of ships and clients, for Welsh and others of his ilk it is the benchmark against quality parameters such as the White list status under the Paris MOU and endorsement from the US Coast Guard. "Underperforming owners don't stay with the Isle of Man flag," says Welsh to Maritime Gateway declaring: "We don't let that quality down by an inch."

The challenge is to balance quality services with minimal costs. While the system of tonnage tax that is prevalent in most ship registries is well received by owners they would prefer flags to complement this with other incentives. Open registries are now devising ways and means to attract owners through a package of incentives. The Isle of Man, registry for example, has moved even beyond the tonnage tax. Its new scheme effective from April this year involves an annual registry fee which is said to be "not tonnage based, nor dependent upon ship size or type." Set at £ 700 (approx. Rs 50, 000) it is claimed to be "very low in comparison to the larger 'open registers.' Apart from offering multi-fleet discounts the registry does not levy annual inspection fees or charges for casualty investigation and consular services.

India, one fears, is falling behind if not entirely left out of this great development of open registries in merchant shipping. India is still an exclusively national registry, which seems to be losing its appeal. The feeling in the domestic shipping community is that despite the move to introduce tonnage tax, the Indian flag is not very attractive to Indian shipowners. "We do not have a level playing field," Anil Devli, the new CEO of Indian National Shipowners Association tells Gateway. Apart from a clutch of duties, a long-standing issue has been taxing seafarers.

"Foreign shipowners do not have to contend with these irritants and are therefore more competitive than Indian operators," points out Devli.

With open international registries offering easy procedures and quality services at competitive costs, it is not surprising that quite a few Indian shipowners have established investment vehicles abroad or even set up shipowning/ operating subsidiaries in "friendly' maritime regimes such as Singapore registering ships under those flags.

There is no reason why India cannot grow its registry and make its flag attractive thereby triggering a maritime expansion at cities such as Vizag, Kochi, Chennai, Kolkata, Mumbai or Pipavav in Gujarat, which has the potential to develop a clean ship recycling site. All these have a maritime base and the potential to graduate into thriving service sectors. At the core, however, there should be a strong, robust and healthy flag. The money lost in providing tax and duties incentives will in the long run be made up by the growth of attendant services that a sizeable shipping fleet attracts.

This is exactly what Singapore has done in recent years and it has worked wonderfully well. What is required in India is realising the vast potential of the progress of the maritime industry to the growth of India's economy. Some fine-tuning of policies to take account of the peculiar ground realities in the country will be needed. MG

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Isle of Man Registry

Registration fees applicable to merchant vessels (in £):

First registry (including demise-in), re-registry or transfer of registry including the issue of a certificate of registry where appropriate	700
Granting permission for a Manx ship to register in a demise charter registry other than in the Island (demise-out)	560
Annual registration fee	700
Transfer of ownership by bill of sale or transmission	225
Issue of an updated CSR and new certificate of registry (where appropriate)	225
Replacement certificate of registry or a certified copy of the certificate of registry	85
Issue of a new certificate of registry if requested, following a change to the registered particulars which does not affect the CSR (if appropriate)	85
Change to the registered particulars which does not affect the CSR	40

Awards

Logistics services

Schenker India Pvt Ltd, a leading provider of integrated logistics services, won the 'Best Logistics Service Provider – Sea freight' award at the Express Logistics and Supply Chain Conclave held in Mumbai.

Meanwhile, the Singapore arm of DB Schenker Logistics – Schenker Singapore – celebrateed its 40th anniversary, that marked development from being the first European air freight forwarder to serve the extreme south of Asia to a market leader for integrated logistics, with a team of more than 1,250 employees.

Shubhendu Das, Vice President Freight Management India, Schenker India Pvt. Ltd, being conferred with the 'ELSC Logistics Professional of the Year' award at the Express Logistics and Supply Chain Conclave held in Mumbai recently.

Maritime Training

Hindustan Institute of Maritime Training (HIMT) receives 'The Education & Training Award' from the Secretary General of the International Maritime Organization during the Seatrade Middle East and Indian Subcontinent Awards 2010 ceremony held in Dubai recently.

Shipping line

Maersk Line won the 'Best Shipping Line of ICD Kanpur' at ICD Kanpur-CONCOR Awards ceremony held to celebrate and commemorate 10 years of ICD Kanpur.

Maersk Line won the award in the category 'Performance of Shipping Lines' for its contribution of nearly10 per cent of exports of 1000 TEU per month and 20 per cent of imports of around 1000 TEU per month.

Sushil Kumar, Executive Director, Anil Kotnala, General Manager, Harish Chandra, Group General Manager, of the North Central Region of CONCOR and other importers and exporters from Kanpur were present.

Pushpendra Singh Rathore, Operations, Maersk Line, receives the 'Best Shipping Line' award on behalf of Maersk India from Sushil Kumar, Executive Director of CONCOR.

Need for a Reality Check

Environmental protection and judicious management of natural resources are vital to ensure sustainable development of the maritime sector.

By ***Susenjit Guha***

Photo: Peet de Rouw

According to maritime research studies conducted jointly by Piraeus and Aristotle universities in Greece and Cardiff University in the UK, the "period when port authorities were more concerned with the effect of environmental elements on their activities than with the impacts of port operations on the quality of the environment has long passed."

Environment issues have now taken centre stage and government as well as private companies cannot ignore the impact on long-term development and day-to-day operations of ports.

Environment issues are not a one-size-fits-all type of a problem as it can have severe ramifications across international boundaries with long-term effects on air, soil, sediment, water and ecosystems. There are several systems involved and every port may be unique in many aspects like commercial profile, operations, hydrography and geography, but all of them are intertwined as they share increasingly diverse environmental challenges as there is a greater demand for sustainable development.

In addition to the challenges, environment protection is also a primary need. Ports are not limited to the age-old definition of "the area, where traffic changes between lands and sea modes of transport" anymore, but also act as facilitators for myriad industries and services meant for carrying on the production and distribution process. Many strategic ports are facing flak from political and environmental forces for their failure to fine-tune to the global market forces and re-develop to adjust to newer challenges as well.

For discharging duties effectively, port authorities across the world are adjusting to the new demand and pressures coming in from various quarters. The survival of ports also requires sustainable development while discharging environment and corporate social responsibilities at the same time. The major hurdle faced by ports is to create a balance between environmental protection and development.

It has been seen and advocated by maritime experts across the world that ports can survive in the present scenario if they can bring in a good degree of efficiency in performance, ecological sustainability and social responsibility.

If the ports fail to take into account environmental duties and cause delay in putting strategies in

Many strategic ports are facing flak from political and environmental forces for their failure to fine-tune to the global market forces and re-develop to adjust to newer challenges as well.

place, there could be problems from stakeholders, local as well international communities. The cost of failure is huge.

According to studies carried out in this respect, the reason for achieving a level-playing field for responding to the new demands of environmental management and sustainable development are compliance, port development, risk management,

In the Indian context, a port which ensures sustainable development while protecting the environment and communities is but the need of the hour. Moreover, the need to create a delicate balance between development and environment, is gaining significance.

customers, community, insurance and banks, investor and shareholder, director's liability, cost and cost saving, a positive image and market opportunity.

In the Indian context, a port which ensures sustainable development while protecting the environment and communities is but the need of the hour. Moreover, the need to create a delicate balance between development and environment, is gaining more significance with time. Therefore, the idea of green ports was mooted. Some of projects have already been implemented and some are in the course of being implemented across the country.

Being a major oil hub in India, Gujarat has many ports that have come up in recent years and the GMB has outlined objectives clearly. The steps taken are worth noting.

The Gujarat Maritime Board (GMB) considers management of the environment a key requirement for sustainable development of the coast for reducing risks and liabilities in the days ahead. The prime objective is that activities falling under the purview of GMB like ship-breaking and port operations should not in any way impact the ecological process, the marine life and resources. It would also include other marine resources like fisheries and other users of marine environment, traditional lifestyles, tourism and recreation.

The major policies formulated by the GMB take into account:

1. Compliance with all legislations related to environmental issues of the state, the Indian government and all international conventions it is party to or is under obligation to follow.
2. Continuous improvement in environmental performance of all GMB ports; strive for usage and development of GMB ports to be consistent with the concept of sustainable development while minimising any environmental impact of port operations and new developments.
3. Communicate in a transparent manner on the environmental performance of GMB ports to key stakeholders, government and the community.
4. Work cooperatively with other organisations. Take the help of NGOs, Institutes and Universities to achieve the environmental objectives of the GMB;
5. Maintain a high level of environmental awareness with all employees and hold them accountable for environmental performance in their area so that

Gopalpur Port to be closed for 2 yr

The Gopalpur Port Limited (GPL) has reportedly decided to suspend its seasonal operation for the next two years to facilitate upgradation work. GPL, a consortium of three companies, signed a memorandum of understanding (MoU) with the state government of Orissa in 2006 to develop the defunct seasonal port into an all-weather port at an investment of about ₹ 2,500 crore in phases. With not much progress happening, the Noble Group, one of the partners, has exited the consortium.

GPL authorities are awaiting the environmental clearance from the Central Government and hope to get it soon. Meanwhile, a railway bridge over the National Highway that is passing the area is also said to be a hindrance in the transportation of cargo if it is unloaded in the port. The GPL authorities have therefore decided not to handle any cargo the current session.

It may be noted that the port expansion faced several hurdles with environmentalists and wildlife activists protesting against the harm being caused to the mass nesting of the Olive Ridley turtles at the Rushikulya river mouth.

Photo courtesy: projectsmileindia.files.wordpress.com

they carry out their duties in accordance with legislation and company regulations.

6. Ensure that contractors engaged by GMB meet GMB's environmental standards and requirements and comply with relevant legislation
7. Oblige ports tenants and lessees to meet the GMB's environmental standards and requirements.

The GMB has come out with a concrete port policy where environment management would take precedence.

Formulating procedures and working methods to address environmental issues and incorporating them in contracts with third parties like tenants and leases, identifying environment related legal requirements that need to be fulfilled, forming guidelines for compliance, ensuring projects carried out are in line with the Coastal Zone Management plans and getting in place documents and procedures in line with ISO 14001 and Environmental Management Systems (EMS) are some of the objectives of the port policy.

The state had to get policies in place and identify the key hurdles to overcome them as 30 new ports are expected to be built at an investment of ₹ 90,0000 crore.

Among the other major objectives of the GMB in tune with changing scenarios include maintaining transparency through continuous dialogue with the employees and the public; timely intervention to ward off any concerns about new port projects and the hazards that they might bring; and ensuring public accountability of the environmental performance of GMB.

As part of a unique approach, GMB has also laid down a list of objectives for cooperation with NGOs, institutes and universities to achieve environmental objectives. To facilitate the task, GMB will interact with any other organisation for finding solutions to any specific environmental problem.

GMB will organise seminars and meetings to create a high level of awareness among employees and inculcate a sense of accountability regarding regulations and legislations. More emphasis would go into training as environmental challenges and concerns are of fairly recent origin and even the contractors engaged by GMB would have to adhere to set standards. Tenants and lessees will also have to comply with set environmental standards. Protocols will also be established to check whether they actually adhere to the regulations at the time of approval of projects.

This is like a clear template which would also serve as a guidepost to meet challenges of the environment while ensuring sustainable development.

Traffic handled by ports in India is expected to grow 11 per cent during 2010-2015 and much of it would be handled by minor ports. The reason why Gujarat is attracting investments for ports is that the state has a clear policy not only to meet the diverse challenges in future, but also serve landlocked states like Delhi, Punjab, Haryana, Himachal Pradesh, J&K, UP, Uttarakhand, MP, Chhattisgarh and Rajasthan. MG

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

Shiv Aroor's Live Fist

THE BIG FAT SHIP

Oleg Strashnov, with its 5,000-tonne crane capacity, is the largest monohull heavy lift vessel in the world and the largest vessel ever built by IHC Merwede at its offshore and marine facility in Krimpen aan den IJssel, the Netherlands.

The state-of-the-art Cyprus-flagged crane vessel with an innovative hull shape, for which a patent is pending, will have a transit speed of 14 knots. Lift heights of 100 m for the 5,000 mt main hook and 132 m for the 800 mt auxiliary hook enable her to undertake an impressive range of projects with its DP3 system. Designed for the installation and removal of offshore platforms, subsea constructions, dual hook upending of large jackets to heavy deck installations and special projects, this vessel is all set to herald innovative seaway heavy lifting. The vessel can provide accommodation for 220 persons.

Photos & Text courtesy: Peet de Rouw, *The Netherlands (peet@denachtdienst.nl)*

Global Safety Day

GTI celebrates port safety success

Safety interventionist Pradip Kadu at GTI.

Children of Port Pipavav employees celebrate 'Daddy come home safe' campaign at the port recently.

The facilities of APM Terminals in India – Gateway Terminals in Nhava Sheva, Mumbai and APM Terminals Pipavav in Pipavav, Gujarat – celebrated the Global Safety Day to honour the group's philosophy of 'Safety for Life' to all employees. CEO Arvind Bhatnagar congratulated the employees on achieving 340 safe days without any Lost Time Injury (LTI) and attributed the safety success on "If you see it, you own it" attitude. "The next milestone is to achieve 365 days free of injury. We need to steadily improve our records so that we can take a safe environment as a guarantee at our terminal," he added. Several employees and contract workers were recognised for their contribution to ensuring safety. Rajesh Patil, quay crane operator, was awarded the 'Safety Man of the Year' while 21 others were also given away awards.

At Port Pipavav, where employees and their families live at the port, a special programme for children was conducted to drive home the point amongst employees that their responsible and 'safe' behaviour at work has a deeper impact on the people who love them. Several training programmes were also conducted simultaneously. "We have extended our safety training and awareness programmes to include our contractors and sub contractors," said Ravi Gaitonde, COO, Port Pipavav.

Vigilance Awareness at Ennore Port

Chairman and Managing Director of Ennore Port, S Velumani and other officials and employees of the port take an oath as part of the Vigilance Awareness Week.

Archiving project

PS Bedi Group ties up with Maman

The logistics service provider PS Bedi Group forged an alliance with Maman Group's subsidiary, Archive 2000 Ltd of Israel, to foray into records management and archiving of documents. The collaboration brings the expertise of Archive 2000 for assisting banks, insurance companies, hospitals, corporates, Indian government bodies, legal industry in preserving their critical and sensitive documents for long periods while maintaining reliability and confidentiality.

CEO of PS Bedi Group R S Bedi and his Maman counterpart Opher Linchevski shake hands during the signing of the agreement for PS Bedi Archive 2000 project, in New Delhi.

Announcing the launch of their pilot project, Tegh Singh Bedi, executive director of PSBedi Maman India Pvt Ltd said PS Bedi Archive 2000 will provide comprehensive records management & archiving service to enable clients to maintain stringent standards of confidentiality and access and manage their documents easily and efficiently. The system also allows remote access for authorised personnel at any time and from any location worldwide, utilising a secured internet interface.

DIESL discusses Delhi's potential

Drive India Enterprise Solutions Ltd (DIESL), a Tata group company, organised a round-table conference in New Delhi recently to discuss 'New Delhi: The emerging logistics hub of North India' and 'The increasing relevance of logistics outsourcing' among various challenges faced in the logistics arena. The conference was part of 'Captains of Logistics' – a series of multicity roundtable conferences held in Kolkata, Chennai and Bangalore since July to September this year to evaluate logistics outsourcing. The grand finale will be held in Mumbai.

Thought leaders of the industry, including supply chain & logistics heads from Accenture, ACC Limited, Avon Beauty Products India Pvt. Ltd, Bisleri India, Bilt, Ballarpur Industries Limited, Escorts Construction Equipment Limited, Glaxo Smith Kline, Good Year India Limited, Honda Motor cycles, Mitsubishi Electric, Pepsi Foods, Philips, SKF India, participated in the Delhi forum. The conclusions of the conferences will be published and presented in the form of a memorandum to the Government of India.

Delhi, said Ajay Chopra, CEO of DIESL, is home to a number of industries like automotive parts and accessories, apparel and clothing, agro products, chemicals and dyes, healthcare products, electronics and electrical equipment and products, hand and machine tools, engineering goods and products, leather and leather-based products, pharmaceutical products which has multiplied the need for building optimised supply chains in the region. "This has in turn triggered a demand for effective, economic and efficient SCM solutions that can help them build robust supply chains, whereby their objectives of reaching goods to the customers in the fastest, safest and fail-safe ways are materialised," he added.

Delhi emerges as the commercial capital of Asia. Hubs like

Gurgaon,

Noida,

Faridabad and

Ghaziabad

turn into flourishing business destinations. This throws up challenges for effective supply chain management.

Ajay Chopra, CEO, Drive India Enterprise Solutions Limited (DIESL), Chandramouli, Head of Demand & Supply, DSM Anti- Infectives AMEA and Rohit Sehgal, Vice President, TCS at the Captains of Industry conference in New Delhi recently. Sandeep Sharma, Vice President - SCM & Commissary Barista Coffee Company, presided over the meet.

The participants discussed the use of technology in logistics and various factors associated with it. The panel highlighted the need to estimate and provide clarity in terms of the objectives of outsourcing against concerns raised by participants about the lack of a result-oriented approach adopted by service providers.

Ajay Chopra, while stating the importance of viewing value addition at par or above cost reduction for a successful outsourcing initiative, cautioned against embracing outsourcing for inappropriate reasons. He called for the use of technologies like track and trace, inventory management systems and internal quality programmes to overcome challenges of visibility and service quality assurance.

Other issues like infrastructure, regulatory norms and fragmented markets came up for discussion. The participants spoke about the impending implementation of the GST and expressed concern over the delay. They also spoke about the concerns related to the form and content of the implementation.

NOV 12

Technology & Ports & Terminals

The Leela Kempinski, Mumbai

The event will have a series of presentations and panel discussions on the issues concerning port security, automation at ports for building efficiency, reducing pollution levels and the need for technology to thwart terrorism. It will highlight the new requirements for surveillance, tracking and screening technologies to identify threats to the port and supply chain.

www.maritimegateway.com

NOV 27

India Maritime HR Summit

Taj Coromandel, Chennai, India

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

APRIL 28-29

India SCM & Logistics Summit

Taj Mahal Palace, New Delhi

India SCM & Logistics Summit scheduled to take place on 28-29, April 2011 February 2010, will discuss subjects related to customising local requirements of infrastructure projects and the development of the global logistics services in the region.

www.maritimegateway.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.

2011

FEB 17-18

6th Philippine Ports and Shipping 2011

The Peninsula Manila, The Philippines

The two day conference will feature 25 world-class speakers analysing latest global and regional transport and logistics issues facing shipping lines and cargo owners. There will be an exhibition of 50 shipping lines, container ports, logistics companies, IT companies.

www.transportevents.com

MAR 09-11

Maritime Vietnam 2011

Ho Chi Minh City, Vietnam

Maritime Vietnam is the most comprehensive international business platform encompassing all aspects of ship building, marine services & engineering, port and supply chain management opportunities.

www.maritimeshows.com/vietnam2011/

NOV 25-26

The 4th Annual China International Multimodal Transport Summit

Shanghai, China

More than 200 senior attendees from government authorities, shipping, ports, railways, intermodal transport and FTWZs will take part in the event that will discuss the International Convention & Domestic Regulation for Multimodal Transport.

www.imts.com.cn

NOV 30-DEC 03

OSEA 2010

Suntec Singapore

The international character of the event presents marketing, education and networking opportunities and offers the platform to explore new oil and gas business opportunities, expand market presence and penetrate emerging markets.

http://osea-asia.com

DEC 02

3rd International Ports & Environment Seminar 2010

Amsterdam, the Netherlands

The programme will explore the latest developments, technology, research and solutions including topics such as noise, dust and exhaust emissions, environmental dredging, port expansion and development, ballast waste management and more.

www.millenniumconferences.com

DEC 08-10

Inmex China 2010

Guangzhou, China

The event provides a strategic platform for key industry players to explore new business opportunities specifically in the Southern China through an extensive showcase of cutting-edge marine technologies and marine equipment presented by both local and international exhibitors.

http://maritimeshows.com/china2010

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RNI NO.: APENG/2009/30633

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