

Newsletter for the week ended January 09, 2005

Vallarpadam pact being revised

After almost a month, the Finance Ministry has returned the Shipping Ministry's proposal for effecting changes to the draft licence agreement as recommended by the Cochin Port Trust for the proposed international container transshipment terminal (ICTT) at Vallarpadam without making any comments, directing the Shipping Ministry to move a note to the Cabinet Committee on Economic Affairs (CCEA) in this regard.

JNPT's fourth terminal

Five companies are in the race for the contract to undertake techno-economic feasibility study for the Rs 3,000-crore expansion project of Jawaharlal Nehru Port, which involves setting up of a fourth container terminal and a marine-chemical terminal through private participation on a BOT (Build-Operate-Transfer) basis. The port is also keen on hastening the implementation of the Rs 1,240-crore channel-deepening project, seeking Government's financial participation. JNPT has suggested that the Government convert the outstanding interest on the loans that the port had earlier taken into equity for quick implementation of the project.

Indo-Nepal trade via Birgunj ICD

The Birgunj inland container depot (ICD) in Nepal will be opened to India-Nepal bilateral trade from February 1, 2005, subject to the clearances by Customs authorities of the respective countries. This will increase the traffic throughput of Birgunj ICD sharply. At present, it handles only third country containerised trade, i.e. containerised imports from and exports to countries other than India, routed through Kolkata port. Nepal being a land-locked country, Kolkata port provides the transit facility for its third country imports and exports. CONCOR is the transporter of the boxes, both loaded and empties, between the ICD and the port.

International Cruise Terminal at Kochi

Five firms - Consulting Engineering Services (I) Pvt Ltd, New Delhi; Stup Consultants (P) Ltd, Navi Mumbai; L&T RAMBOLL Consulting Engineers Ltd, Chennai; KITCO, Kochi; and Jafza International, Jebel Ali, UAE have submitted their bids for consultancy services for setting up an international cruise terminal at the Kochi port. The size and phases of investment in the cruise service, finding a suitable location for the cruise terminal and identification of Kochi's potential and its enhancement would be the major tasks before the consultant.

Two-tier fee structure for tonnage tax companies

DG Shipping has adopted a two-tier training fee structure based on the Gross Registered Tonnage (GRT) of qualifying ships to operationalise the provision for minimum training requirements for tonnage tax companies. In case of GRT more than 500, a trainee officer will have to pay the shipping company opting for the tonnage tax regime, a fee of Rs 10,000 for every month of training with a cap of Rs 2,00,000. In the case of qualifying ships whose GRT is less than or equal to 500, the training fee will be Rs 3,000 per month subject to a maximum of Rs 1,00,000. The administrative cost will be ten per cent of the total training fees, which shall be paid by the tonnage tax company and trainee officers in equal proportion.

South Eastern Railway reallocates iron ore wagons

South Eastern Railway has cut down on the allocations of wagons for movement of iron ore for exports by halving it, but increasing the number for domestic movement of iron ore to meet the burgeoning ore demand of a large number of sponge iron producers located in West Bengal, Orissa and Chattisgarh. This has hit the exporters and the three east coast ports. The allocation is being made only to the extent backloading is possible to curb evacuation of the empty rakes out of the ports.

Ships carrying relief material get waivers

The Shipping Ministry has directed all the major port trusts to give priority berthing to ships carrying relief material and also to waive port charges on such ships, upon producing a certificate issued by Relief Commissioner stating that the material being carried is for relief purposes. The Ministry has also directed the Shipping Corporation of India to evacuate tsunami-affected people from the Andaman & Nicobar Islands free of cost.

India to import LNG from Iran

India signed an agreement to import 7.5 million tonne of LNG from Iran under a 25-year agreement beginning 2009 at a price linked to Brent crude oil, with a cap of \$31 per barrel. Under the oilfield-for-LNG deal, Teheran will also give Indian firms developmental rights in two producing oilfields. ONGC Videsh Ltd (OVL) will get a 20% share in the development of Iran's biggest onshore oilfield, Yadavaran, and 100% in the 30,000 barrels/day Jufeyr field. The 20% in Yadavaran would translate into 60,000 barrels/day of crude oil for India. Chinese company Sinopec will be the operator of the field with 50% stake and National Iranian Oil Company will have 30% share.

Vizag SEZ on expansion mode

In view of increasing economic activities coupled with growing exports from manufacturing and software/IT Enabled Service, the Visakhapatnam Special Economic Zone (VSEZ) has drawn a slew of initiatives. VSEZ has decided to expand its infrastructural facilities, both internally and externally, encouraged by the export performance in the last few years and the state government's focused thrust on the port city.

Electronics Corporation of India to make scanners for ports

In order to facilitate the Indian airports and seaports with the latest technology inspection systems to scan out explosives like RDX, contraband and drugs, Electronics Corporation of India Ltd (ECIL) has decided to manufacture scanning and security systems in collaboration with OSI Systems Inc, the world leader in electronic cargo inspection systems. OSI will transfer the technology to manufacture electronic cargo inspection systems such as x-ray, gamma ray, thermal neutron and pulsed fast neutron, based on the demand from Indian seaports and Airports Authority of India.

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Private shipyards in India snatches a bigger piece of the pie

The private shipyards in India seem to be having better order books than the government-owned ones. The worldwide surge in the demand for smaller vessels has been filling up the order books. ABG shipyard has an order book involving some 25 ships and Bharati Shipyard doubled its sales of ships from Rs 61.0 crore in 2003-03 to Rs 121.3 crore last fiscal. This has led to the expansion of shipyards, by way of new shipyards or acquisition of other smaller poor-performing shipyards. The ship-repair industry has also got a boost as shipowners, not willing to wait for the new ships, are upgrading their existing fleet so as to stay in the shipping race.

More investments in ports

Gujarat has gone ahead with full force by signing 32 deals worth Rs 15,500 crore, of which Rs 13,000 crore is for development of five greenfield ports. The amount is more than what has been invested in the state's port sector in the last ten years. The greenfield port at Maroli in south Gujarat has attracted the highest investment of Rs 6,000 crore with six investors proposing to invest in the project. The other four greenfield port projects are Vansi Borsi, Simar, Mithivirdi and Bedi.

DPI gets its way

The Cabinet Committee on Economic Affairs (CCEA) has approved the revised proposal submitted by Dubai Ports International (DPI) for setting up the Rs 2,118-crore international container transshipment terminal (ICTT) at Kochi port. As per the revised terms, DPI will pay 25 per cent of revenue to the government for the first eight years and the remainder with interest from the ninth year. DPI will initially take over the existing Rajiv Gandhi Container Terminal for further development and operation till the terminal becomes functional.

Importers demand reduction in administrative charges

Shipping lines at JNPT and Mumbai port have been charging 25 per cent of the value of the stamp duty as administrative charges, despite a recent directive by the Maharashtra Government that shipping lines and steamer agents should not charge more than Rs 50 per delivery order (DO). These administrative charges are for collecting stamp duty from importers on behalf of the government. The shipping lines find Rs 50 per DO uneconomical and demand the rate to be put at Rs 500 per DO. The importers find the rate of 25 per cent too high.

Urge to speeden up the revival of Hindustan shipyard

The Bharatiya Mazdoor Sangh (BMS) has submitted a representation to the Finance Minister to clear the long-pending proposal for financial restructuring in the Hindustan Shipyard Ltd (HSL) and also extend the necessary budgetary support to the PSU in the coming Budget. As a part of the revival package, inter-corporate loans had been arranged to the extent of Rs 30 crore during the past six months from the Visakhapatnam Port Trust (Rs 20 crore) and Kandla port (Rs 10 crore). The company is in need of more working capital to execute the orders that have been pouring in.

Indian logistics industry far from behind

Outsourcing of logistics requirements by corporate has led to new players in the industry, particularly foreign companies. The logistics services sector is set to expand its horizon to include non-traditional services such as reverse logistics, inventory management, packaging, labelling and even order processing. There has been an influx of foreign logistics service providers such as Swift Freight LLC of UAE, Rhenus AG, a subsidiary of the \$2.4 billion German Major Rethmann

Group and other players such as APL Logistics, Panalpina and Maersk Logistics expanding their operations in India.

ICD at Birgunj

The Birgunj-based Himalayan Terminals Pvt Ltd. (HTPL), a container terminal management company, was set up in July 2004 as a joint venture among CONCOR, Nepal Transit Warehousing Corporation and Interstate Multimodal Transport Pvt Ltd. Subsequently, CONCOR divested 20 per cent of its stake in favour of Transworld, a shipping company. HTPL is responsible for operation and maintenance of the huge inland clearance depot (ICD) set up with World Bank assistance at Birgunj.

Companies may look to separate out shipping divisions

Thanks to tonnage tax, corporate houses, having shipping as part of their overall business may decide to hive it off as a separate business to take advantage of the tonnage tax. State-run ONGC, which has the largest fleet of off-shore supply vessels, is already working on a separate shipping subsidiary to operate and manage its shipping assets. It has proposed a special purpose vehicle, ONGC Peripherals Ltd (Opal), to manage, operate and maintain its offshore supply vessels. It owns and operates 31 supply vessels. It also charters drilling rigs apart from the multi-purpose supply vessels from Shipping Corporation of India (SCI) and private sector companies to reach equipment to its offshore platforms.

SCI proposes to acquire new fleet

SCI proposes to acquire six new handymax bulk carriers of 53,000 DWT (dead weight tonnes) each to replace similar vessels that are due for scrapping soon. The plan submitted by the management was not in line with the Government stipulation on achieving an internal rate of return (IRR) of 12 per cent for ship acquisitions on account of the very high new building prices prevailing globally for such vessels. After the board clears the proposal, it will be submitted to the Public Investment Board (PIB) and the Cabinet Committee on Economic Affairs for approval.

A look at Indian bunkering industry

The potential of the bunkering business in India has attracted the Indian oil companies to look at the bunkering business with seriousness. The Indian bunkering industry has shown poor growth as compared to its counterparts in other countries owing to poor port infrastructure and high related costs. The oil majors are planning to tie up with other international bunkering majors to take advantage of the world market.

Industry eagerly awaits the new SEZ legislation

The new SEZ legislation is expected to have limited Union government interference. It will be a private sector and state government dominated and promoted affair. The proposed format will have multi-product zones that will include infrastructure, housing facilities and entire range of services ranging from financial functions to health. The plans include a jewelry zone and a software zone in Kolkata, auto component cluster in Tamil Nadu, and a tea processing SEZ in Darjeeling. Karnataka will have two SEZs in Mangalore (ONGC's 25,000 crore multi phase SEZ) and a multi-product one in Hassan.

Coastal Regulation Zone regulations highlighted

The Kerala High Court has submitted a writ petition in Kochi seeking that the Centre and the state government should restrain construction activity in no-development zones in violation of coastal regulation zone (CRZ) notification under the guise of rehabilitation of tsunami victims. In Kerala, the regulation restricts the construction of buildings up to 200 meters from the high-tide level. In

Tamil Nadu, the threshold is 500 metres. In order to rehabilitate the fisherman affected due to tsunami, the Tamil Nadu government may relax the CRZ provisions and allow them to build shanties. The apprehension here is that private developers may take advantage of this move and start building on that land.

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SEZ Bill

The proposed tax incentives for SEZs are now referred to a Group of Ministers as the finance ministry raised objections that they may affect the units in the domestic tariff area. The Finance Minister was also apprehensive that the overseas banking units in these zones would become a parking lot for bank funds and encourage diversion of balances from domestic banks as overseas banking units would not be regulated by the mandatory stipulations of RBI applicable to other domestic banks.

Hutchison Ports likely to enter Indian Port Sector

Following the government's decision to allow 100 per cent FDI in the ports sector, Hutchison International Ports Holdings, wholly owned subsidiary of Hong Kong based Hutchison Whampoa signed a memorandum of understanding (MoU) with the Gujarat Maritime Board (GMB), the nodal agency for the port sector in Gujarat, to conduct a feasibility study for two ports at Mithivirdi in Bhavnagar and Mahuva in Surendranagar.

Absence of dredgers slows the speed for DCI

DCI is finding it difficult to rake in the opportunity of the huge dredging business worldwide, as it requires dredgers to carry out its work. Being a government company, the procedure for acquisition is long-drawn. Besides, the prices of the new dredgers being exorbitantly high, may not put DCI in a competitively attractive position as it will have to revise its rates higher.

Problems at the Hooghly river

The lack of navigability of the Hooghly river and the absence of channel marking were causing enormous problems in maintaining regular river services on the National Waterways No. 1 i.e. Kolkata/Haldia - Allahabad stretch of the Ganga-Bhagirathi-Hooghly river system. The river might be wide but the width of the navigable channel was small. In many places, terminals were not available even as the cargo inducement was there. The trucks were not allowed to enter the Jagannath Ghat terminal within the Kolkata Dock System during the day time, making loading/unloading possible only during night and the workers in the night shift had to be paid more. The absence of GPS systems on board the vessels and night navigation facilities in the river, the stranglehold of mafia in the port area, lack of modern vessels and multiple handling adding to the cost.

Enterprise level e-governance programme

Mercantile Marine Department (MMD) at Mumbai is implementing the enterprise level e-governance programme called e-jahaz, developed by a consortium of HCL Infosystems Ltd and Applied Research International Pvt Ltd. The project will benefit the shipping industry and the seafarers' community. Shipping companies would be able to submit online applications for registration of ships, creation and discharge of mortgages, surveys and inspections, plan approvals, issue of CLC safe manning documents, ISM audits and IMDC code compliance. They would also be able to verify online ship details, mortgage details, ship certificates and seafarers' certificate details on payment of fees. Seafarers would be able to update their entire career profile, view exam schedules/results and apply for examinations.

Kandla box terminal

Kandla port had proposed to have the container terminal constructed and operated on BOT basis on berths no 11 and 12, which have a combined quay length of 545 metres and a draft of 12.5 metres alongside the berths. The berth no 12, which is at present being developed, is expected to be ready for use by October-end. The selected bidder will be required to commission full-fledged container handling operations at berth no 12, with at least two new Rail Mounted Quay Cranes (RMQCs), within 24 months of the signing of lease agreement.

The selected party will also have to commence container handling operations at berth no 11, which is ready for use, within eight months of the signing of the agreement, with adequate number of RMQCs and mobile harbour cranes as specified in the agreement. The port will put the draft RFP document before the board at its next meeting scheduled on January 29 and within a month after that complete the final round of bidding.

Vizhinjam Project

The entities, which had taken the RFP did not submit the techno-economic bids on the ground that certain conditions mentioned in the document were disadvantageous to them. The Department of Ports is considering meeting these entities to consider their suggestions and appropriately alter the clauses without jeopardizing the government's interests. Some of the relaxations sought by the companies pertained to risk-sharing and capacity-building parameters contained in the project structure.

Petronet LNG Shipping deal attracts global majors

Malaysia International Shipping Corp, Mitsui O.S.K. Lines, Teekay Shipping, Qatar Shipping, Exmar, SCI, GE Shipping, Varun Shipping and Essar Shipping have submitted their request for qualifications (RFQ) for the proposed LNG shipping contract of Petronet LNG Ltd (PLL). A consortium of Japanese shipping lines comprising Mitsui O.S.K. Lines-NYK Line-K Line has tied up with state-run SCI to bid for the \$600 million (Rs 2,623 crore) project to build and operate three LNG tankers of 1,38,000 to 1,65,000 cubic metre capacity. As per the tender terms, a foreign shipping company can bid in consortium with only one Indian entity while a domestic company can bid in more than one consortium of foreign partners.

Coastal shipping gets a boost

The Shipping Ministry has decided to cut vessel-related charges for coastal ships by a further 10 per cent from 30 per cent to 40 per cent and extend the concession to coastal cargo/containers also. The vessel-related charges for coastal vessels shall not exceed 60 per cent of the corresponding charges for foreign-going vessels. The vessel-related charges for coastal vessels will be de-linked from fluctuations in foreign exchange rates. Cargo/container from a foreign port, which reaches an Indian port for subsequent transshipment to another Indian port, will also qualify for the concessional rates in relation to the charges relevant to its coastal voyage. These concessions do not apply to the operations of loading/unloading on arrival/departure from/to a foreign port. The concessional cargo related charges will be levied on all the relevant handling charges for ship-shore transfer and transfer from/to quay to/from storage yard including wharfage. The concessional container related charges are applicable on the composite box rate.

Mumbai Port Box Terminal

Mumbai port has extended the deadline for submission of RFQ up to February 14 for its Rs 900-crore offshore container terminal project. The port has assured the potential bidders that the cost of deepening of the channel to 15 metres at the berth side will not be burdened on the bidders. The port is also willing to offer container freight station (CFS) space to successful bidders if they want to set up their own CFS. The first phase of the project envisages construction of two berths with a capacity to handle 0.8 million TEUs and the second phase involves construction of a third berth to take up the total capacity to 1.2 million TEUs. The first right of refusal to develop the third berth will be given to the successful bidder for the first two berths.

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Mumbai trans-harbour sea link project

Six construction majors have submitted pre-qualification bids for the Mumbai trans-harbour sea link project from Sewri to Nhava Sheva. The terms of the tender are quite strict in terms of cost escalations and the time for the completion of the project. The entity asking for the minimum assistance from the state government will be given preference. Moreover, if at any point during the implementation of the project if an entity gives cost escalations then the government will have the right to transfer the project to another entity. The pre-qualification process is scheduled for completion by March 2005 after which the technical bids will be opened and tender finalisation effected by mid-March.

Ministry of Shipping to draw up the cost-sharing plan for JNPT channel dredging

In order to take up the long pending Rs 2,200 crore dredging project at JNPT to deepen the channel, the shipping ministry is recommending the option of treating outstanding interest amount of JNPT, owed to the government on its loan as the share in channel deepening project or to finance it on its own or by government. The port has suggested the government to treat the outstanding interest amount of Rs 727 crore as the port's stake in Rs 2,200 crore project.

Probable vessel shortage in 2005

Container ship operators seeking extra tonnage to handle increasing volumes over the next two years may not be able to charter new vessels as, no vessel of 3,000-plus TEU (twenty-foot equivalent units) capacity may be available for hire in 2005. The vessels of 3000-4000-TEU capacity which are likely to be freed from their charter hire during the year will be re-hired by the existing charterers. Only in 2006, ships of 4000-5000-TEU capacity, including new buildings, may be available.

Transchart records the highest cargo handling in 2004

Transchart handled an all-time high quantum of government cargo in 2004 of 66.44 million tonnes of government cargo comprising dry bulk, liquid, liner, coastal and time charter cargoes. Of this, 42.32 million tonnes (63.39 per cent) were carried by 408 foreign flag vessels, while 24.12 million tonnes (36.31 per cent) were hauled by 417 Indian flag carriers. Dry cargoes such as coking coal/met coke accounted for 11.45 million tonnes in 2004.

Floating diesel supply facility by Reliance

Vivada, a local inland water transport company, along with Reliance Industries Ltd is planning to provide for retail sale of diesel to fishing trawlers and boats at Namkhana near Sunderban area in South 24 Paraganas district which is meshed with rivers and canals. This facility will be available on board a vessel belonging to Vivada. With this facility, the owners of numerous trawlers and various types of river craft abounding the area will no longer be required to rush to on land petrol bunks located at a distance for obtaining fuel for their vessels. The fuel will now be readily available right in the river. They will thus be able to reduce cost, so far incurred both by way of on land transportation and multiple handling.

Night navigation facilities as part of inland waterways

The Inland Waterways Authority of India (IWAI) proposes to have night navigation facilities installed over the stretches of the National Waterways Nos. 1 and 2 by March 2005. The absence of night navigation facilities restricted the movement of the IWT vessels at night, thus doubling the time taken by the river route to cover a particular distance.

Kochi steamer watchmen await settlement

Steamer watchmen, who lost their jobs following the implementation of ISPS code (international code for security of ships and port facilities) in Kochi port, are still awaiting their settlement. The steamer agents were unable to employ the steamer watchmen consequent to the direction given by the port. The watchmen could be appointed only if the port would allow the management to appoint them on board the ships while the ships were anchored in the berth. The management had agreed to pay an advance of Rs 3,000 for each watchman recoverable from settlement of the dispute.

ICD at Tirupur by Concor

Container Corporation of India (Concor) commissioned its inland container depot-cum-warehousing services in Tirupur, which will function from the Southern Railway's old goods-shed building located closer to the railway station. It has proposed to run special container rake from Tirupur to Tuticorin port once a week from this month to facilitate the faster movement of export cargo from the hosiery town to the southern sea port. The special rake will have 30 flats which will each carry two containers (of twenty equivalent units) initially. Depending upon the demand, the number of flats to be attached to the special rake service will be increased. The Tirupur ICD will have a full-fledged Customs official formation to undertake the export shipment verification.

Wreck removal norms

The Government has decided to enforce a new regulation to ensure that the cost of removing a wrecked ship from Indian coastal waters is borne by its owner following the growing instances of shipwrecks being abandoned by shipowners as their safe removal involves huge costs. This will make it mandatory for all ships calling at Indian ports to have an insurance cover to meet the cost of wreck removal. Over 100 wrecks are estimated to be lying at different places along the Indian coast.

Tuticorin port to invest in infrastructure facilities

Tuticorin Port Trust (TPT) will be spending Rs 100 crore during 2005-06 on improvement of infrastructure facilities at the port, which include creation of an additional berth with a draught of 10.7 m and road works worth Rs 17 crore. The draft in the inner harbour is to be increased from 10.7 m to 12.8 m. The outer harbour would be developed to a draft of 14-16 m in another five years. The plan also includes creation of six to eight berths to handle different types of cargo and dredging component.

New player in the Indian logistics scene

Seaways Rhenus Logistics Ltd., a 50:50 joint venture between Rhenus AG (a subsidiary of the Euro 2.4-billion German major - the Rethmann Group) and Hyderabad-based Seaways Shipping launched its Indian operations in Mumbai. The company, which will be providing door-to-door supply chain management solutions on the India-Europe trade corridor, will be investing Rs 100 crore initially for setting up the necessary infrastructure. Apart from international freight forwarding, contract logistics, warehousing & inventory management, inter-modal transportation and distribution, web-based logistics, and bonded cargo storage, the company will also undertake reverse logistics, i.e. collect old or damaged goods like computer hardware or electronic items, arrange for their re-cycling and deliver the re-cycled raw materials to the manufacturer.

Juicy Bits

- Shreyas Shipping Ltd has reported a 170 per cent rise in its net profit for the third quarter of the current fiscal to touch Rs 16.44 crore, against Rs 6.11 crore reported in the corresponding quarter of last fiscal. During the quarter, the company's operating income was Rs 25.76 crore (Rs 19.90 crore), representing a 29.4 per cent increase.

- Essar Shipping Ltd has recorded a 191 per cent increase in net profit during the third quarter of the current fiscal to touch Rs 107.24 crore as against Rs 36.84 crore for the corresponding quarter of last fiscal. The company's operating revenue was Rs 196.77 crore for the quarter, against Rs 147.80 crore in the third quarter of last fiscal, registering a 33 per cent increase.
- National Iranian Tanker Company (NITC), head-quartered in Tehran is negotiating with some Indian parties for a possible business relationship.
- The maiden voyage of `Desh Ujaala', the newly built very large crude carrier (VLCC) owned by Shipping Corporation of India (SCI), will fetch a Worldscale rate of 72.5 (about \$30,000-32,000 per day) for hauling crude oil for Indian Oil Corporation (IOC) from Ras Tanura in Saudi Arabia to Sandheads near Kolkata.
- Visakhapatnam port is still maintaining the lead in cargo throughput among major ports in the country for the fifth year by handling about 40 million tonnes in the current fiscal.

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Vallarpadam terminal agreement to be inked

The concession and licence agreement for developing the international container transshipment terminal (ICTT) at Vallarpadam in Kochi Port will finally be signed between Dubai Ports International (DPI), and the Cochin Port Trust, in Thiruvananthapuram next week. The ICTT will be implemented through a Special Purpose Vehicle, India Gateway Terminal Private Ltd, a 100 per cent subsidiary of DPI initially. DPI has decided to induct a local entity, Chakiat Agencies Private Ltd, which will hold a small stake in the SPV. DPI will handle cargo at the RTGC terminal and within four years construct the new terminal and shift operations.

Paradip port to handle petroleum products

Paradip port is now all set to handle petroleum products of both classes A and B at its oil jetty. It will start handling class B products like diesel first. Class A products such as motor spirit and crude may start at a later date. IOC will not be allowed to utilise the south quay once the oil jetty is ready for operation. IOC has indicated to export naphtha through Paradip.

Kandla box terminal

As per the draft concession agreement for developing the container terminal at Kandla port drawn up, the private operator selected to operate a container terminal at the port will have monopoly over container handling only for a period of 10 years. If the successful bidder handles more than 5 lakh twenty-foot equivalent units (TEUs) per year for two consecutive years, the Port Trust has the option to develop a new container terminal either with its own funds or through private investments.

Maritime Commission of India

The Ministry of Shipping has proposed to establish a Maritime Commission of India, on the lines of the Federal Maritime Commission (FMC) of the US, to regulate the activities of the various ocean transport logistics service providers such as shipping lines, shipping agents, freight forwarders, consolidators, ICD/CFS operators and Concor. This regulatory body will aid in bringing transparency and simplifying the tariff structures.

Azhikkal port

The Kerala Ports Department will float a fresh tender for Azhikkal port due to lack of response for the earlier one. The project profile is being reworked to bring down the costs. The plan now is to implement the project in modular pattern with the participation of one or more promoters.

Dhamra port

The consultants for the Dhamra port project have completed the engineering designs for the project and are awaiting final clearance from the environment protection authorities. The Rs 1,500-crore project with initial capacity of 15 million tonnes (mt) per annum is being implemented by a joint venture between Tata Steel and Larsen & Toubro. A 60-km long rail network linking Dhamra port with the Indian Railways network at Bhadrak located on the East Coast Railway would be part of the project. The rail network is estimated to cost Rs 300 crore.

Essar with a foreign hand in LNG shipping

The Bermuda-based Golar LNG Ltd. has apparently teamed-up with Essar Shipping Ltd to bid for the \$600 million (about Rs 2,600 crore) LNG shipping deal of Petronet LNG Ltd (PLL). The Essar-Golar consortium is expected to give a tough fight to the other bidders including Mitsui O.S.K.Lines-NYK Line-K Line-SCI, Qatar Shipping Company-SCI, Malaysia International Shipping Corporation Bhd-GE Shipping, Teekay Shipping Corporation-G E Shipping and Varun-IOC combine.

Gati launches Chennai to Yangoon service

With the direct service from Chennai to Yangoon, the Gati has reduced the transit time between the two destinations from 20 days to five days. Due to the absence of a direct shipping service, containers were transhipped at Port Kelang or Singapore. The service would help the movement of pulses towards India. Its first vessel Gati Suvidha will sail with 377 twenty-foot equivalent units.

JNPT-Tughlakhabad sector - dedicated freight corridor

The Shipping Ministry has suggested a dedicated freight corridor between Tughlakhabad and the Jawaharlal Nehru port to cater to the increasing container movement between the two places. The project is estimated to cost around Rs 5800 crores and the major ports and the private sector including the private terminal operators are ready to participate in the project.

Shipbuilding unit on land at Jellingham

Kolkata Port Trust is keen on setting up a shipbuilding unit on land at Jellingham. Several private firms have shown interest in a shipbuilding project at Jellingham. The present boom in shipping, coupled with the introduction of tonnage tax, should boost shipbuilding activities.

Juicy Bits

- JNPT lifts the ban it had imposed on import containers containing metal scraps owing to severe congestion.
- During 2004-05 (upto January 2005), the Mangalore port has handled a record traffic 27.15 million tonnes as against 20.85 million tonnes handled during the corresponding period of last year clocking a growth rate of 30.21 per cent over last year.
- With effect from February 1, 2005, the cargo-related charges for coastal vessels have been cut by 40 per cent, with a view to give a boost to coastal shipping.