

i-maritime News Service

October 09, 2006

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Fleet renewal may cost \$4 bn

The Indian shipping industry will be required to spend about \$4 billion on fleet renewal, in the next five years. The average age of the Indian fleet is about 18 years and 40 per cent of the ships are more than 20 years old, and about 56 per cent of the fleet is up for scrapping. According to international practice, all ships over 17, if they have to continue in service, must be overhauled and re-deployed. Even after that, they can serve only up to the age of 25. Internationally, the average age for retiring ships is 22 years. Besides, most ships owned by private Indian companies are single-hull, all of which have to be phased out by 2010 under India's commitment to the International Maritime Organisation.

Spot shipping freight rates up

The average spot shipping freight rates for both the tanker and dry bulk segments have grown in the September 2006 quarter on a year-on-year basis. In the VLCC segment (ships typically used for transporting crude oil from the Middle East to refiners across the globe) the average spot freight rate was \$57,386 per day in the September 2006 quarter compared with \$30,175 per day in the September 2005 quarter. The demand for oil tankers will be on rise on approaching winter. In the dry bulk segment, the Baltic Dry Index averaged 3,596 levels in the September 2006 quarter compared with 2,447 levels in the September 2005 quarter. This has been attributed to demand from Chinese steel exports.

Chennai port to set up wind farm

Chennai port trust will issue a tender shortly for a wind farm project at a cost of Rs 75 crore, which would be the first of its kind. The port's annual power requirement is around 30 million units and it spends about Rs 30 crore on power. Through the wind farm, the port trust would be able to save nearly 50 per cent on power cost. It plans to lease or purchase windmills in Tirunelveli or Coimbatore. In the first phase, the port trust plans to have 7.5 MW windmills and the capacity would be doubled later. The port trust would supply power from its windmills to the State electricity grid and later draw power from the grid whenever required.

Shipyard at Kakinada

The Andhra Pradesh Government is proposing a shipyard at Kakinada by allocating 600 acres. The State Government was keen on developing the Kakinada-Visakhapatnam belt as an industrial corridor and several projects were coming up in the near future in Vizag. At Kakinada, a port-based special economic zone (SEZ) with a refinery was being set up by ONGC. The State Government was negotiating with the L&T for setting up the shipyard, estimated to cost roughly Rs 1,000 crore.

Dedicated freight corridor

The 1,469-km-long dedicated western freight corridor, linking Jawaharlal Nehru port to Dadri near Delhi, is expected to be completed in five years at a cost of Rs 11,446 crore. Fit for double stock container train movement, the corridor will be routed through Vadodara, Ahmedabad, Palanpur and Rewari. The total length of the dedicated freight corridor is 11,500 km and is expected to involve an investment of Rs 1,00,000 crore. While the western corridor will have a length of 1,469 km and seven feeder routes, the eastern corridor will have a track length of 1,232 km and 17 feeder routes. Both the western and eastern corridors will be connected between Dadri and Khurja to facilitate transfer from one corridor to the other. The western corridor will carry container traffic from the western ports to destinations in Delhi, Haryana, Punjab and Uttar Pradesh and the eastern corridor will mostly carry coal and steel cargoes. The movement of trains with computerised control system will considerably reduce cost of operations, which is expected to benefit the industry and thermal power plants.

Wheat imports at Tuticorin port

Tuticorin and Chennai ports will handle record consignment of wheat this year. This is due to the 55-lakh tonnes of wheat that the State Trading Corporation will import from various countries, including Russia, and increased import by private buyers. The Tuticorin port handled 3.05 lakh tonnes of wheat. Of this around 1.5 lakh tonnes was the STC cargo for Food Corporation of India (FCI) and the other half was wheat imported

by private buyers. The port handled eight wheat ships (four for FCI and four for private importers) and three more are working at berths. Due to faster turnaround of ships the cost of handling them is cheaper at Tuticorin compared to other ports. Also, wharfage cost of Rs 28.40 a tonne for wheat and cheap labour costs makes the port more competitive than others. The port trust provided four warehouses and two transits sheds. The port trust also provided around 30,000 sq m of space to FCI on the wharf to store wheat. Private buyers were also provided space outside the port premises for quick clearance of the cargo.

Workers' body against separate port for large users

The Water Transport Workers Federation of India (WTFI) has demanded that the Government should refrain from conceding the demand of large users to establish separate ports near major ports. This is in the wake of permission sought by South Korean steel major Posco from the Orissa Government to set up a separate port at Jatadhari, seven km south of Paradip Port. The contention is that with the existence of Paradip port and its expansion plan of constructing a deep harbour with 16-m draft to handle iron ore vessels of one lakh dwt, the need for another port close by is debatable.

ONGC gives companies a year to upgrade offshore fleet

ONGC has given a year's time for shipping companies to modernise their offshore supply vessels. This will enable the companies to participate in the ONGC tender for the chartering of 30 offshore vessels fitted with Dynamic Positioning (DP) system and modern fire-fighting equipment to meet the latter's increased requirement for offshore oil exploration. While some companies are looking for shipyard space overseas, others feel that the job could be done in India. It is estimated that the outfitting of the new facilities would take at least nine to ten months, with the investment varying from vessel to vessel.

Mitsui's new service to link Singapore

Mitsui O.S.K. Lines Ltd will start a new container service linking Chennai and Singapore Straits to meet the rising demand for cargo transport in India. The first service will be on October 10 from Singapore to Chennai and in the return direction, the vessel would leave the city on October 16. This service will be through a joint venture operation with Singapore-based Sea Consortium Pte using one container ship provided by each company. This will be one of the fastest services from Japan to Chennai linking to Mitsui's Japan/Straits service. The port rotation in the new service would be Penang (Friday/Saturday), Singapore (Sunday/Monday), Port Kelang (Tuesday/Wednesday), Chennai (Sunday/Monday) and Penang (Friday/Saturday).

FPSO vessel to be operational by month-end: ONGC

The floating production storage and offloading (FPSO) vessel hired by Oil and Natural Gas Corporation (ONGC) to augment its production from the Bombay High North (BHN) field is expected to be operational by the month-end. With the deployment of FPSO, it was envisaged that production from the wells/platforms could be put back on production at the shortest possible time. Subsequent to the BHN accident in July 2005, several wells and platforms connected to BHN were closed and some were alternatively diverted to other platform wherever alternative pipelines were available for immediate evacuation. The deployment of FPSO had emerged as one of the options to produce from well platforms of the BHN area.

Juicy Bits

- In September 2006, Kolkata Dock System has handled 24,383 TEUs marking a 28.63 per cent growth in container traffic handling compared with 18,956 TEUs in the corresponding month in 2005.
- A record was established on September 30 at Visakhapatnam port when 6,156 tonnes of wheat was discharged from Liberty Ace, at

EQ-1 berth, surpassing the previous best of 5,481 tonnes of wheat from Aliko on September 12.

- Five months after Indian Navy warship INS Prahar sank after colliding with Shipping Corporation of India's container vessel MV Rajiv Gandhi off the coast of Goa, the navy has sacked the captain of the warship for navigational error that caused the mishap.

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Reliance Group's Rewas port may draw bigger box ships with 20-23 m draught

Mukesh Ambani-led Reliance Group proposes to develop the largest port at Rewas that has a natural draught of 20 metres, which can be deepened to 23 metres. In this enterprise, the Reliance Group has earmarked an investment of over Rs 3,000 crore to develop the Rewas port, located some 10 nautical miles, or 16 km south-east of Mumbai Port. The group is just awaiting the word 'go' from the Environment Ministry, it is learnt. The Rewas port, a nodal point for exports from SEZs, will be connected by both rail and road corridors.

Unanimity on KDLB merger with KPT

The Kandla Dock Labour Board (KDLB), under the stewardship of Mr A. Janardhana Rao, Chairman of Kandla Port Trust (KPT), has crossed a major milestone by finally resolving the long-pending issue of the merger of KDLB with KPT. With this bold step taken by KDLB under its Resolution No. 870, Kandla becomes the fifth Dock Labour Board (DLB) in the country to merge with Major Port Trusts. The merger, to be made effective from the date of issuance of a notification to this effect by the Union Ministry of Shipping and its adoption by the KPT Board, will ensure greater regularity in employment, higher labour productivity, quicker turnaround of vessels, cost effectiveness in cargo handling and effective control of different agencies functioning at the Port. The merger will also benefit the Port users by considerably reducing the cost of handling at the Port on the one hand and ensuring social security to the workers on the other.

Shipping cos seek to boost fleets

After pharma and telecom, shipping majors are on the prowl for vessels. State-owned Rs 3,584 crore Shipping Corporation of India (SCI) will seal a deal on October 27 for acquiring six ships. The estimated cost of these vessels is over Rs 5,000 crore. S Hajara, chairman and managing director, SCI, told DNA Money, "On October 27, SCI will sign the deal for acquiring six ships. We are hungry for more acquisitions." Sources close to development said SCI has plans to acquire 35 more vessels, which requires an

investment of Rs 6,000 crore. The company has already placed an order for two very large crude carriers with a Korean yard for Rs 1,200 crore. The delivery is expected by the end of 2008.

Govt expects to pull in Rs 34,000 cr. private investment in port sector

The Union government expects the private sector to chip in with Rs 34,000 crore of the total Rs 55,800 crore required by the port sector, through the public-private partnership (PPP) route, the Shipping Secretary, Mr A. K. Mohapatra, told a conference on infrastructure. Of the total requirement, he said Rs 32,564 crore would be required for 76 projects for berth construction, Rs 6,034 crore for 25 channel deepening projects, Rs 2,633 crore for equipment, Rs 5,956 crore for 45 connectivity projects and the remaining Rs 8,347 crore for other 78 projects.

Maersk shares value will double by 2010 – Danske Bank

Shares of A.P. Moller-Maersk A/S, down by about a fifth this year, will double in value by 2010 as the world's largest shipping company accelerates the expansion of its oil, tanker and terminals divisions, Danske Bank said. Maersk, as the company is commonly known, will probably spend about \$ 15 billion on its container and tanker fleet and the same amount on its container terminals, Mr Henrik Lund, an analyst at Danske in Copenhagen, told investors. "The long-term value-creation impact will support the share price toward 100,000 kroner by 2010", wrote Mr Lund, who recommends investors buy the shares.

Railways to effect stiff hike in container haulage charges from November 1

Although railways recorded profits exceeding Rs 20,000 crore in the current fiscal, it has hiked the containerised freight charges in several segments with effect from November 1. The range of the hike varies according to total freight tonnage and the distance. The hike is maximum in short-distance categories for all slabs. The Railways' measure is expected to push up the operating costs for container operators, who pay haulage charges to the Railways

for using its track and signalling infrastructure. And unless the Container Corporation of India (CONCOR) follows suit by hiking its own tariffs for its customers, its margins are likely to be squeezed. These charges will be valid for other private container operators as well.

92 pc rise in FDI flow during April-July 2006
Foreign direct investment (FDI) in India rose by 92 per cent during April-July this fiscal to \$ 2.9 billion, as against \$ 1.5 billion in the same period last year. FDI inflows during July increased by a record 259 per cent to \$ 1.16 billion, as against \$ 324 million in July 2005, the Commerce Minister, Mr Kamal Nath, disclosed here. The single largest inflow so far this year was by Singapore-based Barclays bank, which brought in \$ 380 million, he said. The country is expected to receive \$ 12 billion FDI during this fiscal, as against \$ 8.3 billion in 2005-06.

India, EU trade to reach Euro 70 bln in 2 yrs: CII

Bilateral trade between India and the European Union is expected to reach Euro 70 billion in the next two years as against an estimated Euro 48.5 billion in 2006. This was stated on Wednesday by Confederation of Indian Industry (CII) on the eve of India-EU Business summit on Thursday in Helsinki, Finland. At present Finland holds the Presidency of the EU. "If the current growth rates in trade continue, then by 2012, when India and EU should have a trade agreement in place, bilateral goods trade could be around Euro 150 billion," according to CII.

Oilmeals export up 26 pc in H1

Exports of oilmeals for September 2006 doubled from the same period last year. Soyabean exports of 1.79 lakh tonnes accounted for a large part of the total exports. The availability of rapeseed from NAFED throughout the year boosted its exports by three times from the corresponding period last year. The net effect on the overall exports of the oilmeals has been an increase of 26 per cent during the first half of the current fiscal. China has been the main customer for the overall exports of oilmeals, soyabean, rapeseed and groundnut during the last month.

Govt to pump Rs500bn in food processing

The government envisages an investment of Rs. 500 bn in the food processing industry during the 11th Five Year Plan, said Minister of State for Food Processing, at a Workshop organized jointly by the Confederation of Indian Industry and Ministry of Food Processing Industries. The workshop is to draw up a series of recommendations on the industries for the 11th Plan. Out of this, the government's share will be 10%, industry 40% and banks and financial institutions, 50% Minister said. These investments will go towards building backward and forward linkages in the supply chain, testing facilities and setting up new abattoirs.

Auto sales may touch 10 mn in 2006-07

This year is slated to be the hottest for the Indian automobile industry. Between April and September, automobile companies hawked over 4.86 million vehicles, including cars, two-wheelers and commercial vehicles, in the domestic market. The staggering growth rate of 17.12 per cent for the half year is the highest in the last five years. If this trend continues, industry experts said sales could touch 10 million by March 2007, an annual growth rate of 20 per cent. For the April-September period in 2005-06, sales of domestic vehicles stood at 4.15 million, up 13.39 per cent over the previous year. Prior to that, sales for the same period in 2004-05 were 3.66 million vehicles, a jump of 14.73 per cent.

Juicy Bits

- Cargo throughput at the 12 Major Ports recorded a growth of 6.13 per cent during the first half of the financial year over the same period of 2005-06. The Major ports handled 214.64 million tonnes of cargo during April-September 2006, as against 202.25 million tonnes in April-September 2005.
- THE Jawaharlal Nehru Port (JNP)—all three of its terminals put together—has registered a throughput of 1,547,304 TEUs in the first half of the current fiscal (April-September), as against 1,280,399

TEUs in the corresponding period of 2005-06, translating in-to a growth rate of 20.85 per cent.

- Cochin Port has registered a cargo throughput of 77.94 lakh tonnes, an increase of 28.50 per cent during April-September 2006-07 over 60.65 lakh tonnes handled during the same period in 2005-06, the Cochin Port Trust (CoPT)

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October 30, 2006

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News shipping services by global shipping lines in India

Most global container carriers are either starting new services or enhancing their services connecting India, China and the Far East. Gateway Terminals India is said to have received over 40 applications from overseas shipping companies for berths. Shipping Corporation of India (SCI) has joined Dubai-based Emirates Shipping Line (ESL) and Taiwan's TS Line to launch Hyper Galex, a service connecting China, South East Asia, India, and West Asia. SCI, along with ZIM Integrated Shipping Services, had started an India-US East Coast weekly service in May. Japanese carrier Mitsui OSK Lines launched China-Singapore Service Loop 1 on October 19, connecting Chennai Port and JN Port to Shanghai and Singapore. Mitsui OSK Lines and Singapore-based Sea Consortium have also started a new container service, Singapore Chennai Express (SMX), linking Chennai and ports in the Singapore straits. Pakistan India Express, a consortium of Thai company Regional Container Lines, German Hapag-Lloyd, and TSK Line, a unit of Japanese line NYK has launched a news service in October.

Foreign shipping firms prefer to set up direct offices in India

Large foreign container shipping companies are setting up direct operations in India and by-passing Indian agents. Till recently, these shipping companies were depending on local shipping agents to manage their distribution network and other logistics. Now they prefer to have a direct office in order to have a better control over operations. German shipping line Hapag Lloyd, South Korean company Hanjin Shipping and United Arab Shipping Company (UASC) are the latest shipping majors to set up offices and a distribution network in India. The majors like P&O Nedlloyd, Maersk-Sealand, APL-NOL, Safmarine, Evergreen, Lloyd Triestino, Mitsui OSK, Yang Ming Lines, CMA CGM, PIL, Hyundai Merchant, CSAV-Norasia, Zim Israeli Navigation, Wan Hai Lines, OOCL, CP Ships and Cosco have already done away with the involvement of shipping agents in order to set up their offices. The shipping agents are hence focusing on other areas like port-related

infrastructure or building CFSs and entering into slot arrangements with large shipping lines.

Railways to provide logistics support to retail chain biggies

Indian Railways has initiated talks with major players like Reliance, ITC, Bharti, Aditya Birla Group, the Tatas and Hindustan Lever to provide them supply chain logistics support. Along with logistics support, the railways have also agreed to provide the private players land for national, regional and rural hubs. The companies will pool in about Rs 20,000-30,000 crore for setting up the infrastructure, including warehouses, cold storages and domestic container train stations. The national hubs will be created at the four metro cities and select non-metros and will also house a special freight station with dedicated terminals for every product. The supply chain would consist of a multi-modal transport system and railways will be involved in transporting goods at a distance of over 100 km as it would not be feasible for them to carry goods over shorter distances. Railways would provide break vans in passenger trains for carrying goods in the 100 km to 500 km segment. For distances over 500 km, it was willing to provide parcel and break vans as well as container trains.

Kolkata Dock tests the level of 40,000 tonnes vessel

Despite the draft restriction in the Hooghly River, Kolkata Dock System (KDS) under Kolkata Port Trust is set to handle a vessel with a parcel load of nearly 40,000 tonnes, requiring a draft of 10.3 metres. This is the highest parcel load to be handled by KDS. The earlier maximum parcel load record was 37,000 tonnes. The vessel, Lissa Topic, carrying 39,383 tonnes of peas/rapeseed from Vancouver, Canada, is now at Saugor Anchorage, where about 7,500 tonnes are being unloaded. The vessel will then proceed to Diamond Harbour Anchorage to discharge the balance quantity.

Revised Indo-Pak shipping protocol

The Union Cabinet has approved signing of revised Protocol on shipping services between India and Pakistan. It will allow lifting of cargo between the two countries by

third country vessels as well as lifting of third country cargo by Indian and Pakistani flag vessels from each other's ports. This is expected to enhance tonnage under both the flags and also result in competitive shipping rates. At present, the shipping protocol between the two countries does not allow shipping companies of both the countries to pick up transshipment cargoes for a third country party. Indian flag vessels can only pick up cargoes from an Indian port to be dropped at a Pakistani port and vice-versa.

Crane, equipment suppliers look for other avenues for business

The suppliers of cranes and other material handling equipment, who till recently depended on Government ports, now are looking at private sector ports or other core sectors such as power, steel, coal and cement for business. The speed in commencing operations and the cost-efficient way of running operations of the private sector companies as opposed to the bureaucratic way of handling operations in government companies leasing to delays have led to these shifts. The spurt of port projects such as Dhamra and Gopalpur in Orissa, Machhlipattam, Krishnapatnam and Gangavaram in Andhra Pradesh and Ennore and Karaikal in Tamil Nadu provide them with ample opportunity.

Cabinet okays container scanners procurement

The Union Cabinet has given its approval for procurement of four fixed X-ray and three mobile gamma ray container scanners at a cost of Rs 172.94 crore through a global tender to be installed at Mumbai, Chennai, Tuticorin and Kandla ports. These will assist the Customs Department for collecting Customs duties and other levies as well as the prevention or detection of movement of contraband goods across the country's international borders. They will also reveal discrepancies between the declaration made in the prescribed documents and the cargo actually stuffed inside the containers.

New Mangalore Port box traffic crosses 10,000 TEUs

Container traffic at New Mangalore Port crossed 10,000 TEUs (twenty-foot

equivalent units) during the current fiscal as against 9,646 TEUs in 2005-06 owing to the increase in the frequency of container vessels calling at the port and to the movement of more container cargo from the hinterland. The commencement of a new line by Relay Shipping, connecting NMPT with JNPT, started calling at the port to handle the additional cargo moving through the port.

Haldia Docks trying to ease out capacity constraints

The Haldia dock is working at 130 per cent utilization. Moreover, Haldia is fast emerging as a growing industrial hub of West Bengal, with many new industrial units coming up there and existing units planning capacity expansion. Some of the major users of the dock have started diverting their vessels to other ports. The Dock authorities are building two new berths inside the dock. The commissioning of these berths would not only ease the pressure on the existing berths but also help achieve a rational distribution of traffic among the berths. The productivity of the dock is also being increased by modernising equipment. Four RTGs (rubber tyred gantries) and two RMQCs (rail mounted quay cranes) have already been acquired. Also, the new berths being built would be equipped with latest technology.

India Steamship plans to buy Aframax tanker

India Steamship (ISS), the shipping division of Chambal Fertilisers & Chemicals Ltd plans to acquire a second-hand, double hull Aframax crude tanker by the end of this year or early next year at an estimated cost of \$65 million. Currently the ISS fleet consists of four crude carriers, three of which are Aframax tankers. The division has on order with Hyundai of South Korea three more Aframax crude tankers of 1.05 lakh dwt each for delivery in 2008, with the option for ordering a fourth.

Haldia Dock wants to acquire dredger

Kolkata, Oct. 25 The Haldia Dock authorities have sought permission from the Shipping Ministry to acquire on lease or outright purchase a dredger, preferably cutter suction type, to dredge the Hooghly near the

Dock's oil jetties, particularly number one and two jetties, it is learnt. Due to silting in the river near the oil jetties, the jetties were put out of commission for nearly two weeks recently causing difficulties to Indian Oil Corporation and other users of the jetty. The problem was resolved temporarily by dredging the river with the help of the Dredging Corporation of India (DCI). But, it is feared that DCI may not be able to help on a long-term basis. DCI is at present engaged in dredging works at two other locations in the Hooghly—Jellingham and Auckland. The Dock authorities have also appealed to the Ministry to constitute an expert committee to review the rapid morphological changes taking place in the Hooghly and suggest suitable solutions.

22 FDI proposals cleared

New Delhi, Oct. 25 THE Union government has approved 22 foreign direct investment (FDI) proposals worth Rs 896.25 crore, including over Rs 500 crore in real estate by Singapore-based Solitaire Capital Investments. Solitaire, with Rs 511.50 crore, was the single-largest investor cleared by the Finance Ministry, an official release said. The proposals, cleared by the Finance Minister, Mr P. Chidambaram, on the recommendations of the Foreign Investment Promotion Board (FIPB), include a plan by Mauritius-based Bijlee Bharat Holdings, which will bring in FDI inflow of Rs 307.94 crore. Also, NSK Ltd of Japan has committed Rs 41.25 crore to set up a new joint venture in Chennai to manufacture magnetic clutch bearings and ball bearings. Lladro Commercials S.A. of Spain will invest Rs 5.85 crore to increase its equity in SPA Agencies (India) from 26 per cent to 49 per cent.

Auto sector races to 10m milestone

NEW DELHI: The growth in automobile sales (excluding tractors) during the first six months of this fiscal is any indication, it seems that 2006-07 would be a year of record growth across all segments - be it passenger cars, two-wheelers and commercial vehicles. Coming as it is after a low-growth year - in 2005-06, total automobile sales grew by just about 12.8% - this fiscal could well be a landmark year for companies dreaming it big about making

India an auto export hub. During the first six months of this fiscal, overall sales were up 17.12% at over 4.86 million units (excluding tractors). And analysts are predicting similar growth rates to continue through the remaining months. Passenger cars logged almost 23% sales surge during the April-September period whereas sales of commercial vehicles (CVs) were up around 37%; two-wheelers logged 15.5% rise. According to projections, passenger cars are expected to close the year with up to 16% growth against only about 9% last fiscal.

Reliance may set sail with logistics arm

MUMBAI, 23 Oct: Reliance Logistics (RLL), a part of Mukesh Ambani's Reliance group, is in the process of starting its coastal services. The move assumes significance as it may be a precursor for the Reliance group to have its own fleet of ships. With a 30 million tonne refinery at Jamnagar in Gujarat to be doubled by early 2008, Reliance's requirement for ships is set to double. At present, Reliance Industries hires ships to move its captive cargo ranging from crude oil, chemicals, polymers to liquid fuel. The new refining capacity, being built at the cost of Rs 25,000 crore, is being designed for exports by Reliance Industries. RIL imports over 70% of its crude requirement from the Arabian gulf. RLL, that provides end-to-end transportation, is initially looking at partnering a shipping company to run small container ships along the Indian coast. RLL is in talks with 3-4 firms for hiring coastal ships on long-term charter, sources said.

Juicy Bits

- SCI will be investing about \$370 million to buy six product tankers and two cellular container vessels.
- A spurt in imports of wheat and fertiliser has caused a huge build up of stocks of these at the Kandla port.

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Four foreign dredging companies shortlisted for JNPT project

Four foreign dredging companies Boscalis and Van Oord BV of the Netherlands, Jan de Nul of Belgium and Dredging International have been shortlisted by the Jawaharlal Nehru port to execute its Rs 800-crore project for dredging of the harbour entrance channel, edging out Dredging Corporation of India (DCI). The port is deepening and widening the channel in two phases — in the first phase, the channel will be dredged up to 14 metres draught to accommodate container vessels of capacity 6,000 TEUs and in the second phase the draught will be further increased to 15 metres.

Inland Water Transport in Kerala

The National Transportation Planning and Research Centre (NATPAC) is planning to prepare a master plan for Kerala waterways and its feeder routes with a view to reviving the inland water transport sector as well tourism. NATPAC had completed the studies of feeder canals in Alappuzha, Kollam and Thiruvananthapuram districts as part of identifying the stretches suitable for developing navigation, development works and identifying its constraints. The dredging of the canal is to be carried out to a depth of 2 metres and a width of 30 metres to provide a uniform bed. There should also be suitable bank protection of canal banks wherever necessary providing terminal facilities and wayside amenities. There will be signboards and other facilities to attract tourists and also provision for navigational aids.

Amendment of 1975 protocol sought for

According to The Federation of Indian Export Organisations (FIEO) bilateral trade between India and Pakistan would get an impetus and cargo flow between Indian and Pakistani ports could increase dramatically if the 1975 protocol is amended to lift the cargo restrictions imposed on both the countries. It is particularly aimed at permitting both countries' vessels to carry each other's cargo to different countries as well as allow third-country vessels to pick up cargo from each others' ports. This would help both countries to save cost and bring

down transaction cost to their trade and industry substantially.

National Waterways-3

Inland waterways operators in the State are concerned about the slow pace of the various development activities on the National Waterway-3 alleging lack of co-ordination among the various governmental agencies in the State to solve various issues of encroachments, bottlenecks in land acquisition and clearing of fishing nets that is hindering the development of the waterway extending some 205 km between Kottappuram to Kollam. Though the authorities declared the NW-3 a national waterway in 1993, only the stretch between Kochi and Alappuzha (63 km) is navigable. According to the operators, with the present draught it would be difficult to move even 200-tonne barges through the waterway. Transportation via the waterway will be economical only if barges with a capacity of above 500 tonnes can be moved.

Shipping Ministry urges delink from the public-private partnership appraisal committee

The shipping ministry is of the opinion that it can do without the public-private partnership appraisal committee (PPP-AC) in the finance ministry. It is seeking exemption from taking projects to the committee and is of the opinion that the central guidelines of 1996 for private sector investment in ports are comprehensive enough to deal with PPP projects. The ministry has forwarded four port development projects to the PPP-AC for clearance. It looking for private sector investment for 10 port projects this fiscal and nine in the next. The 1996 guidelines allow private sector participation in leasing out existing assets of ports, construction of additional assets, leasing of equipment for port handling and leasing of floating craft from the private sector, pilotage and captive facilities for port-based industries. The nodal agency for carrying forward all such projects was the shipping ministry.

Tuticorin port move to check bunching of vessels

Tuticorin Port Trust will permit berthing at a time only for two vessels carrying the same commodity to avoid bunching of vessels at

the port. The third vessel carrying the same commodity could be considered for allotment of berth, if the berth is available. In the case of ships carrying copper ore, there is a restriction to allow berthing for only one vessel at a time. The port trust is collecting a special levy of Re 1 per tonne to clean spillage of bulk cargo during transportation in the port area. The levy is towards cleaning charges of bulk import/export cargoes, including granite blocks and logs but excluding general cargo and machinery.

Bidding for rail container operators in November

The railway ministry is planning to open bidding for the rail container operators once again in November, by when it hopes the MCA for the first round will have been signed.

The MCA for the first round of container operators is still awaiting the comments of the law ministry. The concession agreement had been finalised and was only waiting for the law ministry's approval. Three container operators Bothra Shipping, Gateway Distriparks Ltd, and JM Baxi and Co are gearing up to start operations soon and had requested the railway ministry for special permission to begin operations before signing of the MCA.

Box operators irked by Railways policy change

Container operators plan to represent to the Railway Ministry against its recent directive restricting movement of ores, minerals, coal and coke by containers. Given the ease of handling containers, several heavy goods, such as iron ore, steel, petroleum products and cement, are now getting containerised. Barring container movement of such commodities could affect the business plans of operators because such moves might restrict market access.

ONGC part of INSA?

ONGC is likely to become a member of Indian National Shipowners Association (INSA). Ministry of Petroleum, with much reluctance, has agreed ONGC's membership into INSA. ONGC's entry into INSA is expected to help both the shipping companies, especially those that are in the offshore services sector, and ONGC.

Juicy Bits

Great Eastern Shipping Co will be subscribing to the equity of its wholly owned subsidiary, Greatship (India) Ltd, to the extent of Rs 250 crore. The subsidiary is engaged in the offshore business, after the parent company de-merged its original offshore division into a separate outfit, Great Offshore Ltd.

Please send comments and suggestions to

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