

## **Newsletter for the week ended January 8, 2006**

### **India Gateway commissions pre-stage complex**

To provide exporters with a one-stop solution for customs and export documentation, India Gateway Terminal, the container terminal operator in Kochi Port, commissioned the pre-stage complex at Willingdon Island. The pre-stage complex will ensure that all export containers entering the Rajiv Gandhi Terminal are cleared by the Customs and ready for loading. The complex would provide the trade with a facility for handling all customs and IGT documentation under one roof and avoid traffic congestion at the terminal gate complex. Apart from having a capacity of parking about 80-100 trucks/trailers, the pre-stage also has a customs station, which would be operational 24 hours a day, 100 per cent power back up, leased lines for data connectivity, common office for the custom house agents in order to consolidate their customs and IGT documents, a ramp for the Customs inspection etc.

### **Mundra SPM receives first crude consignment**

The newly commissioned single-point mooring (SPM) facility Mundra Port received its first consignment of crude oil for Indian Oil Corporation. MT Omala, a very large crude carrier (VLCC) carrying 2,65,000 tonnes of crude from Nigeria, docked at the SPM facility and began the discharge of 70,000 tonnes of crude meant for IOC's Bhatinda refinery. The crude is being stored at the tank farm. The crude pipeline is set up by IOC at Mundra at a cost of Rs 331 crore. It would be moved to the Bhatinda refinery through its Kandla-Bhatinda pipeline that has recently been converted into a crude carrying pipeline.

### **Increase in haulage charges to cost Concor Rs 50 crore**

The recent increase in haulage charges by 15 percent across the board, paid by Concor to the Railways for using its infrastructure such as tracks and signalling systems is likely to hit the company by about Rs 50 crore this fiscal unless it passes the hike on to its customers. In 2004-05, Concor paid Rs 985.84 crore to the Railways for using its infrastructure. Owing to a five per cent increase imposed in April this year, Concor is likely to pay out about Rs 49 crore more to the Railways compared to last year's haulage charges.

### **Mormugao port to hike charges**

Mormugao Port Trust has forwarded a proposal to TAMP for an upward revision in vessel related charges at 20 per cent as against the asking rate of 28 per cent, which is worked out based on the recent guidelines issued by the Tariff Authority for Major Ports (TAMP). The proposal has been forwarded to TAMP following the approval of the board of Mormugao Port. The authorities have decided to reduce container handling charges. It has been decided to charge Rs 1,800 per container of 40 feet against the existing Rs 2,000 and Rs 1,350 per container of 20 feet against Rs 1,500.

### **India Gateway's port operating efficiency**

There has been a 21 per cent increase in the number of container vessels calling at Kochi since we took over the Rajiv Gandhi Container Terminal (RGCT) from the port in April this year. The current growth rate of containers to the port was seven per cent in the first eight months of this year, which is expected to touch a double-digit growth by next year. As against 208 vessels handled from April to November 2004, the number has gone up to 260 in the first eight months of this year. Last month alone, IGT handled 42 container vessels, the highest number ever handled. The turnaround of vessels, which used to be in the range of 2.3 days during the time of Kochi Port Trust handling the terminal, has come down to 1.5 days

### **Concor to offer block train booking for shipping lines**

Container Corporation of India (Concor) has offered to run block trains between Delhi and Visakhapatnam port's container terminal, under which, instead of piecemeal booking of containers, CONCOR will offer the entire train for booking to the shipping line which, either singly or jointly, can book it and in turn offer slots to individual traders. Concor has agreed to offer regular and reliable services between its inland container depot (ICD) at Raipur

(Chhattisgarh) and Visakhapatnam port's container terminal. Concor has also offered its yard space in the ICD Raipur for use by trade as well as shipping lines to reposition empties and other purposes. It has even offered to move exports by domestic containers to Visakhapatnam port for re-stuffing in exim containers, thus benefiting the Raipur-based shippers who will not be required to wait for the exim containers to arrive at the Raipur ICD.

### **Limited cargo keeps increased rake capacity underutilised at Paradip**

The completion of work on the doubling of the 82-km long railway track between Cuttack and Paradip has substantially increased the line capacity on the route so that as many as 30 rakes a day can now be moved each way every day as compared to 15 till recently. However, Paradip port continues to receive 15 rakes a day. The additional traffic for Paradip port may materialise mainly by way of larger movement of BOBR (bottom open bottom release) rakes carrying thermal coal from Talcher mines to the port for shipment to Ennore by the coastal route. This is because the port is geared to handle as many as 20 BOBR rakes a day as the mechanised coal handling plant set up at a huge investment (with assistance from ADB) has the capacity of 20 million tonnes annually. The port now receives only eight rakes of BOBR wagons every day.

### **Sixth cruise ship coming to Kochi**

The sixth cruise ship mv Nautica called at Kochi Port during the current tourist season. Cruise vessel mv Deutschland already anchored at Kochi Port for a day's stop. The first one was Pacific Princess followed by Star Flyer, Seabourn Spirit, and Europa. Two more cruise vessels are scheduled to visit Kochi during this month. Considering the spurt in the growth of tourism related activities in India and especially in Kerala, the port has drawn up strategies to project itself as a major cruise destination in the region. Drawing from its natural advantage as well as proximity to the maritime highway connecting Far East and Australia to Europe, the port has embarked on a business strategy to promote tourism-related activities. The port authorities are interacting with the Inland Waterways Authority of India to evolve an alternative logistics route to offer connectivity to cargo.

### **Hutchison awaits Central nod to participate in bidding for the second terminal at Chennai**

The Centre is yet to give its security clearance to the Hong Kong-based Hutchison Port Holdings that has partnered Larsen & Toubro to bid for developing and operating the second container terminal at the Chennai port. However, the other two consortium bidders — Port of Singapore Authority/Sical and Emirates Trading Agency/Gammon India — have got the clearances to bid for the Rs 492-crore project. The port trust will go ahead with the technical evaluation of the bids, and plans to open the financial bids in January 2006.

### **Special warehousing zone may come up at Ennore through SPV**

A 300-ACRE free trade and warehousing zone is being planned at Ennore through a special purpose vehicle (SPV) to be created by Ennore Port Ltd, IL&FS and MMTC Ltd. The zone will be similar to the one near the Italian port of Interporto di Nola. It would have a vast assortment of products from a number of companies for users to buy. The zone will offer companies customised and categorised warehouses and sophisticated freezers, and can handle all types of cargo, including break bulk, containers and dry cargo. It will have storage facilities, controlled humidity, low-cost skilled labour, a transport facility and an information technology system for cargo tracking. It would also have deferred duty benefits.

### **SCI to get training ship from Japan**

The Japanese Government has decided to gift Indian government a 30-year-old ship for training purposes. This acquisition will fulfil the long-time need of SCI for having a training ship. There is a proposal to recover part of the cost of maintenance by operating it on the coast.

## **Newsletter for the week ended January 15, 2006**

### **Sethusamudram Corporation, and Suez Canal Authority sign pact**

Sethusamudram Corporation Ltd (SCL) signed a memorandum of understanding (MoU) with the Suez Canal Authority (SCA), Egypt, for cooperation in implementing the Rs 2,427-crore Sethusamudram Ship Canal Project (SSCP). SCA manages the Suez Canal, which links the Red Sea with the Mediterranean. The agreement is an international cooperation to share views and avail of SCA's experience and technology. A similar agreement would also be signed with the Panama Canal Authority. The agreement would cover exchange of information, expertise and technological advancements that will facilitate and promote construction, operation and management of SSCP, train personnel in construction, operation, maintenance and management of ship channel, develop programmes that will encourage technical cooperation between the two authorities, promote best practices through exchange of personnel, identify and promote cooperation in other areas of mutual interest, and set up a joint working group for the implementation of the MoU.

### **Orissa warned against Jatadhari port plan**

The Centre has warned that the proposed port of POSCO at Jatadhari can lead to severe erosion along the coastline and pose serious threats to the Paradip port. The need for the Jatadhari port, estimated to cost \$900 million, was felt as the Paradip port was found wanting in several respects. Jatadhari was planned as a dedicated port for the 3-million tonne capacity steel plant.

### **Concor plans terminal expansion at JNPT**

Container Corporation of India (Concor) is planning to acquire 14 hectares in addition to the existing 10.5 hectares of land to expand its container freight station (CFS) operations at Jawaharlal Nehru Port Trust (JNPT). Eight hectares of this additional land will be used to set up two warehouses. Concor can start import bonding facility and consolidation of less than a container load (LCL) at JN Port and is now in the process of securing custom notification for the new facility. The import bonding facility will enable a trader to release his cargo in multiple terms under a bond facility.

### **Garware Ship to supply platform supply vessel to British Gas**

Garware Shipping Corporation has secured a one-year contract worth Rs 22 crore from British Gas to supply them a platform supply vessel (PSV) to support their exploration activities. Garware Shipping would be deploying its platform supply vessel M V Everest, in the offshore blocks of Panna, Mukta and Tapti on the west coast of India, with a tonnage capacity of gross registered tonnage 1,972, for the British Gas deal. Garware Shipping had acquired this vessel from Norway. Garware Shipping has a fleet of four anchor handling tug cum supply vessels and one PSV. These are specified vessels used in oil drilling operations. They are used to carry workers and cargo to the rigs as well as to tow rigs and buoys from one location to another.

### **Mundra terminal to ship Tata buses**

Mundra port is trying to woo auto companies to route their exports through its terminal. It has already managed to convince Tata Motors to use its facility and is trying to get in Maruti Udyog to consider its facilities for exporting its vehicles. Mundra International Container Terminal aims to become a major export facility for the automobile manufacturers from the northern hinterland. The rail connection between Adani port and the northern states is being executed to other destinations of the western states like Gujarat and Rajasthan. A railway project connecting Mundra and Kandla port would help company facilitate the container cargo movement from the port.

### **Mumbai Port gets stay on coal imports ban**

The Mumbai Port Trust (MbPT) secured a stay from the state environment appellate authority on the Maharashtra Pollution Control Board's (MPCB) order asking it to stop handling of coal for Tata Power on environment grounds. Earlier the appellate authority had asked MbPT to appoint an independent agency to assess whether the coal handling was affecting the quality of air at the port. The port appointed Water and Power Consultancy Services (Wapcos), which gave it a clean chit. Tata Power was importing coal via Daramtar Port for last six to seven years, but had shifted its coal import base to Mumbai Port Trust (MbPT) from Daramtar Port to save about Rs 50 crore a year on transport cost.

### **Vizag port appoints IPA as consultant**

The Visakhapatnam Port has appointed Indian Ports Association (IPA) as consultants to prepare a feasibility report for the proposed mechanised handling system at the general cargo berth (GCB). The management has decided to mechanise the handling facilities at a cost of about Rs 80 crore. Manual handling is resulting in wastage of time as ships have to wait for two days on an average to unload coking coal cargo at GCB. Due to this inordinate delay, there are instances of some ships being diverted to other ports.

### **Vallarpadam project work to begin in April 2007**

The environment clearance for the Vallarpadam project, off Kochi, is expected in September 2006 and other projects proposals like the Petronet LNG terminal and the Gail petrochemical complex would commence as per schedule. The single buoy moor for Kochi Refineries Ltd were expected to be completed before schedule. The rail connectivity to the terminal would be undertaken by the Railways and the road link by NHAI. The port would undertake dredging, deepening and widening of the navigational channel at an estimated cost of Rs 500 crore. The port had handed over 32 hectares of land to Petronet LNG for its regassification terminal and construction work was expected to start soon.

### **Funds for Sethusamudram Ship Canal Project**

Deutsche Bank and Depfa Bank Plc, an Irish company, have agreed to provide foreign commercial loans for the Sethusamudram Ship Canal Project (SSCP), with an eight-year moratorium and repayment period of 20 years. Indian Overseas Bank, Syndicate Bank, HDFC, Corporation Bank, Tamil Nadu Mercantile Bank and Jammu & Kashmir Bank have agreed to provide rupee term loan for the project. The interest rate is 7.5 per cent, and it would be revised after five years. The repayment period is 12 years with five years of moratorium.

### **Sethusamudram project drops plan to reclaim Dhanushkodi**

Sethusamudram Corporation Ltd (SCL) has dropped the idea of reclaiming 200 acres of lost land of Dhanushkodi, a coastal town near Rameshwaram island in southern Tamil Nadu, following opposition from local people. A detail project report on SSCP prepared by L&T-Ramboll Consulting Engineers Ltd had proposed construction of a slipway with repair facilities for repairing pilot and mooring launches in the vicinity of service jetty at Dhanushkodi.

## **Newsletter for the week ended January 22, 2006**

### **Cochin Port Trust to float free trade warehousing zone**

Buoyed by the proposed international container transshipment terminal (ICTT) and the Petronet LNG project, the Cochin Port Trust (CoPT) had decided to set up a free trade warehousing zone (FTWZ) as part of its proposal to have a special economic zone. Major companies had evinced interest in setting up SEZ and the review meeting also decided to attract as many manufacturing industries as possible in the area. This would also generate employment opportunities.

### **Coal linkage cut down for Paradip, Haldia ports; up for Visakhapatnam**

The coal linkage committee has cut down the thermal coal shipment linkage by the coastal route for the ports of Paradip and Haldia while that for Visakhapatnam port has been stepped up for the January-March quarter 2006 vis-à-vis the quarter October-December 2005 on account of the good rail connectivity. The thermal coal shipped through Visakhapatnam port is sourced from IB Valley mines of the Mahanadi Coalfields Ltd. For the Railways, transporting coal from IB Valley mines to Visakhapatnam port is operationally convenient. The shipments are made through these ports to Ennore and Tuticorin ports to meet the requirement of Tamil Nadu Electricity Board.

### **SCI consortium emerges lowest bidder for Petronet LNG deal**

The consortium comprising state-owned Shipping Corporation of India (SCI) and three Japanese shipping lines Mitsui O.S.K Lines, NYK Line and K Line is set to win the Rs 3,200-crore deal from Petronet LNG Ltd to haul additional quantities of LNG cargo from RasGas in Qatar to its expanded terminal at Dahej in Gujarat. This will be the second LNG shipping deal for the SCI-Japanese shipping lines consortium. For the first phase of the Dahej terminal project, Petronet had hired two LNG tankers from the same consortium. The consortium has quoted the lowest charter hire rate of \$72,880 per day for transporting gas by deploying a 155,000 cubic metre capacity foreign-flagged LNG tanker.

### **Maintenance of seaways**

The Union Government's help has been sought for maintaining the seaways on the lines of national highways. The maintenance activities include carrying out dredging operations in major ports, which can be carried out on BOT basis. When all the major ports are achieving high throughput, the Government should consider extending fiscal assistance for maintaining the seaways. This will cushion the activities at the ports.

### **Mumbai High Court directs Government to take decision about Seamen PF soon**

The Mumbai High Court has directed the Union Government to take an appropriate decision soon on how it will deal with the Rs 92.78-crore loss suffered by Seamen's Provident Fund (SPF) in securities trading in 2002. The court gave the directive after hearing the Government counsel stating that the Government had earlier agreed to consider the unions' demand provided they gave an undertaking on their consent for a structural reform of SPF and for a one-time settlement. The court has also directed the unions to defer their decision to go on strike till January 31.

### **Kolkata port rationalises marine-related charges to boost traffic on Hooghly**

In a bid to step up operation at Sagar Island and Diamond Harbour anchorages, in turn to promote movement of traffic by the IWT (inland water transport) mode to and from both Kolkata Dock System (KDS) and Haldia Dock Complex (HDC), the Kolkata Port Trust (KoPT) has rationalised marine-related charges. Under the new plan, even small ocean-going vessels ferrying goods between Sagar Island/ Diamond Harbour anchorages and KDS/HDC will be treated as inland water vessels/barges by the port authorities for the purpose of levying marine-

related charges. As a result, it has been estimated, the operators of such vessels will stand to gain because the inland traffic already attracts concessional cargo-related charges.

### **Suez Canal depth being increased**

The Suez Canal Authority will increase the depth of the Suez Canal to 66 ft from 62 ft at a cost of over \$250 million, by the end of 2006 to accommodate 100 per cent of the global container fleet (fully loaded vessels), 99 per cent of bulk fleet, 60.4 per cent of the tanker fleet, all ballast vessels, VLCCs (very larger crude carriers) and ULCCs (ultra-large crude carriers) in partial loaded conditions. It will be able to handle vessels up to 2.40 lakh DWT (dead weight tonne) capacity from 2.10 lakh DWT.

### **Dredging body seeks common pre-qualification norms**

The Indian Dredger Owners Association has suggested to the Government that common pre-qualification norms be adopted and prescribed in all tenders of ports. According to the pre-qualification, norms till now have been deliberately presented favouring foreign companies to the specific exclusion of Indian dredging companies, since tenders are now revised so as to be based on achieving particular dimension. The Association demanded that those who have successful track record and having recently executed similar works should definitely be allowed to participate.

### **Fresh proposal to revive Alappuzha marina project**

The Kerala Ports Department had entered into a memorandum of understanding with Mumbai-based Eeco Marine for the development of the marina more than a year ago. The company had also submitted a proposal subsequently. Eeco Marine has now submitted a revised proposal, which is under evaluation. The marina project, estimated to cost Rs 250 crore, envisages development of facilities at Alappuzha port for water sports, boat cruising and related recreational activities. It is one of the major development projects drawn up by the Ports Department along with Vizhinjam, Azhikkal and Beypore projects.

### **Bad roads in Chennai hit movement of container vehicles**

The recent rains have badly affected the Ennore Highway, a major link between the Chennai port and Ennore/Manali. Movement of loaded container vehicles from Chennai port to Ennore and Manali on the Ennore highway, and vice versa, has been stopped. These vehicles take an alternative route through Thiruvottiyur. Only empty container vehicles take the highway to various warehouses in the region, according to an official of a container freight station (CFS) located in North Chennai.

## **Newsletter for the week ended January 29, 2006**

### **Paradip to get separate iron and coal berths**

The government is planning to construct two bulk berths at Paradip Port, for handling of iron and coal, at a cost of Rs 600 crore to cater to the increased demand for coking coal. The project would be implemented after the dredging work is done, which would involve expenses of around Rs 154 crore. This development is apart from the special purpose vehicle (SPV), which is being prepared for Paradip port, for improving rail and road connectivity till the port.

### **Posco to build dedicated port against government's wish**

Posco justified the need for a dedicated port citing several reasons; the capacity of Paradip Port is already over-stretched and it is not in a condition to handle their cargo dedicatedly. Besides being located away from the proposed site, the facilities at the southern tip of the Paradip Port were being utilised in a big way by the Indian Oil Corporation. The company's key officials had detailed discussions with senior Orissa government officials and had impressed upon them the need for a separate port. After prolonged parleys the government relented and allowed it to build a separate port at Jatadhari.

### **Shipping Trade Practices Bill**

The Department of Shipping is working on a proposal to introduce a Shipping Trade Practices Bill that would cover all intermediaries and logistics service providers involved in export and import of cargo. The idea is to bring all services rendered in arranging and transportation of export import cargo under some kind of quality control. There would be a tribunal that would take care of disputes involving these service providers. The services also include those extended at container freight stations, inland container depot, in transit warehouses, amongst others.

### **Cochin Chamber hails budget allocation for road, rail links to Vallarpadam**

As per the plans finalised by Cochin port, various developmental projects to be taken up by the port will be completed between two-and-a-half years to four years. The new ventures, including the ICTT and the ship repair facility, are expected to bring in a total investment of Rs 7,403 crore. Of this, private investments will be to the tune of Rs 6,858 crore. Besides, the Port is also looking at common infrastructure facilities that would be needed before the ICTT becomes a reality. An investment of Rs 8,487 crore is needed for the purpose. Building of the rail and rail link to ICTT project site are included in this. The environmental clearance for the ICTT is expected before September next year while work on the transshipment terminal is expected to commence by April 2007.

### **Mundra Port**

Mundra has been working on improving the railway and road infrastructure for the port located in the Gulf of Kutch. It has the natural advantage of a good draught. The Port is strategically located, being close to international shipping routes and has a vast hinterland in northern and central India. It has a Port and Special Economic Zone (SEZ) as a single complex. The Mundra Port is set to be part of the upcoming 10,000-hectare Mundra SEZ area.

### **Kochi terminal: Petronet to finalise deal with Australian company**

Petronet LNG Ltd (PLL) has decided to finalise a deal with an Australian company, Gorgan Projects, for supply of LNG through a consortium of which the stakeholders are Chevron, Exxon Mobil and Shell to its proposed 2.5-million-tonne per annum terminal here to be commissioned by 2009. The lowest bidder for carrying LNG from Ras Laffan Gas, Qatar to Dahej terminal is the consortium of SCI, along with its partners Mitsui OSK Lines, NYK Lines and K Line, he said. The

other is the consortium of Great Eastern Shipping Company with Teekay Association. These two consortia had submitted fresh bids as asked for by PLL, following the government's decision to allow chartering of foreign flag vessels for import of LNG.

### **On-wheel examination facility at Kochi Port container terminal**

In order to improve the facilities in the Rajiv Gandhi Container Terminal, India Gateway Terminal (IGT), the container terminal operator at Kochi Port, has developed a 450-metre platform with covered lighting to facilitate "on wheel examination" of import containers. As many as 35 containers can be examined in one lot at the platform that would help to de-congest the terminal area and also synergise the activities of the Customs officials as well as steamer agents. IGT is planning to fence the terminal to restrict the entry of outsiders as well as private vehicles inside the terminal. In order to ensure safety, they are also planning to offer shuttle vehicle service for transporting agents, Customs officials and visitors within the operational area of the terminal.

### **Cruise vessels calling in**

The Superstar Libra will call at Kochi six times in the coming months. This is the first time that Star Cruises, the leading cruise liner of Asia has placed a vessel in the Indian circuit connecting ports of Mumbai, Goa, Kadamat in Lakshadweep and Kochi. The vessel is doing regular 2-day cruises between Goa and Mumbai. The agents for Star Cruises are offering wide range of packages on Superstar Libra. With Kochi becoming a port of call, Star Cruises is also going to play a major role in tourism development of Kerala with the prospect of nearly 2,000 passengers disembarking at Kochi for excursions and shopping.

### **Tobacco Board officials visit Chennai port, container terminals**

Officials of the Tobacco Board and leading tobacco exporters from Guntur, Andhra Pradesh, visited the Chennai port and the private container terminal to inspect the facilities. The delegation watched a demonstration of the safety cage operation during the fumigation procedure. Annually, around 8,000 containers of tobacco from Guntur, 400 km away, are shipped through the CCT. The delegation requested the department to enable exporters to obtain self-sealing facility.

### **Poor crude tanker arrival at Sandheads**

The total throughput of crude lighterage at Sandheads so far in the current year has been a little more than 2 million tones (mt) compared to more than 3 mt in the same period last year. The drop in throughput has been caused by the non-arrival of huge crude tankers such as VLCCs/ULCCs or Suezmax types at the Sandheads. The non-arrival of the tankers is attributed to the jamming of vessels at the loading ports, mostly in the West Asia Gulf. Huge crude tankers (VLCC/ULCC/Suezmax) with full load arrive at Sandheads for discharging crude in smaller daughter vessels through ship-to-ship discharge. The smaller daughter vessels, requiring lower draft, in turn, discharge the same crude at various ports such as Haldia, Paradip, Visakhapatnam and even Chennai. The huge crude tankers come to Sandheads because no other port in the country offers the kind of draft these vessels require. The crude lighterage at Sandheads is generally undertaken for six months, from October to March.

## **Newsletter for the week ended February 5, 2006**

### **SCI consortium to order ship from Samsung to transport gas from Qatar to Petronet terminal**

The shipping consortium, comprising the Shipping Corporation of India (SCI), Mitsui OSK, NYK Line and K Line, will place order with Samsung of Korea for building the 153,000 cbm capacity LNG vessel to be used for transporting an estimated 2.5 million tonnes of gas annually from Qatar to the Dahej terminal of Petronet LNG at an estimated cost of more than \$200 million. The vessel will be delivered in 2009 when the transportation of the gas is due to start. The funding of the acquisition of this third LNG vessel is yet to be finalized.

### **Kochi Refineries' SPM project**

As Kochi Refineries Ltd (KRL) is in the process of awarding major contracts for the single point mooring (SPM) and laying pipelines, the construction at Puthuvypeen near here has come to a halt after the head-load workers went on a strike demanding high wages. Work at the site, including the construction of storage tank farm (STF) on 70 hectares at a total cost of Rs 40 crore, was awarded to a Mumbai-based company, which had started executing the project. The ratio of workers to be drawn from different trade unions such as CTTU, INTUC, CITU, AITUC and BMS for employing at the construction site had been finalized.

### **Paradip port to install 2 new cranes**

Paradip Port will shortly have two new cranes, each of 20-tonne capacity, installed at its central quay. Estimated to cost Rs 6 crore each, the cranes are being supplied by TIL Ltd. The port has also planned to replace two of its three existing 30-year old low capacity (13.2 tonne each) cranes installed at the eastern quay. The plan is to install two higher capacity (20 tonnes each) cranes. MMTC and TM International Logistics Ltd are believed to have shown interest in bringing mobile harbour cranes to facilitate their operations in the port.

### **Maritime Development Programme**

The National Maritime Development Programme (NMDP) for the country is envisaging an investment of Rs 100,339 crore to be spent in 387 identified projects in port and shipping sector spread over 20 years. The total investment includes Rs 55,804 crore for the port sector during the next six years to be funded through public private partnership (PPP). This would enhance the aggregate cargo handling capacity of 12 major ports to 820 million tonnes per annum (mtpa) by 2011-12 from 397.5 mtpa. The NMDP plans to implement 76 projects for construction of berths and jetties, 25 projects that would help deepen port channels, 52 projects that include procurement, replacement and upgradation of port equipment, 45 projects aimed at improving port connectivity to the hinterland and 78 other related schemes dedicated to improve storage capacities, internal circulation systems. An investment of Rs 44, 535 crore for development of shipping and inland water transport (IWT) is planned through budgetary support and internal and external budgetary resources over a 20-year period (up to 2024-25).

### **Karwar port**

Karwar port, one of the important minor ports along coastal Karnataka, has received funding under the ASIDE (Assistance to States for Developing Export Infrastructure and other Allied Activities) scheme for the establishment of a warehouse with fumigation facility for cashew, and for the implementation of an International Ship and Port Security (ISPS) facility. Apart from improving infrastructure inside the port premises, steps have also been taken to improve roads around the port. The project cost for the establishment of the warehouse with fumigation facility for cashew had been estimated at Rs 2 crore, of which Rs 1 crore had already been released.

### **Shipping Trade Act to check middlemen**

The shipping ministry has given in-principle approval to the proposed Shipping Trade Practices Act, a legislation aimed at tightening control over shipping industry intermediaries and will cover charges, including documentation and surcharges filed by shipping lines, railway operators and airlines. Airlines, shipping lines, shipping agents, freight forwarders, terminal operators, container freight stations, inland container depots, Container Corporation of India, cargo consolidators, transporters, stevedores and shippers will come under the purview of the proposed Act. It includes provision for mandatory registration of all intermediaries and penalties. It also specifies procedures and modus operandi for arriving at rates for services provided by intermediaries through a process of consensus and conciliation. The director general of shipping will coordinate its execution. The government was also planning to set up a three-member grievances redressal panel, including representatives from the judiciary, administration and trade.

### **Ship breaking firm hires Gujarat Environment Protection Infrastructure Ltd to remove toxic waste from French warship**

Alang-based ship breaking firm Shri Ram Vessels Scrap Pvt Ltd has hired an external agency to remove asbestos from the controversial French warship Clemenceau on its arrival. The company had struck the deal for the warship with the French defence ministry last year. Owing to environmental hazards that ship breaking poses, the government agencies including the Customs department have also geared up for full inspection of the ship on its arrival. The French Authority had given classroom and practical training to the GEPIL last year on how to remove asbestos from the defunct ships.

### **Shell closes operations of its LNG Hazira terminal**

Shell has terminated its operations for the time being at its Hazira terminal in South Gujarat, owing to the price difference between the global prevailing prices of LNG and the price expected by the Indian buyers. This is likely to cause shortage of around 7 lakh cubic meters per day of natural gas for Gujarat industries. The prevailing global prices of LNG had made it nearly impossible for the Shell to market LNG swapped with one of its own global sources to sell in India. The drying of Shell supply has increased the demand supply gap in the state by nearly 0.7 million cubic meter per day for the industries in Gujarat, which is heavily dependent on natural gas. Shell had started diverting its cargo for its Indian operations to the US market where natural gas prices have flared up because of cold winter and reduced supply worldwide.

### **Concor`s logistics service to take on container policy**

Container Corporation of India (Concor) signed a memorandum of understanding with Central Warehousing Corporation and Pipavav Rail Corporation Ltd to provide complete logistics service to its customers. All the companies will pool their resources to provide door to door movement of cargo by all modes of transport including rail. Central Warehousing Corporation is the public sector unit having the largest network of warehouses in the country. Pipavav Rail Corporation is the joint venture between Pipavav port and the railways operating rail section between the port and Sundernagar.

### **Centre`s tactics to link Posco project to Paradip**

The Centre is planning to include the Talcher-Duburi stretch on NH-200 in Orissa under phase IIIA of the National Highway Development Programme (NHDP) to facilitate Korean steel giant Posco's proposed \$12 billion steel project in Orissa. Posco has earmarked the stretch as a potential linking route from the proposed steel plant to Paradip Port, and to the company's captive port, coming up at Jatadhari. The captive port is just 7 km away from Paradip port. The ministry has asked the National Highway Authority of India (NHAI) to prepare a detailed project report

(DPR) on the stretch. The DPR would pave the way for four-laning of the stretch, thus providing road connectivity to the Posco plant.

### **Juicy Bits**

- The Jawaharlal Nehru Port Trust (JNPT) has surpassed the 2.50 million TEU traffic mark. The port has handled 2.58 million TEU in the calendar year 2005 compared with 2.36 million TEU in 2004, thereby registering 9.32 per cent growth.
- Visakhapatnam port handled 414 lakh tonnes of cargo from April to December 2005, as against 362 lakh tonnes during the corresponding period in 2004, registering a growth of 14 per cent, during the first nine months of the current fiscal, as compared to the corresponding period last fiscal.