



 **MARITIME INFRASTRUCTURE**

### **Indian Major Ports Capacity to Cross 1 Billion By 2012**

Mr TR Baalu, the Union Minister Of Shipping, Road Transport & Highways, said that the aggregate cargo handling capacity of the 12 major ports in 2007-08 has been projected to touch 528.75 million tonnes per annum by March 31st 2008 and 1,016.55 million tonnes per annum by the end of the 11th Five Year Plan, following berth development, procurement or modernization and up gradation of cargo handling equipment. Mr Baalu explained that development of infrastructure in major ports was an ongoing activity, keeping in view the demands of maritime trade. The activities, performance, productivity and the profitability of major ports varied, depending on a number of factors, including the location of the Port, its infrastructure, labor, resources and cargo profile. During the 11th Plan, outlays of Rs 1,227.74 crore, Rs 1,254.79 crore and Rs 1,448.20 crore were envisaged for the expansion and development of Ennore, Chennai and Tuticorin Ports, respectively. In addition, private investment to the extent of Rs 5,300 crore, Rs 833.50 crore and Rs 5,115.08 crore were also envisaged in the 3 ports, respectively, during the 11th Plan. The capacities in the 3 ports were proposed to be enhanced to 64.20 million tonnes per annum, 73.50 million tonnes per annum and 63.98 million tonnes per annum by the end of the 11th Plan. Meanwhile, official statistics showed container throughput at India's major ports grew up by 19.03% YoY for fiscal 2008.

Source(s): Steelguru, April 01, 2008.

[http://steelguru.com/news/index/2008/03/31/NDA3MDI=/Indian\\_major\\_ports\\_capacity\\_to\\_cross\\_1\\_billion\\_by\\_2012.html](http://steelguru.com/news/index/2008/03/31/NDA3MDI=/Indian_major_ports_capacity_to_cross_1_billion_by_2012.html)

### **Mundra Port to Sell Stake to Shipping Companies**

Mundra Port and Special Economic Zone (MPSEZ) is considering offering stake in the second container terminal (CT2) to shipping lines to ensure steady volume flow. It is developing CT2 with an initial capacity of 1.25 million TEU (twenty-foot equivalent units). At present, MPSEZ has 1.25 million TEU container capacity operated by Mundra International Container Terminal MICT (DP World). MPSEZ currently has a market capitalisation of \$5.7 billion and is backed by the \$4.4 billion Adani Group, which has presence in trading, mining, real estate, shipping and power. MPSEZ is one of the leading non-captive private-sector ports in India, providing services for various cargo categories. Along with diversifying cargo, MPSEZ has access to rail, road, and pipeline network across India, which has helped it tie up with customers and position itself as the preferred destination for customers. MPSEZ is one of the few ports with a deep draft along the west coast. With a draft varying 15-32 metres at different points, it is able to cater to larger ships that are not serviceable elsewhere. For shipping lines, this means economies of scale and hence reduced costs.

Source(s): Mithun Roy, April 03, 2008.

<http://www.dnaindia.com/report.asp?newsid=1158396>

### **Gujarat Plans to Be a Shipbuilding Hub by 2015**

The Chief Minister of Gujarat, Narendra Modi, has stated that the state is poised to become the ship-building hub of the country by 2015. Speaking on at the 45<sup>th</sup> National Maritime Day, which coincided with the 27<sup>th</sup> anniversary of the foundation of the Gujarat Maritime Board, Modi revealed that private investment in port infrastructure had hit the Rs17,000 crore (\$4.2bn) and is expected to go up to Rs20,000 crore by 2011. Terming ports in Gujarat as the "gateways to the country", the minister said that port development has received a massive thrust in terms of creating infrastructure and awareness to achieve maritime excellence in the last seven years. He said the state has also development goals for new ports at Dholera, Khambhat, Sutrapada, Mahuva, Bansi Borsi, Simar, Mithi virdi, Bedi, Maroli, Positra and Porbandar, which are expected to generate large-scale employment opportunities for the youth.

Source(s): Press Trust of India, April 07, 2008.

<http://www.seatradeasia-online.com/News/2492.html>



## **Capacity Crunch at Ports Hurting Trade**

A capacity crunch at India's ports, in terms of handling containers, is severely hampering the country's external trade, raising transaction costs and delaying exports and imports. Globally, 75- 80% by volumes of trade happens through containers. At a growth rate of 18-19% a year, India's container cargo traffic is estimated to reach 21 million twenty-foot equivalent units, or TEUs, a year by 2016. "The container traffic growth at Indian ports has been stifled by low capacity creation," said S.N. Srikanth, founder and senior partner at maritime consultancy firm Hauer Associates. The situation has reached a critical stage at the country's biggest container port, located in Navi Mumbai, which accounts for more than 60% of India's container cargo traffic of about 7.5 million TEUs. "Each of the three terminals at Jawaharlal Nehru Port are operating at 110-120% of their capacity when, ideally, they should not be operating at anything more than 90%," said D.K. Tewari, CEO of MSC Agency (India) Pvt. Ltd, the Indian unit of Mediterranean Shipping Co. SA, the world's second biggest container shipping firm.

Source(s): P. Manoj, Live Mint, April 14, 2008.

<http://www.livemint.com/2008/04/14012914/Capacity-crunch-at-ports-hurti.html>

## **Tamil Nadu Plans 7 Minor Ports**

The Tamil Nadu government is planning to set up a chain of 7 minor ports to catalyze industrial development across the state. The state government has initiated the process of bringing in private investments for the minor ports, which are to come up at Cheyyur, Marakannam, Manappad, Thirukuvallai, Cuddalore, Thirukadaiyur and Ennore. In Tamil Nadu, minor ports are a key infrastructure in the context of the massive investments planned in power generation capacities. Most of the power plants would depend on coal imported from Indonesia and Australia and an extensive port infrastructure would facilitate such investments.

Source(s): April 15, 2008

[http://steelguru.com/news/index/2008/04/14/NDE5NzE=Tamil\\_Nadu\\_plans\\_7\\_minor\\_ports.html](http://steelguru.com/news/index/2008/04/14/NDE5NzE=Tamil_Nadu_plans_7_minor_ports.html)

## **SKIL investing Rs 1,200 cr in Positra port**

SKIL Infrastructure Ltd, the Mumbai-based infrastructure company, would be investing around Rs 1,200 crore in setting up a port at Positra in Gujarat. With a draught of 16 metres and a shore area of 4,000 acres, the port will be able to handle ships of 8,000-10,000 TEUs. Ernst and Young has been signed to assist SKIL in the fund raising for the project. "According to SKIL, the port will initially have one terminal with a capacity to handle 1.5 million TEUs which will come up by financial year 2011. They plan to scale up to eight terminals of 1.5-million-TEU capacity each by 2018," The infrastructure company is already in talks for tying up with strategic partners for the project, however, declined to divulge any details on the same. The company is also understood to be negotiating with the State Government for concession agreement and expects to get necessary clearances shortly. The proposed Positra port is a part of the company's plan to have a shipyard along with other related facilities with an estimated cost of Rs 6,000 crore. This green field project with deep-water location would be important in terms of capacity and linkage creation.

Source(s): Shubhra Tandon, Mumbai, April 21, 2008

<http://www.thehindubusinessline.com/2008/04/22/stories/2008042250970700.htm>

## **India Loses \$12 Bln per year on Higher Transaction Costs at Sea Ports**

India loses about \$12 billion each year because of higher transaction costs at its ports, according to MM Saggi, nautical adviser to the government of India. The transaction costs at Indian ports is about 10 percent, compared to 6 percent in developed countries, owing to problems like large turnaround time, port congestion, inadequate use of information technology, a shortage of dredging capabilities, and a shortage of trained personnel. India needs to have full-fledged information technology systems like Portnet and Tradenet of Singapore, in place. It should encourage competition and devise a comprehensive multi-modal transport policy to develop its ports into world class facilities.' A 8-billion-rupee proposal to deepen the channel at Jawaharlal Nehru Port Trust's (JNPT) port at Mumbai, which handles most of India's seaborne trade, is lying undecided for about five years. He said that though a quote had been made for 10 billion rupees for capacity dredging at JNPT, delay costs amount to about 0.5 billion rupees a year. Mark Fernandes, partner of Sylvester & Company, said an agreement to develop a port at Dighi on the western coast was signed in 2002 but it took almost five years to get 12 clearances from the government and the project now is expected to be ready by 2012. This slowness in clearances prevents international players from coming here.

Source(s): Ketan Bondre, Thomson Financial News, Mumbai, Apr 21, 2008

<http://www.forbes.com/afxnews/limited/feeds/afx/2008/04/21/afx4912765.html>

## **Dredging Costs May Derail Port Development**

Soaring costs of dredging are not just pinching development projects at Indian ports, they are now threatening to hit the already high ship-calling costs. JNPT, the country's biggest container handling port, is awaiting clearance to deepen its channel so that bigger ships can call. But, unlike in other maritime nations, none of these dredging costs are borne by the government. So, both state-owned and private ports recover the dredging costs from ships coming to load or unload cargo by levying what are known as ship-calling fees. It is (already) 50% more expensive to bring a vessel to Indian ports than to Jebel Ali in Dubai, Singapore and Colombo," said Ganesh Raj, senior vice-president and managing director, sub-continent, at DP World, the world's fourth-biggest container port operator owned by the Dubai government.

Currently, dredging costs about \$2.5-3 per cu. m for maintenance and \$5-6 per cu. m for capital dredging, according to an executive with the state-owned Dredging Corp. of India Ltd, or DCI, the country's biggest dredging firm by fleet size and revenues. In an interesting development, dredging costs have been pushed up by a spurt in port expansion projects globally, as well as the offshore construction-related, land reclamation works in the Gulf region. "The dredging costs are enormous. It has gone up by about 75% in the last two years," said Philip Littlejohn, managing director of Gujarat Pipavav Port Ltd, which runs the private port in Gujarat. "This is really going to affect port development projects in India and elsewhere." Dutch dredging firm Van Oord Dredging and Marine Contracting Co. NV, one of the world's top dredging firms, had submitted the lowest quotation of Rs 970 crore for the long-pending channel deepening contract in April last year. JN Port had estimated that the work would cost about Rs800 crore, though this projection was made before the market firmed up.

Source(s): P. Manoj, Livemint, Apr 21, 2008  
<http://www.livemint.com/2008/04/21000005/Dredging-costs-may-derail-port.html>

## **Regulatory Panel Proposed for Ports and Shipping**

The parliamentary standing committee on transport, tourism and culture has recommended the setting up of a regulatory authority for the shipping and port sector. Such an authority was suggested on the lines of regulators in the telecom and insurance sectors, so as to foster healthy competition and adjudication of disputes. The committee observed in its report that "Since much of the activities in the port and shipping sector are taking place with private participation, there is need to establish a regulatory authority well in time, and that too before coming across any problem, for better control, coordination and monitoring for achieving excellence in port and shipping sector." The panel also pointed out that the department of shipping was unable to exploit the boom that was taking place the world over in areas of shipbuilding, dredging and merchant shipping.

Source(s): Exim News Service, Apr 25, 2008  
[http://steeltguru.com/news/index/2008/04/24/NDMwMDU%3D/Regulatory\\_panel\\_proposed\\_for\\_ports\\_and\\_shipping\\_sector.htm](http://steeltguru.com/news/index/2008/04/24/NDMwMDU%3D/Regulatory_panel_proposed_for_ports_and_shipping_sector.htm)

## **Asia's Major Port Groups in Stiff Battle**

The company running one of Asia's highest-profile port businesses is struggling to find new customers after the Port of Singapore fought back unexpectedly strongly to regain the upper hand in their eight-year-old rivalry. The only big customers at the Port of Tanjung Pelepas, on the Malaysian peninsula neighbouring Singapore, remain Maersk Line - the world's largest container line and PTP's first customer when it opened in 2000 - and Taiwan's Evergreen Marine, which defected from Singapore in 2002. The failure to win new customers has extinguished much of the optimism that accompanied the initial successes of the privately-owned port, owned 30 per cent by APM Terminals, the ports business of AP Moller-Maersk, Maersk Line's parent. Government-owned PSA, which runs nearly all Singapore's terminals, has rebounded partly, because the defections of Maersk and Evergreen to PTP led to a major management shake-up. The company now offers shipping lines joint ventures and dedicated berth space to commit them long-term. PSA's earlier refusal to grant Maersk such a joint venture helped to drive it to PTP. However, PSA also, according to people involved in Asian shipping, refuses its normal discounts on port fees to operators of feeder ships that call at PTP as well as Singapore. The tactic has made feeder lines - which ferry containers between hub ports and those not served directly by long-distance ships - reluctant to call at PTP. The lack of feeder links in turn deters new deep-sea shipping lines from taking business to the port. Most depend on small feeder lines to gather cargo for them, unlike Maersk and Evergreen, which unusually operate their own feeder services. The cross-strait rivalry is typical of the uncompromising struggles between ports in the trans-shipment business. Trans-shipment traffic can switch ports far more easily.

Source(s): Robert Wright, Financial Times, April 28, 2008,  
<http://www.gulfnews.com/business/Shipping/10208974.html>

## **More Greenfield Ports in Gujarat**

With the Gujarat Maritime Board (GMB) issuing a letter of intent (LoI) to three private parties to develop as many "Greenfield" ports in the state, the Gujarat government's efforts to develop the port sector and enhance port-related activities are likely to get a much-needed boost. Principal Secretary (Ports and Transport) H K Dash said that the letter had been issued to the Mumbai-based leading infrastructure and shipping company, Shapoorji Pallonji, for developing the Simar Port in Junagadh district. Two other firms, L&T and IL&FS, have been issued similar letters to develop the Sutrapada and Khambhat ports, respectively. The GMB decided to extend the deadline for issuing the letter of intent to the Adani Group and J K Cement, which propose to develop the Dholera port jointly. "We have received responses from as many as 273 private parties for developing about 17 major, medium and small Greenfield ports in Gujarat. Their proposals are being processed," he said. The Mumbai-based Shapoorji Pallonji firm plans to set up a liquified natural gas terminal and develop facilities for coal handling at the Simar Greenfield port located in the southern part of Saurashtra region. The port to be developed at an estimated cost of Rs 2,100 crore in Phase I has the potential of handling over 1.25 million tonnes of solid cargo per annum, which can increase up to 4.5 MT by 2010, sources said, adding that berthing facilities for vessels at a depth of 20 metres are proposed to be created there. "There are other Greenfield ports for which private developers have already completed initial bidding formalities. They are Mahuva, Madhwa, Vansi-Borsi, Bedi, Dahej and Mithivirdi. The government's efforts to attract maximum private investment in the port sector will help us achieve a projected target of increasing cargo capacity to 450 MT by 2011, which stands at only 190 MT at present. Under the bidding criteria set by the GMB, only those private players who quote minimum number of years for paying concessional Water Front Royalty (WFR) to the government will be awarded a 30-year lease. The GMB has also received a response from over 27 private firms, including Japan's Nippon Yusen Kabushiki Kaisha and Taiwan's Evergreen Marine Corporation, for developing the Maroli port near Umergaon in south Gujarat.

Source(s): Bashir Pathan, The Indian Express, Gandhinagar, April 29, 2008

<http://www.expressindia.com/latest-news/Greenfield-ports-in-state-find-takers/303533/>

## **SHIPBUILDING**

### **Chinese Shipbuilders Make Breakthrough in Building LNG Carrier**

Chinese shipbuilders will hand over a groundbreaking product of China's shipbuilding industry, a domestically-made liquefied natural gas (LNG) carrier, to its purchaser on April 3. The LNG carrier, with 147,000 cubic meters of storage capacity, can accommodate 90 million cubic meters of re-vaporized natural gas, the equivalent of the amount of gas Shanghai residents use in a month. Chinese shipbuilders specially designed the major core parts of the carrier, including the insulation tanks, invar pipe and pump tower, with innovating based on the world's most advanced technology. While in transit, the gas will be cooled down to -163 degrees Celsius, where it will condense into a liquid kept at atmospheric pressure. The tanks onboard the LNG carriers function as thermoses where liquids will boil en route to their destinations. If the gas were not released from the tank the pressure would slowly build up, and the carrier would possibly blow under the pressure. Chinese shipbuilders have created a new technique of transferring the boiling natural gas to the propulsion system of the membrane-like LNG carrier, so the gas can be used as propellant for the giant ship. The new LNG carrier cost \$160 million to build. At 292 meters long, 43.35 meters wide, and 26.25 meters high, it is the largest in the world to date. It was constructed in a Hudong-Zhonghua shipyard in Shanghai, The People's Daily reported.

Source(s): Angel K. Yan, April 03, 2008.

<http://english.rednet.cn/c/2008/04/03/1476704.htm>

### **Shipbuilding Yards to Be Established in Ports: Minister**

Two state-of art world class ship- building yards would be established in the eastern port and western port areas for the establishment of shipyards, according to Union Shipping and Highways Minister T R Baalu. Talking to newsmen here 10<sup>th</sup> April, he said while Chairman of Ennore Port trust will be the Nodal Officer for the eastern port, the Chairman of Mumbai Port will be the Nodal Officer for western port. Mr Baalu said he had written to Chief Ministers of 7 states, seeking their cooperation for the proposed ship yards. Andhra Pradesh Chief Minister Y S Rajasekara Reddy, agreed to offer land at free of cost, he added.

Source(s): April 11, 2008.

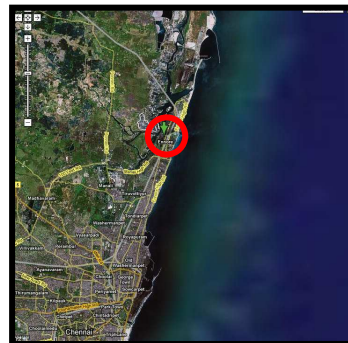
<http://www.chennaionline.com/colnews/newsitem.asp?NEWSID=%7BBCF03E60-B10A-49D2-B14B-5D8B3A4CBD3F%7D&CATEGORYNAME=CHN>

## L&T Unveils Plans for \$750 million Shipyard

Engineering and construction giant Larsen & Toubro has selected the site for a Rs. 3,000 crore (\$750 million) shipyard and port complex that, it says, will bridge the gap between India's shipbuilding industry and that in developed countries, and result in a "paradigm shift" in India's shipbuilding capabilities. It inked a joint venture agreement with the Tamil Nadu Industrial Development Corporation Ltd (TIDCO) that will see the complex set up at Kattupalli village, near Ennore in Tiruvallur District of Tamil Nadu. A feasibility report has been completed. Environment studies are in progress. Construction is set to start by the end of 2008, and the project is expected to be completed in 24 months. The proposed complex will be able to build commercial ships including specialized cargo ships for liquid / gas transportation and cruise vessels. It will also have the capability to build vessels for the defense sector, offshore platforms and FPSO's. The shipyard will also have the facilities for refitting and re-engineering of commercial and defense vessels, and heavy engineering fabrication and components production for ship building purposes. L&T says it selected the Tamil Nadu site for this project based on its suitability, the investor friendly policies of the Tamil Nadu Govt. and the availability of large pool of technically qualified and skilled manpower in the state.

Source(s): Marine Log, April 15, 2008

[http://www.yourprojectnews.com/news\\_item.php?newsID=6304](http://www.yourprojectnews.com/news_item.php?newsID=6304)



## Evergreen Mega Boxships Order Stalls

Taiwanese container giant Evergreen appears to have fallen foul of the credit squeeze amid reports that plans to deploy a series of 12,400 teu ships are coming apart. The company was unable to comment on the speculation today, but brokers believe a shipbuilding order by Greece's Niki Group on the back of a charter deal to Evergreen has been cancelled, with the yard berths now back on the market. Whether Evergreen will try to find another intermediary, place an order directly, or decide against such big ships in the current climate, remains unclear. Another major containership owner, Claus-Peter Offen, is believed to have reconfigured a massive order for 12,600 teu vessels placed with Daewoo Shipbuilding and Marine Engineering. Four of the 18 ships of that size that Mr Offen had originally specified have been downgraded to 7,000 teu units, according to unconfirmed reports, with the financial balance made up by an additional pair of capesize bulkers. Evergreen's internal debate about whether to order 13,000 teu ships has been fraught with difficulties after group chairman Chang Yung-fa publically declared his opposition to vessels larger than 8,000 teu.



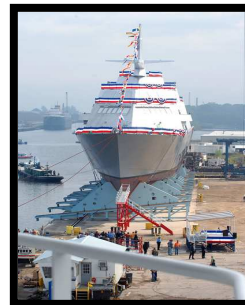
Many of the shipbuilding orders announced over the past year do not have shipfinance in place, and could fail as the liquidity squeeze continues, say senior market sources. Some of the published orders were due to be placed at yards that have not yet been built. As concern about the global economy grows, they may never be developed. That appears to be so in the case of Evergreen's abandoned shipyard plan. But although new building activity has slowed, orders are still being placed. Maersk Broker is reporting an interest in wide-beamed 4,400 teu to 4,800 teu tonnage where negotiations are underway. Belgian container line Delphis is said to be one of those in discussion. Germany's ER Schifffahrt is also reported to be back in the market.

Source(s): Janet Porter, The Lloyd's List, April 17, 2008

<http://lloydlist.com/ll/news/evergreen-mega-boxships-order-stalls/20017524311.htm>

## Littoral Combat Ship Builder Trials

The U.S. Navy's Littoral Combat Ship program was derailed last year when the planned \$220-million ships, built by Lockheed and rival General Dynamics, came in at more than \$400 million apiece. Ships three and four were canceled and will be rebid. Now just numbers one and two are under construction. Fifty-five of the inshore fighters are planned. Endless test failures, mostly involving the ship's complicated engineering plant is largely to blame.



According to the Navy, as reported by Defense News: "We're on track for trials beginning in May. We're on track for a summer 2008 delivery," said Diana Massing, a spokeswoman for Lockheed Martin. "LCS 1 starts builder's trials next month and is scheduled to deliver in August 2008," declared a Navy spokesman.

Source(s): David Axe, April 17, 2008  
<http://blog.wired.com/defense/2008/04/littoral-combat.html>

### **Ship Building Industry Needs Govt Help**

Pipavav Shipyard has appealed to the government to take a cue from Korea and China and help the ship building industry to succeed. Addressing the The Lloyds List-sponsored two-day "International Shipbuilding Conference 2008" in progress at Athens, Pipavav Shipyard CEO Mr Ray Stewart pointed out that the Korean and Chinese governments have helped their ship building industries attain global number one and two positions, respectively. Mr Stewart's topic was "A Spotlight on India" and he called upon the Indian government to come out clear on the issue of continuation of the subsidy scheme for the country's ship building industry that expired in August 2007. "This is needed in order to encourage other companies to enter the industry and enable a critical mass to be achieved in the country. This would in turn lead to further investment from international and national equipment and material suppliers," he said.

Pipavav Shipyard is now building the biggest ships under construction in India – a series of Panamax bulk-carriers which are about 74,500 dwt tons and 225m long. The yard has won orders exceeding USD 1 billion which places it at number two in the world for Panamax bulk-carriers after the major Japanese builder Oshima. The company started production of the first ships in the series in February this year and will deliver its first vessel early next year.

Source(s): Concept Public Relations India Pvt. Ltd, Apr 18 2004  
<http://www.moneycontrol.com/india/news/pressnews/ship-building-industry-needs-govt-help/15/01/334707>



### **UK Ship Register to Promote Red Ensign to Indian Maritime Industry**

As a 'world class' organisation which believes that quality is non-negotiable, the UK Ship Register (UKSR) team will promote the UKSR as the flag of choice because it has streamlined registration processes and customer friendly service. The UK Ship Register offers many benefits: UK Tonnage Tax Incentive; Dedicated focused Customer Service; Qualship 21 status in USA; Number one performing Flag on the Paris MOU 'White List'; UK flagged ships not targeted by Port State Control regimes in world's major trading areas; Registration costs amongst the lowest with no annual renewal fees; Annual £2.5 million contribution to Crew Relief Cost Scheme to assist seafarers; ISPS plan approvals and verification audits at no cost to owners and operators; International reputation for expert advice and guidance with a proactive leading role at the IMO, EU and Quality Shipping Committees; Worldwide security threat level information provided to UK registered ships with support from British Consuls and Royal Navy protection; Quality Assurance offering certification to ISO 9001 and ISO 14001 standards with audits being taken in harmonization with ISM. David Wright, Registrar General of the UK Ship Register, says: "Achieving top position on the Paris MOU 'White List', Qualship 21 status and encouraging more ships and greater tonnage on the UK Ship Register is a tribute to our ship-owners and the Classification Societies with whom we work as well as our MCA surveyors."

Source(s): April 15, 2008.  
<http://www.bymnews.com/news/newsDetails.php?id=25064>

### **Shipping Firms Want Change in Technical Qualification Norm**

Ennore Port has invited bids for the technical qualification round to set up a container terminal with 1.5 million twenty-foot equivalent unit (TEU) annual capacity. Chennai port has also invited technical bids for building a container terminal with 4 million TEU container handling capacity. Several Indian shipping firms, including the public sector Shipping Corporation of India, plan to approach the Shipping Ministry requesting for a change in technical qualifications required for developing the container terminals at Ennore and Chennai ports. The technical parameters in the request for qualification (RFQ) document of Chennai and Ennore ports are set in a manner that would make it difficult for most of the Indian shipping firms to have any significant stake in a consortium that crosses the technical qualification stage and is able to bid financially.

The RFQ is based on the policy guidelines issued by the Government for public private partnership (PPP) projects to be taken up on a build-operate-transfer basis. "Shipping experience has not been added to the eligibility criteria. This means that shipping lines' experience is not counted at all. Therefore, shipping lines would not be in a position to actively participate in port projects of major ports in future," said an official of a private shipping line requesting not to be identified. The RFQ provides due weightage to project and construction experience on marine structures, terminals, amongst others but has no reference to shipping line experience. "It has been our desire to get into terminal operations because that is the logical extension for shipping majors as can be seen internationally (Maersk, NYK, etc). Ideally, shipping lines' experience should get due weightage. We plan to approach the Shipping Ministry on the issue," Mr S. Hajara, Chairman, SCI, told *Business Line*. With this, SCI has a lower chance to technically qualify with any significant stake in a consortium, he added. According to the Container Shipping Lines Association Vice-Chairman, Mr Anil Devli, "Several members have raised this issue with us. We will decide our next course of action soon." Mr Devli is the CEO of coastal shipping firm Shreyas Shipping.

Source(s): Mamuni Das, The Hindu Business Line, Apr 19, 2008  
<http://www.thehindubusinessline.com/2008/04/19/stories/2008041950240700.htm>

## MARITIME COOPERATION

### China-Made Frigate Ready to Set Sail for Pakistan

The first of four F-22P frigates ordered by the Pakistani Navy from China three years ago will be launched on 7<sup>th</sup> April from a Shanghai shipyard. The deal marks the navy's first purchase of a major fighting unit from China. In the past, it procured such military hardware from Western countries including Britain and France. Pakistani Chief of Naval Staff Admiral Muhammad Afzal Tahir, who attended the launch ceremony, said the frigates will "form a very important component" of the country's surface fleet.

"They will be deployed for the defense of our maritime interests and to meet our commitments in other aspects of maritime diplomacy," he said yesterday in Beijing, adding the shift from West to East displays the navy's confidence in Chinese industry. As well as the four frigates, the deal will include the transfer of Chinese naval shipbuilding technology to Pakistan, as the last vessel is expected to be finished at a shipyard in Karachi, Pakistan, in 2013, under an agreement signed in April 2005.

"We were very happy to see the PLA ships operating with other navies of the world in Pakistani waters. And of course their performance was excellent and exemplary," Tahir said, adding Pakistan will host a similar exercise next March. "We are very hopeful the PLA ships will participate again with the navies of other countries in the interests of stability in the world's maritime domain." Beijing and Islamabad, capital of Pakistan, have always enjoyed sound military cooperation, and last March, the PLA navy took part in its first-ever multilateral naval exercise AMAN-07 in Karachi. On 3<sup>rd</sup> April, the naval chief met with China's Defense Minister General Liang Guanglie, with whom he spoke of deepening exchanges and cooperation between the defense departments and armed forces of the two countries.

Source(s): China Daily, April 05, 2008.  
[http://www.chinadaily.com.cn/china/2008-04/05/content\\_6593319.htm](http://www.chinadaily.com.cn/china/2008-04/05/content_6593319.htm)

### India, U.S. Should Prepare for Joint Military Operations

"Indian armed forces needed to move beyond "generic" joint activities with their U.S. counterparts and towards focused interaction based on "military operations they are likely to conduct together." Speaking at the IISS-CITI India Global Forum organised by the International Institute for Strategic Studies here on Saturday, Admiral (Retd.) Dennis C. Blair noted that the U.S. provision of security in the post-war period had helped Asia maintain peace and security all these years. But as their economies and defence capabilities grow, he added, Asian powers like India, Japan and even China need to work with the U.S. so that their rising military strength can be used towards the common provision of security in the region. Admiral Blair identified four areas where he said India and the U.S. could think of joint military operations.

The first is in the area of maritime security, where the U.S. already has its "1000 ship navy" concept to "make the seas safe for lawful use." The second area is in peacekeeping operations. Both India and the U.S. have had successes and failures in this area, he said, and there was a need for the armed forces of the two countries to conduct not just joint exercises but also "do serious work" and evolve new concepts. He identified the Horn of Africa and Somalia as one area where India and

the U.S. could work together and said the Indian military could liaise with the U.S. Army's newly established Africa Command. The third area he identified was counter-insurgency and counter-terrorism training and operations. India had experience in Jammu and Kashmir and the U.S. in Afghanistan. Even if more work was needed for the two countries to get to the stage of joint operations, there should at least be joint training, he said. Citing the example of Indo-U.S. naval cooperation in the aftermath of the 2004 Asian tsunami, Admiral Blair said humanitarian and disaster relief operations were the fourth set of activities the two militaries could work on.

While the military-to-military relationship had grown tremendously in the past seven or eight years, Admiral Blair said India needed to sign a number of "routine agreements" with the U.S. to enable cooperation to move on to a higher plane. Of these, the most important were the Logistics Supply Agreement (LSA), the Communications and Information Security Memorandum of Agreement (CISMOA) and an end-use monitoring agreement. Seeking to make light of India's reluctance to sign on the dotted line, Admiral Blair said if some Indian company had to sign these, "some low-level third-ranking official would have done it years ago."

Source(s): The Hindu, New Delhi, Apr 22, 2008

<http://www.hindu.com/2008/04/20/stories/2008042055410800.htm>



## MARITIME SECURITY

### **Somali Pirates Seize French Yacht in the Gulf of Aden**

Somali pirates took over a French yacht in the Gulf of Aden and held hostage 30 mostly French crew members on 4<sup>th</sup> April, 2008, a Yemeni port official said. The luxury yacht, the Ponant, was sailing from Somalia to the southern Yemeni port of Aden when armed pirates boarded it and took the entire crew hostage, the official at the Aden port told Deutsche Presse-Agentur dpa.

No passengers were on board. He said the ship originated in the Seychelles heading to the Mediterranean Sea and made a refuelling stop at a Somali port on the previous day. Yemeni coast guard officials said the attack took place outside Yemen's territorial waters. Piracy off the Somali coast - which lies at the mouth of the Red Sea - has been rife since the country slid into chaos after dictator Mohamed Siad Barre was ousted by warlords in 1991. Frequent pirate attacks in the Gulf of Aden, a major trade route between Asia and Europe, has made those waters the world's most dangerous for pirate activities. The International Maritime Bureau has advised vessels that are not making scheduled calls to ports in Somalia to keep a distance of 200 nautical miles away from the Somali coast. The French Navy later dealt with the pirates and managed to get the yacht released safely.

Source(s): Apr 04, 2008.

[http://www.monstersandcritics.com/news/africa/news/article\\_1398441.php/Somali\\_pirates\\_seize\\_French\\_yacht\\_in\\_the\\_Gulf\\_of\\_Aden\\_Roundup](http://www.monstersandcritics.com/news/africa/news/article_1398441.php/Somali_pirates_seize_French_yacht_in_the_Gulf_of_Aden_Roundup)

### **Police Probe Security Threat Angle to Fake Maritime Travel Document Racket**

Six months after Mumbai Police busted a racket involving CDCs, they are investigating the larger ramifications of the scandal which they say could indicate a national security threat. A CDC or Continuous Discharge Certificate is an identification document a seaman needs to sail. It is issued by the Shipping Ministry through the Directorate-General of Shipping to those who have cleared marine examinations from an authorised institute. Seamen with a CDC and a passport, along with an official letter from the shipping company, can travel abroad or enter the country without a visa. Although the forged CDCs were largely being used by unqualified men to secure jobs on ships, the fact that it also allows entry and exit without a visa has set alarm bells ringing at security agencies. The red flag was raised after the immigration department recently handed over 10 cases to the Mumbai Police -- who busted forged CDC rackets in September and January -- in the first quarter alone where individuals were caught travelling with just a forged CDC and a passport. CDCs are issued in Mumbai, Chennai and Kolkata in India and initially, much of the forgery involved documents from Kolkata as it was still using manual processes to make the documents unlike the other two centres which had computerised the procedure. However, with technology being easily available, even computerised documents were now being forged, shocking investigators.

Source(s): Smita Nair, The Indian Express, April 05, 2008.

<http://www.expressindia.com/latest-news/Police-probe-security-threat-angle-to-fake-maritime-travel-document-racket/292877/>



## **Maritime Challenges: Ronen Sen**

India is seriously concerned about the maritime challenges posed by piracy, terrorism and trafficking of narcotics, arms and human being in the Indian Ocean region, where it has the vital stakes in the security and stability of the region, said Indian Ambassador to the United States Ronen Sen. He was addressing a workshop on "The Indian Ocean Region Today" at the National Defence University, organised jointly by the NDU, Johns Hopkins University and Lockheed Martin. India has unfortunately faced these threats, much before their global nature was fully recognized. The bomb blasts which claimed hundreds of lives in Mumbai in 1993 were caused by explosives smuggled by sea, he said. Stressing that India has vital stakes in stability and security in the Indian Ocean, Sen said "our country is located at the natural junction of important sea-lanes. The maritime area around India is among the busiest in the world, with over 100,000 ships crossing it every year."

"As a responsible maritime power, India is a major force for stability in the Indian Ocean. We have regular joint exercises with almost all major Navies, including the US Navy. These exercises will continue, with increasing frequency, with the objective of achieving inter-operability and enhancing maritime security," the envoy.

Source(s): The Times of India, April 09, 2008.

[http://timesofindia.indiatimes.com/World/India\\_concerned\\_about\\_maritime\\_challenges\\_Ronen\\_Sen/articleshow/2936726.cms](http://timesofindia.indiatimes.com/World/India_concerned_about_maritime_challenges_Ronen_Sen/articleshow/2936726.cms)

## **IMB Calls for Security Boost off Somalia's North Coast**

The head of the International Maritime Bureau's Piracy Reporting Centre has called for additional security measures off Somalia's northern coast following last week's attack on the French cruise ship Le Ponant. Captain Noel Choong said that pirate activity off Somalia had moved up the country's coastline into the Gulf of Aden as a result of measures taken by the international community to combat piracy off the country's long eastern coastline. This was creating a dangerous situation because it was bringing the pirates closer to major shipping routes and forcing vessels closer to the Somali coast than the 200 nautical mile distance recommended elsewhere.

"There are a lot of tankers carrying vulnerable cargo and we are worried about an environmental disaster if there is any attack on chemical or crude oil tankers," said Capt Choong. He said that the centre wanted to raise the issue with the international community but recognised that it would be difficult to reinforce naval surveillance without drawing resources away from the Somali east coast.

Source(s): Andrew Spurrier and David Osler, April 09, 2008.

<http://lloydlist.com/ll/news/imb-calls-for-security-boost-off-somalias-north-coast/20017521514.htm>

## **Keeping Pirates at Bay in the Indian Ocean**

The World Food Programme (WFP) and Somalia are upbeat over smooth delivery of relief food since last November after the UN introduced military escorts for ships to the war-ravaged nation. Last week, military chiefs celebrated the success of food deliveries to Somalia in Mombasa where the Danish handed over the mantle to protect WFP ships to the Dutch. For the next three months, the Dutch will command the escorts of vessels with food aid. But the International Maritime Bureau notes that 31 acts of piracy were recorded in the Indian Ocean. Three of the cases were against ships carrying WFP food aid to the Horn of Africa. Also taken hostage was a crew of 154 from 11 hijackings in Somalia. Rear Admiral Nils Christian Wang of the Danish Navy handed over the escort duties to Cdr Rob Kraemer, a commanding officer of the Dutch naval ship, HNLMS-Evertsen. The French Navy was the first to escort WFP food aid to Somalia in November 2007.

Before the introduction of the security escorts, local vessels chartered by WFP to deliver UN humanitarian assistance were repeatedly hijacked. A company in Mombasa was forced to withdraw its vessels from the route after its ships and crew were attacked three times. The affected ships included MV Terglow, MV Semlow, MV Mirtzlow and MV Rozen. Mombasa port is the hub of relief cargo destined for Somalia. Therefore, the introduction of armed escorts could boost safe food transportation. The escorts were introduced in close coordination with the WFP and the Transitional Federal Government of Somalia.

Source(s): Patrick Beja, The East African Standard (Nairobi), April 10, 2008

<http://allafrica.com/stories/200804100018.html>

### **South China Sea Headed for Troubled Waters: Marine Experts**

Polluted, crossed by busy shipping lanes, and disputed by many countries, the South China Sea has taken an environmental battering that threatens future food supplies, marine scientists have warned. In a decade the sea, at the heart of a densely populated and rapidly industrialising region, has lost 16 percent of its coral reefs and coastal mangroves and 30 percent of its sea grass, says the United Nations. The exploitation of its fisheries, both legal and illegal, by family boats and industrial deep sea trawlers now threatens to deplete fish stocks that millions of people rely on, a Hanoi conference heard last week. "The key issues on a basin scale are habitat degradation and loss, overfishing and land-based pollution," said Vo Si Tuan, who served as Vietnam representative to the UN Environment Programme (UNEP) South China Sea Project. "There are many, many problems, but these are the biggest." The South China Sea is ringed by China, Taiwan, the Philippines, Indonesia, Malaysia, Brunei, Indonesia, Singapore, Thailand, Cambodia and Vietnam, with about 350 million people living along its coastal areas.

Source(s): China post, April 12, 2008

<http://www.chinapost.com.tw/asia/vietnam/2008/04/14/151784/South-China.htm>

### **Seagrasses – The Marine Treasures of India**

When it comes to marine biology, vibrant images of sea-animals, corals, sponges and reefs come to our minds. Little is known about the seagrasses - the gentle yet very important residents of the shallow seas. Seagrasses are the lesser-known aquatic treasures of the ocean that are rated as the third most valuable ecosystem – globally. SeaGrasses are marine flowering plants that live underwater, forming an important link in the eco-system. Seagrasses alter the flow of water, recycle the nutrients, impact the food chain of marine life systems and provide nurseries, shelter and food for a variety of underwater plants and animals. Their contribution to the maintenance and sustenance of aquatic life is immeasurable, as these delicate green structures support hundreds of other plants and animal, underwater.



It is estimated that seagrasses were abundant in the Asia-pacific region 45 million years ago. Today, India is home to more than fifteen species of seagrasses found in different coastal areas of Eastern, Southern and Western parts of India. Most of the species are found in healthy numbers along the Southeast coast (which is the Gulf of Mannar and the Palk Bay), coast of Tamil Nadu, and the sporadic islands of Lakshadweep and Andaman & Nicobar. The most important location for seagrasses in India is the Gulf of Mannar Biosphere Reserve, which is estimated to have more than 13 of its species. Seagrasses survive in clear shallow seas and grow up to a certain level in the sunlit seabeds. With rising sea levels, the sea grasses face the threat of being relegated to deeper depths of the ocean that makes it impossible for these species to thrive. With ice caps melting, fresh water is being added to the seas, everyday, giving rise to the mean sea levels, which in turn is dissolving the salinity levels. These factors have an adverse impact on the seagrasses for which the sea levels and salinity levels are very important to survive and flourish.

The bigger threat to seagrass is not from the environment but from the humans. Mans need and greed is one of the biggest threat to these delicate sustainers of the marine ecosystem and the other eco systems surrounding it. Man has been generous in contributing to the endangerment of seagrasses by causing disturbance in the shallow seas. Coastal activities such as ports, harbours, construction, garbage dumps, urban pollution, industrial dumps, terrestrial erosion, coastal development, breakwaters, fish farming, aquaculture, eutrophication, siltation, dredging, anchoring, are taking heavy toll on the fragile plants. While they have taken centuries to adapt to the changes in their environment, it is yet to be soon how these grasses will adapt to the rapid and artificial changes in the seascape. Or rather will they survive this?

Source(s): Tree Souls, Apr 21, 2008

<http://www.treesouls.com/eco-conservation/seagrasses-the-marine-treasures-of-india/>

### **Arctic Marine Mammals on Thin Ice**

The loss of sea ice due to climate change could spell disaster for polar bears and other Arctic marine mammals. Sea ice serves as a platform for resting and reproduction, influences the distribution of food sources, and provides a refuge from predators. The loss of sea ice poses a

particularly severe threat to Arctic species, such as the hooded seal, whose natural history is closely tied to, and depends on, sea ice. The Arctic undergoes dramatic seasonal transformation. Arctic marine mammals appear to be well adapted to the extremes and variability of this environment, having survived past periods of extended warming and cooling. However, the rate and scale of current climate change are expected to distinguish current circumstances from those of the past several millennia. These new conditions present unique challenges to the well-being of Arctic marine mammals.

The April special issue of Ecological Applications assessment reflects the latest thinking of experts representing multiple scientific disciplines. Climate change will pose a variety of threats to marine mammals. For some, such as polar bears, it is likely to reduce the availability of their prey, requiring them to seek alternate food. Species such as the walrus and polar bear fall under this category, while the beluga whale and bearded seal are among those who are more opportunistic in their eating habits and therefore potentially less vulnerable. The most sensitive Arctic marine mammals appear to be the hooded seal, polar bear, and the narwhal, primarily due to their reliance on sea ice and specialized feeding.

Source(s): Science Daily, April 26, 2008

<http://www.sciencedaily.com/releases/2008/04/080423154558.htm>

## HUMAN RESOURCES

### Standing Committee Recommends Five Maritime Varsities

The Standing Committee on Transport, Tourism and Culture, headed by senior CPI(M) leader Sitaram Yechury, says the Indian Maritime University Bill, 2007 is “not sufficient in achieving the desired objective.” The Committee has recommended the setting up of five Maritime Universities — one each in Mumbai, Kolkata, Chennai, Vishakhapatnam and Kochi — with clearly demarcated geographical jurisdiction. The committee recommended that the government consider bringing in fresh, comprehensive legislation for the creation of the universities. A political controversy had broken out over the location of the single Maritime University. “The most important point is to have multiple maritime universities to cater to the expanding sector as maritime trade is growing at a rate of 20 per cent every year.”

The committee felt that one university was not enough to serve the purpose of maritime studies and research. The panel remained unconvinced with the reasons for having a single university when countries such as Japan, Vietnam, Poland, Turkey, Ukraine, Russia and China had more than one. It felt that the maritime university should cover the entire gamut of maritime activities and endeavour to deal with an exhaustive range of subjects other than shipping. It recommended that the term “maritime studies” be elaborated in the bill to explain the scope of courses to be offered — maritime security, law, history, ocean engineering, exploitation of resources, ship and port management, maritime transport and logistics, maritime insurance, off shore exploration, naval architecture and ship building.

Source(s): The Hindu, New Delhi, April 18, 2008

<http://www.hindu.com/2008/04/18/stories/2008041855041300.htm>

### Strikes Paralyse French Ports

France's biggest port of Marseille ground to a halt on 23<sup>rd</sup> April as walkouts by port workers angry at privatisation plans sparked disruption across the country. Cargo traffic was paralysed in the Mediterranean port, although passenger ferries were allowed to move in and out freely, as around 1,000 crane-drivers, signals operators and dockers formed a picket line on site. Protestors also blocked access to the Atlantic cargo terminals at Bordeaux, La Rochelle and Saint-Nazaire, and Le Havre and Rouen on the Channel, unions and port management said. In Nantes, some 300 demonstrators blocked access to France's biggest wood terminal with a barrage of breeze blocks and burning tyres. All maintenance work was halted at Le Havre's container terminals, though fuel tanker maintenance and car-ferry links to Britain were unaffected. Maintenance terminals were also shut down in Bordeaux. The CGT union called the 24-hour strike in protest at plans -- examined by the French cabinet on Wednesday -- to privatise some



heavy machinery operations in line with dockers whose jobs went private in the 1990s. Crane-drivers and signals operators have been on-and-off strike since last week at France's cargo terminals, with the already-privatised dockers and other handling staff staging timed walkouts in support. Transport Minister Dominique Bussereau defended the reform plans on French radio Wednesday, saying they aimed to revitalise France's harbours and in the long term create 30,000 new jobs. Industry leaders argue French ports have lost their competitive edge over the past 20 years because of a highly-unionised public work force.

Source(s): Associated Press, Marseille, Apr 23, 2008  
<http://afp.google.com/article/ALeqM5h24nNxOaLXSyv7TXDfFoEJtsia2A>

### **Creative Manpower Sourcing: Islanders to Track Suspicious Ships**

In an effort to boost Japan's territorial security, the government will ask residents on remote islands situated in the farthest reaches of Japan's territorial waters, such as those in the Sea of Japan or the East China Sea, to work together to locate unidentified ships or boats illegally fishing in Japan's waters as well as foreigners who are attempting to illegally come ashore on Japan's coast, according to the sources. To ensure the continuous cooperation of island residents, the government will create a manual for residents to consult in connection with such incidents and will also compensate those whose work commitments are affected by their surveillance duties. Meanwhile, the government will conduct a survey on how residents have been dealing with poaching, foreigners attempting to illegally enter Japan by coming ashore and other past incidents.

The new system was drafted in line with the basic marine development plan approved by the Cabinet in March under the Basic Law on Ocean Policy. Currently, the Japan Coast Guard is responsible for maritime security. It provides a 118 emergency phone number service for people to report suspicious-looking ships. In 2003, Umimori, a national volunteer group that monitors oceans, was established to create a private-sector monitoring system. However, as there is no end to the number of poaching boats and other suspicious looking vessels, the government has decided it is necessary to obtain the cooperation of residents living on remote islands, such as Tsushima island, Nagasaki Prefecture, or Haterumajima island, Okinawa Prefecture, the sources said.

Source(s): The Yomiuri Shimbun, Apr. 27, 2008  
<http://www.yomiuri.co.jp/dy/national/20080427TDY01301.htm>

## **MARINE TECHNOLOGY**

### **HHI Patents New Shipbuilding Method**

Korea's Hyundai Heavy Industries (HHI) has developed and obtained an international patent for what it describes as a "new inundation method used in the tandem shipbuilding process." The tandem shipbuilding process involves building more than one ship in a dry dock simultaneously.

With traditional methods, a vessel under construction would float on the water whenever the dry dock was flooded to launch a completed ship. The new method retains the incomplete ship in place, allowing the company to continue work on the ship whether the dry dock is flooded or dry, reducing construction time.

The company says that the method does not require any additional investments to facilities and has eliminated additional work.

HHI has successfully launched seven vessels that have been constructed using this method, including a 10,000 TEU containership. "With this new method, HHI has reduced shipbuilding time and has created a new innovation for the global shipbuilding community," said an HHI spokesman. HHI was granted a domestic patent in January of this year, and applied for an international patent application, under the Patent Cooperation Treaty, in November of last year. The company will also register its patent separately in other countries including Japan, China and India.

Source(s), April 01, 2008.  
<http://www.marinelog.com/DOCS/NEWSMMVII/2008mar00310.html>



## **China's AKRON to Use FORAN Ship Design System**

AKRON (China) Group has decided to use FORAN as their main ship design system after a careful selection process that has lasted more than two years. AKRON is the first commercial FORAN user in China. "FORAN is a technical leading shipbuilding software system, and is widely accepted by many shipyards and design offices in the world. "We chose FORAN as our main system for ship design and construction, not only because of its advanced technology and powerful capability, but also because UFC (SENER's partner in China) can provide a leading PLM system and Digital Shipbuilding solution as well as FORAN. AKRON and UFC have the same vision in the digital shipbuilding area, so we have established a long term strategic partnership to study and construct our digital shipbuilding platform in AKRON (China) Group."

While FORAN is a totally integrated computer system specifically developed for design and construction of ships. It comprises several main packages (hull form definition, naval architecture, hull structure, outfitting, electrical, accommodation), a number of common modules (build strategy, drafting, walk-through design review, collaborative engineering), links with production equipment (cutting machines, bending machines, robotic systems, etc.), interfaces to management systems and its own integrated development environment.

Source(s): April 09, 2008.

[http://www.terlinks.com/news/PR/Sener/040908\\_Akron\\_foran.htm](http://www.terlinks.com/news/PR/Sener/040908_Akron_foran.htm)

## **India Tracks Stray Fishing Boats in the Arabian Sea**

The Indian Coast Guard says it will install tracking devices in fishing boats to stop them inadvertently straying into Pakistani waters. It says that the devices will be installed in larger vessels operating near the western state of Gujarat. India says that about 350 of its fishermen are still languishing in Pakistani jails. "Many a time we get calls from a coastal village saying their fishermen have not returned from the seas for three days. They have no understanding of longitudes and latitudes and it can get difficult to track them," says Rajendra Singh, chief of the Coast Guard's western region. Fishermen picked up in the Arabian Sea are usually jailed by Pakistan's Maritime Security Agency. But an improvement in relations between India and Pakistan has helped matters somewhat. In 2006, Pakistan released more than 400 Indian fishermen from its jails. In response India released 130 Pakistan fishermen. Pakistan's maritime security agency says that it is now telling the Indian Coast Guard when there are straying boats it needs to escort back to Indian waters. Mr. Singh said that the tracking device is being sold by the Indian Space Research Organisation to the Coast Guard for \$250 a piece. It enables fishing boats to communicate immediately with the operations room of the Coast Guard's Maritime Rescue Coordination Centre.

Source(s): Sunil Raman, BBC News (Delhi), April 09, 2008.

[http://news.bbc.co.uk/2/hi/south\\_asia/7336686.stm](http://news.bbc.co.uk/2/hi/south_asia/7336686.stm)

## **Cutting Carbon Tracks of Shipping**

Shipping is responsible for about twice the emissions of carbon dioxide as aviation and is growing just as quickly, although airlines have come under greater criticism. Particles emitted by ships burning heavy bunker fuel, described by some seafarers as "black yoghurt" for its consistency, also contain soot. "The sheer volume of pollutants from shipping has grown exponentially along with the growth of our economies and of global trade," said Achim Steiner, the executive director of the United Nations Environment Program. "Shipping is just less visible than other industries, so for too long it has slipped to the bottom of the agenda." With the harm growing increasingly evident, the International Maritime Organization, a UN agency, this month proposed reducing the sulfur content of marine fuels starting in 2010 on all ships. It also proposed steps reducing nitrogen oxide emissions from engines on new ships beginning in 2011. The European Commission has said that if the UN agency fails to make concrete proposals on carbon by the end of the year, it would consider regulating the matter itself, perhaps by including shipping in the European carbon-trading system. The shipping industry has supported the maritime agency's recommendations because they would apply globally and be introduced gradually. But the fuel industry immediately called for a review of the most important element: a global cap on sulfur content of marine fuels of 0.5 percent by 2020 from the current maximum level of 4.5 percent. It would cost the fuel industry \$126 billion over 13 years to invest in equipment and chemicals to replace polluting bunker fuels with sufficient amounts of cleaner diesel to supply the shipping industry. The study also indicated that the industry would pass on those costs at about \$13 to \$14 dollars per barrel directly to the ship operators. Ships sailing on cleaner fuels would emit less carbon and largely offset the increases in carbon from refining. Some shippers already have succeeded in adopting cleaner methods and fuels.

In Goteborg, ship crews hook up to the shore-side electricity system with a single, giant plug within about 10 minutes of docking. The technology cuts emissions of sulfur, nitrogen and particulate emissions to nearly zero, and cuts engine noise too. The system was pioneered in Goteborg eight years ago after Stora Enso, a Swedish company in the energy-intensive paper industry, asked the port for help to improve its environmental profile. Costs for the system run from \$110,000 to \$1 million, for each outlet and largely depend on how easy it is to connect to a nearby power grid.

Source(s): James Kanter, Goteborg, April 25, 2008  
<http://www.iht.com/articles/2008/04/25/business/wbshipping.php>



## MARITIME TOURISM

### Princess Cruises Offers New Ways to See Alaska

Princess Cruises has released its latest Alaska program featuring an array of cruises priced from \$969 per person for a seven-night voyage through the stunning Inside Passage. The season will see the launch of a new 14-night roundtrip cruise from Seattle on the intimate 680-passenger Pacific Princess, which features a call at Alaska's newest destination Icy Strait Point, offering an insight into the native Tlingit history and culture. The voyage also includes Alaska's Inside Passage as well as visits to the spectacular ports of Kodiak, Valdez and Seward in the Gulf of Alaska and scenic cruising in Glacier Bay National Park, famous for its glacial ice and amazing wildlife. Fares are priced from \$2739 per person twin share. The 2009 program also features a selection of seven-night cruises between Vancouver and Whittier, taking in the breathtaking coastline of the Gulf of Alaska and Glacier Bay on megaliners Diamond Princess and Sapphire Princess and superliners Coral and Island Princess, priced from \$969 per person twin-share\*. Or travellers can enjoy seven nights sailing from Seattle through the Inside Passage on Golden Princess or Star Princess, visiting Alaska's remote capital of Juneau, only accessible by sea or air, as well as historic Ketchikan and Skagway and picturesque Victoria in British Columbia. Fares start from \$1139 per person twin-share. Meanwhile, Sea Princess will debut in Alaska next year with 10-night leisurely cruises from San Francisco through the Inside Passage. Fares start from \$1559 per person twin share.

Source(s): Travel Blackboard, April 17, 2008  
<http://www.etravelblackboard.com/showarticle.asp?id=76661&nav=5&suc=&cid=&email=&news=>



## MARITIME LEGISLATION

### Putin Signs Maritime Border Treaty With Norway Into Law

Russia's President signed a federal law ratifying a maritime border treaty with Norway on 31<sup>st</sup>, March 2008, the Kremlin press service said. The treaty on the delineation of a disputed section of the border in the Varanger fjord area of the Barents Sea was signed in July 2007 and submitted to the Duma by President Vladimir Putin. The previous agreement on the Varanger fjord, signed in 1957, applied to the inner part of the fjord, while the new agreement delimits the outer part. The Chairman of the upper house's international affairs committee, said that under the treaty, "Russia will receive an additional 26 kilometers of maritime territory." The agreement could lead to a final settlement on the delineation of the 155,000 sq km Norwegian-Russian disputed zone, considered likely to hold substantial oil and gas reserves. The Varanger fjord area falls outside this zone. Norway and Russia have been negotiating the delineation of the disputed area since the 1970s. Varanger fjord in the county of Finnmark is the easternmost fjord in Norway, approximately 100 km long.

Source(s): RIA Novosti, Moscow, April 01, 2008.  
<http://en.rian.ru/russia/20080331/102605893.html>

### Bangla-Myanmar Talks on Maritime Boundary

Bangladesh and Myanmar met at the technical level after 21 years on 31<sup>st</sup>, May 2008 for a two-day meeting on maritime delimitation. Additional Foreign Secretary MAK Mahmood led the 18-member Bangladesh team at the meeting while the 10-member Myanmar delegation was headed by Director of Myanmar National Hydrographic Center Commodore Maung Oo Lwin, said an official press release. The last maritime delimitation meeting between the two was in 1986. Eight meetings were held on maritime delimitation between the two countries since 1974, the release added.

Source(s): April 01, 2008  
<http://nation.ittefaq.com/issues/2008/04/01/news0332.htm>

## **IMO Decides on Sulphur**

IMO's Marine Environment Protection Committee (MEPC) has approved proposed amendments to the MARPOL Annex VI regulations to reduce harmful emissions from ships. The main changes would see a progressive reduction in sulphur oxide (SOx) emissions from ships, with the global sulphur cap reduced initially to 3.50% (from the current 4.50%, effective from 1 January 2012; then progressively to 0.50 %, effective from 1 January 2020, subject to a feasibility review to be completed no later than 2018. The limits applicable in Sulphur Emission Control Areas (SECAs) would be reduced to 1.00%, beginning on 1 March 2010 (from the current 1.50 %); being further reduced to 0.10 % , effective from 1 January 2015. Speaking at the close of MEPC, IMO Secretary-General Efthimios Mitropoulos said: "The fact that representatives of some 100 Governments were able to reach decisions by consensus on complicated issues of great importance to the environment not only bears testimony to the responsible manner with which the Members address environmental matters nowadays but also to the great results that can be achieved when States, with the same concerns and determination to produce meaningful solutions to global problems, work together under the auspices of IMO. The co-operation of the shipping industry and environmentalist groups has been of great value and I thank them for that. I am confident that, once adopted as amendments to MARPOL Annex VI, in the coming October, the new measures will prove extremely beneficial to the environment and I commend the Committee wholeheartedly for its achievement in developing them. It will certainly be one of IMO's finest hours when this happens six months from now."

Source(s): Maritime Global Net, April 05, 2008.

<http://www.mgn.com/news/dailystorydetails.cfm?storyid=8685>

<http://www.energycurrent.com/index.php?id=4&storyid=9903>

## **Maritime Industry Wants Dubai Arbitration Centre**

A maritime arbitration centre may soon be created in Dubai based on a recommendation being prepared by a think tank, which has emphasised the need for such because of the increasing maritime trade in the region. Dr Ibrahim Hassan Al Mulla, founder and general manager of the Emirates International Law Centre (EILC), said his company is recommending an administered arbitration, as against an ad hoc system, that is compliant to Islamic rules. "Our idea is to revive the Islamic arbitration, which cover a wide range of topics," he added, stressing that maritime arbitration systems worldwide mostly cover only the amicable settlement of commercial disputes. But the Islamic maritime arbitration system, he said, covers a wide range of related disputes, such as political, criminal, personal, civil and trade relations. "This is a very old system, but will still be very effective in settling various disputes," Al Mulla said. An ad hoc arbitration requires parties to make their own arrangements for the selection of arbitrators and the designation of rules and procedures while an administered arbitration has an independent agency to manage dispute resolutions. Al Mulla said that a maritime arbitration centre would boost regional and international trade through Dubai, as the security that foreign investors are looking for. He also said that maritime trade accounts for 75 per cent of the world's total trade.

Source(s): Khaleej Times, April 07,

2008 [http://www.menafn.com/qn\\_news\\_story\\_s.asp?StoryId=1093191867](http://www.menafn.com/qn_news_story_s.asp?StoryId=1093191867)

## **Stricter Norms for Maritime Safety**

In a move aimed at bringing Indian maritime safety standards in line with global regulations, the government would soon impose stricter norms for older vessels plying in domestic waters. Besides ensuring that age of the vessel is not more than 25 years, the government would also consider insurance status and flag of the carriers to regulate ships. While offshore vessels of more than 25 years would be restricted to sail in Indian seas, other older cargo vessels engaged on charter would be barred during monsoon months. Gas carriers and dredgers would be initially exempted from the restriction, but would be brought under the purview of the proposed guidelines later. "There has been an increase in older vessels plying in Indian coastal waters. This is partly a result of the increase in freight rate, making plying of older vessels economically feasible, and partly of the tightening up by the developed maritime countries of their regulations for safety reasons. We have so far taken a softer stand in order to keep freight rate low. But the increase in casualties over the last three years demands a review of this approach," a government official said. Of the 29 vessels lost during the last three years, 18 were 25-year old. In case of 15 vessels, machinery break-down was the main reason for the loss and in almost 95% cases of these cases, vessels were more than 25-year old.

Source(s): The Economic Times, April 14, 2008,

[http://economictimes.indiatimes.com/News/Economy/Policy/Stricter\\_norms\\_to\\_bring\\_maritime\\_safety\\_at\\_par\\_with\\_global\\_standards/articleshow/2949703.cms](http://economictimes.indiatimes.com/News/Economy/Policy/Stricter_norms_to_bring_maritime_safety_at_par_with_global_standards/articleshow/2949703.cms)



**Common Heritage of Mankind: Riches of the Ocean**

Speculation has continued for decades about the potential mineral riches on the ocean floor, but there have always been four problems with extracting them: no one really knows what is down there; the expense of prospecting for such minerals could be prohibitive; there is as yet no comprehensive internationally-agreed legal regime covering potential work in global waters; and there is the risk of causing irreparable damage to ecosystems that are barely understood.

Marine biologists have been filling the gaps in knowledge, identifying, for instance, so-called 'extremeophile' worms and shrimps that can live without oxygen. Unfortunately for the mining industry, such discoveries have actually impeded prospecting, with conservationists warning mining companies they could destroy life forms before they are even discovered. However, with world metal prices at record highs, the profitability of reaping minerals from the ocean floor is now high enough to enable predictions that the first commercial operation may be launched by 2010. With this in mind, it is also important that United Nations Regulations on Prospecting and Exploration for Polymetallic Nodules were agreed in 2000, covering the mining of the best-known type of these mineral deposits. These rules follow the general, legal framework established by the 1982 United Nations Convention on the Law of the Sea and its 1994 Implementing Agreement relating to deep seabed mining.



It is important to note that these rules do not cover economic exclusive zones, where countries are recognised as having sovereignty over stretches of seas and oceans; claims that are currently under consideration – also under the Law of the Sea – through the Commission on the Limits of the Continental Shelf. So, it is polymetallic nodules in international waters that are covered by the 2000 regulation. These range from specks to large pellets of over 20cm across, most being 5-10cm. Generally, they have commercially-viable amounts of manganese (about 30%), nickel, copper, cobalt, iron, silicon and aluminium. It is clear why these deposits are valuable. Their extraction is controlled by the Kingston, Jamaica-based International Seabed Authority, which is charged with policing extraction in international waters. Under the 2000 regulations, the authority must ensure nodule prospecting cannot take place "if substantial evidence indicates the risk of serious harm to the marine environment".

This sounds straightforward enough, but the regulations are complex, defining 'serious harm' as "any effect... which represents a significant adverse change in the marine environment, determined according to the rules, regulations and procedures adopted by the authority on the basis of internationally-recognised standards and practices". Additional guidance is being developed at the authority and if a mining company believes it is causing damage it must alert Kingston, which can order a temporary halt to work and ask its ruling council to decide whether a permanent halt or a change in working practice is required.



Speaking to the UN General Assembly in December, the Seabed Authority's secretary-general, Satya Nandan, noted how surging metal prices had led to the "private sector taking the lead in developing marine mineral resources in the western Pacific and has announced a target date of 2010 for the commencement of commercial mining activity". Mr Nandan said progress towards seabed mining had been slow, but that was no bad thing: "There are few other activities in the oceans that have been studied and regulated to such a detailed extent before the activity has even taken place. Most examples of environmental regulation occur as a response to environmental degradation, often as a result of over-utilisation of resources and incidental destruction of habitats."

Source(s): Keith Nuthall, Mining Communications Limited, Apr 18, 2008  
[http://www.mining-journal.com/mem\\_magazine/mem\\_Mag\\_Breaking\\_News.aspx?breaking\\_news\\_article\\_id=4579](http://www.mining-journal.com/mem_magazine/mem_Mag_Breaking_News.aspx?breaking_news_article_id=4579)

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**Editorial Team**

Cdr. Devbrat Chakraborty  
Dr. Joshy M. Paul

**Address**

National Maritime Foundation  
Varuna Complex, NH-8 New Delhi-110010, India  
Phone : +91 011 26154901  
Fax : +91 011 26156520  
E-mail: [maritimeindia@gmail.com](mailto:maritimeindia@gmail.com)  
URL : [www.maritimeindia.org](http://www.maritimeindia.org)