

# MAKING WAVES

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## MARITIME INFRASTRUCTURE

### Experts Oppose New Tariff Plan for Ports, Say It Overlooks Customer Needs

The Union government's plan to fix tariffs upfront and then invite bids for awarding cargo handling projects at the country's 12 state-owned major ports has drawn flak from analysts and experts who claim this model completely overlooks what customers are willing to pay for. "Nobody sets tariffs upfront in other business. Where is the role of the customer in all this if the tariffs are fixed upfront?" asked D.T. Joseph, India's former shipping secretary.

Currently, tariffs are fixed on a cost-plus model after winning bids are chosen. Under the new plan, the tariffs will be fixed by the Tariff Authority for Major Ports (TAMP) on the basis of an estimate of capital and operating costs of building and operating a cargo handling terminal of a particular capacity. The tariffs will also include a 16% return on capital. The upfront tariff thus fixed will be mentioned in the bid documents. According to Joseph, this is very different from the tariff setting mechanism in other sectors where the quality of facilities and the level of service determines the price customers pay.

Source(s): Livemint, Feb 07, 2008

<http://www.livemint.com/2008/02/07235045/Experts-oppose-new-tariff-plan.html>



### Indian Chahbahar Links To Afghanistan (Via Iran) Vs Pakistani Gwadar To China

The sailors of yesteryear, and the nations they represented, Amerigo Vespucci, Christopher Columbus and Vasco De Gama stepped over each other seeking at the shortest route to the South Asian Subcontinent. Today many of the same nations plus the ancient powers who are now independent, are seeking the shortest route to Central Asia. Two visions for Central Asia are emerging. One vision was to link Gwadar to China and Central Asia. The counter-move is the Indian threat to first build a new port in Iran and then to connect this new Iranian port city of Chahbahar to the Kabul and beyond. A Loan Agreement for Karakoram Highway Upgradation Project between the government of Pakistan and Export/Import Bank of China was signed here Jan 18, 2008. The qualitative upgrade of the Pakistan-China Road Linkage will further facilitate tourism and trade between the two friendly countries. Under the agreement the People's Republic of China will provide credit of US\$327 million. The KKH upgradation project is being executed jointly by China Road and Bridge Corporation (CRBC) and the Pakistan's National Highway Authority (NHA). The Agreement was signed by the Ambassador of Pakistan to China H.E. Salman Bashir and Xin Bin, Deputy General Manager Commercial Loan Project. (PPI)

Source: Feb 08, 2008. <http://rupeenews.com/2008/02/08/pakistani-gwador-to-china-links-threatened-by-indian-chahbahar-links-to-kabul-via-iran/>

### Infrastructure Investments in Andhra Pradesh

Andhra Pradesh is expected to attract an investment of Rs 350 billion and create 2.5 million jobs through Special Economic Zones (SEZs) proposed to be set up in the state. Some 71 SEZs are coming up in the state. Already 49 SEZs have been notified by the central government, which is the highest number for any state in the country, with a potential to raise capital investments of Rs 350 billion, said Finance Minister K Rosaiah. SEZs are expected to create employment for about 25 lakh (2.5 million) persons in the state," he said in his budget speech.

He said 40 SEZs were approved by the central government for the IT sector, which is the highest in the country and would create IT office environment of international standards, which would provide employment to over 800,000 people in the next five years. Laying special emphasis on improving infrastructure, the finance minister has allocated Rs 22.77 billion for the sector, an increase of 73 percent over the current year. Rosaiah announced plans to develop ports in all nine coastal districts of the state, which has the second highest cargo handling capacity in the country. The Gangavaram port being developed near Visakhapatnam is expected to be operational this year and is estimated to handle 35 million metric tones of cargo. The Krishnapatnam port is also expected to be operational by July 2008. He allocated Rs 652 million for ports development.

Source(s): IANS, Feb 16, 2008

[http://economictimes.indiatimes.com/News/Economy/Andhra\\_Pradesh\\_SEZs\\_to\\_attract\\_Rs\\_350\\_bn\\_investment/articleshow/2788150.cms](http://economictimes.indiatimes.com/News/Economy/Andhra_Pradesh_SEZs_to_attract_Rs_350_bn_investment/articleshow/2788150.cms)

### **JSW Group to Set Up Ports, Airports and Shipyards**

JSW Infrastructure & Logistics has drawn up a mega plan for developing a slew of seaports, airports and shipyards in various parts of the country, some of which are already in the process of taking shape. This follows their ambitious Jaigarh project where the company is developing a shipyard and a port scheduled to be commissioned within next two years. The plan is to support the group's steel, power and other downstream projects, and provide a logistics backbone.

"We are going to develop a port in Kakinada, Gujarat and West Bengal," said Capt BVJK Sharma, director of JSW Infrastructure & Logistics. "The port in West Bengal will meet the basic requirements of the 10-million tonne steel plant which is being set up there. Once the plant comes up, we will set up a cement and power plant as well, which is a natural offshoot," he said. "Since we need a port in West Bengal we are trying initially to tie up with Dhamra Port and simultaneously developing our exclusive captive port in West Bengal. We have been in discussion with the Tata's for our long-duration cargo contract.

We are looking for a gateway for moving bulk cargo to and from our West Bengal and Jharkhand projects mainly being coal, coke, limestone and the export of steel, etc. Our objective is to have deep-water ports capable of handling capesize and even larger vessels," said Capt Sharma. JSW group is developing a ship repair and ship building project at Kakinada with an investment of over Rs 1,000 crore. In Gujarat, it is building a 1,200 mega watt (mw) power plant at Simar and have also requested the government for permission to build a captive port. It would be set up at a cost of Rs 800 crore. The Jaigarh ship building and repair facility involves an investment of Rs 250 crore as much of the infrastructure and the land is already available. In Andhra Pradesh, the company is looking for a tie-up with the Gangavaram port. In case this proposal does not come through, they plan to build their own captive port. Capt Sharma did not want to indicate the investment that would be involved in the West Bengal port project.

Source(s): The Economic Times, 18 Feb 2008

[http://economictimes.indiatimes.com/News/News\\_By\\_Industry/Transportation/JSW\\_group\\_to\\_set\\_up\\_ports\\_airports\\_\\_shipyards/articleshow/2790815.cms](http://economictimes.indiatimes.com/News/News_By_Industry/Transportation/JSW_group_to_set_up_ports_airports__shipyards/articleshow/2790815.cms)

### **Dutch Keen on Port Alliances**

West Bengal is likely to benefit from Dutch expertise in areas like development of deep sea port, inland waterways transport, dredging technology and designing of vessels. These areas of cooperation were identified following a meeting of Camiel Eurlings, the Netherlands minister for transport, public works and water management with the West Bengal industries and commerce minister, Nirupam Sen in the presence of AK Chanda, the chairman of the Kolkata Port Trust (KoPT) and Bob Hiensch, the Netherlands ambassador.

About 10,000 acre of land has already been identified for reclamation in Nayachar, the proposed PCPIR (petroleum, chemicals and petrochemicals investment region) hub in West Bengal. Inland waterways transport is another area where West Bengal can benefit from Netherlands as Kolkata and Haldia ports are well connected to North India as well as Bangladesh, Chanda said. The Port of Rotterdam, Europe's largest port and the third largest port in the world, transports about 56 per cent of its maritime traffic through inland water transport as compared to a meagre 0.2 per cent in India, Eurlings said.

Source(s): Business Standard, Feb 21, 2008

[http://www.business-standard.com/common/news\\_article.php?leftnm=10&bKeyFlag=BO&autono=314487](http://www.business-standard.com/common/news_article.php?leftnm=10&bKeyFlag=BO&autono=314487)

## **Rlys' Congestion Surcharge on Iron Ore Traffic Creates Problems**

The Railway Board is concerned that the imposition of congestion surcharge on iron ore traffic has thrown up various problems, according to informed sources. The concern is more because a private sector steel plant is believed to have gone to court over it. The Railways slapped 60 per cent congestion surcharge on iron ore traffic booked for ports or stations identified as port-serving, the idea being to earn as much revenue as possible from the booming iron ore exports. recently, did South Eastern Railway declare three stations under it — Tamluk, Panskura and Dhalbhumgarh — as port-serving stations.

The problem has arisen because not all the traffic booked to port-serving stations are meant for exports. There are domestic steel producing units, which book iron ore traffic to port-serving stations because of the physical proximity of their plants to these stations. But the Railways would not differentiate between iron ore consignments for exports and domestic consumption. In other words, even the domestic consumers of iron ore booked to port-serving stations are being required to pay the 60 per cent congestion surcharge. Interestingly, some of the iron ore exporters have avoided paying the congestion surcharge by unloading their consignments not in port-serving stations/ports but in some other stations nearby and transporting the consignments by road to the port for exports.

Source(s): Santanu Sanyal, The Hindu Business Line, Feb 21, 2008

<http://www.thehindubusinessline.com/2008/02/21/stories/2008022150820700.htm>

## **Infrastructure Sector Needs Major Thrust**

According to the Consultation Paper on the projections of investment in infrastructure during the 11th Plan (2007-2012), the total requirement for the sector (at 2006-07 prices) is over Rs. 20,18,700 crore (\$492 billion). Disaggregates show that 30.5 per cent of the projected investments will have to be made in the power sector, 15.4 per cent in roads and bridges, 13.2 per cent in telecommunications, 12.6 per cent in the Railways, 3.7 per cent in ports, 1.7 per cent in airports and the remaining in irrigation, gas, storage, water and sanitation. The paper estimates that the investment requirements during 2007-2017 covering the 11th and 12th Plans will be of the order of \$1.48 trillion. Private investment is expected to constitute more than 65 per cent of the total investment in the telecom, ports and airport sectors during the 11th Plan. In the power sector, it will raise to 26 and in the road sector to 36 per cent. The shares of public and private investment in total infrastructure investment during the 11th Plan are projected at about 70 and 30 per cent respectively, compared to 83 and 17 per cent during the Tenth Plan.

Experts say there is an urgent need to put in place a regulatory mechanism for all infrastructure projects at various levels. The CII wants external commercial borrowings allowed in excess of the ceiling of \$20 million for funding rupee expenditure on infrastructure projects. It has said that many foreign companies were willing to take rupee risk as well as project risk in the infrastructure space. To make this effective, the government should allow foreign investors to participate in the Credit Default Swaps market with a separate limit for the contingent liability that would arise in case the borrower defaults.

Source(s): Sujay Mehdudia , The Hindu, Feb 22, 2008.

<http://www.hindu.com/2008/02/22/stories/2008022255841200.htm>

## **Value of China Marine Sector to Exceed 3 Trillion Yuan in 2010**

China's seas will contribute 3.16 trillion yuan (433 billion U.S. dollars), or more than five percent of the country's gross domestic product (GDP), in 2010, according to a report on China's marine development. The report, issued on Friday by the State Oceanic Administration (SOA), also predicted the country's offshore crude oil output would exceed 50 million tons. "China's development of ocean crude oil will enter into a speedy period," it said, adding that at the time, the country's natural gas development would grow quickly with key technologies greatly helping exploration. It said China's current offshore oil and gas exploration was "still in an infant stage", with 80 percent of oil and gas resources yet to be tapped. The country's explored crude oil only accounted for 17.6 percent of the reserve at sea, and natural gas that was tapped out only made up 11.9 percent, it said. The report, drawing from past experience so as to offer "strategic suggestions" to decision makers, singled out marine industries, included fishing, transport, oil, gas, tourism and shipbuilding.

"The sector is still in a growth period between 2007 and 2010 and the development mode will gradually turn to be more efficient," it said. The throughput of major sea ports will surpass 5.6 billion tons in 2010, with "a relatively complete port transportation system being established," it said. Shipbuilding capabilities in 2010 will reach 21 million tons, according to the report. Around 2020, China would become a world power in the sector. Last year, China's seas contributed 2.49 trillion yuan.

Source(s): Xinhua, Feb 23, 2008

[http://news.xinhuanet.com/english/2008-02/23/content\\_7651965.htm](http://news.xinhuanet.com/english/2008-02/23/content_7651965.htm)

## **New Deep-Sea Port Coming Up**

A new deep-sea port will come up on the East Coast under the public private partnership model, Union Minister of Shipping, Road Transport, and Highways T.R. Baalu said. "The exact location of the multi-purpose deep-sea port on the East Coast will shortly be decided by the Union Ministry of Shipping and the modalities of the project are being examined," the Minister said, inaugurating the phase-I capital dredging works at a cost of Rs.91 crore and construction of road works at a cost of Rs.9 crore at Ennore.

Expressions of Interest (EOI) had been given to nine global players. Chief Minister M. Karunanidhi would soon lay the foundation stone for a Rs.1,300-crore mega container terminal project at Kattupalli, Ennore, to be implemented under the PPP model, he said. The global bidding process for short-listing and selecting the terminal operator would commence shortly. The 1-km-long berth container terminal, a state-of-the-art facility, would be capable of accommodating three mainline vessels and four feeder vessels. "The Netherlands Minister of Port, who recently met me in Delhi, has evinced keen interest to associate with the development schemes of the Ennore Port. Experts from Germany and the Netherlands are going to advise us on the future development of the Ennore Port," Mr. Baalu said.

Source(s): The Hindu, Chennai, Feb 24, 2008

<http://www.hindu.com/2008/02/24/stories/2008022450160100.htm>

## **JSW Steel May Develop Deep Sea Port in West Bengal**

Steel major JSW Steel Group today said it would look into the possibility of setting up a deep sea port in West Bengal. After meeting West Bengal Chief Minister, JSW Steel Vice-Chairman and Managing Director Sajjan Jindal said that Buddhadeb Bhattacharjee had asked the company to study and submit a report on proposed deep sea port in the state. "We will carry out a feasibility study which will begin in first week of February," Jindal said. The group has developed three ports in Goa, Ratnagiri in Maharashtra and Kakinada in Andhra Pradesh. This would, however, be first time the group will foray into deep sea port. Sources said Jindal was keen in three sectors, steel, power and a port for West Bengal. The Centre was also carrying out its own independent feasibility study. The shortlisted consultants had sought change in terms of reference to carryout the study. Meanwhile, Jindal said the power plant capacity would be ramped upto 1,800 MW from 1200 MW to be set up in the first phase at the Salboni steel project. The steel project would require 1,000 MW and rest power would be pushed to the state or national grid. JSW Steel would also develop two ITIs on the PPP model to train local people for the steel plant in Salboni, which would attract an investment of Rs 35,000 crore.

Source(s): Sify, Feb 26, 2008,

<http://sify.com/finance/fullstory.php?id=14595344>

## **Port of Rotterdam Plans Joint Venture to Manage Ports in India**

The Port of Rotterdam Authority, which manages Europe's biggest port, plans to set up a company in partnership with a local private firm to manage ports in India, a top official said. "Our expertise and strength lie in managing ports. We are not into development of ports or handling cargo," said Pieter Struijs, senior executive vice-president and chief operating officer, Port of Rotterdam, during a trip to India last week. "This does not require any major investments," he added but declined to give further details. Port of Rotterdam has advised the Indian government in preparing a business development plan for the 12 major ports. The proposed port management company will look at opportunities in managing greenfield and private ports, Struijs said.

India's new generation ports, owned by state governments in Gujarat, Andhra Pradesh, Tamil Nadu and Maharashtra and being developed by private firms could provide the ideal setting for the Port of Rotterdam Authority to launch its port management business in India. Some of these ports, referred to as non-major ports, handled 185.54 million tonnes (mt) of cargo in the 12 months to March 2007, accounting for about 25% of the cargo handled at all ports in India. The 12 ports owned by the Union government handled 463.84mt of cargo in the same year, as against a capacity of 508mt. In comparison, the Port of Rotterdam handled 406.81mt in calendar year 2007, including container cargo of 10.8 million twenty-foot equivalent units or TEU. The cargo handling capacity of India's non-major ports, both existing and new ones, is projected to rise to 839.16mt by 2012 from the existing 228.31mt. The capacity addition needs an investment of Rs35,933 crore, of which Rs28,664 crore, or 80%, is expected to come from private companies. The port management company planned in India by the Dutch firm would follow a model similar to the one in Oman, where the Port of Rotterdam has a joint venture with the local government for managing the port of Sohar.

Source(s): P. Manoj, livemint, Feb 25, 2008

<http://www.livemint.com/2008/02/25013314/Port-of-Rotterdam-plans-joint.html>

[http://www.ibef.org/artdisplay.aspx?tdy=1&cat\\_id=60&art\\_id=18017](http://www.ibef.org/artdisplay.aspx?tdy=1&cat_id=60&art_id=18017)

## **Gujarat Ports to Attract US\$ 1.068 Billion Private Investments**

While taking its port-led development strategy a step ahead, the Gujarat government hinted that further attention will be diverted to ship-building industry from ship-breaking industry. At the state Budget, finance minister Vajubhai Vala also announced that next year the government would undertake developmental schemes on existing ports of Gujarat Maritime Board with an expenditure of Rs 175 crore, with a possibility of private investment to the tune of Rs 4,267 crore being made. "It is for the first time that ports have been mentioned in detail in a Budget. While the government has talked about promoting the ship-building industry, nowhere has it mentioned the promulgation of a ship-building policy, which has been pending since long. Moreover, only port development is not enough. Multi-modal activities like better road network to link ports also needs to be developed," said Vallabh Shah, adviser to ABG Shipping Limited. The Budget estimates reveal that 160 million metric tonne traffic will be handled from the small ports of Gujarat during next year. Begging to differ with the finance minister, Shah added, "After the port policy in 1995, which generated a traffic of 16 million metric tonne at that time, traffic had grown by 10 times already. It will rather touch the 200million metric-tonne mark in the coming days." On the LNG terminal front, Vala announced that with two new joint venture projects at Mundra and Pipavav, there would now be four functional LNG terminals in the state.

Source(s): [Business Standard](http://www.ibef.org/artdisplay.aspx?tdy=1&cat_id=60&art_id=18026); February 26, 2008  
[http://www.ibef.org/artdisplay.aspx?tdy=1&cat\\_id=60&art\\_id=18026](http://www.ibef.org/artdisplay.aspx?tdy=1&cat_id=60&art_id=18026)

## **Gujarat to Set Up Dredging Body**

The Gujarat government has decided to set up a dredging company called the Dredging Corporation of Gujarat involving companies from the private sector in the joint venture (JV) project that will cost an estimated Rs 300 crore. The new company will initially take up contracts in ports and inland waterways within the state, but, later on, will take up dredging contracts in the rest of the country as also in international waters. Ocean Sparkle, Sanghi Cement and a subsidiary of Larsen & Toubro (L&T) will be initiating the project. In this connection, Mr H. K. Dash, CEO of Gujarat Maritime Board (GMB), said at the Shipping & Marine World Expo 2008 recently, "We are visualising a much bigger role like that of the Dredging Corporation of India. At present, GMB has 14 dredgers, which undertake both capital as well as maintenance dredging operations. "With the formation of the Dredging Corporation of Gujarat, all the 14 dredgers will be transferred to this new company. It will be GMB's task to undertake all dredging operations of the various ports and other waterways in the state. "Because of the limitations so far, only GMB-controlled and operated ports are dredged by the Board. As far as private ports are concerned, we have allowed them to carry out their own dredging operations so far". Foreign companies have been invited to the JV project and many have already come forward to join up, it is learnt. GMB is in the final stage of evaluating the JV proposals. As per the Union government's Tenth Plan projections, the various port expansion programmes would require a total capital dredging of about 144 million cubic metres during this period, involving all Major Ports.

Source(s): 27 Feb, 2008 at 9:44am 27 Feb 2008  
[http://www.doond.com/forum/forum\\_posts.asp?TID=4406&PID=4417#4417](http://www.doond.com/forum/forum_posts.asp?TID=4406&PID=4417#4417)



## **UAE Maritime Firm Joins China-India Shipping Line**

Operated by Korea Marine Transport Co. (KMTC) and Taiwan's Cheng Lie Navigation (CNC), NIX offers one of the best transit routes in the industry between North China, South Korea and India, with only 14 days from Pusan in South Korea to Nhava Sheva port in India. Announcing the participation in NIX here Thursday, Emirates Shipping Line chairperson and chief executive Vikas Khan said in a statement: "We are happy to provide customers another high quality service which aligns with our overall strategy in meeting market needs. Emirates would continue to step up efforts in achieving more breakthroughs in service excellence." Emirates Shipping Line has acquired slots on this express service commencing Feb 22. One of the few services in the region serving northern China and Nhava Sheva, NIX's port rotation is Xingang-Qingdao-Pusan-Hong Kong-Singapore-Port Klang-Nhava Sheva-Port Klang-Singapore-Hong Kong-Xingang. Registered in Dubai Maritime City, Emirates Shipping Line is commercially headquartered in Dubai and Hong Kong, two of the busiest commercial hubs in the world.

Source(s): [Deccan Herald](http://www.deccanherald.com/Content/Feb12008/national2008020149855.asp?section=updatenews), Feb 1, 2008,  
<http://www.deccanherald.com/Content/Feb12008/national2008020149855.asp?section=updatenews>

## **China Sees Fast Growth In Marine Shipping Business**

China's marine shipping business continued to grow rapidly and notched up 341.4 billion yuan (about 46.77 billion U.S. dollars) in value added last year. The figure poses a year-on-year rise of 21.1 percent, according to a statistical bulletin released at an ongoing annual conference of the State Oceanic administration (SOA) held in Changsha, capital of central China's Hunan Province. The number of coastal ports with handling capacity exceeding 100 million dead weight tonnage (DWT) each has totaled 14 in the country. The country ranked the first globally in terms of both freight and container handling volumes for the fifth straight year. Shanghai Port, for instance, handled 26.15 million in 20-foot container equivalent units (TEU) throughput in 2007, surpassing Hong Kong to rank second globally. And the TEU throughput grew by more than 20 percent from 2006.

The Port of Singapore is currently the world's largest in TEU throughput. It handled more than 28 million TEUs last year. China also saw expansion in the shipbuilding industry. The sector scored 44.8 billion yuan (about 6.14 billion dollars) in value added, a rise of 17.6 percent from the year 2006. China's shipbuilding sector completed ships equivalent to 18 million deadweight tonnage (DWT) and received orders for ships totaling 70 million DWT in the same year. Coastal tourism and related consumption demands continued to grow fast too in 2007. Coastal tourism created 32.43 million yuan in value added last year, a year-on-year rise of 19.9 percent.

Source(s): China View, (Xinhua) Feb 26, 2008  
[http://news.xinhuanet.com/english/2008-02/26/content\\_7671819.htm](http://news.xinhuanet.com/english/2008-02/26/content_7671819.htm)

## **Northern Maritime Corridor Getting Concrete**

Russian authorities are showing increasing interest in the Northern Maritime Corridor project. In the course of 2008, a test load of containers will be shipped from Amsterdam to Arkhangelsk. If positive, the results of the test shipping operation could attract the interests of both the oil and shipping industry, Russian project manager Vladimir Kharlov says to newspaper Rossiiskaya Gazeta. He says that the Northern Maritime Corridor project now is entering a more practical phase. In a project meeting in Sankt Petersburg last week, the participants highlighted the need to focus more on efficient customs procedures. Currently, extensive customs regulations in Russian ports hinder the development of quick shipping operations. The conference participants also underlined that customs authorities now need to present information on how deal with customs regulations in free economic port zones, an arrangement currently in the making in Russia. The development of the NMC project could provide the oil industry with shorter and more cost-efficient shipping of hydrocarbons from Arctic fields. The Northern Maritime Corridor project, a sea based project which dates back to 2002, includes eight countries and 20 regions. The shipping corridor stretches from Northwest Russia to northern Norway and the continent.

Source(s): Barents Observer, 28 Feb, 2008  
<http://www.barentsobserver.com/northern-maritime-corridor-getting-concrete.4460543-16149.html>

## **MARITIME TOURISM**

### **Singapore Emerging as Asian Hub for Cruises**

With a new cruise centre opening in 2010, the same year as two multi-billion-dollar casino resorts, Singapore's prime location between major international maritime routes and strong air connectivity, it is emerging as Asia's hub for the burgeoning numbers enticed by the prospect of first spotting the many enticing locations at sea. "Cruises are the in thing now in Asia," said Cheong Teow Cheng, president of the Singapore Cruise Centre. Ocean Shipping Consultants forecasts a robust 40 per cent growth in cruise passengers in Asia from 1.07 million in 2005 to 1.5 million by 2010 and 2 million in 2015. Cruise passengers in South East Asia are expected to reach 820,000 by 2020, from 400,000 in 2005. "Recognising the appeals of Asia's varied landscape, the hospitality of its people and the prospect of new multi-cultural experiences, international cruise operators are seizing the opportunity to make inroads with Singapore their gateway into the region," said Carrie Kwik, director of cruises for the Singapore Tourism Board. A 10-million-Singapore-dollar (\$7-million) Fly-Cruise Development Fund encourages new and existing cruise companies to anchor strategic Asian deployments in Singapore by leveraging on its strength as a densely connected air and sea hub to give passengers more varied travel options, Kwik said.

Source(s): Feb 27, 2008.  
<http://www.ndtvprofit.com/2008/02/27090103/Singapore-emerging-as-Asian-hu.html>



### **Tight Global Credit Conditions Hurts Shipbuilding Industry**

The global credit crunch and associated economic slowdown has knocked shipping markets and international seaborne trade in past months and may now be beginning to affect shipbuilding. Recently a Hong Kong shipping company has cancelled construction of two giant ore carriers because of problems with financing due to tight global credit conditions.

Norway-listed Jinhui had terminated two contracts worth \$122 million each recently due to credit crunch. Jinhui Shipping and Transportation Ltd will pay a \$4 million fee for terminating the construction of the 300,000 dwt very large ore carriers (VLOC) by China Shipbuilding & Offshore International and Dalian Shipbuilding Industry. Hong Kong-based Jinhui said that due to the U.S. subprime mortgage crisis, which has forced banks to write off billions in losses, financial institutions have "reduced their willingness to loan funds" and worsened credit terms.

"The company has decided ... to terminate (the contracts) to reduce any unwanted future business risk, as well as to keep its financing strategy and overall cost of borrowing in check," Jinhui Shipping and Transportation Ltd said in a statement.

Source(s): Reuters , Feb1, 2008.

<http://www.reuters.com/article/bondsNews/idUSL3115490520080131>

### **China Leads The World in 2007 Ship Orders**

As of the end of December 2007, Chinese shipbuilding enterprises' shipbuilding orders-in-hand had totaled 158.89 million dwt, rising by 131% year-on-year, according to statistics released by the Shipping Industry Administrative Office of the Commission of Science, Technology and Industry for National Defense.

China accounted for 33% of the world's total shipbuilding orders-in-hand in the year, based on data on the world's total shipbuilding volume released by China and UK's Clarkson Research Studies. The nation's bid to be the leading shipbuilder by 2015 looks well on track and has Korean counterparts on edge.

Recently China State Shipbuilding Co Ltd, the country's biggest shipbuilder announced that its 2007 profit soared more than tenfold from 2006, powered by rising global demand.

Source(s): Feb 04, 2008.

<http://www.seatradeasia-online.com/News/2280.html>

### **L&T Plans to Build Ship Engines, Looking For Mega Shipyard Site**

India's biggest engineering and construction firm, Larsen and Toubro Ltd (L&T), which has already announced an entry into the shipbuilding business, is now looking to start making engines for ships and other components that go into ships. Much like in the shipbuilding business, there is currently a boom in the global ship-components business with demand far exceeding supply.

The firm now plans to acquire an additional 500 acres near the Kattupalli project, the country's largest shipyard to be set up by L&T, from the state-owned Tamil Nadu Industrial Development Corp. Ltd, or Tidco, to facilitate setting up of ancillary industries that make and supply components used in ships. "L&T wants to convert Kattupalli into a shipbuilding hub," the person familiar with the development said.

It is here that the company plans to make diesel engines for ships that it will build and also for other customers. However, L&T is yet to finalize the strategy for the diesel engine venture. "The company is yet to decide whether to opt for the licensing route or float a joint venture with an established player to set up the engine factory," the person said. L&T has held initial discussions regarding the diesel engine venture with Germany's MAN Diesel SE, one of the world's top makers of large diesel ship engines, Finnish equipment maker Wartsila Corp. and STX Engine Co. Ltd, a unit of South Korean shipbuilder STX Shipbuilding Co. Ltd, the person said.

L&T is currently building mid-sized ships at its heavy engineering complex located at Hazira near Surat in Gujarat. However, the potential to build large ships at this facility is limited. Shipbuilders across the globe are facing a shortage of ship engines at a time when they are fully booked for the next few years. If an engine is ordered today, it will not be delivered until 2010.

Source: Livemint, Feb 5 2008.

<http://www.livemint.com/2008/02/05231953/LampT-plans-to-build-ship-en.html>

## **Firms See Big Gains in Shipbuilding**

Indian companies are investing heavily in the shipbuilding business. According to Shipping Corporation of India managing director S. Hajara, "Shipyards all over the world are booked until 2011-2012. More than 45 per cent of the Indian fleet are single-hull. "These will not be allowed to sail after 2010 under maritime law. Therefore, there is a need to replace the vessels, which gives Indian yards a tremendous opportunity," he said. JSW Infrastructure and Logistics Ltd is the latest to join the string of firms venturing into the segment. The company will invest Rs 5,000 crore in its marine infrastructure over the next five years. It plans to build two shipyards, which will also be special economic zones, in Maharashtra and Andhra Pradesh.

Shipbuilding is essentially a cyclical business and many European yards have opted out of it. Indian companies, however, are upbeat on the sector. ABG Shipyard, an established player in the field, has its hands full with an order book of Rs 8,270 crore. Shipping Corporation of India, too, is venturing into shipbuilding in collaboration with a partner. Larsen & Toubro, which decided to venture into shipbuilding last year, is constructing eight ships at its Hazira yard. The company plans to invest Rs 2,500 crore in a new yard and an SEZ in Tamil Nadu over the next two years.

"In shipbuilding, we find a natural synergy with our capability to absorb technology. This industry needs engineering manpower and the ability to execute, which we're doing all the time while competing with the Koreans and the Japanese," said A.M. Naik, managing director and chief executive officer of Larsen & Toubro. Since Korean and Japanese yards are overbooked, orders are naturally flowing into India, he added.

Source: *The Telegraph*, Feb 11, 2008.

[http://www.telegraphindia.com/1080212/jsp/business/story\\_8891979.jsp](http://www.telegraphindia.com/1080212/jsp/business/story_8891979.jsp)

## **Pipavav Shipyard Bags Countrys Largest Ship Building Order**

Pipavav, Shipyard has bagged the country's largest ship building order worth 1.06 billion dollars for construction of 26 Panamax Bulk carriers. It has started construction of India's largest ships with the performance of steel-cutting ceremony for the first four of a series of 26 Panamax 74,5000 deadweight (dwt) bulk carriers on order worth 1.06 billion dollars. This order will place the shipyard at number two in the world for Panamax bulk carriers ahead of major yards in Japan, Korea and China. "It's very important because here in Pipavav, we are changing scale. It's a beginning that is something bigger in India in terms of shipbuilding, said Ray Stuart, CEO, Pipavav Shipyard Ltd. We had relationship with other Indian shipyards, for instance with Bharati Shipyard where we ordered some offshore supply vessels, but at Pipavav we are really changing scale and for our company Barry Rogliano Sales" Stuart added. Pipavav Shipyard's long time technical advisor, SembCorp Marine, a Singapore based company that is a fabricator for the offshore industry, will assist the shipyard. In addition, the Company has plans for entry into the naval and repair sector to cater to the burgeoning needs of the Indian Navy.

Source(s): ANI, Pipavav, Feb 15, 2008

[http://www.thaindian.com/newsportal/india-news/pipavav-shipyard-bags-countrys-largest-ship-building-order\\_10017900.html](http://www.thaindian.com/newsportal/india-news/pipavav-shipyard-bags-countrys-largest-ship-building-order_10017900.html)

## **L&T in Talks for \$100 Million Dutch Shipbuilding Contract**

Larsen and Toubro Ltd, is in talks with a Dutch shipowner for a new building contract valued at more than \$100 million (Rs397 crore). The Dutch shipowner negotiating the deal was one of the shareholders of the Netherlands-based RollDock BV, which signed a memorandum of understanding with L&T on 13 February to build two modular carriers at Hazira yard in Gujarat, each having a cargo carrying capacity of 20,000 tonnes. L&T is currently building eight ships valued at about Rs1,150 crore. These comprise six for RollDock and two from BigLift Shipping BV, also of the Netherlands. L&T launched its shipbuilding venture in May 2006 with an order for building four ships valued at Rs440 crore from the Rotterdam-based shipping firm Zadeko Ship Management CV (now known as RollDock BV). RollDock placed a repeat order in August 2007 with L&T for building two more ships valued at more than \$70 million.



L&T has recently secured clearance from the Tamil Nadu cabinet to set up the country's biggest shipbuilding facility at Kattupalli in Thiruvallur district near Chennai. The Rs3,000 crore shipyard-cum-port project will be capable of building 25 ships in a year, including five very large crude carriers, each with a capacity to carry 300,000- 350,000 tonnes of crude oil, and 20 Panamax vessels, which can each carry 120,000-200,000 tonnes of dry bulk commodities and are called thus because they can pass through the Panama Canal carrying cargo. The yard will also be able to repair 50-60 ships a year.

India currently has 27 yards with a shipbuilding capacity of 2.8 million tonnes (mt), which is small by global standards. "India's shipbuilding capacity is projected to increase to 5mt by 2012 and further to 18mt by 2017," said Umesh C. Grover, director, technical and offshore at state-run Shipping Corp. of India Ltd. "To achieve this target, India will have to increase its shipbuilding capacity four times its present capacity over the next six-eight years," said Ajit Tewari, chairman and managing director at state-run Hindustan Shipyard Ltd.

P Manoj, Live Mint, Mumbai, Feb 15, 2008

<http://www.livemint.com/2008/02/15234846/LampT-in-talks-for-100-mill.html> <http://www.dutchshipbroking.com/>

### **BAE Warns Budget Squeeze Could Delay £3.6bn Carrier Contracts**

Mike Turner has used his last full-year results as chief executive of BAE Systems to call for action from the Government over its constrained defence budget. "They may save some money in the short-term, but there comes a point when it comes to affect engineering and shipbuilding resources. If people start getting laid off, industry doesn't bear that cost, the Government does. These projects will cost them more in the end," he said. "They have some decisions to make in the next few weeks."

One project likely to be pushed back is the Ministry of Defence's order for two aircraft carriers, at a cost of £3.6bn. "There is a high possibility that it will be delayed," Mr Turner said. If that happens, BAE would probably put off the completion of a joint shipbuilding venture with rival VT Group. The situation is unlikely to be resolved soon. David Perry, an analyst at Citigroup, said: "The new Prime Minister appears less interested in defence than his predecessor and we think that defence policy and defence spending will be a lower priority for Gordon Brown." In contrast, BAE now derives more than half of its turnover from the US, which allowed it to report a sharp increase in full-year profits to £1.44bn, up from £1.2bn the year before, on £15.5bn in turnover. Unusually for a defence company executive, Mr Turner bemoaned the war in Iraq. He said it was "bad news" for the industry because the massive amount of money and resources it requires has created squeezes elsewhere, and is one of the culprits for the UK's budget difficulties.

Source(s): Danny Fortson, The Independent, Feb 22, 2008

<http://www.independent.co.uk/news/business/news/bae-warns-defence-budget-squeeze-could-delay-16336bn-carrier-contracts-785623.html>

### **Shipbuilding Units to Come Up at Minor Tamil Nadu Ports**

Two ship building units would soon come up at Kaatupalli near Ennore and Silambimangalam near Cuddalore, a top official of Tamil Nadu Maritime Board said Friday. The units will provide services, including construction of new ships and ship maintenance works, Muthukumaraswamy, Vice-Chairman of the board said. He was talking to reporters at Nagapattinam port premises after reviewing the progress of developmental works being carried out at the tsunami-hit Nagai port at a cost of Rs44.58 crores. Stating that the Cuddalore port was witnessing rapid development, he said it had started handling fertilizer-laden foreign ships. It has provided employment opportunities to more than 2,000 people of Cuddalore, he said. The Nagapattinam and Cuddalore ports were capable of handling palm oil, fertilizers and coconut imports on a large scale. Nagapattinam port has four godowns with a total capacity of 14,000 tonnes and more godowns could be added based on the needs, he said. Three more minor ports would soon come up at Tirukkuvalai, Manapadu and Udankudi, he added.

Source(s): Porayar, Feb 22, 2008

<http://www.livemint.com/2008/02/22160806/Shipbuilding-units-to-come-up.html>

### **Posco's New Board Chairman Steels Himself for Big Decisions**

Jun Kwang-woo, Chairman of Deloitte Korea and outside director of Posco, was appointed as the new chairman of the board at the nation's top steelmaker Friday. Compared to the rather nominal and superficial nature of the role of outside directors in Korea's family-owned conglomerates, Jun's position is substantial, given Posco's unique status in Korea, initially a state-run company and now a privatized one without significant dominant shareholders. Another hot topic for Posco is its possible acquisition of Daewoo Shipbuilding and Marine Engineering Company, the world's third largest shipbuilder.

Vertical integration is a trend among the world's steelmakers, Jun said. Acquisition of Daewoo Shipbuilding can be a good choice for Posco as the deal will give the steelmaker a stable customer. It will be better for Posco to acquire Daewoo than for No. 1 Hyundai Heavy Industries or No. 2 Samsung Heavy Industries to do so, he said. If the shipbuilding market slows down and ownership is centralized, he said, the impact on both shipbuilders and Posco will be greater.

Source(s): Rah Hyun-cheol, JoongAng Ilbo, Feb 25, 2008  
<http://joongangdaily.joins.com/article/view.asp?aid=2886595>

### **India's Shipbuilding Industry Finally Gets Its Time Frame Right**

When state-run Cochin Shipyard Ltd delivered the sixth and last of a series of bulk carriers built for Denmark's Clipper Group on 30 November 2007, it achieved a first for the Indian shipbuilding industry. The ship was handed over to the owner 105 days before the scheduled date of delivery. The building of six bulk carriers, each having a capacity to carry 20,000 tonnes of dry bulk cargo, for the Clipper Group signifies India's transition from a shipbuilding country that is notorious for missing delivery deadlines to one that meets globally acceptable standards on delivery time and quality of ships. The delivery sequence of the Clipper ships has scripted this transition. The delivery of the first ship was 45 days behind schedule and the second was delayed by 15 days. The third ship was delivered on time, the fourth five days ahead of time and the fifth 45 days ahead of schedule.

"That story (delays) is old now. It is no longer there," said an excited M. Jitendran, chairman and managing director, Cochin Shipyard. We need a couple of more examples to boost the confidence of global shipowners to build their ships in India," said Ray Stewart, chief executive officer, Pipavav Shipyard Ltd, India's newest private sector shipbuilder. "This is already starting to happen," said John Stansfeld, president of ship classification society Lloyds Register Asia. "In 2002, 40% of India's production was built for foreign owners. This now stands at more than 65%, a sign of greater market confidence, but also of the global scarcity of shipbuilding slots," Stansfeld had said during a recent visit to Mumbai. "If you go to Japanese or Korean shipyards, you will have to wait for five years to get a ship because they are fully booked till 2011. In India, you can get a ship in two to two-and-a-half years," said Ajit Tewari, Chairman and Managing Director of state-run Hindustan Shipyard Ltd.

Source(s): P. Manoj, Feb 25, 2008.  
<http://www.livemint.com/2008/02/25235043/India8217s-shipbuilding-ind.html>

## **MARITIME SECURITY**

### **Arrested Indian Fishermen Sent to Jail in Pak**

Five Indian fishermen arrested for illegally fishing in Pakistani waters have been sent to prison by a court here, police said. The fishermen were handed over to police by the Maritime Security Agency (MSA) on Tuesday following their arrest 66 nautical miles from the Pakistani coast. The men, identified only as Doda, Annu, Khattu, Bopat and Mala, were sent to prison by the court on Wednesday. The MSA also seized their boat "Seeni", police said. This was the fourth incident of its kind this month. On January 24, ten Indian fishermen were detained with two boats by the MSA. Five fishermen were apprehended on January 14 while six more were arrested on January 16. India and Pakistan arrest scores of fishermen every year for illegally fishing in each other's waters. They have recently initiated steps for the speedy release of fishermen, who often languish in jail for months.

Source: Udayavani, Feb 01, 2008.  
<http://68.178.224.54/udayavani/showstory.asp?news=0&contentid=493628&lang=1>

### **Israel Navy Bids for Advanced Warship**

Looking to upgrade its sea-based capabilities, the Israel Navy has submitted a Request for Proposal (RFP) to the US Navy for a new missile ship currently under development by Lockheed Martin Corp. The Defense Ministry said that the navy expects to receive a reply by April. Designed for speed, maneuverability and amphibious operations, the Littoral Combat Ship (LCS) was built by Lockheed Martin, according to US Naval specifications as a "Brown Water" ship so as to operate in shallow waters along coasts and in depths that face threats from both land and sea.

Source (s): The Jerusalem Post, Feb 06, 2008.  
<http://www.jpost.com/servlet/Satellite?pagename=JPost%2FJPArticle%2FShowFull&cid=1202246336309>



## **'Dead Ships' A Security Threat Too?**

The 'dead ships' coming to India under flags of convenience are not only an environmental threat but also pose a threat to India's maritime security. A confidential report of the naval intelligence has pointed out that the D-gang is involved in most of the deals going around in the ship-breaking business. The *Times of India (TOI)* had earlier reported on shipowners in OECD countries using small countries like Liberia and Tuvalu to circumvent international laws that prevent them from sending ships loaded with dangerous chemicals for dismantling to developing countries, such as India. The intelligence report has raised the issue of security threat arising from unregulated shipbreaking in India.

"The high stakes of profit margin, cheap labour, corrupt practices and a large floating population have made labour settlement at Alang (the biggest Asian shipbreaking yard, based in Gujarat) an ideal breeding ground for mafia and anti-national elements to indulge in nefarious activities almost unhindered," the report mentions. With scrap steel prices shooting through the roof, the shipbreaking industry has become a small but important supplier of broken down steel and iron from the dismantled ships. "Apparently, a large number of cash buyers are Pakistani nationals based in London and the UAE. Due to large profit margins, the Dawood group appears to have invested heavily in cash buyers thus having a stake in most deals," the report warns. The involvement of the D-gang and Pakistani nationals creates a distinct possibility that the shipbreaking industry has become a route for landing contraband and explosives.

Source: The Times of India, Feb 07, 2008.

[http://timesofindia.indiatimes.com/India/Dead\\_ships\\_a\\_security\\_threat\\_too/articleshow/2762927.cms](http://timesofindia.indiatimes.com/India/Dead_ships_a_security_threat_too/articleshow/2762927.cms)

## **NSA Wants Pan-Asian Security Architecture**

India's National Security Adviser (NSA) MK Narayanan has suggested a pan-Asian security architecture akin to the trans-Asian Atlantic arrangement to fight security challenges, weapons' proliferation and terrorism. Delivering a speech at an international conference in Munich, Germany, which was released here on Monday, Narayanan expressed concern over dangers posed by nuclear weapons in the hands of "volatile states" – apparently referring to Pakistan. He also listed the proliferation of weapons of mass destruction (WMD) and terrorism emanating from the Pakistan-Afghanistan region as danger to South Asia and the world at large.

He told the conference attended by leaders from over 40 countries, "Today, Al Qaeda's mindset provides the most pervasive threat to Asian and international stability," he said. Narayanan also mentioned other challenges to Asia in terms of economic stability, energy and maritime security. Talking about energy security and environmental concerns, he said, "The search for non-polluting sources of energy was leading to a global nuclear renaissance and the nuclear industry in India hopes to join the international nuclear mainstream shortly." On maritime security, he said the Indian Ocean was transforming into a region of great geo-strategic importance, with half of the world's container traffic, a third of its bulk cargo, and two-thirds of oil shipments funnelled through it.

Describing Al Qaeda as an "international revolutionary movement" with "political aims", Narayanan said it had created an intricate web of networks across the globe involving common funding structures, training curricula and resources for obtaining weapons. He said the Lashkar-e-Taiba, Jaish-e-Muhammad and Harkatul Jihad Islami - militant organisation that are active in India - were part of the Al Qaeda network

Source: Iftikhar Gilani Daily Times, Feb 12, 2008.

[http://www.dailytimes.com.pk/default.asp?page=2008%5C02%5C12%5Cstory\\_12-2-2008\\_pg7\\_59](http://www.dailytimes.com.pk/default.asp?page=2008%5C02%5C12%5Cstory_12-2-2008_pg7_59)

## **Indian Navy Takes New Initiative**

Indian Navy, the strongest in the region is now taking steps to strengthen the policing of the nearly 74 million square kilometres of the Indian Ocean, an effort to deal with the new emerging security threats. Last year 25 warships from five countries participated in "war games" in the Bay of Bengal. Now to police 73.6 million square kilometres of the Indian Ocean Region, the Navy launched the first ever-consultative mechanism on maritime issues, the Indian Ocean Naval Symposium (IONS). It will have 31 countries including France, Djibouti, Egypt, South Africa, Saudi Arabia, Malaysia, Indonesia and Australia. Its goals include developing common doctrines and operational processes for speedy disaster relief. Strengthening the capability of members to counter maritime security challenges. The United States too has a similar platform, the Western Naval Pacific Symposium, comprising 21 members to achieve similar goals. However, the Indian Navy says IONS is not a military alliance.

"IONS is a non-hegemonic consultative mechanism designed to promote cooperation among navies in the Indian Ocean region," said Rear Admiral Pradeep Chauhan. But what does the new step signify. "It is just a sign of growing India. India has one of the strongest navy in the region and it is good that they have taken the lead," said Kanwal Sibal, former Foreign Secretary. Source: Feb 14, 2008.

<http://www.ndtv.com/convergence/ndtv/story.aspx?id=NEWEN20080041216&ch=2/14/2008%2012:43:53%20PM>

### **Maritime Security Prime Concern of Nations: Ansari**

Vice President Hamid Ansari today said maritime security has been the prime concern of states and of their nationals undertaking international trade. Addressing Chiefs/Heads of Navy of the entire Indian Ocean Region at the "IONS Seminar 2008" here today, Ansari said that in the past, piracy by entrepreneurs for themselves or on behalf of states was common. "Then came a time when the balance of advantage was found to lie in the suppression of piracy. The same pattern was followed in regard to slave trade. Economic interests and prevailing moral norms played and continue to play a role in shaping perceptions as is evident by the present-day measures against narcotics," he added. Ansari said that some with no doubt recall that in another age a great European power used its military superiority to dump opium on an Asian people in order to correct trade imbalance. He said that maritime security is to be considered at three levels: Measures to create transparency, measures to build confidence, and measures to build security. "IONS-2008, I venture to hope, is indicative of a broad acceptance of the need to take these three sets of measures to further maritime security in the Indian Ocean Region," Ansari said.

Source(s): Praful Kumar Singh, Asian News International, New Delhi, Feb 15, 2008

<http://www.dailyindia.com/show/216523.php/Maritime-security-prime-concern-of-nations:-Ansari>

Times News Network, New Delhi, Feb 16, 2008

[http://timesofindia.indiatimes.com/India/India\\_26\\_others\\_to\\_create\\_Indian\\_Ocean\\_security\\_mechanism/articleshow/2786760.cms](http://timesofindia.indiatimes.com/India/India_26_others_to_create_Indian_Ocean_security_mechanism/articleshow/2786760.cms)

### **Europe Takes Box Scanning Fight to US Congress**

Brussels will present a breakdown of costs the European Union will have to shoulder if the US implements its 100% container scanning law to the US Congress next month. The European commission is preparing what is expected to be a "massive" estimate of the burden European companies will have to bear if the US insists all inbound boxes be scanned for radiation by 2012, as legislation foresees. The estimate, gathered following talks with major European ports, is part of the commission lobbying campaign to get the US authorities to rethink the anti-terror law. Brussels would like the US to instead move towards mutual recognition of maritime security regimes.

According to an assessment made for the commission by the European Sea Ports Organisation, the Brussels industry group which represents port authorities, the US law will distort trade and might not even make any difference if terrorists do decide to hide a radiation-based "dirty bomb" in a container. ESPO told the commission, "the cost of introducing the 100% scanning measures will to a large extent be transferred to port users and eventually on shippers trading with the US. Given that US exporters are not required to have export cargo screened this action will discriminate against exporters based outside the US." "This US measure would also apply to ports outside Europe. How on earth would they afford to implement such a system in places like Africa?" said Patrick Verhoeven, ESPO Secretary General. China has already added its voice to European concern.

Source(s): Justin Stares, Brussels, Feb 18, 2008

<http://lloydslist.com/ll/news/viewArticle.htm?articleId=20017506167>

Jack Handley, [www.impactpub.com.au/aircargo/index.php?option=com\\_content&task=view&id=1222&Itemid=60#begin](http://www.impactpub.com.au/aircargo/index.php?option=com_content&task=view&id=1222&Itemid=60#begin)

### **Coast Guard Program: [www.privateofficer.com](http://www.privateofficer.com)**

The U.S. Coast Guard has launched a program that relies solely on the public's help in spotting suspicious activities on the waterways. The anti-terrorism program named America's Water Watch operates by following up on tips from the public. The Coast Guard is asking the public to keep an eye out and report anything unusual. From the ship canals to major ports along the thousands of miles of coastline in the Northwest, many suspicious activities go unreported. In an attempt to learn more about these incidents, the Coast Guard has unveiled a new program that relies solely on tips. "The whole idea is to adjudicate it, to figure out whether it is a terrorist-related activity, or just a security-related activity, or to push it up for further investigation," said Capt. Metruck with the U.S. Coast Guard. The Coast Guard, the FBI, the Washington State Patrol and local police departments will team up to follow up on the calls.

Source(s): Seattle, Feb 20, 2008. <http://privateofficerbreakingnews.wordpress.com/2008/02/20/coast-guard-launches-program-aimed-at-public-help-wwwprivateofficercom/>

## **Pakistan Hands Over Command of TF 150 to France**

Pakistan Navy Commodore Khan Hasham Bin Saddique handed over command of Combined Task Force 150 to French Navy Rear Admiral J L Kerignard onboard Pakistan Navy Ship Tippu Sultan. This marked the end of Pakistan Navy's second tenure of command of Combined Task Force 150 which conducts Maritime Security Operation (MSO) in the Gulf of Aden, Gulf of Oman, Arabian Sea, Red Sea and part of the Indian Ocean. Combined Task Force 150 comprises warships from coalition nations, including France, Germany, Pakistan, Canada, United Kingdom and the US.

Source(s): Associated Press of Pakistan, Feb 25, 08.

[http://www.app.com.pk/en/\\_index.php?option=com\\_content&task=view&id=29805&Itemid=1](http://www.app.com.pk/en/_index.php?option=com_content&task=view&id=29805&Itemid=1)

## **Pak Arrests 24 Indian Fishermen**

Pakistani authorities have apprehended 24 Indian fishermen along with six boats for allegedly fishing in the country's waters. Pakistan's Maritime Security Agency took the fishermen into custody as it claimed that they were fishing in the country's exclusive economic zone (EEZ). "The Indian fishermen have been warned time and again not to indulge in illegal fishing but they repeatedly come into our EEZ to benefit from rich fish resources at the mouth of the Indus delta," said a statement from the agency. On reaching the port city of Karachi, the apprehended fishermen were handed over to the Docks police station for further legal action, it said.

Source(s): PTI, Feb 28, 2008,

<http://news.in.msn.com/international/article.aspx?cp-documentid=1266320>

## **MARITIME COOPERATION**

### **Companies Join Maritime City**

Over 1000 companies have registered in Dubai Maritime City. The project is currently within its third and final phase of development and when completed will be home to businesses from across the maritime industry, including yacht repair and maintenance companies, lawyers, brokers and maritime education and research providers. Dubai Maritime City recently finalised the strategic plan for the Marina District element of the project, which will feature hotels, marinas, waterfront retail shops, restaurants and restaurant facilities.



The overall development will also include the Academic Quarter, the Industrial Precinct, the Maritime Centre, maritime company offices and a commerce hub. On completion the project will feature the UAE's first specialized National Maritime Museum as well as an education, training and research institute for maritime science. "We are confident of doubling the number of businesses registered with us in the near future as we making every effort to respond to the comprehensive needs of the global maritime community," said Amer Ali, CEO of Dubai Maritime City.

Source: Arabian Business.com Feb 01, 2008. <http://www.arabianbusiness.com/509853-companies-join-maritime-city>

### **US Navy Calls for Increased Maritime Cooperation to Combat Threats at Sea**

The United States Navy has proposed a "global maritime partnership" of like-minded countries working together to combat common threats at sea. The idea was floated at a maritime conference in Sydney on security and cooperation. Among those addressing the 2008 Sea Power Conference was Admiral Robert F. Willard, commander of the U.S. Pacific fleet. At the Conference Willard outlined a new U.S. maritime strategy that involves closer cooperation between the U.S. Navy, Marine Corps and Coast Guard.

He also told the meeting that U.S. forces will pursue a greater role in the Asia-Pacific region. This will include such non-combat activities as the use of hospital and amphibious ships to conduct disaster relief operations and health checks in poorer countries. The Sea Power conference brought together senior naval officers from 33 countries including the United States, Britain, India, Pakistan and Singapore. In recent years, countries including the United States and Australia have expressed concern over growing piracy, and the threat of sea-going terrorism.

Source: Voice of America, Feb 01, 2008.

<http://www.voanews.com/english/archive/2008-02/2008-02-01-voa15.cfm?CFID=208431286&CFTOKEN=84844089>

## **Bangladesh and Burma Discuss Maritime Boundary**

A foreign advisor of Bangladesh, Dr. Iftekhar Ahmed Chowdhury, has received a report from a delegation that recently visited Burma to hold talks "to lay the foundation of technical negotiations on maritime boundary." The foreign advisor first broached the subject of maritime demarcation with Burma when he visited the Southeast Asian country in April of last year. It was the first time the subject was discussed in 21 years. The Foreign Secretary of Bangladesh, M.A.K. Mahmood, led the most recent delegation. "The delegation informed me that it was received warmly by the Myanmar government. Besides having talks with their counterparts, the delegation members also had a meeting with the Myanmar Foreign Minister," Dr. Chowdhury said in Dhaka on Tuesday. Bangladesh is claiming 12 nautical miles of territorial sea, 200 nautical miles for an Exclusive Economic Zone and 350 nautical miles of continental shelf in the Bay of Bengal. Bangladesh has until 2011 to justify its claim, as it ratified the United Nations Convention on the Laws of the Sea in 2001.

Source: February 6, 2008. <http://www.mizzima.com/MizzimaNews/News/2008/Feb/13-Feb-2008.html>

## **Australia-Indonesia Security Pact Comes into Force**

A new security pact between Australia and Indonesia came into force Thursday at a ceremony in Perth attended by the foreign ministers of the at-times testy neighbours. Known as the Lombok Treaty, the agreement replaces an earlier pact torn up by Indonesia eight years ago over Australian support for the independence of East Timor. The new agreement includes a key Indonesian demand that Australia will not support separatist causes in its giant neighbour's sprawling archipelago.

"The treaty provides a strong overarching framework for strengthening security cooperation," Australian Foreign Minister Stephen Smith said in a statement. It covers "greater collaboration in areas such as defence, law enforcement, counter-terrorism, maritime security and emergency preparedness," he said after talks with his Indonesian counterpart Hassan Wirajuda. The treaty was signed on the Indonesian island of Lombok in November 2006 but needs to be ratified by both parliaments. The signing of the agreement came hard on the heels of a diplomatic row over Australia's granting of asylum to 43 Papuan separatists which saw relations plunge to their lowest level for years.

Source: AFP, Feb 6, 2008. [http://afp.google.com/article/ALeqM5iruoejHHdnT9N\\_HzJl4jdBq49JBg](http://afp.google.com/article/ALeqM5iruoejHHdnT9N_HzJl4jdBq49JBg)

## **Cooperation Among Indian Ocean Navies Vital to Fight Terrorism: Manmohan**

Indian Prime Minister Manmohan Singh has endorsed the initiative launched on Thursday, 14<sup>th</sup> February 2008 to fashion cooperation among navies of the Indian Ocean region, saying such ties were of "paramount importance" to tackle threats of terrorism from the seas. High level of trade and economic growth being witnessed in the region dictated the need to ensure safety and security of the sea lanes, the Prime Minister said while inaugurating the Indian Ocean Naval Symposium, attended by over 25 naval chiefs and other senior officers from Indian Ocean rim countries.



Recent years had seen rise in crimes such as terrorism, piracy and smuggling of narcotics and arms in the ocean region and navies of the littoral states must cooperate with one another to prevent trans-national crimes on the high seas. "The perpetrators of these crimes are well-organised and well-funded trans-national syndicates who take full advantage of the vastness of oceans. The need for cooperation among the navies of the region in preventing such trans-national crimes is, therefore, of paramount importance," he said. The Chief of the Naval Staff, Admiral Sureesh Mehta, discounted notions of the initiative being aimed at fashioning a military alliance and said the aim was to bring interoperability among the region's navies to tackle terrorism, piracy and natural disasters. While supporting greater cooperation among the navies of the Indian Ocean littoral states, Defence Minister A.K. Antony cautioned against "seeking extra-regional solutions." Regionally sensitive solutions needed to be found for problems faced by the states of the region, he said.

"The concept of maritime security needs to be viewed in the above background. It should ensure freedom from threats arising either in or from the sea," he said and wanted the participants to develop a comprehensive cooperative framework of maritime security. Such an effort would require a consensus-based approach, with a focus on pooling of resources and capacity building, information exchanges and development of interoperability in doctrinal and operational terms, he said.

Source: Sandeep Dikshit, The Hindu. <http://www.hindu.com/2008/02/15/stories/2008021554751200.htm>

## **Delhi, KL Examine Scorpene Submarine Cooperation**

The Indian and Malaysian navies are discussing cooperation to exchange expertise on the French-made Scorpene submarines that both nations are in the process of procuring -- a move which will boost bilateral military ties. Malaysia had ordered two conventional Scorpene submarines, the first "KD Tunku Abdul Rahman", jointly built by French and Spanish companies, would be commissioned next year. India has also placed an order for six similar class submarines.

"I am having discussions with the chief of the Indian navy (Admiral Sureesh Mehta) with regard to cooperation on Scorpene submarines. "They are also acquiring some Scorpene submarines and there is avenue for us to discuss training, logistics and certain operation procedures," Malaysian Navy Chief Admiral Tan Sri Ramlan Mohamed Ali, who is attending a two-day Indian Ocean Naval Symposium in Delhi, told Bernama. Defence cooperation between Delhi and Kuala Lumpur (KL) had been fortified since both countries signed a memorandum of understanding in 1993, where the primary cooperation was in the training of Malaysian defence personnel.

Source: P. Vijian, Bernama, Feb 15, 2008.

<http://www.bernama.com.my/bernama/v3/news.php?id=314129>

## **Establish 'Indian Ocean Panchayat': Vice-President**

A strong case for the establishment of an 'Indian Ocean Panchayat' was made by Vice-President Hamid Ansari who asked the littoral nations to build confidence among themselves for better maritime security. Observing that cooperation among the nations situated on the Indian Ocean Rim was a must, he said over time, such measures could "lead to... an 'Indian Ocean Panchayat', a self-governing council or collective ombudsman empowered to take decisions on behalf of the community, settle disputes and suggest ways to prevent disputes". The Vice-President said while the security in choke points on Arabian Sea, Gulf of Aden, Gulf of Oman and Red Sea was controlled primarily by "extra-regional" powers, the situation on the eastern seas was primarily dominated by littoral nations. Observing that the difference between the two approaches was "significant", he said "the former primarily involves the extra-regional powers and gives the impression of being hegemonic, the latter primarily involves the littoral and user states and is focused on cooperation. "This gathering would, undoubtedly, make its own judgements." Ansari said the issue of maritime security should be considered at three levels. The first was to establish transparency among the littoral states, including advance notice of exercises and ship movements.

Source(s): PTI, Feb 15, 2008

<http://www.hindu.com/thehindu/holnus/001200802151859.htm>

## **Plea for Rethink on Maritime Agencies**

Edinburgh campaigner Ronnie Guild is petitioning the Scottish Parliament to urge a UK-wide appraisal of maritime agencies. He believes lessons could be learned from other countries on co-ordinating the work of bodies from the coastguard to customs. Mr Guild, who was Tony Blair's housemaster at Fettes, said: "If you have a multiplicity of agencies doing only one job that means you have a fishery protection vessel doing nothing but fisheries, a customs boat doing nothing but customs and so on. They are all stretched but they are all doing just one job. "In Holland you have one vessel supported by five government ministries, and it has 13 jobs."

Source(s): The Scotsman, Feb 18, 2008

<http://news.scotsman.com/politics/Plea-for-UKwide-rethink-on.3787497.jp>



## **MARINE ENVIRONMENT**

### **Police Will Impose Stiff Penalties on Ships Dumping Waste**

UAE Police warned ship captains that they face stiff penalties for dumping waste into the UAE's territorial waters. Colonel Mohammad Al Za'abi, Director of the Ports Police station, called on the authorities to take action against ships that dump waste in the country's territorial waters. The pollution is dangerous for sea life and beachgoers.

He said Jumeirah beach, the Mina Al Seyahi area and the area near the electricity generator in Jebel Ali have long been affected by marine pollution as a result of ships dumping waste, including oil and tar. These pollutants remain in the water for a long time and destroy marine flora and fauna. Colonel Al Za'abi said the mile-long oil slick which hit the Mina Al Seyahi area recently had a severe effect on fish and sea plants. He said the punishments imposed on sea polluters must be very stiff because they cause widespread damage to all of UAE society.

Marine tourism is an important source of revenue for the UAE economy and much of the population lives on fishing. Sea pollution as a result of ships dumping waste is affecting Dubai's marine wealth. These pollutants remain in the water for a long time and prevent fish and sea plants from breathing.

Source: Gulf News, Feb 03, 2008.

<http://www.gulfnews.com/nation/Environment/10186734.html>

### **Pristine Bay Under Threat**

Darvel Bay is a scenic pristine coast and a home to 418 families of ex-employees of Pacific Hardwood, but now they face displacement and are fighting for their rights on the land to be recognized. A proposed 300MW coal-fired plant to be constructed near the pristine Darvel Bay, some 17km from Lahad Datu, Sabah by the Malaysian government has invited criticism and concern by environmentalist and fishing community alike. The villagers had been promised by politicians that the timber complex will be gazetted as a village reserve.

IN 2006, businessman Datuk Lo Fui Ming found the ideal place to bring his aquaculture business to new heights – the pristine Darvel Bay in the south-east corner of Sabah. Calm seas, deep waters and an unpolluted marine environment are vital criteria for successful breeding of highly priced, rare marine fish. He thus relocated his cage culture business from Sandakan to Silam the following year, only to be met with news of a proposed coal-fired power plant. “How can they allow a polluting power plant there? It will be at the expense of a sure money-spinner for Sabah,” says the chief executive of Borneo Aqua Harvest

The east coast of Sabah has been earmarked for aquaculture ventures under the state development plan. Lo says a Japanese investor has spent some RM200,000 to explore the potential of the bay for aquaculture to serve the Japanese market, including the possibility of high value tuna-ranching. “I’ve been told by Maruha (Group Inc) that this is possibly one of the very few good spots left for aquaculture in the world,” he says. Maruha is Japan’s top producer of seafood and fish byproducts used in health food, cosmetics and pharmaceuticals.

Source: The Star, Feb 12, 2008.

<http://thestar.com.my/lifestyle/story.asp?file=/2008/2/12/lifefocus/20232281&sec=lifefocus>

### **Warming Risks Antarctic Sea Life**

Crabs are poised to return to the Antarctic shallows, threatening creatures such as giant sea spiders and floppy ribbon worms, says a UK-US team. Some have evolved without predators for tens of millions of years. Bony fish and sharks would move in if waters warm further, threatening species with extinction, they say. In the last 50 years, sea surface temperatures around Antarctica have risen by 1 to 2C, which is more than twice the global average.

In the course of a process called Antarctic cooling that started about 40 million years ago, all major seafloor predators such as sharks and crabs went extinct in Antarctica because they were not able to cope with these extreme conditions. Today, global warming is removing barriers to invasions. Crabs, especially king crabs, are on the doorstep of Antarctica and can potentially re-invade the shallow waters if warming continues.

Animals that live on the seafloor of Antarctica are some of the strangest creatures on Earth. The extreme cold and lingering darkness has presented huge challenges to marine life over the passage of time, leading to the evolution of fish equipped with anti-freeze proteins in their blood, and a proliferation of filter feeders on the seabed. Fast-moving shell-crushing animals such as crabs and ocean-going sharks that are normally key predators have long been kept at bay, as their bodies cannot cope with very cold conditions. This has led to a dominance on the Antarctic seafloor of soft-bodied, slow-moving invertebrates, similar to those found in ancient oceans prior to the evolution of shell-crushing predators.

Source(s): Helen Briggs , BBC News, 16 February 2008,

<http://news.bbc.co.uk/2/hi/science/nature/7248025.stm>





### **Intelsat Selects Hughes to Power Ku-band Maritime Service**

Hughes Network Systems, today announced that Intelsat, the world's leading provider of commercial satellite services, has selected its HX broadband satellite platform for a new regional Ku-band broadband maritime service. Intelsat will deliver its new service via a limited number of distributor partners in the Caribbean and Gulf of Mexico regions starting in mid-2008. The Hughes HX System is fully compliant with the world's leading satellite industry standard, DVB-S2/IPoS with Adaptive Coding and Modulation (ACM). The Hughes implementation of ACM on the downlink, together with Adaptive Inbound Selection (AIS) and signal spreading capability on the uplink, enables the use of small shipboard antennas to deliver high-speed Ku-band maritime services. "Utilizing smaller antennas opens up a large market for broadband connectivity to yachts," said Mohammad Marashi, Vice President of New Product Development, Intelsat. "The HX System provides an always-on, high availability connection, easy deployment and commissioning that are essential components of a maritime service." Optimized for smaller networks, the HX design builds upon a solid and field-proven foundation, leveraging many of the features and functionalities of the widely deployed Hughes HN broadband satellite platform. The advanced bandwidth management features of the HX System give operators the ability to efficiently allocate satellite bandwidth as a "virtual pool," assuring that bandwidth will always be available when needed.

Source(s): Hughes Network Systems, Germantown, Md., Feb 26, 2008

<http://www.earthtimes.org/articles/show/intelsat-selects-hughes-to-power-ku-band-maritime-service,291854.shtml>

### **Stratos Introduces Global Maritime Satellite Service**

Stratos Global Corporation, the leading global provider of advanced mobile and fixed-site remote communications solutions, today announced the commercial availability of its OceanVSAT from Stratos global maritime broadband satellite communications solution. OceanVSAT from Stratos is the latest addition to Stratos' industry-leading suite of maritime broadband satellite services, which includes FleetBroadband from Stratos and StratosITek. Stratos is the largest supplier of mobile satellite services to the maritime industry, with communications to more than 40,000 maritime terminals worldwide. Based on Intelsat's Network Broadband Global Maritime Service, OceanVSAT from Stratos offers new levels of bandwidth capabilities to the merchant marine industry and global naval forces. It is ideally suited for maritime fleet managers seeking high-bandwidth global data and voice connectivity, regardless of their location. As a distribution partner for Intelsat's C-Band Network Broadband Global Maritime Service, Stratos offers its new OceanVSAT solution to provide continuous communications at high-powered bandwidth rates of 128kbps to 512kbps. In addition, OceanVSAT from Stratos offers always-on broadband access that provides customers with continuous bandwidth for a fixed monthly fee. As part of the new service, Stratos also offers customer network management, application support and installation, and maintenance of remote terminals on vessels.

OceanVSAT from Stratos incorporates two important features that meet fleet managers' demands for communications flexibility and persistency. The first is an integrated Automatic Beam Switching system, which seamlessly transfers service between Intelsat's satellites and maintains a site's Internet session while the vessel is underway - eliminating the need for complex and costly manual intervention such as the re-pointing of antennas. The second feature, Intelsat's Global Network Monitoring System, offers customers the ability to monitor all remote locations from a single monitoring site at any location desired by the customer.

Fleet managers deploying OceanVSAT from Stratos will also have the opportunity to utilize Stratos' popular maritime value-added services AmosConnect and AmosConnect Crew. AmosConnect from Stratos is an easy-to-use, yet highly sophisticated email service that seamlessly integrates email, fax, telex, GSM text, interoffice communication and access for mobile personnel into a single messaging system. AmosConnect Crew is an all-in-one communication solution that enhances crew satisfaction and welfare onboard the vessel. Combining AmosConnect and ChatCard, AmosConnect Crew enables personnel at sea to stay in contact with home via calling, email and SMS at low-cost rates.

Sources: Stratos Global Corporation, February 26, 2008

<http://www.tmcnet.com/usubmit/2008/02/26/3291071.htm>



### **IMO: Global New Ship Recycling Regulations by Next Year**

The International Maritime Organisation (IMO) expects to adopt new globally applicable ship recycling regulations for international shipping and recycling facilities by next year. Speaking at 'The India Maritime Summit 2008' in Mumbai, IMO Secretary General Efthimios Mitropoulos said the new law, 'The International Convention for the Safe and Environmentally Sound Recycling of Ships' will include regulations for the design, construction, operation and preparation of ships to facilitate safe and environmentally sound recycling, without compromising safety or operational efficiency. The regulations will also establish an appropriate enforcement mechanism for ship recycling, including certification and reporting requirements, Mitropoulos said. He added recycling of ships is largely an unregulated industry in many parts of the world, and the countries that insist on higher standards could lose out commercially.

He said India's apex court also recently decreed rules similar to the IMO convention, which suggests that there will be no serious impediment for India to ratify the new treaty. 'The treaty, once ratified, will open up a huge global market of ship recycling in India,' Mitropoulos added.

Source: Feb 07, 2008. <http://www.recyclingbiz.com/nonferrous/LA795831.html>

### **Exporters to Get Tax Refund on 3 New Services**

The Finance ministry extended the service tax refund scheme for exporters to three more services, but stopped short of including 14 other areas for a similar relaxation. With this move, 13 services used by exporters have been made eligible for refund of the tax liability. The service tax on goods transportation agencies and transport of export consignments by rail containers to sea ports, airports and inland container depots has been made eligible for refund to exporters. In addition, exporters will also get a refund on the service tax paid on courier services used by them to transport goods and documents. Service tax is levied at the rate of 12 per cent plus a 3 per cent cess, taking the total incidence to 12.36 per cent. The relaxation on service tax, which account for up to five per cent of the freight-on-board (FoB) value of export consignments, is aimed at cushioning losses of exporters hit by the 12 per cent annual appreciation in the rupee. Commerce Minister Kamal Nath had announced exemption and refund of service tax for exporters while releasing the annual supplement to the trade policy in April, 2007. The finance ministry has made 10 services eligible for service tax refund in announcements made in July, October and November as part of export relief packages. These include service tax paid on port, general insurance and business exhibition services.

Source(s): Business Standard, New Delhi, Feb 20, 2008

[http://www.business-standard.com/common/storypage\\_c\\_online.php?leftnm=10&bKeyFlag=IN&autono=33861](http://www.business-standard.com/common/storypage_c_online.php?leftnm=10&bKeyFlag=IN&autono=33861)

### **Budget - Maritime Sector Seeks Tax Breaks, Subsidy**

The Indian National Shipowners' Association (INSA) has highlighted several issues that need to be addressed on a priority basis such as taxes on profit from sale of vessels, on interest income from compulsory reserve, on input services and seafarer's income. Over 80 percent of the world's shipping fleet operates from countries with no taxes. The local shipowners' body listed 12 taxes paid by them that foreign shipping firms are either exempted from or pay no taxes. Indian shipping firms also need about \$20 billion to replace and expand their ageing fleet. State-run Shipping Corp of India, Mercator Lines and Varun Shipping have announced expansion plans.



The Indian government has drawn up a \$12.4-billion investment plan to upgrade infrastructure and capacities at major ports to keep up with the growth in trade volumes. However, there are doubts as to whether the country's 199 large and small ports would be able to more than double capacity to handle about 1.5 billion tonnes of cargo by 2011/12. "They need to increase the pace ... The plans are good, but they need to implement it," said Prakash Tulsiani, chief operating officer of Gateway Terminals, which operates a terminal at India's biggest container port, Jawaharlal Nehru Port.

Source(s): Reuters India, Feb 21, 2008

<http://in.reuters.com/article/businessNews/idINIndia-32069320080221?pageNumber=2&virtualBrandChannel=0>

### **Indian Seafarers Most Sought After in Shipping Industry**

Indian seafarers are the most sought after in the shipping industry across the world due to their high standard of education and proficiency in English, a maritime expert said on Tuesday. Though there were only 800 Indian ships out of the total of 50,000 in the world, most international ships were being manned by Indians, Capt S Bhardwaj, Vice-chancellor of AMET University told reporters here.

As shipping served more than 90 per cent of the global trade, the industry was booming and generating a lot of employment opportunities for students of maritime education, he said. Bhardwaj said the Academy of Maritime Education and Training located at Kanathur on the outskirts of Chennai, had been conferred Deemed University status by the Union HRD Ministry on the recommendation of the UGC. The AMET university was the first and only varsity in maritime education, he claimed, adding it would be formally inaugurated by International Maritime Organisation Secretary General Efthimios E Mitropoulos on February 7.

The varsity would offer new courses in Shipping Finance, Marine Human Resources Management, Hotel and Catering Management, Maritime Law and Marine Insurance, Technical Operations and Marine Service.

Source: The Hindu, Feb 5, 2008. <http://www.hindu.com/thehindu/holnus/002200802051756.htm>

### **Ordinance to Revitalise 2 Seaports**

The Bangladesh government will promulgate an ordinance abolishing port dock management board and all but one trade union for revitalising two seaports, Labour and Employment Adviser Anwarul Iqbal said yesterday. "Due to the arbitrary role of the trade unions and other organisations in the two ports before 1/11, it used to take at least 12 to 13 days to complete loading or unloading operation in a ship. But at present it takes on an average two to three days to complete the operations as the government has managed to remove most of the irregularities there," he said. Anwarul Iqbal said there are some 30 trade unions at present in Chittagong port though provision in the existing Labour Law allows only three unions for an institution. "Chittagong Port had lost its international reputation to the globe due to pervasive corruption committed by the trade unions and dock management. It also became an economic burden to the exporters and importers as efficiency of the port declined alarmingly," he said. In response to a query regarding construction proposal of four-lane Dhaka-Chittagong highway, Anwarul Iqbal said ECNEC has already approved the highway from Daudkandi to Chittagong. "Also fund has been allocated. The construction work is expected to begin within the current fiscal year," he said.

Source(s): Anwarul Iqbal, The Daily Star, Chittagong, Feb 17, 2008  
<http://www.thedailystar.net/story.php?nid=23780>

### **Unpaid Port and Dock Labour Benefits**

P.M. Mohammed Haneef, general secretary of All India Port and Dock Workers Federation has stated that the number of workers at the major ports across the country, which was 1.3 lakh in 1993, has come down to 60,000 in 2007. He said there is a 34 per cent decline in manpower but the productivity in ports has increased. While major ports handled 281 million tonnes of cargo in 2000-2001, they handled 463 million tonnes in the current financial year. Stating that the restrictions imposed by the Ministry of Ports was detrimental to the development of the ports and was an impediment on their autonomy, Quoting the provisions in the Port Trust Act 1963 Mr. Haneef told that the trust governing board should be free to constitute and create at its will posts up to any level. On the issue of productivity-linked bonus scheme in port sector, Mr. Haneef said as per the provisions of settlement for payment of bonus signed between port management and representatives of recognised federations on April 10, 2007, port and dock workers should have been given these benefits. "But the workers have not yet been paid the balance of bonus for 2006-07. The file is pending with the Ministry," he said.

The operating income of major ports in 2006-07 was Rs. 5,777 crore and their expenditure was estimated at Rs. 3,210 crore, leaving a profit of Rs. 2,567 crore to the managements. "Yet, the ports do not have the autonomy to invest this surplus for improving their infrastructure. We may not be in a position to meet the needs of trade community if this situation continues," he said and added that port activities were being handed over to private cartels.

Observing that the industrial relationship in ports was not commendable, Mr. Haneef said port authorities kept labour matters pending for months. Port workers were eligible for liberalised wage structure from January 1, 2007. Federations had submitted a joint charter of demands on April 29 last requesting the port managements for an amicable settlement. "But nothing has happened as yet. This delay has caused consternation among the employees," he said.

Source(s): The Mangalorean, Feb 20, 2008  
<http://mangalorean.com/news.php?newstype=local&newsid=67915>

### SCI May Call Off Tender For Fleet Managers

The Shipping Corporation of India (SCI) may call off the global tender it had floated for placing 15 tankers and 15 bulk carriers under a private manning and management contract. The tender, evoked very poor response with only two parties responding to it. "We had floated the tender in the hope of getting the world's best fleet managers to respond, which has not been the case. We don't want to give our ships to any small or fly-by-night fleet manager." Mr S. Hajara told *Business Line*. Fleet managers worldwide feel that the Indian Document of Compliance (DOC) and the rules of the Indian flag administrator are much more stringent than that of many other state flags. They find getting officers under such restrictions very difficult, he said. As per the Indian Maritime Law, only seafarers of Indian origin can serve on Indian flag carriers. This has come in the way of hiring other nationals, leaving Indian companies with limited option to resolve their manpower problems. SCI now plans to approach the maritime authorities to get DOC conditions relaxed and also to seek permission to hire foreign nationals on a select basis. The employees unions have been opposing the SCI move alleging that it would render many employees jobless. Mr Hajara said that the company has no plans of giving all the ships for manning and management contract. "These 30 were calculated on the basis of the number of permanent officers we have. We should be able to man the remaining ships once these 30 vessels are outsourced for manning and management."

Source(s): Shubhra Tandon, N.K. Kurup, The Hindu Business Line, Mumbai, Feb. 24, 2008  
<http://www.thehindubusinessline.com/2008/02/25/stories/2008022551400100.htm>



## IMO CORNER

### Ship Recycling Statistics (Ships>499GT)

Ship re-cycling business in the world is dwindling in recent years as per the IMO statistics published last year. In 2003 it was heightened to 874 ships recycled from 231 in 1990 while by the end of 2006 it was downwarded to 386 shows that ships are being used its maximum longevity. According the statistics the average age of a ship is increased significantly from 25 years in 1991 to 32 years in 2006.

Table 3 Recycling statistics (ships > 499 GT)

| Year of recycling | number of ships (n) | average age (σ) | standard deviation (μ) | Gross Tonnage (GT) | average GT |
|-------------------|---------------------|-----------------|------------------------|--------------------|------------|
| 2006              | 386                 | 32.6            | 7.9                    | 4,311,039          | 64,846     |
| 2005              | 361                 | 32.7            | 8.9                    | 4,036,787          | 71,002     |
| 2004              | 615                 | 31.7            | 8.7                    | 7,478,622          | 76,885     |
| 2003              | 874                 | 29.7            | 7.3                    | 16,532,724         | 85,746     |
| 2002              | 740                 | 28.2            | 6.2                    | 16,079,566         | 88,500     |
| 2001              | 772                 | 27.7            | 5.7                    | 15,903,761         | 84,537     |
| 2000              | 706                 | 27.3            | 5.9                    | 14,087,466         | 87,265     |
| 1999              | 829                 | 26.2            | 5.4                    | 19,534,461         | 86,918     |
| 1998              | 801                 | 26.3            | 5.1                    | 14,343,031         | 76,259     |
| 1997              | 735                 | 26.5            | 5.5                    | 10,674,688         | 79,006     |
| 1996              | 672                 | 26.7            | 7.1                    | 11,206,752         | 84,742     |
| 1995              | 649                 | 26.6            | 6.9                    | 10,226,503         | 95,645     |
| 1994              | 694                 | 26.6            | 8.1                    | 12,807,611         | 98,692     |
| 1993              | 549                 | 26.6            | 7.8                    | 10,721,544         | 92,328     |
| 1992              | 450                 | 26.2            | 7.7                    | 7,566,541          | 84,435     |
| 1991              | 325                 | 25.7            | 7.4                    | 3,301,650          | 73,195     |
| 1990              | 231                 | 25.7            | 7.8                    | 1,983,758          | 67,863     |
| TOTALS            | 10,389              | 27.7            | 6.9                    | 182,796,704        | 17,595     |

Source(s): IMO News.  
[http://www.imo.org/includes/blastDataOnly.asp/data\\_id%3D20746/IMONewsNo407LR.pdf](http://www.imo.org/includes/blastDataOnly.asp/data_id%3D20746/IMONewsNo407LR.pdf)

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