



JMBAXi

THE PORT SPECIALIST
MARINE SERVICES



**PORT UPDATE
NOVEMBER 2024**

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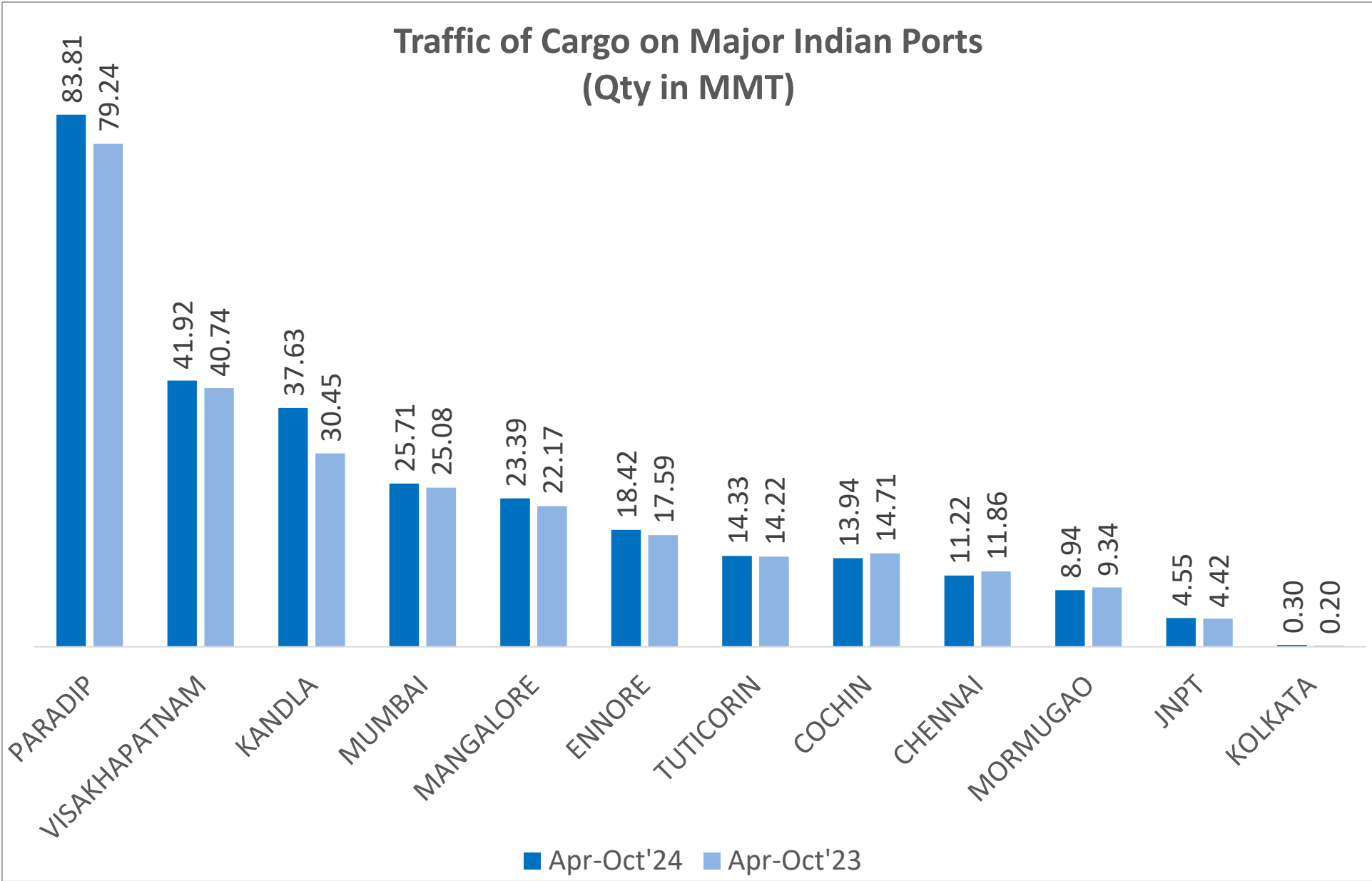
Market Updates

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KEY POINTS

MAJOR PORTS

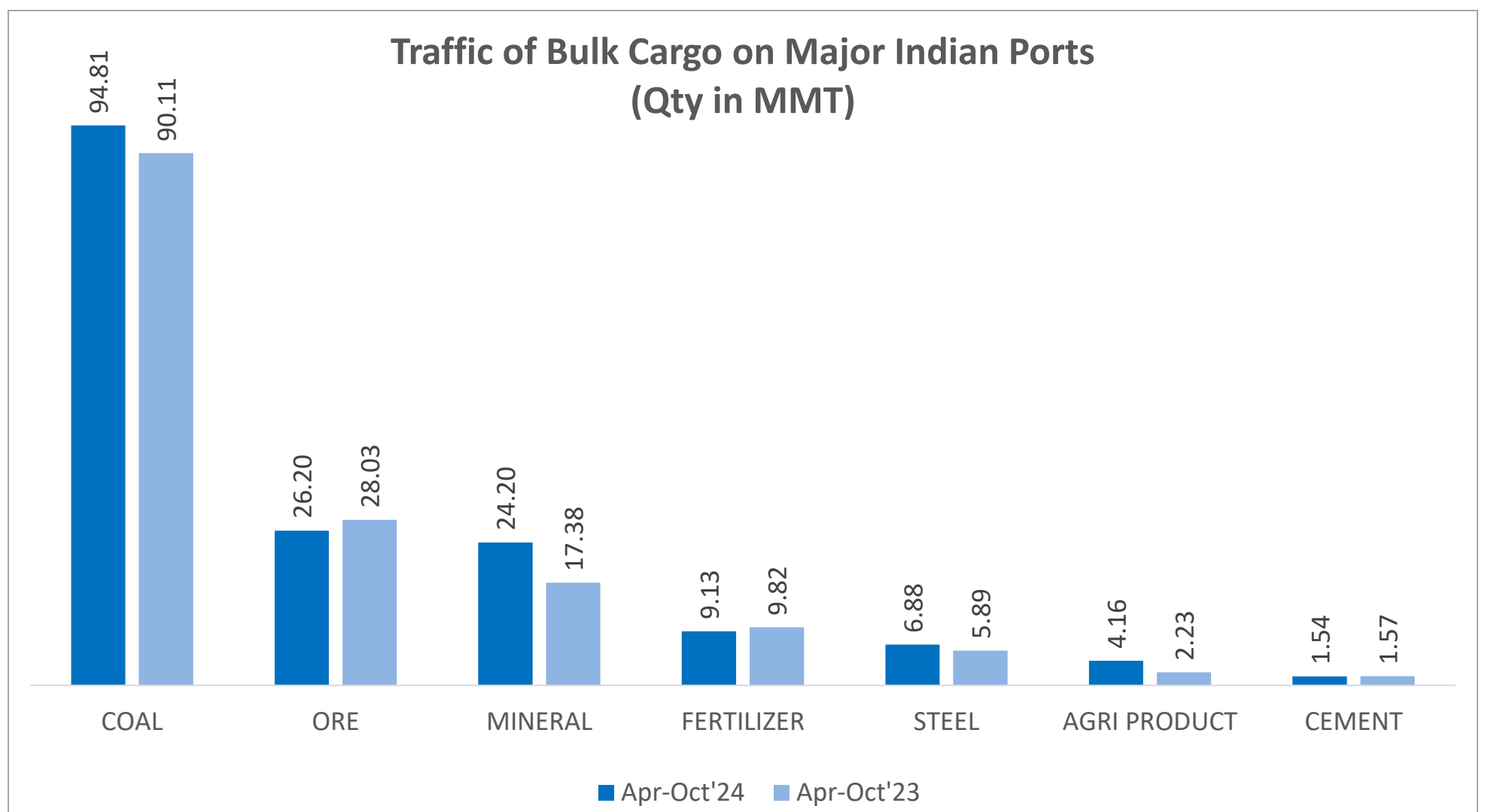
- Between major and minor ports, 628.17 MMT of traffic saw movement in Apr-Oct'24 as compared to the same period last fiscal.
- Major ports reported volume decline to 284.16 MMT in Apr-Oct'24, as compared to total volume of 270.01 MMT during same period last year.
- Traffic wise Paradip, Visakhapatnam and Kandla showed the highest traffic at 83.81 MMT, 41.92 MMT, 37.63 MMT respectively.



CARGO PERFORMANCE MAJOR PORTS

BULK CARGO

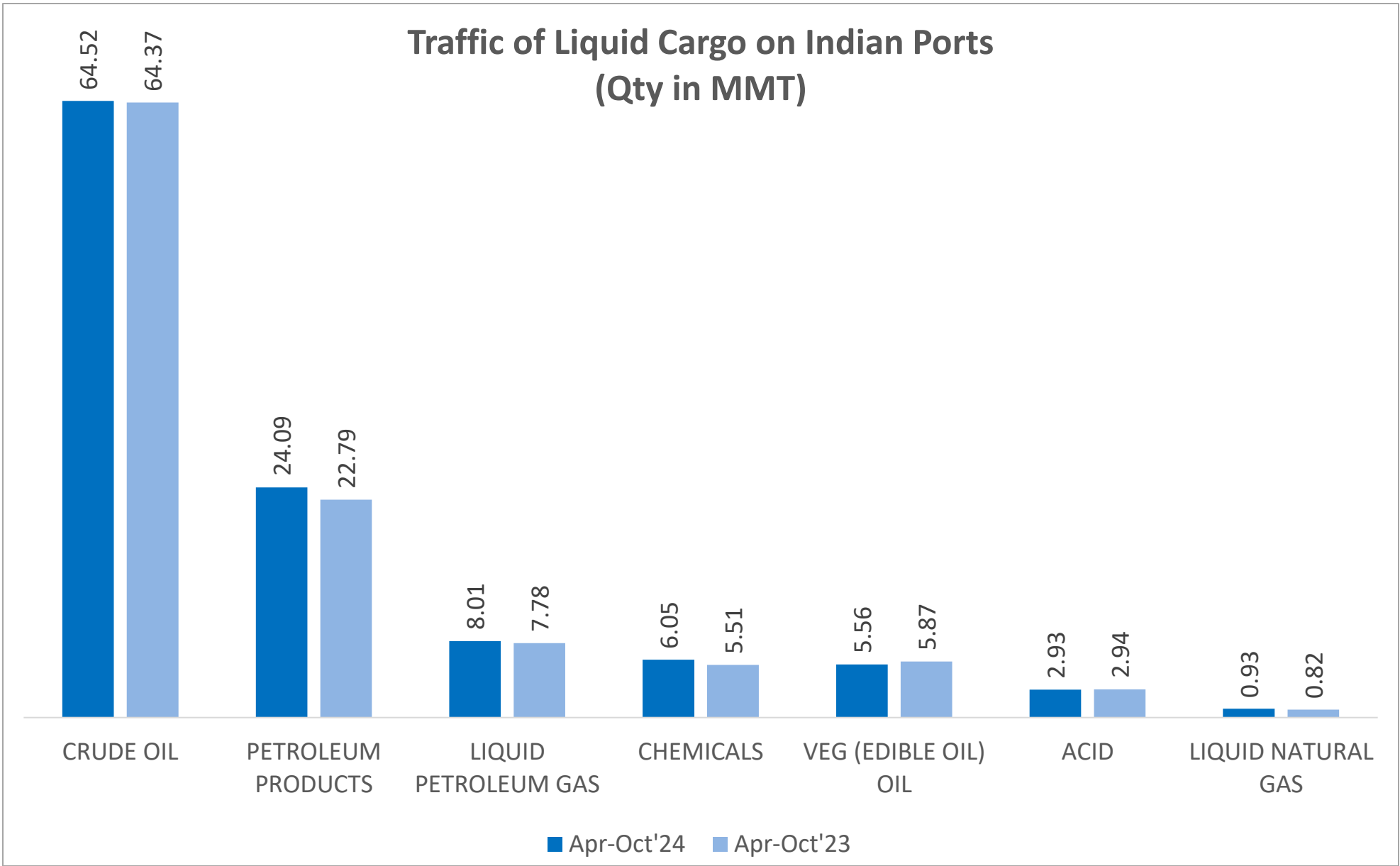
- Coal traffic on Major Indian ports stood at 94.81 MMT in Apr-Oct'24.
- Shipments of mineral through the 12 major ports, increased significantly at 24.20 MMT in Apr-Oct'24 as compared to 17.38 MMT in Apr-Oct'23.
- Total Bulk Cargo traffic at major ports increased to 166.93 MMT from 155.02 MMT for the same period last year.



CARGO PERFORMANCE MAJOR PORTS

LIQUID CARGO

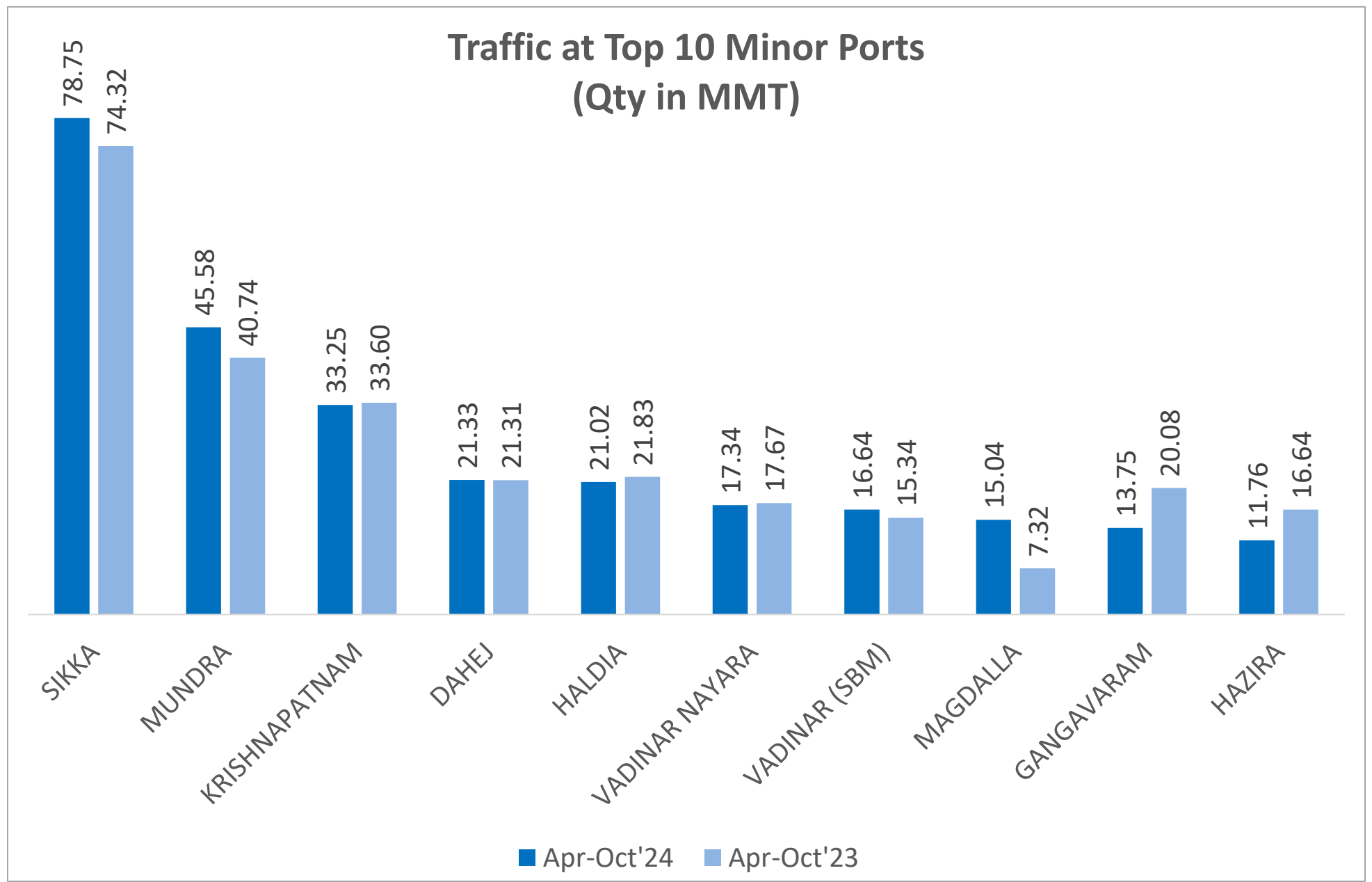
- P.O.L., Crude, LPG/LNG shipments rose to 97.55 MMT while Other Liquids traffic at major port rose to 14.54 MMT.
- Total Liquid Cargo traffic at major ports increased during Apr-Oct'24 to 112.09 MMT from 110.09 MMT for the same period last year.



KEY POINTS

MINOR PORTS

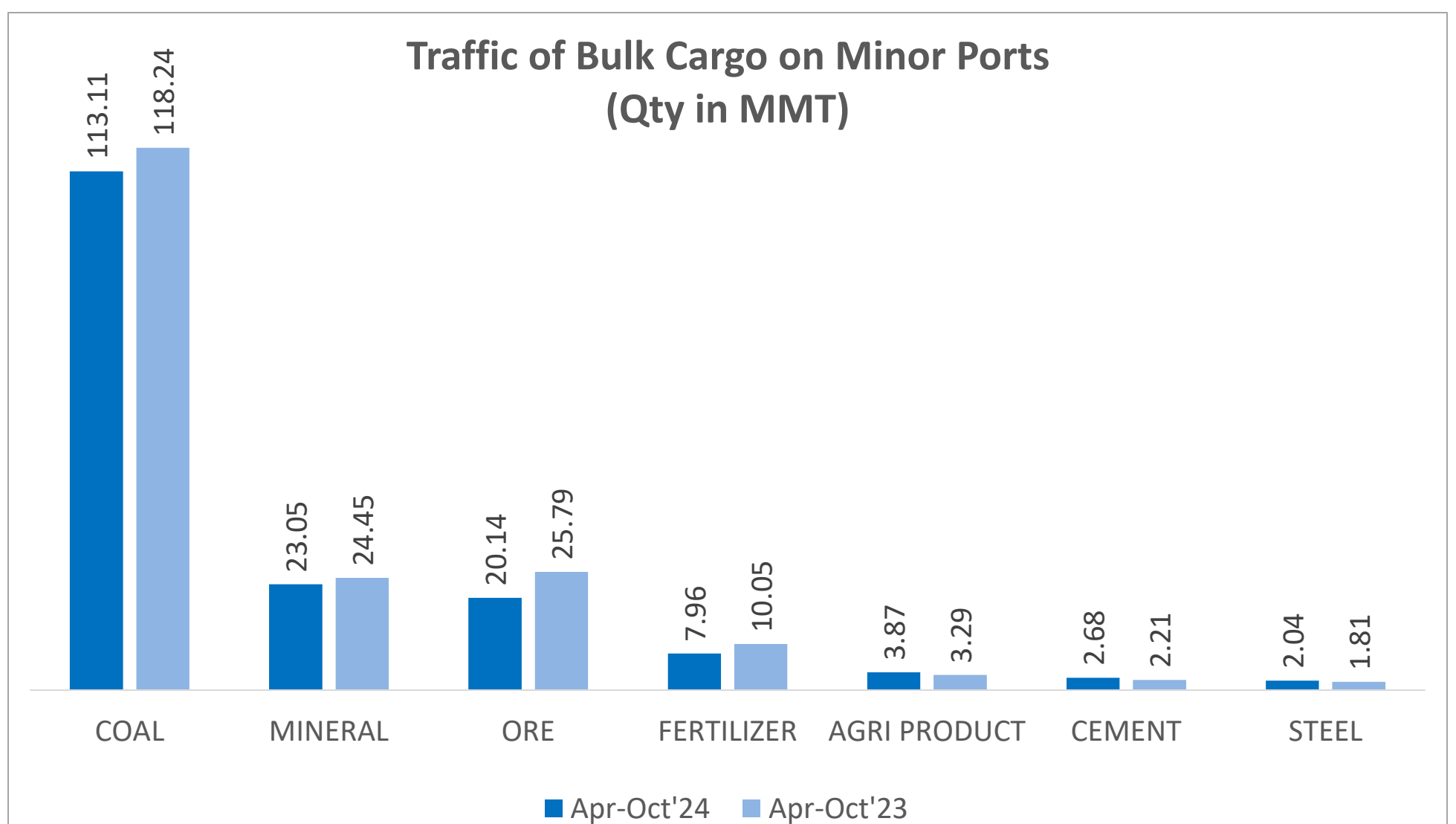
- Minor ports reported volume of 344.01 MMT in Apr-Oct'24 as compared to total volume of 349.10 MMT during same period last year.
- Traffic wise top three ports Sikka, Mundra & Krishnapatnam showed traffic of 78.75 MMT, 45.58 MMT & 33.25 MMT resp.



CARGO PERFORMANCE MINOR PORTS

BULK CARGO

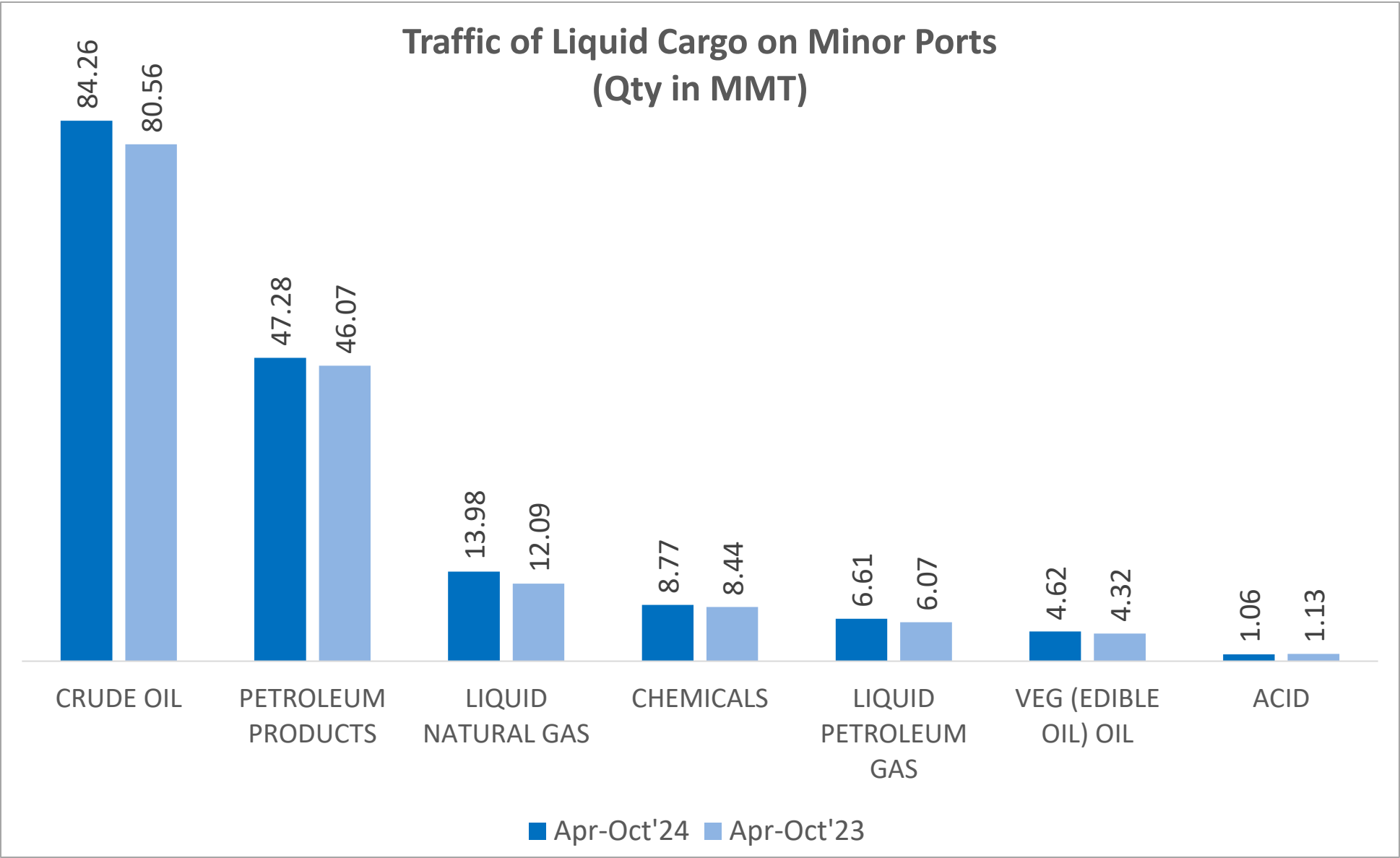
- Coal shipment at Indian minor ports during Apr-Oct'24 recorded volume to 113.11 MMT from 118.24 MMT for the same period last year.
- There was significant increase in the shipment of agri-products from 3.29 MMT in Apr-Oct'23 to 3.87 MMT in Apr-Oct'24.
- Total Bulk Cargo traffic at minor ports decreased to 172.86 MMT from 185.84 MMT for the same period last year.



CARGO PERFORMANCE MINOR PORTS

LIQUID CARGO

- Crude oil, POL & LPG/LNG shipments at Indian minor ports was recorded at 152.13 MMT and other Liquids traffic at major port rose to 14.45 MMT in Apr-Oct'24.
- Total Liquid Cargo traffic at minor ports increased during Apr-Oct'24 to 166.58 MMT from 158.69 MMT for the same period last year.



MARKET UPDATES



KEY HIGHLIGHTS

- Paradip Port to be fully mechanized by 2030
- Goa's Mormugao port India's 1st on global green ship index
- India gears up to expand carbon-efficient coastal shipping services
- Kandla to become 390 MTPA capacity-port by 2030
- Union Minister Sonowal reviews progress of Northeast's first ship repair facility



Paradip Port to be fully mechanized by 2030

- "The mechanisation of berths will require an investment of over Rs 2,500 crore and will enhance operational efficiency, reduce handling times," a senior official told ET on condition Paradip Port will develop three new berths, mechanise four existing ones, and establish one berth solely for green hydrogen as part of its strategy to become fully mechanised by 2030, according to officials.
- The central government-run port aims to exceed 400 million tonnes per annum (MTPA) handling capacity, up from 289 MTPA at present, by 2030 and to 500 MTPA by 2047. "The mechanisation of berths will require an investment of over Rs 2,500 crore and will enhance operational efficiency, reduce handling times," a senior official told ET on condition of anonymity, adding that this will improve overall productivity at the port.
- The port also plans to develop an exclusive green hydrogen and green ammonia berth for its export and bunkering with a capacity of 5 MTPA, which, the official said, will be awarded by 2026 at Rs 325 crore. It has signed agreements with four investors who will set up green hydrogen and green ammonia plants in the nearby region. These will require a total investment of Rs 50,800 crore.

Source: ET Infra

Goa's Mormugao port India's 1st on global green ship index

- The efforts of Mormugao Port Authority (MPA) to incentivise green shipping gained an international stamp of approval with it becoming the first Indian port to be listed on the Environmental Ship Index (ESI) portal. The Union ministry of ports described the Mormugao facility as "India's pioneering port to implement green ship incentives" for cargo vessels. MPA's Harit Shrey programme, which was launched in Oct 2023, was acknowledged by the International Association of Ports and Harbours (IAPH).
- "The IAPH officially accepted us and put the port on their global map, showing us as the only port in the country to offer green ship incentives," said MPA chairman N Vinodkumar. "This will definitely help us because Mormugao was mentioned in a meeting in Hamburg, which was held in the first week of Oct. Once other major ports of the country adopt similar incentives, the impact will be much greater." The Union ministry said in a statement that MPA's move to offer discounts on port charges to vessels that use green fuel and emit no nitrogen oxides and sulphur oxides highlights the port's commitment to "promoting environmentally friendly practices". The green ship incentives align with global efforts to reduce carbon emissions in shipping. The MPA chairman said that the discounts and incentive will now be extended to trucks used for the transportation of cargo. Mormugao port joins Japan and Oman as the only ports to offer similar incentives in Asia.
- Vinodkumar said MPA submitted the Harit Shrey scheme for the IAPH Sustainability Awards under the World Port Sustainability Programme. MPA currently generates 32,000 tonnes of carbon emissions every year, and the port is trying to cut that down. The Union ministry said Mormugao port is now positioned as a key player in "advancing sustainable maritime practices, contributing to international ports in reducing carbon emissions and improving air quality."

Source: The Times of India

India gears up to expand carbon-efficient coastal shipping services

- Coastal Shipping Bill moots identifying newer routes for movement of additional cargo

Coastal shipping is a cost-effective and carbon-efficient mode of transport. Yet, India has not fully utilised its 7,500 km coastline and over 14,000 km of navigable inland waterways — water transport accounts for only 6.4 per cent of overall trade logistics. In contrast, waterways have 24 per cent share of trade logistics in China, 17 per cent in Australia, and 11 per cent in Germany. The past few years have seen several initiatives to promote coastal shipping in India, including green channel clearance, priority berthing, discounts on vessel- and cargo-related charges, and relaxation in cabotage laws. Additionally, the Coastal Berth Scheme, under the Sagarmala programme to promote port-led development, seeks to create dedicated infrastructure for coastal shipping. Currently, around 30 million tonnes (MT) of coal is moved on the coastal route from eastern India to south and western India; potential demand is nearly 100 MT by 2030. Similarly, while steel is produced in eastern India, its highest usage is in south and northwest India — nearly 2 MT steel is moved from east to west, and this is estimated to rise to 6 MT. Petroleum products and cement, too, can be transported efficiently through coastal shipping.

With these opportunities in store, the constraint the industry faces is the shortage of vessels for coastal trade and the need for additional tonnage. Coastal trade is also regulated due to security concerns such as drugs trafficking and so on. So the question is how do we balance security concerns with the need for additional tonnage. The solution is in encouraging Indian flag vessels to sail more on coastal routes. The recent Cabinet approval of the Coastal Shipping Bill needs to be looked at in this context.

Bill proposals

As a regulatory feature in the Merchant Shipping Act 1958, any vessel sailing in our coastal waters must have a licence from the Director General of Shipping. The bill proposes to do away with this licence requirement for Indian vessels and make it a statutory obligation for foreign-flagged vessels. The intent is to encourage domestic flagging of coastal vessels, which will not only increase tonnage but also create demand for the manufacture of coastal vessels. Secondly, the bill proposes to integrate coastal shipping with inland water transport and identify newer routes for the movement of additional cargo. This can be done through origin-destination studies and formulating a strategy for the modal shift of cargo. The bill proposes to draw up a ‘national coastal and inland shipping strategic plan’. Besides identifying routes, the plan will focus on delineating best practices, fleet modernisation, dredging requirements, and so on, to facilitate robust coastal trade. The bill proposes that the Director General of Shipping should maintain a ‘national register of coastal shipping’ to serve as a data repository of routes, commodities, and costs, aiding periodic policy implementation to facilitate trade.

Cost worries

However, shippers are sceptical about the dynamic freight rates, since there are fewer ships available. Moreover, the rates are stabilised only when there is return cargo for shipowners. On the operations side, fuel cost, which accounts for nearly 70 per cent of voyage cost, is a sensitive indicator, especially when prices fluctuate and sustainability mandates require the usage of costly low-sulphur fuels. In such a chicken-or-egg situation, the bill is indeed a hope on the horizon.

Source: *The Hindu Business Line*

Kandla to become 390 MTPA capacity-port by 2030

- Kandla port is looking to offer three oil jetties and a couple of cargo jetties to private players under the PPP mode
- India's first major port Kandla is planning to increase its cargo handling capacity by 40 per cent to 390 million tonnes per annum (MTPA) by 2030 as it looks to spruce up its port infrastructure by inviting private players to operate their cargo and oil jetties through the PPP or Public Private Partnership mode. "We are planning to open up our existing berths by offering them to private partners. These berths also include those being operated by us," Sushil Kumar Singh, chairman of Deendayal Port Authority (known as Kandla Port Trust till 2017), told businessline. The port is looking to offer three oil jetties and a couple of cargo jetties to private players to help spruce up the port infrastructure.
- "We have already awarded the Tuna Tekra container terminal to DP World which is a 2.19 TEU facility. This facility is already under construction and will be coming up by March 2027. Alongside this facility is a multipurpose cargo berth with 18.3 MTPA at Tuna Tekra opened up for PPP. There were some issues with the restructuring of the project and there was a demand to make it more economically viable. That restructuring has been done and we are going in for tendering of this facility which is a ₹1200-1300 crore project," Singh added. Going forward, Kandla plans to open up three new jetties for private players. "We are going to open up oil jetties 9, 10 and 11. These will be three new oil jetties which will be coming up near oil jetty number 8. They will add around 12 MTPA of capacity to the existing liquid cargo capacity," the chairman said.
- In addition to the oil jetties, DPA is also examining if three more cargo jetties could be offered to private players. "Then we have cargo jetties 14, 15 and 16. We are reviewing if these jetties can also be opened up for PPP. We are studying and examining the model. We will be adding around 125 MTPA of capacity by 2030 to the existing capacity of 263 MTPA. So by 2030 we expect the port capacity to be 390 MTPA," Singh remarked. PPP-mode is not new for Kandla. In March 2023, the project to develop Berth number 13 at Kandla at a cost of ₹168 crore was bagged by Adani group under the PPP model, while Berth number 11 and 12 are already being operated by JM Baxi.
- Deendayal Port Authority currently operates 24 jetties. Of these 16 are cargo jetties that handle dry bulk and break-bulk cargo and the other 8 are oil jetties. DPA also has a bulk terminal at Tuna Tekra --- which is being managed by Adani Group --- and the Vadinar facility that handles crude and POL products. Businessline has already reported that the Kandla port is already working on a long-term strategy to develop a ₹27000 crore multipurpose cargo and container terminal between Tuna Tekra and Kandla. In order to improve the day-to-day performance of the port, DPA has also held meetings with shipping lines and other stakeholders to iron out the "procedural bottlenecks" to improve the evacuation of cargo and access to the port. "This has already helped in improving throughput of the port by almost 10 percent compared to last year. This has helped improve the trajectory of cargo volumes during the last two months significantly," Singh added.

Union Minister Sonowal reviews progress of Northeast’s first ship repair facility

- Union Minister Sarbananda Sonowal reviewed projects at Pandu Port Complex, including the region's first ship repair facility and an elevated road corridor. The government is investing Rs 645 crores in developing infrastructure along the Brahmaputra. These projects aim to boost river tourism, public transportation, and cargo movement in Northeast India.
- The Union Minister of Ports, Shipping & Waterways (MoPSW), Sarbananda Sonowal visited the Pandu Port Complex to review the ongoing construction activities including the Northeast India’s First Ship Repair Facility as well as the Elevated Road corridor. The Union Minister also met with the senior officials of the Ministry as well as the Inland Waterways Authority of India (IWAI), the nodal agency for the development of waterways in the country, to assess the progress of various projects being developed along the river Brahmaputra (National Waterways 2) with an investment of Rs 645 crores. the Union Minister, Sarbananda Sonowal said.
- The National Waterways 2 or our beloved Mahabahu Brahmaputra brings with tremendous potential for the people of Assam. In order to usher in a new age of marine transportation via inland waterways, the Modi government has made substantial investment to develop this. Apart from regular activities like dredging to maintain a Least Available Depth (LAD) for smooth passage of ships, vessels and cargo boats, we have also made provisions for development of infrastructure along the river.
- As many as 10 key projects on the river Brahmaputra are being developed with a capital expenditure of Rs 645 crores. They are designed to create capacity to boost river tourism, public transportation as well as cargo movement. Apart from slipways at strategic locations like Majuli and Dhubri, new passenger terminals are being developed at Ghagor in North Lakhimpur and Bahari in Barpeta. We discussed about these projects here with senior officials of the Ministry and IWAI. It gives me satisfaction that the work is going on to execute these key projects.” The Union Minister also inspected the ongoing construction of Ship Repair Facility. It is also noteworthy this repair facility is being constructed with an investment of Rs 208 crores and is being developed through Hooghly-Cochin Shipyard Limited (HCSL).
- The MoPSW is also developing River tourism and water sports along Brahmaputra under which seven tourist jetties will be constructed at Oriumghat, Bhupen Hazarika Setu, Koliabhom ora Bridge at Tezpur, Bogibeel Bridge, Dikhow Mukh, Kalongmukh and Uzanbazar in Guwahati.
- **Source: ET Infra**

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J. M. BAXI.

Godrej Coliseum, Office No. 801, 8th floor,
“C” wing, Behind Everard Nagar,
Off. Somaiya Road, Sion. Mumbai - 400022
INDIA.

T: 022 61077100 Ext 161/145, |
M: 091-7506004224 / 7045659111

E: shwetalk@jmbaxi.com | W:
www.jmbaxico.com