



## **From regional spoke to global hub**

A global carrier's perspective on  
India's Ports and Shipping





# Today's presentation

- An Insider's Outside View
- The 'age of scale'
- The perfect port?
- India's score-card
- Developing winners





# APL in India



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# APL in the world

- Top-10 ocean container transportation provider with a supply-chain sister company, APL Logistics
- Operate a fleet of 100+ container ships, 8 terminals, 60 services and 300 calls at 90 ports
- Part of the NOL Group – a US\$7bn Singapore-based global transportation and logistics group.



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# The age of scale

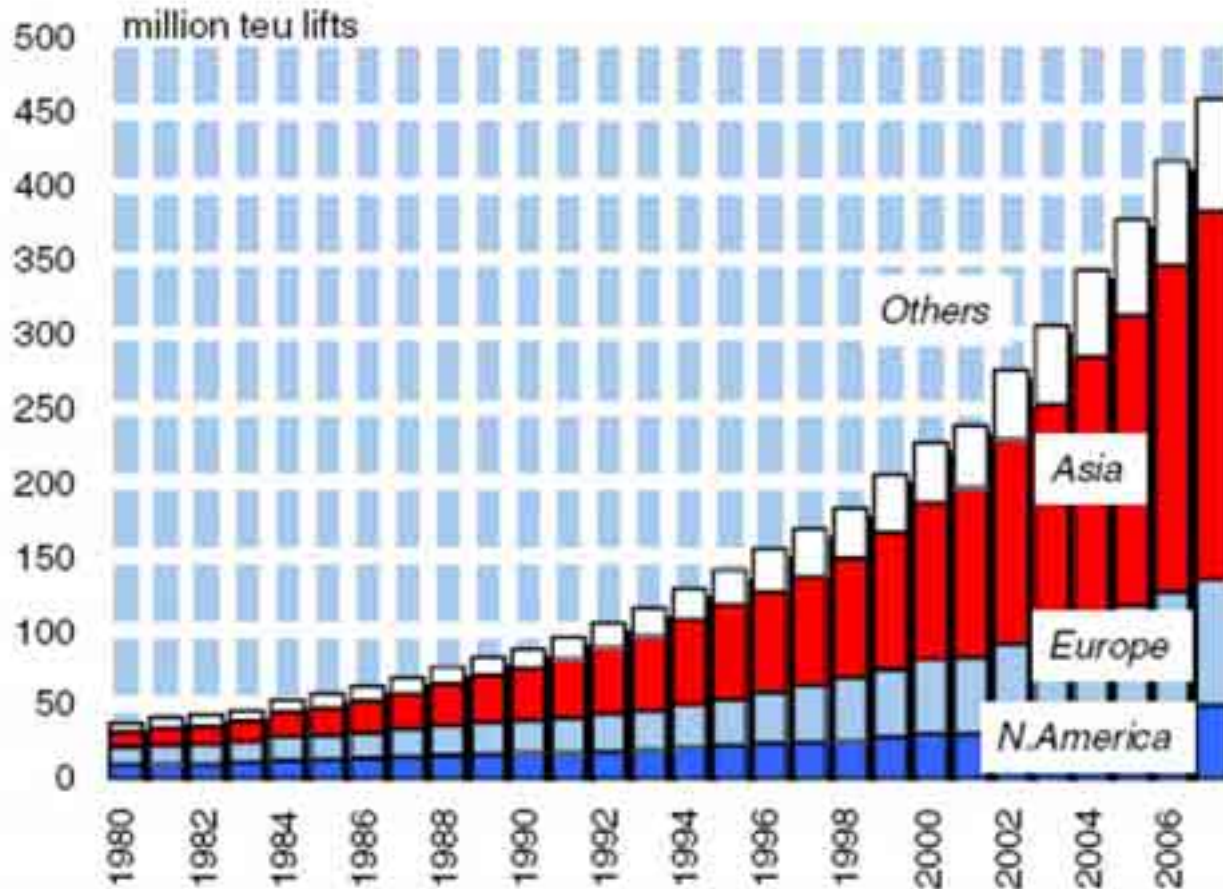
- 1970s – Containerisation
- 1980s – Port Congestion
- 1990s – Carrier Consolidation
- 2000s – Sourcing/manufacturing shifts
- 2010s – World scale and efficiency



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# World trade - exponential growth

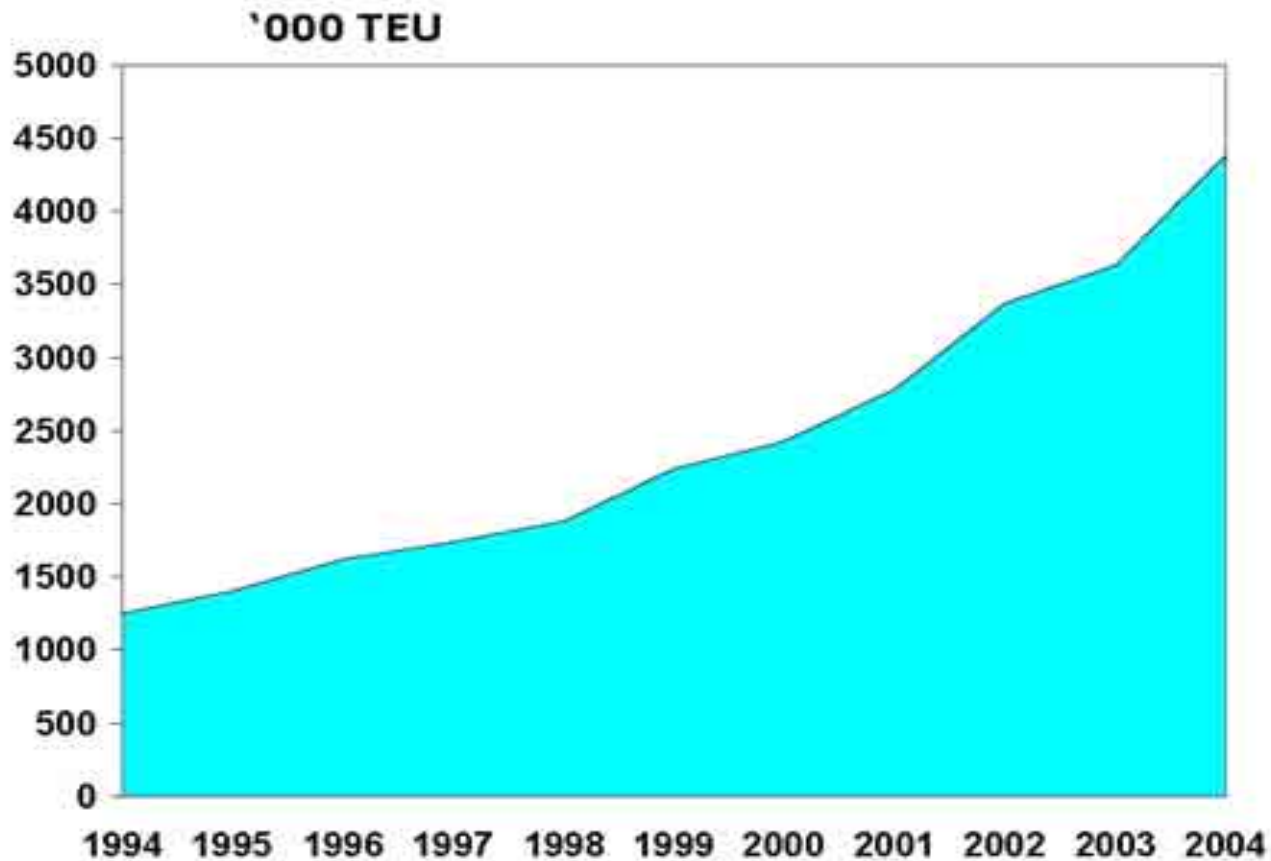


Source: Clarkson August 2006

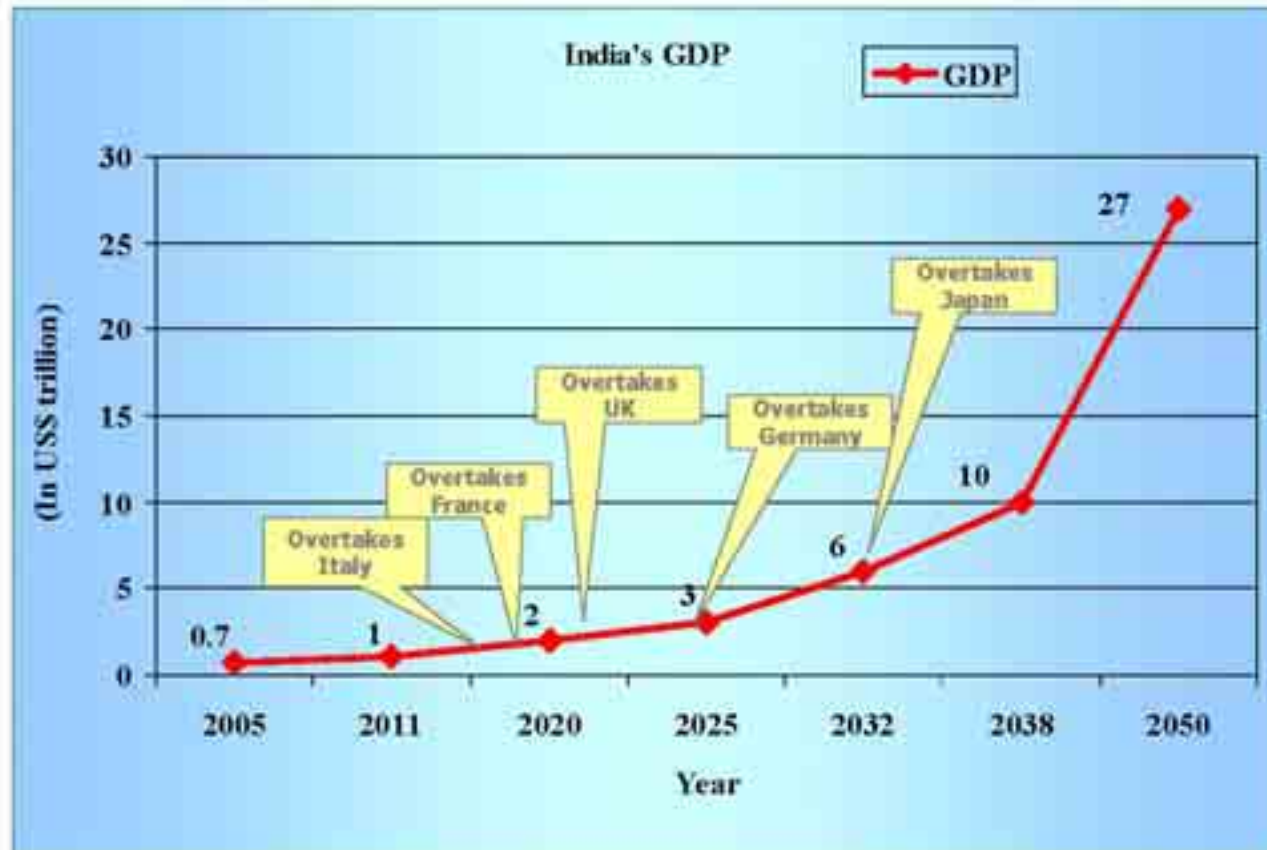
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# India TEU's growing rapidly too



# India's long distance run



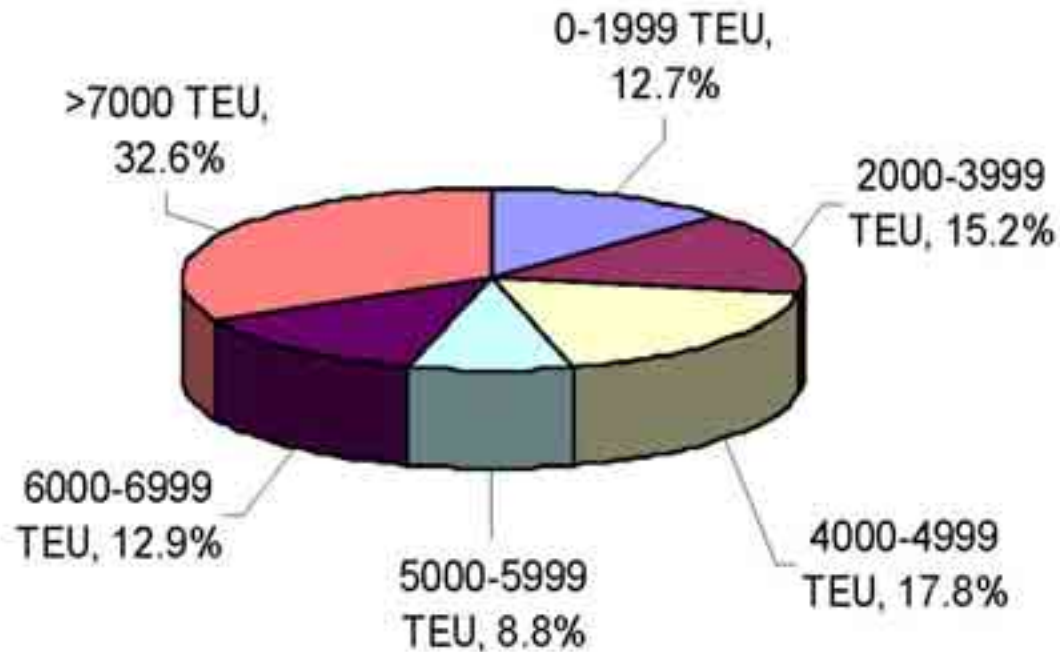
Source: IMA

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# Containerships increase in scale

Containership order book as at June 2006 by TEU

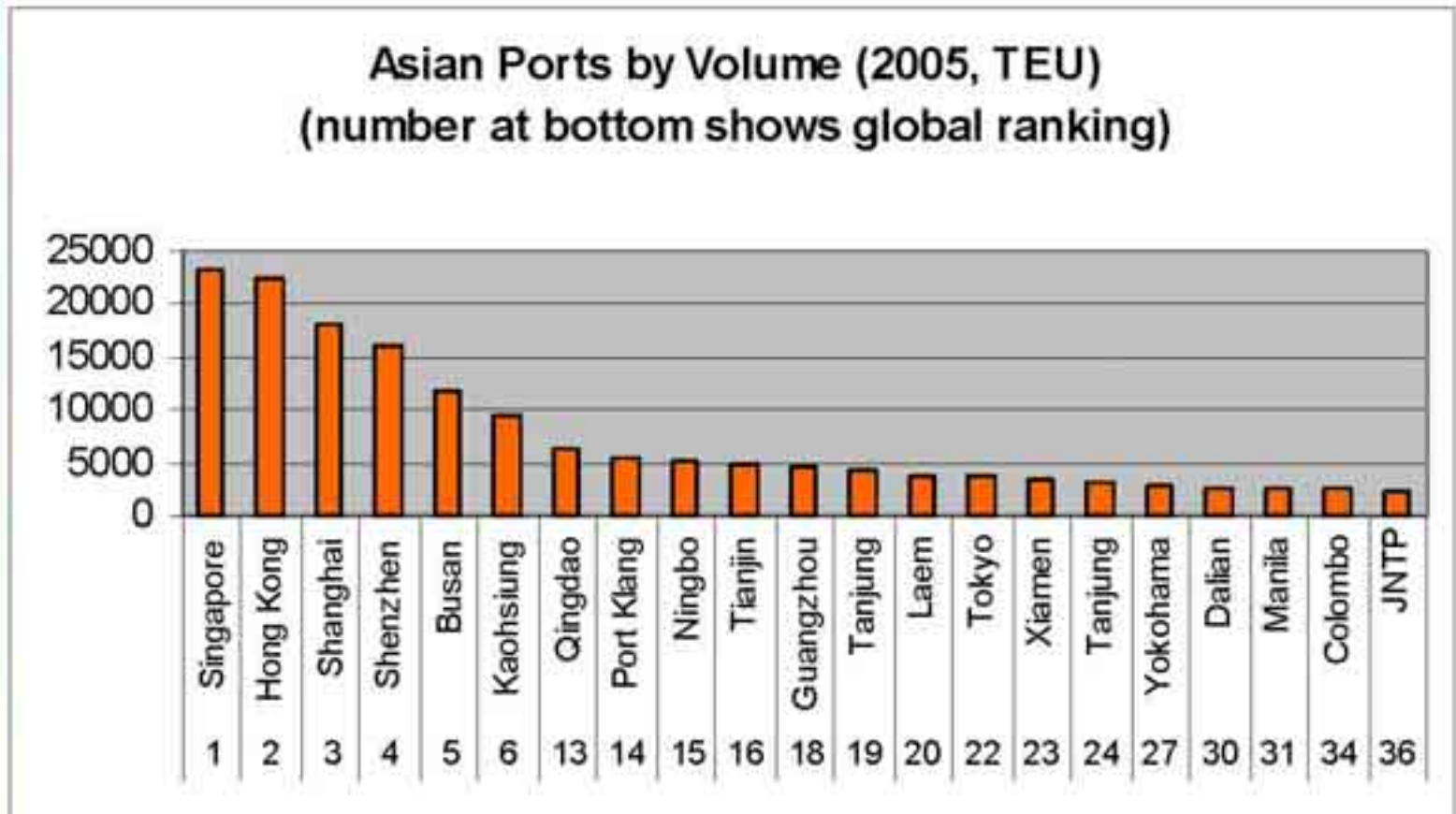


SOURCE: CLARSON RESEARCH STUDIES

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# Indian ports are not world scale





# The Perfect Port?

- Minimum 15m Draft for Post Panamax ships
- At least two 320m Berths (with contiguous feeder berths)
- Four Post Panamax cranes/berth – with average productivity above 25 moves per crane
- Integrated On-dock Rail
- Connections with Major Rail/Road Networks in immediate proximity
- Not Affected by handling of Bulk Cargo
- Close Proximity to Special Economic Zones (SEZ)
- Free to Set Own Tariffs – negotiate competitive, confidential contracts and terms



# Scorecard for India

	Draft 15m	Berths Min 2x 320m	Cranes Min 4 P/P per Berth	On-dock Rail	Excellent Road/Rail Connections	Free from Bulk Cargo Conflicts	Close to SEZ	Sets Own Tariffs
Calcutta	Does not have	Does not have	Does not have	Has	Has	Does not have	Does not have	Does not have
Haldia	Does not have	Does not have	Does not have	Has	Has	Does not have	Does not have	Does not have
Visak	Has	Does not have	Does not have	Has	Has	Does not have	Does not have	Does not have
Paradip	Does not have	Does not have	Does not have	Does not have	Has	Does not have	Does not have	Does not have
Chennai	Does not have	Has	Has	Has	Does not have	Does not have	Does not have	Does not have
Tuticorin	Does not have	Does not have	Does not have	Does not have	Has	Has	Does not have	Does not have
Cochin	Does not have	Does not have	Does not have	Has	Has	Does not have	Does not have	Does not have
Mangalore	Does not have	Does not have	Does not have	Does not have	Has	Does not have	Does not have	Does not have
Mormagao	Does not have	Does not have	Does not have	Does not have	Does not have	Does not have	Does not have	Does not have
Nhava Sheva	Does not have	Has	Has	Has	Does not have	Has	Does not have	Does not have
Kandla	Does not have	Does not have	Does not have	Does not have	Does not have	Does not have	Has	Does not have
Mundra	Has	Has	Has	Has	Does not have	Has	Does not have	Has
Pipavav	Does not have	Has	Does not have	Has	Has	Does not have	Does not have	Has



Does not have



Has

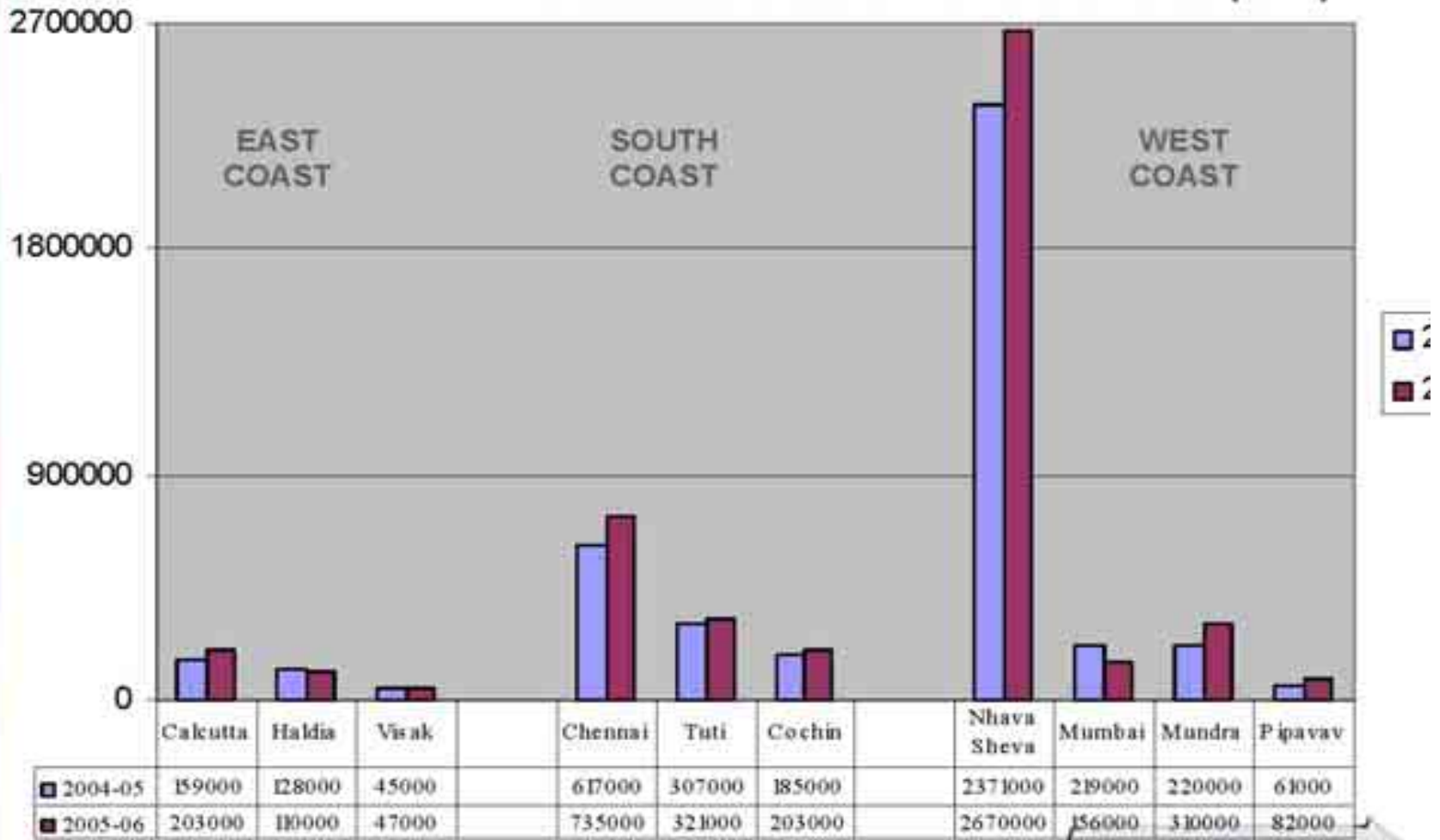


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# Finding the right balance

## Container Traffic 2004/05 & 2005-06 (TEU)



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## Non-competitive cost base

<b>Port</b>	<b>Average call cost per 3,000 TEU vessel (US\$)</b>
Colombo	\$7,000
Singapore	\$8,000
Hong Kong	\$12,000
Nhava Sheva	\$32,000

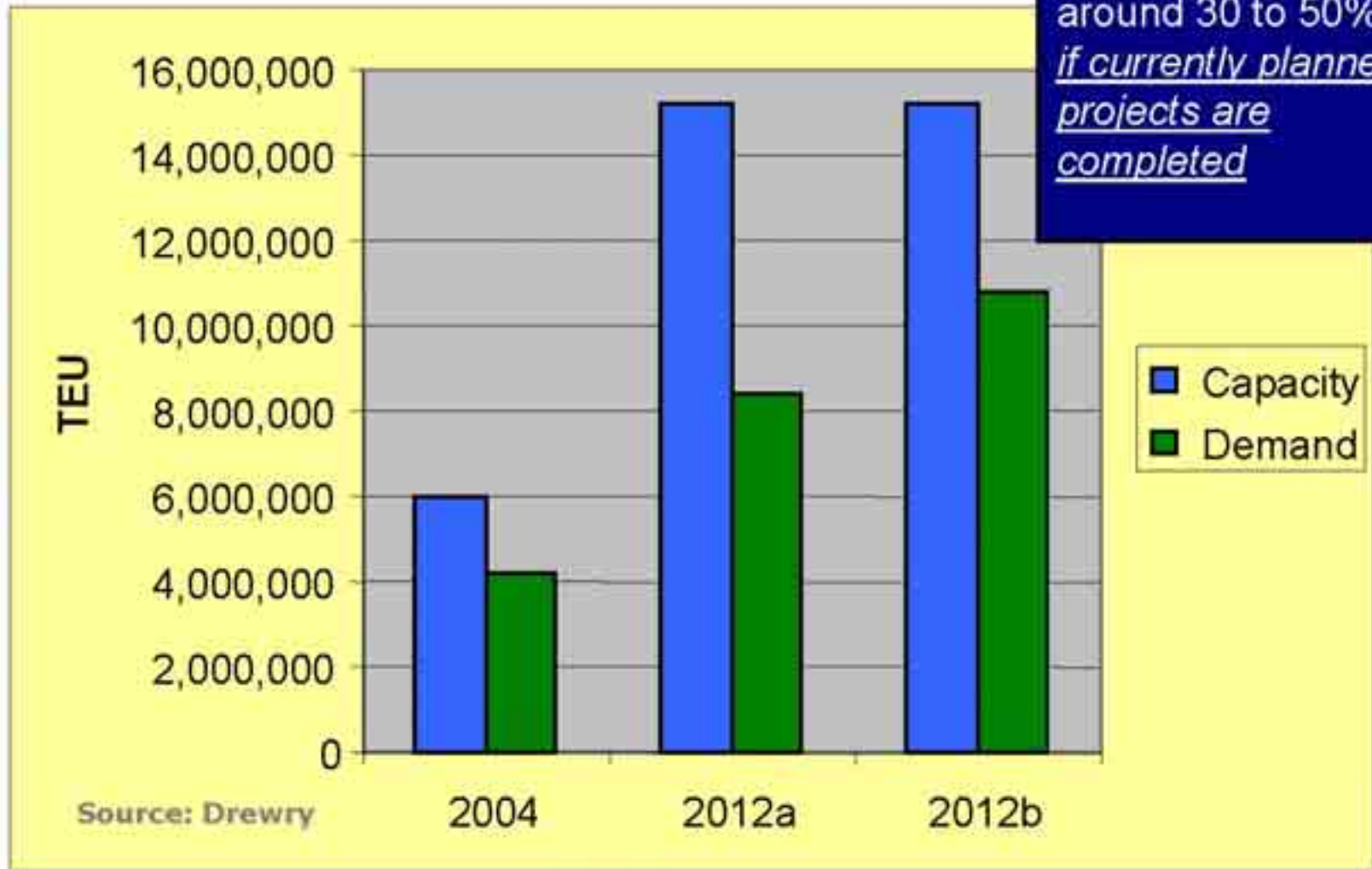
<b>Rail</b>	<b>Average TEU/kilometre cost (US\$)</b>
United States	\$0.19 cents
India	\$0.29 cents
	India is 53% more expensive



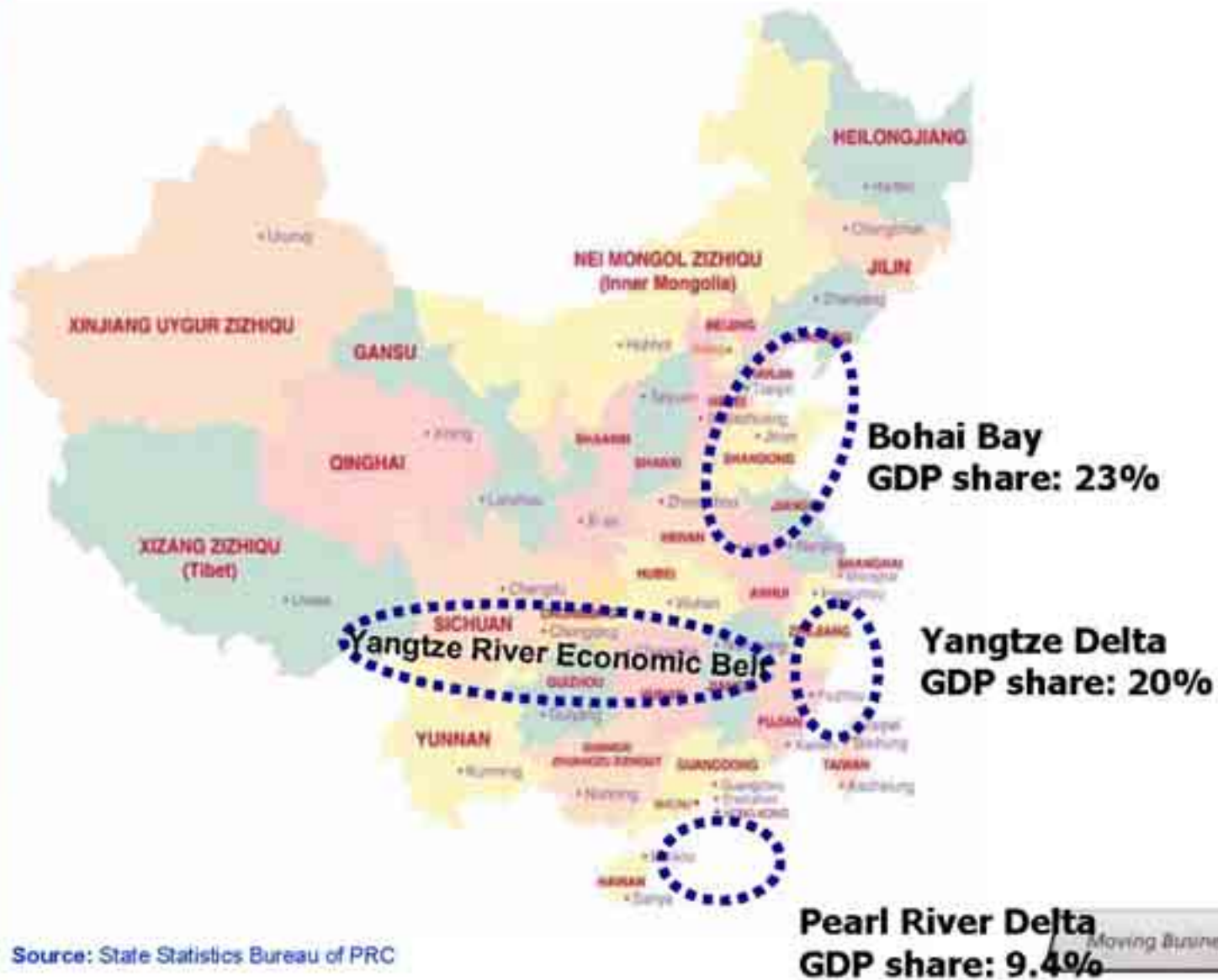
# Future capacity picture

Just throwing more capacity is not the answer.

Port capacity could exceed demand by around 30 to 50% if currently planned projects are completed



# China's economic centres



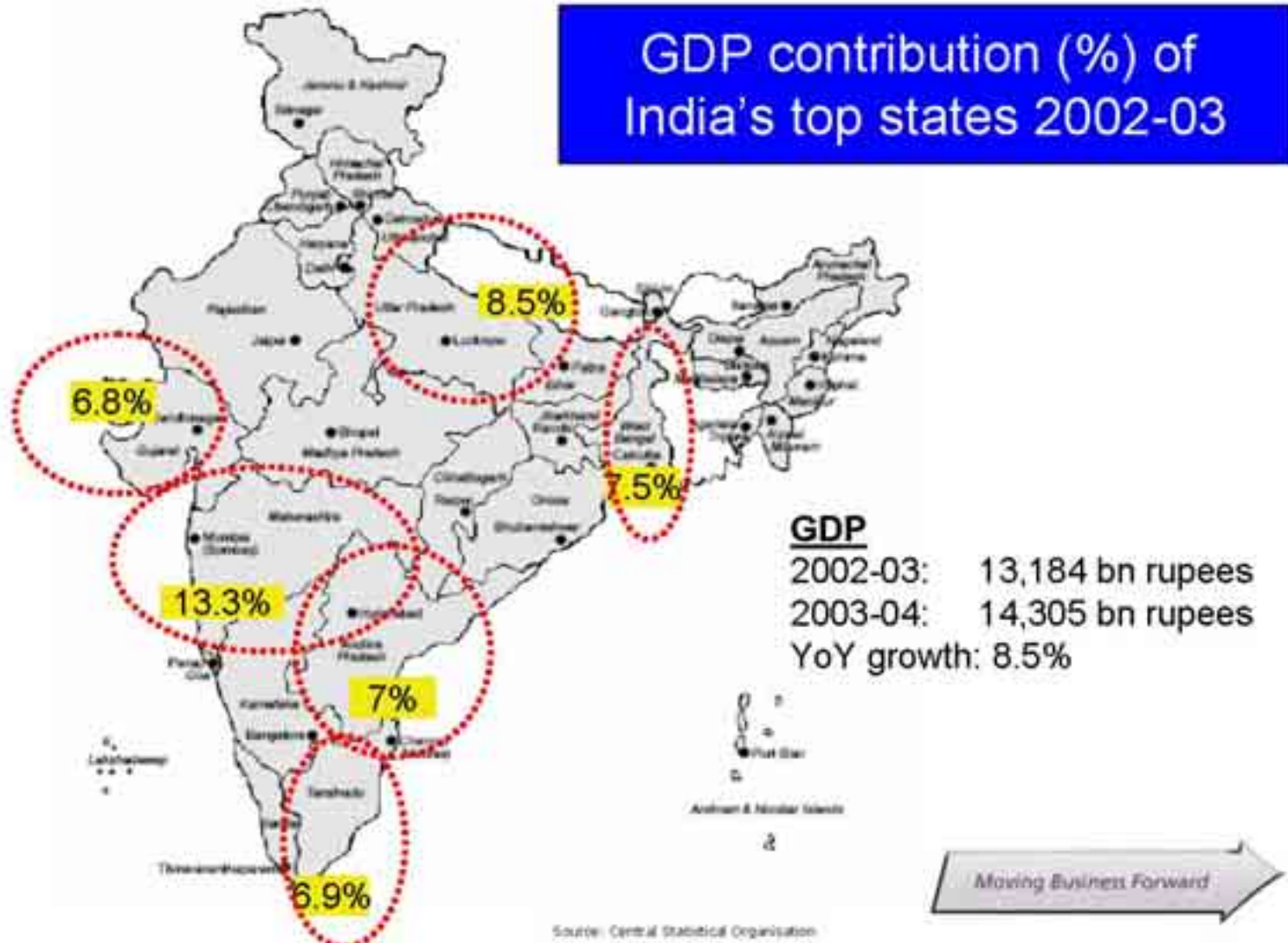
Source: State Statistics Bureau of PRC

**Pearl River Delta**  
GDP share: 9.4%

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# Finding the focus points

GDP contribution (%) of India's top states 2002-03



# From regional spoke to global hub

- Summing up:
  - World trade will not wait for India
  - Scale and efficiency are the emerging themes
  - India's future in manufacturing and retailing depend on it
  - India needs to focus rather than fragment its port investment
  - One or two megaports are needed to get us a seat at the top table of the world ports and shipping industry.



**Thank You**

