



### INVITATION TO THE FORUM

Dear colleague,

The new frontier of Asia is South Asia with massive 7 per cent growth on an average. The Indian Ocean Rim countries of South Asia are probably the biggest growth areas for maritime industry. Also the growth of Indian economy will provide many business opportunities in this space.

All interested parties in the maritime and logistics industry should attend the first-ever South Asia Maritime and Logistics Forum. People can get into this region at low-cost and develop greater opportunities.

So, I invite all regional and global companies to participate in this forum which is a launch pad for South Asian countries and also to network with south Asian business community.

**- Rohan Masakorala**  
CEO, Shippers' Academy, Colombo

## Dr. Parakrama Dissanayake heads Sri Lanka Port Authority



Dr. Parakrama Dissanayake, who is a top professional and maritime economist and renowned personality in the global maritime sector has

(continued on page 04)

## Meghalaya-Myanmar project likely to start

To strengthen connectivity with Southeast Asia, the government is likely to kick-start work on highway from Meghalaya to Myanmar, as part of the India-Myanmar-Thailand (IMT) trilateral pact, from next month.

"We will probably start work on Meghalaya to Myanmar project from next month. The cost of the project is ₹5,000 crore,"

road transport, highways and shipping minister Nitin Gadkari told reporters in Mumbai. India, Thailand and Myanmar are working on a 1,400km long highway that would link the country with Southeast Asia by land for the first time in decades, a move which would give a boost to trade, business, health, education and tourism among the countries. ●



Nitin Gadkari

## Mahinda Samarasinghe assumes duties as new Ports and Shipping Minister in Sri Lanka



Mahinda Samarasinghe

Mahinda Samarasinghe assumed duties in office as the new Ports and Shipping Minister.

Samarasinghe was the former Skills Development and Vocational Training Minister. During the cabinet reshuffle on May 22, 2017, he was vested upon the portfolio of ports and shipping and took oaths as the new Ports and Shipping Minister before President Maithripala Sirisena. The minister said what is important was to put the

country's interests are paramount and must be foremost. With that we can ensure that we contribute towards the rapid economic growth of Sri Lanka. The Ports and Shipping Ministry being one of the key ministries, can significantly contribute towards the sustainable economic

development of Sri Lanka and the well-being of its people." He also said that the doors are open at any time for the trade unions for discussions to upgrade and maintain industrial peace in every matter to ensure smooth and efficient port operations towards the highest productivity in the competitive maritime sector. ●

## H'tota Port Project to be re-negotiated

The Hambantota Port Development Project agreement with China Merchants Port Holdings Co. Ltd (CM Port) will be renegotiated to achieve a win-win situation with crucial discussions to be held, Ports and Shipping Minister Mahinda Samarasinghe said. He told the \$1.4 billion equity swap with the Chinese Company is extremely necessary to ease Sri Lanka's debt servicing and strengthen foreign reserves. The minister said he would try his best to make the joint venture to be based on a 60 – 40, 70 – 30 or even a 51 – 49 per cent equity swap.

He said there would be no selling or leasing of 15,000 acres of land to China for 90 years in the Hambantota district to set up an exclusive economic zone. The lease period will definitely be less than 90 years.

## Four firms shortlisted for Matarbari LNG-import terminal

Bangladesh plans two land-based and one FSRU-based LNG-import terminals. Bangladesh-based Power Cell has announced a shortlist of four firms to build an LNG-import terminal at Matarbari on Moheshkhali Island

in the Bay of Bengal. Power Cell has chosen Mitsui & Co of Japan, Petronet of India, Shell-owned EP International and a Chinese consortium comprising China Huanqiu Contracting and Engineering and Yifeng Industrial Gas Co. ●

## Maersk launches time-definite Visakhapatnam -Nepal rail

**M**aersk Line  **MAERSK** has introduced a direct, time-guaranteed rail route between India's Visakhapatnam port and the Birgunj Inland Container Depot in Nepal, giving a push to cross-border trade between the two nations.

The rail link is designed to feed cargo for Maersk's intra-Asia Chennai Express (CHX) service calling at Visakhapatnam and will cut transit times for cargo moving to and from Nepal by half, from 14 days via Kolkata to seven days, the company said.


The Danish carrier said the end-to-end transport solution



introduced in conjunction with rail operator Container Corporation of India (Concor) includes all cargo processes such as transit formalities and customs

clearance in the land of arrival. The first Birgunj-bound train left Visakhapatnam on June 6, according to a company trade notice. ●

## 'Pass/fail' screening service for MFM

**F**uel testing firm Veritas  Petroleum Services (VPS) has launched a new service in Singapore that can swiftly determine whether the performance of the mass flow meters used to conduct bunker fuel deliveries is acceptable.

The new service, named Quick Screening Service, aims to provide a swift 'pass' or 'fail' preliminary guide on the performance of the MFM. The result is based on the meter profile and the field documents obtained by the VPS surveyor and assessed by an inhouse VPS flow technologist. ●

## India-Bangladesh chamber comes up with solutions for port services

**A** four-member delegation of the India-Bangladesh Chamber of Commerce and Industry (IBCCI) recently met Shipping Minister Shajahan Khan and briefed him about the bottlenecks and possible solutions. They also urged him to take necessary measures to ease the sufferings of the importers and exporters at the earliest.

Chamber Secretary & CEO Jahangir Bin Alam said the meeting was to bring to minister's notice the fact that trade between Bangladesh and India is facing difficulties "due to infrastructural and administrative bottlenecks at our land and sea ports". IBCCI President Taskeen Ahmed led the delegation. Vice-President Jyotibrata Banerjee, and Chairman of Chamber Sub-Committee on imports-exports

Motiar Rahman were the other members accompanying him.

The total bilateral trade between Bangladesh and India in 2015-16 was worth \$6.14 billion, mostly Bangladesh's imports. Bangladesh exports less than \$1 billion as in the last 15 years Bangladesh's exports to India have grown tenfold. India's exports to Bangladesh have grown six times.

Most of the trade with India takes place through land ports – Petrapole – Benapole, Ghoja Danga – Bohmra, Mohadipur –Sona Masjid and Hili. There was no effort of infrastructure development at Benapole port in the last 20 years, the IBCCI told the minister in their letter. The businesses also face shortages of warehouses. The congestion at the border is leading to shortage of trucks. ●

## Looking to raise ₹1,000 cr: JSW Infra JMD & CEO, Capt B V J K Sharma



container handling. The company is working to receive the Valemax, the largest-ever 400,000 tonnes iron ore carrier and also 350,000 tonnes very large crude carriers in the county. It has planned a capital expenditure of ₹7,000 crore in its various ports over the next three

 **JSW Infrastructure**

**J**SW Infrastructure, one of the leading private port developers, is looking to raise ₹1,000-1,500 crore to place private equity or strategic partners. It has lined up a capex of ₹7,000 crore as it looks to reach a port capacity of 200 million tonnes per annum (mtpa) by 2020, besides foraying into

years. JSW Infrastructure has invested ₹2,000 crore in JSW Jaigarh Port and plans to spend additional ₹2,000 crore in it. Besides Jaigarh and Dharamtar port in Maharashtra and South West Port in Goa, the company is developing iron ore and coal export terminals at Paradip Port in Odisha, in a PPP (Public Private Partnership) model, with a capacity of 48 million tonnes per annum. ●

## Adani starts constructing transshipment port in Kerala

Adani Group's ports arm, Adani Ports and Special Economic Zone Ltd (APSEZ), has started construction of the first berth at the country's international transshipment project of deep-water multi-cargo port at Vizhinjam in Kerala.

"We are happy with the progress made so far in developing India's first-ever transshipment port at Vizhinjam. The port is very strategically located for access to prominent international waterways; this project will enable India to be strategically positioned as a global transshipment hub," Karan Adani said.

Currently, more than one million TEUs (twenty-foot equivalent units) of Indian cargo get transhipped annually through ports such as Colombo in Sri Lanka. The project will be Kerala's first-ever deep-water container transshipment port, with a deep draft of 20.5 meters and the first phase of the berth being constructed will be 800 metres in length. The project is moving as per schedule reaching the half-way milestone post the successful land reclamation stage and is well on course to be completed within the stipulated time period

### Highlights

The port will have a deep draft of **20.5 meters**

The first phase of the berth will be **800 meters** in length

The port links international shipping routes connecting **Europe, Persian Gulf, and the Far East to the East-West Shipping axis.**

of four years, said a company statement. The port location – closer to the state-capital Thiruvananthapuram, is selected to tap the potential of development as a deep-water international multi-cargo port. The proposed site is on the international shipping route connecting Europe, Persian Gulf and the Far East, very close to the east-west shipping axis within 10 nautical miles.

APSEZ currently operates ports in Mundra, Hazira, Tuna-Tekra (Kandla) and Dahej in Gujarat, Dhamra in Odisha, and Kattupalli in Chennai and operates specialised coal handling facilities in Mormugao in Goa, Visakhapatnam in Andhra Pradesh. ●

## India's future transshipment ports

### TIGHT SHIP

Enayam and Vizhinjam's business proposition is that they can compete for a share of the world's transshipment cargo since India lies nearly at the mid-point of the east-west trade

#### WHAT IS TRANSSHIPMENT CARGO?

► Shipment of goods or container to an intermediate destination, then to yet another destination

Shipment at the other end (deconsolidation)

► Singapore is the busiest transshipment port in the world

► Can help combine small shipment into a large shipment (consolidation), dividing the large

► Colombo is among the top 15 in the world

► Colombo is also a hub for transshipment cargo from India

#### HOW COLOMBO IS A HUB FOR INDIAN TRANSSHIPMENT

► India's annual container traffic **10.7 million TEUs (twenty feet equivalent unit)\***

► Containers shipped from India directly to destinations **7.4 million TEUs**

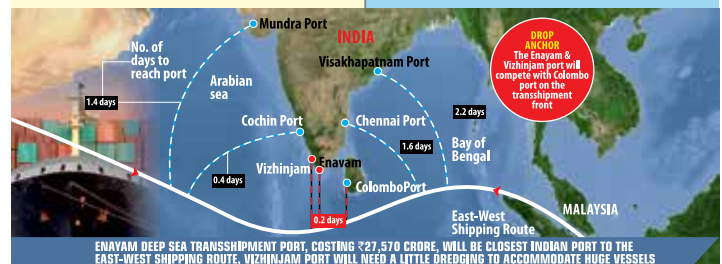
► Transhipped containers through foreign ports

**2.7 million TEUs**

► Coastal shipping **0.6 million TEUs**

► Annual cost of transshipment of containers **₹1500cr**

► Of the **2.7 million TEUs** of transhipped containers from India, **1.2 million TEUs** go to Colombo & **1.5 million TEUs** go to Singapore and Klang (Malaysia)



#### ENAYAM

► The port development is planned in three phase-Phase I (2018-2020), Phase II (2021-2025) and Phase III (2026-2030)

► It will come up in sea, about 2Km away from Enayam coast, by reclaiming 3.5cr metre cube of land

► Land acquisition will be done only for rail and road connectivity

► The port will have 15.25 million Teu (twenty feet equivalent unit) containers and 9.9 million tonne bulk cargo handling capacity

► Enayam site was finalised after studying viability at Kanyakumari, Manavalakurichi, Muttom and Colachel

► Has natural draft of more than 20m and the proposed port will be able to handle biggest of ships at sea

► Total volume of traffic handled by Indian ports in 2014-15 was 1052.1 million (over 1 billion) tonnes and by 2025, it is expected to touch 2.5 billion tonnes

► The combined capacity of Indian ports at present is 105 billion tonnes

#### VIZHINJAM

► Site has natural depth of over 20m as close as one nautical mile from the sea coast

► Depth will attract large container vessels currently in operation

► Port will provide 2000m of quay length

► Designed to cater to transshipment of containers and provide for other type of cargo such as multi-purpose and break bulk

## Kandla Port to soon be linked with Iran's Chabahar

Kandla port in Gujarat will soon be connected with Iran's Chabahar port, which will give a boost to India's international trade and place the Indian port firmly on the global map.

India Ports Global Pvt. Ltd (IPGPL), a joint venture between Jawaharlal Nehru Port Trust (JNPT) and Kandla Port Trust (KPT) for development of ports overseas will develop and

operate the Chabahar port. IPGPL is in the process of setting up two container berths and three multi-cargo berths.

Chabahar port, located in the Sistan-Baluchistan Province on Iran's southern coast is of strategic utility for India. It lies outside the Persian Gulf and is easily accessed from India's western coast. It is located on the Gulf of Oman, near Iran's border with Pakistan.



The Chabahar port will allow India access to landlocked Afghanistan and energy-rich Central Asia through JNPT and KPT-run ports on India's west coast. India has also built a road link connecting Delaram with Zaranj in Afghanistan, which is adjacent to Iran's border. Also, the port will promote Indian strategic interests in the Gulf and Strait of Hormuz. ●

*(continued from page 01)*

## Dr. Parakrama Dissanayake heads Sri Lanka Port Authority

been appointed Chairman of Sri Lanka Ports Authority by the new Shipping Minister Mahinda Samarasinghe. Dr. Dissanayake has previously chaired SLPA from 2001 to 2004.

He serves on a UN/UNCTAD panel as an expert on Ports and Shipping. He was recently elected as the First Non British International President of the Institute of Chartered Shipbrokers U.K. He is currently Chairman of Ceylon Chamber of Commerce Steering Committee on Ports, Shipping, Aviation and Logistics. Dr. Dissanayake was Chairman/CEO of Aitken Spence Maritime, Logistics & Cargo and Director – Aitken Spence Plc

Dr. Dissanayake stated, “we should understand that within the next two years, the ships plying will have 90 per cent of Ultra Large Container vessels. Under the new leadership, Sri Lanka Ports Authority would like to make things happen and with the advice of Honourable Minister, we hope we can take SLPA to a different height.”

## ₹180b allocated for CPEC projects, Gwadar

The federal government of Pakistan announced an allocation of ₹180 billion for the projects being constructed under the China-Pakistan Economic Corridor (CPEC).

Unveiling the budget, Finance Minister Ishaq Dar said that Gwadar has assumed importance for the national economy where 31 different projects are under construction.

## Bangladesh seeks foreign aid amid Chittagong congestion

The Asian Development Bank is considering a request from the government of Bangladesh for a major loan to upgrade the port of Chittagong, which is rapidly becoming a trade bottleneck for the export-focused South Asian country.

The Manila-based infrastructure lender will complete a fact-finding report on the request by the end of this month, after which a decision will be taken on whether to approve a \$250 million loan and technical assistance.

Low labor costs have made Bangladesh a major global force in garment exports but its weak supply chain infrastructure, including highly decrepit facilities at ports, are hampering its potential.

Chittagong port handles more than 90 per cent of international cargo volumes. Essentially a river port, located 16 kilometers (10 miles) up the Kharnaphuli River from the Bay of Bengal, it has a draft of only 9.2 meters (30 feet), requiring the costly

practice of transferring cargo from large to small vessels before discharge.

The port currently has two container terminals: Chittagong Container Terminal and the Moorings Container Terminal. The Moorings terminal was built in 2007 at a cost of \$100 million, but no container cranes have been installed, and between one-third to one-half of the port's annual container volume is handled at general cargo berths (GCB).

Chittagong's container volumes are forecast to treble to more than 6 million TEU per annum by 2030, a figure more than three times its capacity.

“The port is already operating beyond its nominal capacity of 1.7 million TEU. ... Unless such expansion is carried out and operation efficiency is improved, the port is likely to become a



bottleneck to the international trade of Bangladesh,” the ADB said.

The port last year handled 600,000 TEUs more than its 1.7 million TEU annual capacity as traffic rose 16 percent year-over-year. The port is in the process of acquiring and installing new equipment, but more is needed to handle its growing volumes, which have doubled in five years.

Bangladesh is the only country in South Asia that has not adopted the landlord port development model, and where the private sector does not play a meaningful role in the container sector. It has come close to offering concessions to international operators in the past, but never actually granted any of them.



**VIEW POINT** Shailesh Garg, Director and GM, Drewry Maritime Services



South Asia is the growth region for the world now. Looking at the population and latent demand, I think this is one region everyone is looking for. India is a big market that will act as a catalyst for further growth in this region. Focus of India integrated development is developing its own infrastructure - be it ports, road and rail. As a policy that is right approach. That would catalyze India's other initiatives like Make in India and bring down logistics cost.

India is also focusing on building intra-regional trade with neighbouring countries. New port infrastructure will definitely facilitate more volumes to grow among regional countries. Example is the new coastal service between India and Bangladesh. If we can bring down our political differences and focus more on economic and social development, there are great opportunities to leverage this market. Focus on this region will increase further with more countries looking for investments. China has already made investments in Sri Lanka. Japan is looking at Myanmar. This focus will lead to more volumes in maritime trade. Initiative like South Asia Maritime and Logistics Forum will help in bringing people together to share their views and understand what are the opportunities and challenges. Many times as countries and individuals we focus on our individual projects and miss the big picture. This forum will give common thought and approach to take full advantage of opportunities that exist in different countries.

## Bhutan's exit should not hold up 'BBIN'

*Bhutan's exit from the 'BBIN' agreement should not hold up the road-sharing pact*



Bhutan's announcement that it is unable to proceed with the Motor Vehicles Agreement with Bangladesh, India and Nepal is a road block, and not a dead end, for the regional sub-grouping India had planned for ease of access among the four countries. The sub-grouping, BBIN as it is referred to, was an alternative mooted by the government after Pakistan rejected the MVA at the SAARC summit in Kathmandu in 2014. It seeks to allow trucks and other commercial vehicles to ply on one another's highways to facilitate trade. Of the other SAARC members, Sri

Lanka and the Maldives are not connected by land, and Afghanistan could only be connected if Pakistan was on board. Down to just three countries now after Thimphu's decision, India, Nepal and Bangladesh will have to decide whether to wait for Bhutan to reconsider or to press ahead with a truncated 'BIN' arrangement. The main concern expressed by Bhutan is over increased vehicular pollution. The upper house of parliament has refused to ratify the MVA that was originally signed by all four BBIN countries in 2015, and the official announcement indicates that Thimphu will not push the

agreement ahead of elections in 2018.

Despite the setback, New Delhi must persevere with its efforts. To begin with, Bhutan's objections are environmental, not political, and its government may well change its mind as time goes by. Dry runs have been conducted along the routes, and officials estimate the road links could end up circumventing circuitous shipping routes by up to 1,000 km. Second, Bhutan's concerns may be assuaged if India considers the inclusion of waterways and riverine channels as a substitute. Above all, the BBIN pact denotes a "can-do" attitude on India's part, as it shows a willingness to broaden its connectivity canvas with all countries willing to go ahead at present, leaving the door open for those that may opt to join in the future. A similar initiative for the Asian Highway project under the BCIM (Bangladesh-China-India-Myanmar) corridor got a boost this week as the countries moved to upgrade the dialogue to the governmental level. Although India refused to attend China's Belt and Road summit on May 14-15, objecting to projects in Pakistan-occupied Kashmir, the BCIM will remain a way of joining the network when India's concerns are met. Connectivity is the new global currency for growth and prosperity as it secures both trade and energy lines for countries en route, and India must make the most of its geographic advantages.

Bangladesh, Bhutan, India and Nepal is a new emerging grouping at the world level, especially it is more important for India's 'Look Neighbour policy'

The initiative basically started in the Thimphu SAARC summit where proposal was to connect all SAARC countries with road connectivity, but as we all know that SAARC's basic problem of mutual trust deficit makes every new initiative a non starter. ●

## SEZ plan hits roadblock

The plan to step up India's investments in Bangladesh by setting up three mega Special Economic Zones (SEZ) exclusively for Indian companies in the latter's territory, has hit a major hurdle.

Citing "constraints, including inadequate infrastructure and lack of uninterrupted power supply" at Mongla, Bheramara and Mirsarai – the sites in Bangladesh for the proposed Indian SEZs, representatives of India Inc. told the Centre at a meeting recently that it will not be commercially viable to set up SEZs in the locations.

For better connectivity and business prospects, they sought alternative sites close to the Chittagong Port and the capital city of Dhaka – similar to those been allocated by Bangladesh for Chinese SEZs, official sources told. ●

## Pakistan strategy to revive exports

The government of Pakistan has decided to revive Trade Development Authority of Pakistan (TDAP) and work aggressively on concluding Free Trade Agreement (FTAs) and revising Preferential Trade Agreements (PTAs) to explore new export markets.

Pakistan's exports have been tumbling for the third consecutive year in a row due to decline in commodity prices coupled with economic slowdown in exports markets. Recently, the exports tumbled by 3.13 per cent to \$18.51 billion in eleven months (July-May) of the current fiscal year from \$19.14 billion of the same period of the previous year.

In a meeting held recently, top officials of the commerce ministry devised a strategy to enhance exports in the upcoming financial year 2017-18. ●

## Myanmar coffee exports to stimulate agro sector

Union Minister for Agriculture, Livestock and Irrigation, Dr Aung Thu, said he hopes to increase the coffee acreage to 200,000 and exports to 60,000 tons by 2030.

"During the period from 2018 to 2030, coffee growing acreage is targeted to increase to 200,000. From this, we expect to export 60,000 tons of safe and high-quality coffee by 2030," he said. Currently, Myanmar has about 50,000 acres under coffee that yield over 8000 tons of beans, it is learnt. ●

## VIEW POINT



### South Asia! That's where all the action is!

The world's fastest growing manufacturing countries as well as the world's fastest growing consuming countries – they are all in this area. It is no wonder then, the strategic planning initiatives of container shipping lines, container terminal operators and global supply chain companies will focus largely on the South Asia requirements.

"The South Asia Maritime and Logistics Forum, which is the first of its kind industry initiative, will bring together the best, the sharpest and the most intelligent container shipping minds in this geography. I have no doubt that the deliberations in this forum will be exciting, compelling and provide fantastic inputs to propel all of us in our march to service efficiently the requirements of South Asia trade.

**- Vinita Venkatesh**  
Director, Krishnapatnam Port  
Container Terminal



## Nepal imports surge

Imports of telecommunications equipment and parts have surged with major telecom companies introducing new technology and focusing on expanding services.

According to the Trade and Export Promotion Centre (TEPC), imports were up 42.3 per cent year-on-year. Telecommunications equipment and parts worth ₹22.88 billion had entered the country as of mid-April 2017, TEPC data shows. China is Nepal's second largest trading partner. ●

## Carriers set new services for growing Indian subcontinent trade

Growing South Asian exports has led to the rolling out of new services by container lines confident that rising volume will continue to be generated by the subcontinent's powerhouses India and Pakistan.

Westbound volume rose 3.4 per cent year over year from January through April, according to Drewry and based on the latest data from Container Trades Statistics. While this is lower than the 2016 growth of almost 5 per cent, rising container volume is expected to continue.

"Future growth seems assured as consumer demand remains high in India, while Pakistan stands to be one of the major beneficiaries of Chinese One Belt, One Road investment,"

Drewry noted.

Container volumes at India's major or public ports increased 8.2 per cent year over year in the first two months of fiscal 2017 and 2018. The country's 12 major ports together handled 1.5 million TEU during April and May, compared with 1.4 million TEU in the corresponding months last year.

This growth is attracting new services from the carriers. From the end of June, Hyundai Merchant Marine, CMA CGM, Shipping Corp. of India, and Korea Marine Transport Co. and Pendulum Express Lines will launch the China West India Express (CWI) service. Drewry said the new loop will reportedly use six 4,600 TEU vessels – two

from HMM and one each from the other service partners – on a rotation of Xingang, Qingdao, Ningbo, Singapore, Port Klang, Nhava Sheva, Mundra, Hazira, Colombo, Port Klang, Singapore, and back to Xingang.

Over the past year, Singapore-based APL has introduced three new services into the India market. The India-Pakistan-Mediterranean (IPM) service, the India East Coast Express (IEX) service that directly connects the North Asia markets of Korea and China with the Indian port of Chennai, and the India-Pakistan-Europe service, which directly links the key South Asian markets of India and Pakistan to major ports in Europe. ●

Courtesy: JOC.

## Nepal exports drop

A majority of products identified by the Nepal Trade Integration Strategy (NTIS) 2016 as having comparative advantage and which are supposed to boost the country's exports has witnessed a drop in exports lately.

The government had revised the list of high value goods and services with export potential to 12 in May last year, down from 19 products envisioned by NTIS in 2010. The NTIS 2016 has identified products, namely carpets, leather products, pashmina, footwear, cardamom, ginger, tea, medicinal herbs and textiles under the priority export items and three services – skilled and unskilled labour, information technology and tourism – as priority sectors for enhancing export.

The data maintained by Trade and Export Promotion Centre (TEPC) of the government

AT A GLANCE			
Item	2015-16 (in ₹)	2016-17 (in ₹)	Per cent
Ginger	360m	180m	-47
Medicinal herbs	1bn	580m	-45
Cardamom	3.5bn	3bn	-13
Pashmina	2.17bn	1.89bn	-13
Carpets	5.97bn	5.65bn	-5.4
Footwear	1.14bn	1.11bn	-1.8
Tea	1.53bn	1.87bn	22.8
Leather products	400m	500m	25
Textiles	2.41bn	3.85bn	59.3

show export of NTIS products like medicinal herbs, carpets, ginger, cardamom, footwear and pashmina have dropped significantly over the first nine months of 2016-17 compared to the same period of 2015-16.

Traders have blamed the declining export of priority products to low branding of Nepali products in the international market and high

domestic production cost.

"Production cost in Nepal is already high due to high tax and high labour cost. Hence, we cannot compete in the international market in terms of price," Kiran Sakha, president of the Nepal-USA Chamber of Commerce and Industry, said, adding that Nepali products also lack enough promotion in the global market. ●

## Five things you should know about China-backed port in Myanmar

China is looking to take a stake of up to 85 percent in a strategically important seaport in Myanmar as part of its “Belt and Road” international trade and infrastructure plan.

China is hoping concessions will be made on projects including Kyauk Pyu port if it abandons the Myitsone dam scheme in Myanmar.

### What is the primary purpose of the port?

The port in Rakhine State in western Myanmar will be the entry port for a Chinese oil and gas pipeline. Crude oil brought from the Middle East will be stored at the port before it is sent to China through the pipeline.

A consortium led by China’s Citic Group has proposed taking a 70 per cent to 85 per cent stake in the \$7.3 billion deep sea port.

The proposed Chinese stake is substantially larger than the 50/50 joint venture proposed by Myanmar late last year, which was rejected by Citic.

The port is part of two projects, which also includes an industrial park, to develop a nearly \$10 billion SEZ in Myanmar’s western Rakhine State.

### Why is the port so important to China?

The deep sea port on the Bay of Bengal would give China a boost in developing maritime infrastructure on the Indian Ocean and diversify its sea trade routes.

Kyauk Pyu port also gives China an alternative route for energy imports from the Middle East that avoids the Malacca Straits.

The new route via Kyauk



Pyu Port would save about 5,000km in sailing distance for shipments travelling to China from India and points beyond.

Some analysts have said the port is part of “string of pearls” strategy in which China invests in a number of regional ports, including Chittagong in Bangladesh, Gwadar in Pakistan and Colombo in Sri Lanka.

### Will Myanmar agree to China’s higher stake in the project?

The Reuters report cited Citic was in the “driving seat” on the port project and that Myanmar was unlikely to ask for a stake of more than 30 percent due to opposition from the Chinese firm.

A balancing act for Suu Kyi as ‘fraternal friendship’ with China echoes beyond borders

The ruling National League for Democracy led by Aung San Suu Kyi has made boosting the country’s economic development among its top priorities. The port is part of Myanmar’s plan to revive the economy in one of its poorest

regions and could transform the town of about 44,000 people into a thriving business hub.

### What obstacles will China face pushing forward this project?

The economic zone faces opposition from activists and residents who criticised the tender process for its alleged lack of transparency and said the development would have a negative impact on local people.

About 20,000 people are at risk of losing their homes and livelihoods due to land acquisition for the zone.

### Why have Chinese investments in Myanmar consistently proved so controversial?

Relations between China and Myanmar have become rocky in recent years with concerns over China’s growing economic clout in the region. In particular, the now-aborted, US\$3.6 billion Beijing-backed Myitsone dam project – originally designed to supply most of its electricity to China – was met with strong domestic opposition. ●

## Rice exports on rise



Between late April and the third week of May, Myanmar exported more than 360,000 tonnes of rice, up 260,000 tonnes from the same period last year, according to the Ministry of Commerce.

Commerce minister Dr Than Myint said the ministry was searching for the new markets so as to boost exports. Thanks to the joint efforts by the government and entrepreneurs, agricultural produce had already found new markets. ●

## “Sugar needs to be exported legally”



Myanmar Sugar and Sugar Related Products Merchants and Manufacturer’s Association chairman U Soe Lin said that the government needs to create markets to export sugar legally.

“The government needs to legalise sugar exports. Myanmar exports sugar mostly to China; however, China has started busting illegal trades,” he added. ●



## SOUTH ASIA MARITIME & LOGISTICS FORUM 2017

connecting maritime communities

07 SEPTEMBER • THE LALIT, MUMBAI, INDIA

a joint initiative by



### Programme

- 07:45hrs – 08:30hrs (45 min) : Registrations Over  
High- Tea
- 08:30hrs – 09:00hrs (30 min) : Inauguration of Forum
- 09:00hrs – 09:30hrs (30 min) : **Analyst View:**  
Global & South Asia  
Perspectives
- 09:30hrs – 10:15hrs (45 min) : **Carrier Perspective:** South Asia  
Shipping Trends
- 10:15hrs – 10:30hrs (15 min) : Tea Break
- 10:30hrs – 12:30hrs (120 min) : **Ports &  
Terminals Track**  
**South Asia Ports - Country  
briefs** India, Sri Lanka, Nepal,  
Bangladesh, Maldives,  
Myanmar-**Panel discussion**
- 12:30hrs – 13:30hrs (60 min) : Lunch
- 13:30hrs – 15:00hrs (90 min) : **Investment Track**  
Opportunities for Investment in  
South Asia Ports & Logistics
- 15:00hrs – 15:20hrs (20 min) : Tea break
- 15:20hrs – 16:00hrs (40 min) : **Best Practices in Shipping**
- 16:00hrs – 18:00hrs (120 min) : **Logistics Track**  
**South Asia Logistics Scenario**  
- **Country briefs** India, Sri Lanka,  
Bangladesh, Maldives, Nepal,  
Myanmar
- 18:30hrs onwards : Networking Cocktail Dinner



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