



NOTES FROM THE SECRETARIAT

Environmental issues seem to be all around us these days. After the historic events at IMO over the last couple of years affecting the way that we fuel our ships, it should not be forgotten that dry bulk terminals have undergone some dramatic changes themselves.



Even before the Paris Climate Agreement European governments and in particular the UK government had been looking for “low hanging fruit” to meet their climate change commitments. The target which they settled on was coal. Amid much fanfare they encouraged the power generation industry to embrace the “carbon neutral” biomass. The argument being that because trees absorb carbon dioxide as they grow the carbon dioxide released when they are burnt is absorbed by the new trees that are planted to replace them.

Here in the UK we do not have sufficient forestry to sustain such activity, so we looked to the United States to supply our biomass. That meant that the bulk terminals had a replacement for the out of favour coal. Notwithstanding the many handling issues which this brought, several terminals embraced the new material and have successfully switched their operations over to handling biomass.

Now doubts have been raised about the validity of the science behind the switch to biomass! Indeed, the UK government produced a report which stated that burning biomass from whole trees rather than coal will produce 49% more carbon dioxide. There have been a number of eminent scientific papers produced, peer reviewed, which express doubt about the wisdom of burning biomass.

At the forthcoming ABTO Annual Conference – Bulk Terminals 2018 there will be a whole session devoted to the environment, as well as many other topics of interest such as security, safety and operational issues. I hope that we will see as many of you as possible in Hamburg, 23-24 October 2017, please be aware spaces are limited!

NEWS IN BRIEF

ABTO MEMBERSHIP INCREASE

There has been a flurry of new ABTO members over the past six months.

New members include PD Ports; New Holland Bulk Services; and the Port of Korsoer.

These companies join Redcar Bulk Terminals; T. Parker Host; Terminal Carga Geral e de Graneis de Leixoes; Cooper Consolidated, Suncoke Energy; Silopor Empresa de Silo Portuarios; Silcal Logistics; Logistic Stevedoring; Associated British Ports; and Telestack as members of the Association.

ABTO Chief Executive Ian Adams said: “We are delighted to welcome these companies and operators to our Association. In little over two years, we are pleased that our commitment to providing a forum for discussion, information exchange and influence is gaining considerable traction across the industry.”

TERMINAL DATABASE NOW ONLINE

The Association of Bulk Terminals has added a comprehensive database of the world’s bulk terminal operators to the members’ area of the ABTO website www.bulkterminals.org

The database includes details of more than 2000 bulk terminals around the world and can be accessed by full and associate members. Data includes the contact details and capabilities of the terminals and complies with GDPR.

NEWS IN BRIEF

PORT STRATEGY COOPERATION

Mercator Media, the publisher of *Port Strategy* magazine, is offering ABTO members a free, no-obligation three-month trial subscription.

The magazine is considered a valuable companion to the Association's own quarterly magazine *Bulk Terminals International*.

To take advantage of the offer, members are encouraged to contact subscriptions@mercatormedia.com or visit www.portstrategy.com/aboutus/subscribe/free-trial

ROBOT DELIVERS ORE TO RIO TINTO

Rio Tinto has achieved a significant milestone with the first delivery of iron ore by an autonomous train in the Pilbara, Western Australia.

The autonomous train, consisting of three locomotives and carrying around 28,000 tonnes of iron ore, travelled over 280km from Rio Tinto's mining operations in Tom Price to the port of Cape Lambert on 10 July.

It was monitored remotely by operators from Rio Tinto's Operations Centre in Perth more than 1,500 kilometres away.

The inaugural journey is a significant milestone for Rio Tinto's AutoHaul programme and follows regulatory approval in May.

AutoHaul is on schedule to complete by the end of the year, unlocking significant safety and productivity gains for the business, as well as optimising the company's iron ore system by providing more flexibility and reducing bottlenecks.

REDCAR INKS MAJOR HANDLING DEAL WITH SIRIUS MINERALS

Redcar Bulk Terminal and Sirius Minerals have delivered a huge boost to the economic regeneration of South Tees by signing a major land and handling deal.

As work progresses on Woodsmith Mine for the extraction of polyhalite, Sirius Minerals have secured a long term lease for an area of land on the southern side of the Redcar Bulk Terminal (RBT) site. This will be used to establish a large warehousing facility for the storage of polyhalite from the mine.

In addition, RBT has agreed a long-term material handling agreement to export up to 10 million tonnes of polyhalite per annum from its own facility.

Garry O'Malley, RBT's General Manager, said: "This is excellent news for Teesside and we're delighted to be working with Sirius Minerals on a project of such regional magnitude. It's another significant step forward in the continued resurgence of Redcar Bulk Terminal (RBT) as a key partner in the regeneration of the South Tees site and wider Tees Valley economy.

Located near Whitby, North Yorkshire, Sirius Minerals' state-of-the-art Woodsmith Mine will target the extraction of polyhalite, a unique type of potash and a multi-nutrient fertilizer.

The project area contains the largest, highest grade resource of polyhalite to be found anywhere in the world which will be extracted via two mine shafts. It will be transported outside of the National Park to Teesside on a conveyer belt system in an underground tunnel. It will then be granulated at a materials handling facility, with the majority being exported to overseas markets.

Sirius Minerals is aiming to achieve first product from the mine by the end of 2021, ramping up to an initial production capacity of 10 million tonnes per annum (Mtpa) and then full production of 20 Mtpa.

Chris Fraser, Managing Director and CEO of Sirius, comments: "We are pleased to enter into this arrangement which reduces the complexity of our construction programme and ultimately helps to simplify our stage two financing plan which is being finalised over the coming months.

"The RBT facility has been underutilised since the closure of the steel works and this agreement will ultimately help us deliver tremendous economic benefits for the region."

NEWS IN BRIEF

TILBURY TO OPERATE VESPER

Eureka Shipping, part of SMT Shipping and the CSL Group, has based its multipurpose floating bulk terminal VESPER at The Port of Tilbury under a four-year agreement with London Container Terminal and Cemineral.

The 125m long VESPER has a storage capacity of 10,000-tonnes across its four holds.

The floating terminal is equipped to receive bulk powder from both self-discharging pneumatic cement carriers and from bulk vessels in a dust-free manner, store the material and then load directly to powder tanker trucks for delivery to customers.

During the early part of 2018 the VESPER has undergone a complete upgrade at the NAUTA shipyard in Gdynia, Poland.

The vessel's cargo handling system is only 10 years old, however all its equipment and machinery has undergone a complete overhaul since the barge was purchased. Various modifications and installations have also been carried out.

CARGILL UPGRADES ROSTOV TERMINAL

UkrAgroConsult has reported that Cargill plans to invest between \$9.5 and \$10.5 million to upgrade its grain terminal in Rostov, Russia.

The upgrade is expected to increase the capacity of the existing terminal by 50%, to 1 million tonnes per year. It also is expected to extend the quay wall to 314 linear meters from 142 linear meters. Plans also are in place to build a 20 KMT silo.

Construction work on the upgrades is expected to begin in 2019.

TRADE WAR PRESENTS BULK CHALLENGE

BIMCO has warned of the potential dire consequences of any China-USA trade war on the bulk sector.

The shipowner association likens the prospect of a full-blown trade war to a "speeding train, accelerating with every trade-restrictive retaliatory measure imposed and becoming ever more difficult to stop".

The long-term effect, says BIMCO, provides uncertainty and could possibly derail current global growth if the measures are kept or further escalated. Even though the world's three largest economies are involved, the effect on shipping, in terms of volumes, is somewhat limited.

BIMCO's chief shipping analyst Peter Sand says: "The trade war adds painful uncertainty for the shipping industry, as it distorts the free flow of goods, changes trade lanes and makes it difficult for ship operators and owners to position ships efficiently in the market."

The dry bulk shipping industry has already been affected by the steel and aluminium tariffs and will be hit again when further tariffs come into force in July. However, the impact on the dry bulk shipping industry in terms of volumes remains limited, says the association.

"The dry bulk shipping industry will by far be the most affected in terms of volumes, both in scheduled and already implemented tariffs. However, the dry bulk products targeted so far only represent a minimal amount of the total seaborne dry bulk trade. Similarly, the containerised goods affected also represent a small amount of the total containerised trade.

On 8 March 2018, the US imposed 25% tariffs on steel and 10% tariffs on aluminium citing national security reasons. At first, temporary exemptions were granted to seven trading partners. However, these were revoked for the EU, Mexico and Canada as of 1 June 2018. Australia, Brazil, Argentina and South Korea remain exempted.

Following failed talks between the US and China which sought to avoid further tariffs, the US announced in late May, that it would proceed with 25% tariffs on USD 50 billion worth of Chinese goods.

The first list of these goods, containing mostly machinery and electronics, worth USD 34 billion, entered into force on 6 July 2018.

The second list, considering Chinese imports valued at USD 16 billion, contains commodities such as plastics and oil products and is currently under review with no date given for its possible entry into force.

ARE YOU IMPROVING SAFETY AND STREAMLINING YOUR OPERATIONS?

Improving safety, streamlining operations and ensuring environmental protection is the theme that will run throughout this year's two-day Bulk Terminals 2018 conference, which will undertake a strategic overview of the markets and future trends.

Safety and environmental factors are investment drivers. And for good reason, upping the industry's act on safety continues to be a priority. Addressing ways to minimise the hazards of handling bulk cargo and how to prepare for the inevitability of fire and explosions will feature in the programme – as will what can be done to improve safety training without which there will be little, or at the best, slow progress.

The environment and sustainability steadily move higher up the agenda, driven by regulation and emissions concerns. Ballast water and tank washings regulation are seen by many as a problem for ports, but maybe an opportunity for others? Similarly other green port initiatives, such as cold ironing and dust control, will be addressed at the conference.

Other investment drivers, such as new and smart technologies which enhance operational efficiency will be compared, as will which systems are deemed suitable for specific application. Conference speakers will explain why the industry needs to be flexible and adaptable to changing markets.

Access, position, connectivity, technology, equipment and operational efficiency are all vital and well known factors contributing to a bulk terminal's attraction to customers. But can terminals improve performance with better marketing?

Both physical and cyber security remains a particular weak spot for the ship shore interface. Ports and terminals are not only at risk from breaches in their own security but also their customers.

If terminals do suffer a cyber attack – or for that matter natural disaster, significant power loss, or terrorist incident – do they have a robust business continuity plan in place and if so how do they test it?

With terminal case studies and a programme of expert speakers providing insight, advice, solutions and networking, Bulk Terminals 2018 is the only event all those involved in the transportation, storage and handling of bulk commodities need to attend.

NEWS IN BRIEF

EVTL OPEN FOR BUSINESS

A new 24 mtpa capacity iron ore handling terminal has officially opened at the port of Vizag, India.

The new Essar Vizag Terminal can berth large vessels up to 200,000dwt size. The expanded bulk terminal has also been designed to improve environmental conditions and features technology to significantly reduce dust emissions and product spillage, thereby reducing the port's carbon footprint and improving working conditions. EVTL has also strengthened the entire 9.5 km long conveyor network and upgraded it to PLC automation systems, enabling high levels of cargo handling productivity.

Essar's Vizag iron ore handling complex is an all-weather facility that is equipped to serve the rapidly growing markets of South East Asia, including China, Japan, and Korea. It has dedicated rail connections to cargo generating centres in the states of Chhattisgarh, Odisha and Jharkhand.

TELESTACK WINS ITS LARGEST ORDER

Telestack has secured a £5 million contract from the Port of Salalah for the supply of its innovative ship loading system, as part of Salalah's ongoing general cargo terminal investment programme.

This is Telestack's largest ever contract and is expected to be delivered later this year.

The Port of Salalah is part way through a major infrastructure investment programme, designed to cater for the export requirements of its local mining, quarrying and cement industries.

BULK TERMINALS 2018

IMPROVING SAFETY, STREAMLINING OPERATIONS AND ENSURING ENVIRONMENTAL PROTECTION

The Annual Association of Bulk Terminal Operators (ABTO) Conference

23-24 October 2018, Radisson Blu Hotel, Hamburg

More details at

www.bulkterminals.org/events.html

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