

NOTES FROM THE SECRETARIAT

Happy New Year to all of our members and readers alike. Let's hope that 2017 proves to be a good one after what we experienced last year!

We saw a very mixed year last year, but in the most part it can only be described as slow.

The UK government's use of the Carbon Floor Price (CFP) was seen as the main reason for the downturn in coal imports with power generators seeking "greener" ways to produce our power.

This resulted in a 61% decrease over the past two years in coal imports to the UK, a staggering fall of around 25 million tonnes. This has, needless to say, had a huge effect on the bulk terminals. The promised growth of the use of biomass has not as yet resulted in that tonnage being replaced.

It is not all doom and gloom. From Australia, we are hearing reports of record amounts of Iron Ore being shipped. Whereas China has been producing more of its own steel from domestic ore the increasing market is driven by Indian demand, a trend which is predicted to continue.

ABTO continues to grow, with more members joining every month. If you haven't already done so I hope that we will be seeing your application soon. The cost is intentionally kept low and helps us to deliver the representation and information you, as operators and suppliers, need to enhance your operations.

Another way in which you can support ABTO is by attending the Annual Conference in March. The programme, more about which you can read later in this edition, is almost finalised and the speakers and topics promise interesting and invaluable sessions. You can click here to [view the programme](#).

In the meantime, we look forward to welcoming you to what will mark the first of a number of ABTO-organised events throughout the course of the year. See you there!



Ian Adams, CE, ABTO

NEWS IN BRIEF

NEW BULK LIQUID PORT FOR DUQM

Royal Boskalis Westminster N.V. (Boskalis) has received a Letter of Intent to award a contract for the development of the port of Duqm in Oman.

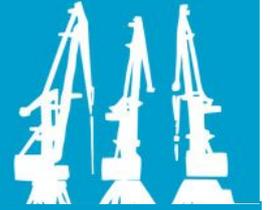
The contract with a value of approximately EUR480 million will be awarded by Sezad (Special Economic Zone Authority Duqm), subject to Sezad satisfying certain conditions.

The contract includes the engineering, design, procurement and construction of a bulk liquid berth terminal.

The Port of Duqm is an existing strategic dry dock and industrial free trade zone located in the Al Wusta Region between Muscat and Salalah and has been designated as a Special Economic Zone.

Various dredging & civil activities will be executed under the responsibility of Boskalis, including the deepening of the port basin to a depth of 18m, reclamation of new land, the construction of a quay wall with a length of 1km, a double berth jetty island and stone revetment.

The project is expected to be completed in 2020.



NEWS IN BRIEF

RIO TINTO SHOWS STRENGTH IN 4Q

Rio Tinto's fourth quarter production results have reported a record year in bauxite production at 47.7 million tonnes, while third party shipments increased to 29.3 million tonnes. The company also reported Pilbara iron ore shipments of 327.6 million tonnes were three per cent higher than the 2015 figure, while aluminium production was ten per cent higher.

Rio Tinto's share of hard coking coal production was slightly above the top end of the guidance range due to strong operational performance, while semi-soft coking and thermal coal production of 21.4 million tonnes was in line. Titanium dioxide slag production continued to be aligned with market demand with a four per cent reduction on 2015.

On 23 November 2016, the company announced it had reached an agreement to sell its aluminium assets at Lochaber

Rio Tinto chief executive J-S Jacques said: "We have delivered a strong operational performance in 2016, underpinned by our drive for efficiency and maximising cash flow. Our disciplined approach remains in place in 2017, with the continued focus on productivity, cost reduction and commercial excellence. This will ensure that we continue to deliver value for our shareholders."

ICE DELAYS AT ODESSA

Odesa Sea Port Authority has issued an ice advisory notice. From 18 January until further notice, all vessels without ice class classification will need to present a guarantee letter to the Harbour Master and may face restrictions at the port.

APEJ BULK TERMINALS TO DOMINATE OVER THE NEXT DECADE

A study of the global bulk terminals market has indicated that the Asia-Pacific (excluding Japan) region is likely to dominate the global market in terms of revenue and bulk throughput during the period of our assessment (2016 – 2026).

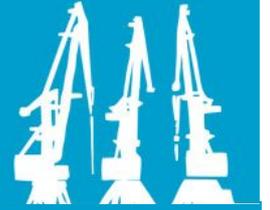
According to the report *Bulk Terminals Market: Global Industry Analysis and Opportunity Assessment, 2016-2026*, this could contribute to the growth of the overall global bulk terminals market performance in terms of volume, which is slated to register a CAGR of 3.2% in the next 10 years.

In a summary posted on www.reportybuyer.com, it states the research indicates a possible growth with throughput touching over 20,000 million tonnes by the end of 2026 from an estimated 15,000+ million tonnes by the end of 2016. Of this, the global bulk terminals market volume throughput share of the APEJ region is projected to be the highest – reaching a market volume share of over 40% by the end of 2016 and growing to more than 45% by the end of the forecast period (end of 2026).

The APEJ region held a high volume share in 2014 which could be a possible trend, according to the study. Whether the APEJ bulk terminals market continues to hold its position of dominance in the global bulk terminals market, however, remains open to debate.

The report goes on to highlight several factors that could benefit terminals in the region, including global trade of bulk commodities and regional trade policies; a rise in the worldwide population and an increase in regional GDP, and the facilitation of beneficial trade agreements between different countries – again, factors predominantly witnessed in the APEJ region. Another important factor raised was the growing consumption of bulk commodities and affordability in emerging economies.

The report by Future Market Insight Global & Consulting says that these factors point to "an exponential growth of the APEJ bulk terminals market in the coming decade". However, it warns that declining coal consumption and trade reforms in China in the next 10 years is likely to restrict the growth of the APEJ bulk terminals market during the projected period. "We also feel that an overcapacity in the APEJ shipping industry might influence the global bulk terminals market – to what extent this impact will hit the market remains to be seen."



NEWS IN BRIEF

CHINESE PORTS ADDED AS ECAS

China has added six new ports under its Emission Control Area (ECA) regulations, which requires ships berthing at those ports to use fuel containing a maximum sulphur content of 0.5%.

The ports of Guangzhou, Huanghua, Qinhuangdao, Tangshan, Tianjin, and Zhuhai will have to comply with the ECA rule from this month.

The country's ECA regulation, which was implemented in April last year, already includes five ports, namely Shanghai, Nantong, Ningbo-Zhoushan, Suzhou, and Shenzhen.

COAL SURGE FOR NEWCASTLE

A surge in coal and wheat exports has underpinned a new trade record for the Port of Newcastle. Australia's third largest port handled just under 168 million tonnes in 2016, an increase of 3.8 million tonnes on the previous year.

Chief Executive Officer, Geoff Crowe, said: "This is a great result for the Port, the Hunter region and the state, and we continue to work with industry and businesses throughout our New South Wales catchment area to deliver new trade."

Just over 161 million tonnes of coal was exported, an increase of almost 3.3 million tonnes or two per cent on 2015. Wheat exports surged to nearly 761,000 tonnes, an increase of 467,000 tonnes on 2015.

BEST YEAR FOR GHENT

The Port of Ghent recorded 2016 as its best year ever, with its main trading partners Canada, Russia and Brazil, representing 17.7 million tonnes of dry bulk cargo or 61% of the Port's total throughput by volume.

FIRST ABTO CONFERENCE ATTRACTS LEADING BULK INDUSTRY PLAYERS

The Association of Bulk Terminal Operators' inaugural conference is attracting more attention, with a number of leading industry stalwarts set to speak at the March event.

ABTO Events Director Simon Gutteridge said: "We are delighted to be able to announce three more speakers joining our exciting line-up of industry experts at *BULK TERMINALS 2017 – ACHIEVING EFFICIENCY AND COMPLIANCE*. Andrew Huxley, Regional Development Director, TT Club will present a paper entitled: *Risk factors to keep you awake*, which will be an analysis of operational claims within bulk terminals covering personal injury, equipment and systems, while Chris Griffin, Group Business Development Manager at Peel Ports Group will inform delegates on *Modernising the Role of Bulk Terminal Operations*. The latest addition is Dr Mi-Rong (Kimberly) Wu, Project Manager, TBA Netherlands. Kimberly's paper will look at simulation tools to assist bulk terminals with operational process improvement with a biomass case study"

Kimberly, Andrew and Chris join a line-up of speakers that include:

- ABTO Chief Executive, Ian Adams
- Dr Andrew Adekunle, University of Greenwich
- Justin Atkin, Ragged Edge Recruitment and Consulting
- Professor Mike Bradley and Dr Rob Berry, The Wolfson Centre
- George Bradley, Environmental Scientifics Group
- Sean O' Sullivan, Buttimer Engineering Group
- Peter Cook, PCA Maritime Ltd
- Paul van Eulem, MTBS
- Andrew Fitzmaurice, CEO, Templar Executives
- Susan Oatway, Drewry Shipping Consultants
- Aron Frank Sørensen, BIMCO
- David Wragg, Hargreaves Industrial Services

"The main question that this year's conference hopes to answer is what, in an age of increasing cyber-crime, squeezed profit margins and stringent environmental regulations, does the future look like for bulk terminal operators," said Gutteridge.

"With a full programme of expert speakers providing insight, advice, solutions and networking, BULK TERMINALS 2017 is the only event all those in the bulk ports and terminals industry need to attend," he added.

Readers can [register here](#) to attend this event TODAY!

BULK TERMINALS 2017

ACHIEVING EFFICIENCY AND COMPLIANCE

The Inaugural Conference of the Association of Bulk Terminal Operators (ABTO)

14-16 March 2017, London

More details at
www.bulkterminals.org/events.html



The only event aimed
at the whole terminal
operations industry

KEY SPEAKERS INCLUDE

Susan Oatway, Associate,
Drewry Shipping Consultants

Professor Mike Bradley,
Director, **The Wolfson Centre**

Aron Frank Sørensen,
Head of Maritime Technology
and Regulation, **BIMCO**

David Wragg, Business
Development Director,
Hargreaves Industrial Services

Organised by

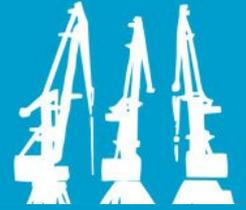
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Official magazine of Association of
Bulk Terminal Operators (ABTO)





DRY BULK TERMINAL PERFORMANCE RATED POSITIVE IN BIMCO REPORT

BIMCO, the international shipowners association, is to drive the improvement of standards for ships at dry bulk terminals across the world, with the launch of its first report on terminal performance.

Since 2015, BIMCO has been collecting feedback on the performance of port terminals in order to be able to report the results to members and, ultimately, to give further guidance to ships. BIMCO received over 400 feedback reports from bulk carriers on the performance of dry bulk terminals around the world. The data has been collected, evaluated and presented in this first annual report.

The report gives overall ratings and analysis to show a picture of the current standards at a large number of terminals around the world. BIMCO members will also be able to access performance information on terminals in the relevant port section on the BIMCO website.

Aron F. Sørensen, Head of Maritime Technology and Regulation at BIMCO, said: "The dry bulk vetting scheme makes it possible for companies to compare terminal performances by using actual experiences provided by the crew of the bulk carrier. In general the performances of terminals have been rated positively in this first report and shows a high degree of care and good service shown to ships."

The BIMCO dry bulk terminal data was collected between 19 January 2015 and 1 December 2016 with 94 ships providing 443 reports from 231 different terminals around the world.

Sørensen added: "It is very important that more ships participate in the BIMCO dry bulk vetting scheme and continuously report their experiences after each terminal call. The information will be invaluable for our members to help guide the planning of future calls at terminals around the world. We need more reports from a lot more ships to improve the service and to have more robust analysis for next year's report."

Last year BIMCO improved the questionnaire by adding new questions aimed at the port level. These included whether the ship experienced any restrictions regarding crew change and crew shore leave; whether there were any restrictions regarding discharge of cargo residues contained in the wash water when at berth; and whether the authorities carried out a port state control inspection and if this caused any remarks.

NEWS IN BRIEF

ANTWERP BULK VOLUMES DOWN

While the Port of Antwerp's total freight volume for 2016 was, at 214,057,529t, up 2.7% on the previous year, dry bulk volume contracted by 9.1% to 12,550,903t.

The volume of coal handled during the past 12 months came to 1,042,383t, 34.2% less than the previous year. The ore volume also fell by 10.5%, to 2,115,868t.

Conversely, liquid bulk volume expanded during the past 12 months by 3.8% to 69,224,501t. Oil derivatives were up by as much as 7.1%, to 51,310,284t. However imports and exports of crude oil fell, finishing down 17.4% at 3,977,722 t.

A total of 14,473 seagoing ships called at the port. Gross tonnage was up 9.1% to 401.085.305gt.

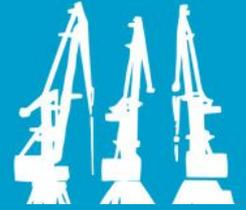
ABTO WELCOMES

NEW MEMBERS

REEL Alesa
Hargreaves Industrial Services
Suncoke Energy Inc

NEW ADVISORY PANEL MEMBERS

Justin Atkin – Ragged Edge Consulting
Tom Torretti – Cooper Consolidated
Adam Adamson - Armstrong



GRAINY DAYS

Researchers at shipbroker Affinity provide an overview of the impact of flooding in the heartland of Argentine soybean production



It has been a tough start to the year for Argentinean Soybean farmers.

With very little to no rain in the first three weeks of December, soil conditions in the main soy producing regions of Buenos Aires, Córdoba and the southern part of Santa Fe became very dry, reducing the soils capacity to effectively convey excess water. And excess water was indeed what this region got. Heavy rains and flooding forced more than 600 residents in Santa Fe and Buenos Aires to evacuate their homes, with further flooding reported in Córdoba. Many areas recorded over 200mm of rainfall over a period of 24 hours.

Aside from the obvious losses caused by damage to property, there are rising concerns with regard to the effects on this year's soybean crop. The drought preceding the flooding prevented plantings, and is estimated to have caused a 2-3 per cent reduction in acreage compared to forecasts. Furthermore, some areas already seeded have been lost due to the heavy rainfall.

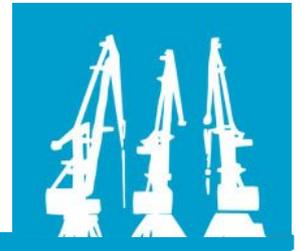
This presents Argentina with a problem. The grain exchanges in Buenos Aires and Rosario are predicting area declines of about 300,000 - 400,000 hectares

while other industry observers suggest the figure could reach as much as 600,000. While there were hopes of being able to replant some of the affected areas, data from the ministry of agriculture, as well as other weather forecasters, suggest a fairly active shower pattern during the remainder of the planting window which comes to a close around 20 January.

It is not the first time Argentinean soybean has been affected by flooding. Last year, devastating floods limited the yield to 56 million tonnes, down from 60 million the year before. Expectations for this year have also been cut, with current estimates suggesting a yield of 53-54 million tonnes. This is set to limit the nation's ability to contribute to China's firm demand for animal feed and soya oil.

A natural consequence has been an increase in soybean prices as traders spot opportunities to benefit from further disruption.

However, while the true scale and impact of these floods remain to be seen, its potential to impact the export market is clear, possibly giving a boost to soybeans coming out of the U.S., thus adding positive pressure on tonne mileage. - <https://affinityship.com/>



THE OPERATOR'S VIEW

The Port of Antwerp
Antwerp Port Authority
Zaha Hadidplein 1
2030 Antwerp
Belgium
www.portofantwerp.com



With a rich history dating back to the Middle Ages, when vessels would offload passengers and cargoes on the Scheldte, the Port of Antwerp has developed into a world leading port, covering 12,068 hectares, or about 20,000 football fields.

Port and infrastructure development has been a constant throughout the port's 500 year history and in 2011 construction started on what is the world's biggest sea lock. In April 2015, the new Kieldrecht lock was filled with water, an operation that took seven days. One month later the four 70m x 11m x 27m dock gates were delivered along with their bogies, two combined road/rail bridges and the caisson. The new lock is the same length and width as the other giant lock in Antwerp, the Berendrecht lock, but 4m deeper in order to cope with the greater draught of ships. The new lock means shorter waiting times, faster routes and more streamlined hinterland transport for Antwerp's customers. Further investments in the port will be taking place over the course of the next few years.

The port handles an exceptionally wide range of bulk freight, across 12 dedicated dry bulk terminals, all fully tri-modal access. Its major bulk products include coal and iron ore, although minor products include non-ferrous concentrates, cement, minerals, fertilisers and China clay.

Throughout the course of 2016, the port accommodated some 14,473 ships totalling more than 400 million gross tonnes, some of which handled 1,042,383t of coal and 2,115,868t of iron ore. Liquid bulks handled included 51,310,284t of oil derivatives, 13,592,806t of chemicals and 3,977,722t of crude oil.

In December, long standing Antwerp Port Authority CEO Eddy Bruyninckx retired following a 25-year career that saw the doubling of the port's freight volume from 103 million tonnes in 1990 to 208 million in 2015, the deepening of the river Scheldt (in 1997 and 2010) and the construction of the Deurganck dock (2005).

In 2008 the Port Authority and the private companies in the port joined forces to draw up a Total Plan for the port leading to the successful "supply chain" approach with its associated trade facilitation, along with closer links between industry, freight handling and logistics, and not least its Sustainability Report.

Jacques Vandermeiren was appointed Antwerp's Chief Executive Officer and President of the Executive Committee of Antwerp Port Authority as of 1 January 2017. Until January 2015 Vandermeiren was CEO and President of the Executive Committee of the network operator Elia, a listed company, where he held various management positions since joining it in 2001. Before that he worked for 11 years as Senior Advisor Strategy Direction with the energy company Electrabel.