



NOTES FROM THE SECRETARIAT

Welcome to the latest edition of ABTO News. ABTO has had a great start to the new year with membership numbers continuing to grow. Although it is quiet on the regulatory front we continue to monitor developments to ensure that you are the first to know of any developments whether they are global or more localised. I would also encourage you to contact the secretariat if you have any issues of concern that we could help with.



We continue to see some good signs from around the world regarding bulk trades. In its recently published report "Bulk Terminals Market: Global Industry Analysis and Opportunity Assessment, 2016-2026", Future Market Insights projects "the global bulk terminals market will register a 3.2% Compound Annual Growth Rate (CAGR) through 2026 and exceed 20 billion tonnes in volume by 2026." This is great news for the bulk sector however, not for all the bulk sector. The report goes on to stress that although the dry bulk segment will continue to dominate the sector, its dominance is set to decline slightly over the period (62.7% down to 62.3%) with the liquid bulk gaining ground particularly in the form of Liquefied Natural Gas (LNG). This is principally due to environmental concerns and legislation. Whilst coal and iron ore will continue to be the largest dry bulk commodities, the decline in thermal coal will be replaced to some extent by grain, particularly in North and Latin America. In the meantime, another report, this time from Zion Market Research, predicts further growth in the biomass market identifying Europe as a particularly strong market.

I look forward to seeing as many of you as possible at future ABTO events. Keep an eye on the website and future editions of ABTO News for details.

Ian Adams, CE, ABTO

NEWS IN BRIEF

PORT WORKERS STRIKE SUPPORT

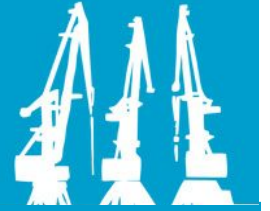
The Government of Madagascar is the target of a global campaign launched to defend dockworkers at the ICTSI operated Port of Toamasina in Madagascar.

The campaign by the International Transport Workers' Federation (ITF) will see protests outside of Madagascar embassies across three continents.

Steve Cotton, ITF General Secretary, said: "These workers were sacked for fighting for better wages and against dangerous conditions. After joining their union, they faced intimidation and retaliation from management – who gave them two options: leave the union or lose their jobs."

The Court of Madagascar recognised that SYGMMA had the right to organise at the Port of Toamasina. To date, none of the 43 workers who were dismissed for union activity have been reinstated.

Paddy Crumlin, ITF President said the Government of Madagascar is on notice that the global union movement are standing with the Toamasina port workers. "We will not rest until these workers get justice. These actions today will send a clear message."



NEWS IN BRIEF

NEW EXECS AT RIO

Rio Tinto will appoint three new independent non-executive directors to the boards of Rio Tinto plc and Rio Tinto Limited.

Former Sasol Ltd chief executive David Constable and former Centrica plc chief executive Sam Laidlaw will be appointed with immediate effect. Royal Dutch Shell plc chief financial officer Simon Henry will join the board with effect from 1 July 2017.

Non-executive directors Robert Brown and Anne Lauvergeon have indicated their intention to step down from the board at the Rio Tinto Limited annual general meeting on 4 May 2017.

KALMAR TRACTORS SCOOP

Kalmar has secured orders for a total of 708 terminal tractors for delivery to dealerships across USA, Canada and Mexico. The total value of the orders is approximately EUR 70 million.

Dan Petterson, Senior Vice President, Mobile Equipment, Kalmar, commented: "This year's Dealer Meeting was a great success. We made a record in orders received and surpassed our previous record of 512 units from 2015. We launched our Kalmar Ottawa T2 terminal tractor three years ago and since then, we have been consistently gaining market share especially in the Americas.

"Today, our terminal tractor offering comprises a superior product, service, spare parts and rental agreements supported by a dedicated team which has been contributing to this successful business since the beginning. This impressive result builds up our confidence in the North American market and its economic outlook for 2017."

BULK TRADES SET TO RECOVER WITH RISE IN ASIAN ORE AND COAL DEMAND

With contraction in vessel supply and healthy demand growth, the dry bulk shipping market is expected to recover from 2017 onwards, according to the latest edition of the Dry Bulk Forecaster, published by global shipping consultancy Drewry.

An impressive outlook for dry bulk demand, coupled with a small orderbook of newbuilds as a percentage of the total fleet capacity, will ensure a sustained recovery in the dry bulk market. Earnings in the dry bulk market are expected to improve from 2017 with a narrowing supply-demand gap. Demand is projected to grow at a healthy pace of 3% while supply is expected to grow by about 1% from 2017, making the dry bulk segment an interesting market to invest in.

The growth in demand originates from a rise in iron ore and thermal coal trade. Coal demand is expected to rise mainly from developing Asian countries including Vietnam, South Korea, Taiwan and China. The rise in Chinese domestic steel consumption will provide employment to VLOCs and Capesize vessels carrying iron ore in the market. On the other hand, Vale's new project S11D has become the most cost effective iron ore mining project and will increase iron ore supply from Brazil increasing total tonne miles; this will help demand for bigger vessels in the long term.

The supply side is projected to grow by just 1% from 2017 because of high scrapping and a thin orderbook. The environmental regulations on Ballast Water Treatment System (BWTS) will become effective in September 2017 and IMO's regulation on use of low sulphur fuel oil in 2020 which will result in high scrapping of old tonnages. Shipowners will prefer to scrap their old tonnage with low earnings potential, than incur additional cost on scrubber and Ballast Water Treatment Systems. On the other hand, a contracting orderbook and low future new orderings due to limited financing availability are keeping a check on future deliveries. At this point in time, the orderbook as a percentage of the total fleet, which is a strong indicator of future deliveries currently stands at a decade low.

"The outlook for the dry bulk shipping market continues to be positive as the supply and demand gap continues to narrow. Charter rates are expected to improve for most of the dry bulk segments in 2017 with the steepest recovery expected in Capesize segment. Average charter rates are expected to rise 2017 and will further improve from 2018," said Drewry's Rahul Sharan.



NEWS IN BRIEF

BATAAN PROJECT UNDERWAY

SEASIA Nectar Port Services, Inc. (SNPSI) will start operating next year a new bulk terminal in Bataan, a project that will allow direct shipments from the province.

The Authority of Freeport Area in Bataan (AFAB) said in a statement that locators in the existing port area can utilize the planned Mariveles Dry Bulk Terminal to transmit their shipments to domestic and overseas destinations.

SNPSI — a joint venture between Seasia Logistic Philippines, Inc. and Nectar Group Ltd. — is currently developing the 11.4-hectare terminal.

Construction of the terminal involves three phases, with the first one entailing the development of a 5.9-hectare portion.

This phase — which can accommodate two 120-meter-long vessels — will have a capacity of at least three million tons every year. The second and third phases will expand the bulk terminal to accommodate

SOUTH WALES TERMINALS RECORD BULK GROWTH FOLLOWING INVESTMENT

ABP's network of five ports in South Wales handled more than 12 million tonnes of cargo in 2016 as ABP continued to invest in port warehousing and equipment. The 12mt of cargo that passed through the five ports in 2016 included a variety of both traditional and emerging sectors. Notable year-on-year growth was seen in several commodities including the timber, aggregate, project cargo, animal feed and fertiliser, and steel sectors.

The growth in both the animal feed and steel sectors was supported by ABP South Wales investing over £4.5 million into two new warehouses at Newport. Atlantic Shed was opened in January 2016 to accommodate growth in the steel sector and 20 Shed was opened in September 2016 to accommodate growth in the animal feed and fertiliser sector. The port of Swansea also handled hundreds of wind turbine components for several local wind energy projects. ABP continued to invest in new equipment and significant crane investments were made in Newport and Swansea. Over £2.8 million was invested into the refurbishment of five cranes across Newport and Swansea to improve operational efficiency and extend the life span of the cranes. In December 2016, ABP Swansea also welcomed a new Mantis hydraulic crane to the port.



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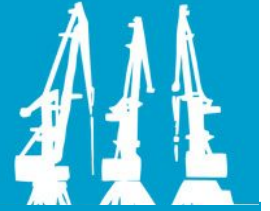
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NEWS IN BRIEF

SIRWERTELL UNLOADS UNLOADERS

Siwertell, part of Cargotec, has secured an order for a next generation, road-mobile ship unloader for an undisclosed client. The 10,000 S trailer-based, diesel-powered unit will be used to unload cement at a rated capacity of 300t/h. It will join the customer's existing Siwertell 10,000 S road-mobile unloader, which it has been operating successfully since 2015.

Jörgen Ojeda, Siwertell Director of Mobile Unloaders, said: "Customers like the operational flexibility road-mobile unloaders offer, particularly for discharging ships at multiple locations."

The road-mobile unloader is completely autonomous and does not require any installations on the jetty. It is quick and easy to deploy and when the unloading operation is finished the unit is folded up and driven back to the customer's premises ready for its next operation.

The new unit will be equipped with a dust filter and a double-bellows system, allowing uninterrupted discharge when changing between trucks or rail wagons. It will be constructed at Siwertell's premises in Bjuv, Sweden, with delivery scheduled for March 2017.

IPSWICH RECORD

ABP Ipswich, the UK's leading agricultural products terminal, broke records with a surge in ship calls in 2016. In total, 743 ships called at the port, up eight percent from 2015 figures. This increase aligns with an increase of gross tonnage – a measurement of overall ship capacity – which rose by 13 percent to 2.6 million gross tonnes last year.

TILBURY 2 DEVELOPMENT TO INCLUDE NEW BULK FACILITY

The Port of Tilbury, London's major port, begins its pre-planning community consultation this month to seek local views on its proposals to build a new port terminal adjacent to the current port. The proposed new port terminal, known as Tilbury2, will be built on a 152 acre site which was part of the former Tilbury Power Station and will include a new pontoon and deep water jetty.

The Port of Tilbury has been expanding at a fast rate over the past two decades as businesses in the port look for more space and land; coupled with a significant increase in the goods and products coming through the port. The port estimates that this will increase further in the next 15 years which the proposed new port terminal would support.

The proposed terminal at Tilbury2 will act as a satellite of the main port and it is proposed that it will comprise a roll on/roll off ferry terminal for importing and exporting containers and trailers. Tilbury2 is also likely to include a facility for importing and processing bulk construction materials to support demands from the UK's building sector. In the northern part of the site there is land available for the potential storage of a variety of goods, including cars.

Commenting on the pre-planning consultation events, Peter Ward, Commercial Director at the Port of Tilbury, said: "We are one of the largest ports in the South East and have an ambitious plan in place to continue to grow and to bring economic benefit and jobs to the area. Our customers are looking for expansion opportunities in Tilbury and Tilbury 2 is a part of the port's overall investment strategy.

"The success of the port in recent years means that we now need more land close to the port to grow and our proposals for Tilbury2, on part of the site of the former Tilbury Power Station, will allow us to do this. We are an active partner in the community and holding a series of public consultation events in March where we hope that members of the community will come along and share their views with us there or through the online survey at www.tilbury2.co.uk."

This is the first stage of seeking views from the local communities and will be followed by statutory/formal consultation during the summer. The non-statutory/informal consultation period runs from 6 March until 21 April inclusive. More information can be found at www.tilbury2.co.uk

BULK TERMINALS 2017

ACHIEVING EFFICIENCY AND COMPLIANCE

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

31 October - 1 November 2017 - London

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



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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

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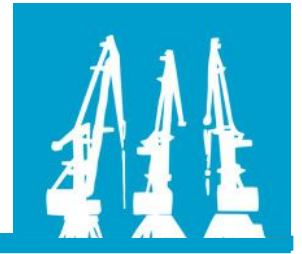
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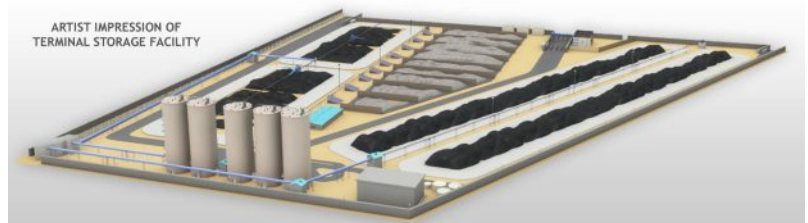
Official magazine of Association of
Bulk Terminal Operators (ABTO)





THE OPERATOR'S VIEW

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Pakistan's first dedicated bulk dirty cargo terminal, Pakistan International Bulk Terminal Limited (PIBTL), which will open for trades later this month, has completed civil works and three cranes have already arrived at the terminal site.

When it opens, the port will be capable of handling coal, clinker and cement on a build, operate and transfer (BOT) basis at the Port Qasim Authority facility located 50km from Karachi, on the coast line of the Arabian Sea. It has a forty five kilometre long navigation channel which provides safe and convenient navigation for vessels. Port Qasim handles more than 40% of Pakistan's cargo.

PIBTL will build capacity for handling up to 12 million tonnes of coal and four million tonnes of cement and clinker per year, which can together be further enhanced by up to 20 million tonnes per year. The bulk terminal is being set up for handling and delivering coal to power and cement plants by utilising the rail, road and sea networks and is expected to become an integral part of the coal supply chain up to the entry gates of power and cement plants located across the country. All civil works were completed in January with testing and commissioning completed in February.

The layout of the coal, clinker and cement terminal included 460m long jetty, a trestle with separate conveyor belts for coal and cement/clinker which connects the jetty with storage yards. Storage facilities and silos have capacity for one million tonnes of coal, 50,000 tonnes of cement and 200,000 tonnes of clinker.

The new port has been developed to comply with World Bank standards relating to environmental pollution control and water sprinkling system has been installed from the jetty head to storage yards to minimise dust. Pollution control has also been achieved by way of a wind fence around the coal stacking area.

In November last year, PIBTL Chief Executive Officer Sharique Siddiqui announced plans to build 4.5km long conveyor belt to transport coal from the terminal to railway yard but the plan was met with criticism. He said: "The industry's objection on the conveyor belt and railway yard is natural but it's our job to address their concerns. There is option of covered conveyor belts to be installed for this project. Sprinklers could be installed for coal dust suppression and the whole coal transport at Port Qasim and onward could be made in controlled environment."

He said that Pakistan is building coal-based power plants which means that coal must be imported and transport up country. "We can't transport millions of tons of coal through trucks. [This] is a project of national interest and we must support the conveyor belt and rail transportation projects ensuring environmental friendly measures."