
Slowdown signs - DP World delays terminal expansion plans

Thursday, 02 Jul, 2009

Port World reported that the world's largest port operator DP World has delayed the development of its USD 1.5 billion third terminal in Jebel Ali due to the global economic meltdown.

DP World spokesperson said that "In response to the current market, we are deferring expansion plans on the third terminal in Jebel Ali until such time as market demand returns."

Spokesperson said that "We successfully completed the expansion of Terminal 2 in Jebel Ali as scheduled in the Q1 of this year, taking capacity there to around 11 million TEUs."

DP World's profits are forecast to plunge by 54% during 2009 to USD 265 million from USD 572 million in 2008 and to see a 24% fall in its revenues this year.

The company spokesperson said that "The unpredictable trends in global trade have continued into 2009 resulting in a volume decline across our business of 10% for the first 4 months of the year."

It was reported that despite DP World's plans to defer new capacity this year, the estimated utilization rate is expected to decline close to 80% this year from 86% in 2008.

Spokesperson said that "To overcome the current challenging markets, we have undertaken cost-containment and cash generation. We have deferred about 50% of our capacity expansion plans until market demand returns. 'As for lowering ports charges, this decision differs from terminal to terminal."

(Sourced from Portworld.com)

For more news visit at www.steelguru.com