
Slowdown signs - DP World may face 20pct fall in traffic in India

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The Hindu Business reported that DP World may face 20% drop in container throughput 2009 at the 5 terminals that it operates in India, in tune with the trend being experienced by other major ports in the country due to the downturn.

The container terminal operator may end 2009 with a throughput of about 3.5 million TEUs which is about 18% to 20% lower than its combined throughput of 2008.

Mr Anil Singh MD of DP World was however, hopeful that 2010 will get back the throughput levels of 2008. He said that while continuing with its expansion plans in India, DP World India is at the moment standing back and waiting for the turnaround to happen. There is no slowing down on our expansion plans and our appetite has not diminished. It is only that this period has given us time to think. There is enough potential for development of additional container terminal capacities in India.”

He pointed out that India at present handles about 8 million TEUs of container traffic and according to projections the demand would be about 48 million TEUs by 2050. It is clear India needs more capacities in container handling sector.

DP World is expanding the Nhava Sheva International Container Terminal at JNPT from the present 1.5 million TEUs to 2 million TEUs at a cost of USD 80 million while the Vizag terminal in which it has a 26% stake is being ramped up from 100,000 TEUs to 500,000 TEUs.

Mr Singh said that work on the Vallarpadam terminal is in progress and the company expects the one-million TEU facilities to be operational by March 2010. This will be India’s first transshipment hub with a deep draft facility that can accommodate vessels of up to 13,000 TEUs. We are setting up the facility at a cost of INR 3,000 crore including road connectivity which will have a capacity of 3.5 million TEUs in 3 years.”

He said that at present, an estimated 3 million TEUs of transshipment cargo is annually diverted to Colombo as India does not yet have a transshipment hub. DP World expects to grab a significant chunk of this cargo through its Vallarpadam terminal. The company has also proposed a 600,000 TEU terminal at Kulpi in West Bengal for which it is awaiting necessary Government clearances.

He added that DP World, which at present operates container rail services between Ludhiana and JNPT, Mundra and Pipavav plans to extend the services in the Kochi, Chennai, Visakhapatnam sector. We plan to operate seven rakes in this sector by 2010 for which we will be spending INR 100 crore.”

(Sourced from Thehindubusinessline.com)

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