



CMEC

Centre for Maritime Economy
and Connectivity

समुद्री अर्थव्यवस्था व संयोजन केंद्र

Maritime Briefing

Honorable Prime Minister Shri Narendra Modi dedicated projects worth Rs 4,000 crore to the nation, including key strategic initiatives at Cochin Shipyard Limited. The projects comprise a 310-metre-long dry dock, constructed to international standards, and the International Ship Repair Facility (ISRF), India's first fully developed pure ship repair ecosystem. Additionally, the dedication includes the IOCL's LPG import terminal.



CMEC seeks to provide policy inputs to MoPSW as per the Maritime India Vision 2030. This includes support for the growth and diversification of India's maritime sector & developing areas of cooperation and collaboration of the Indian Ocean nations.

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MoPSW shares development plans at Vibrant Gujarat Summit 2024

During the Vibrant Gujarat Global Summit 2024, held in Gandhinagar, a MoU exceeding Rs. 30,000 crores was signed by Union Minister MoPSW Shri Sarbananda Sonowal. The Gujarat Maritime Board revealed its Vision 2047 for Maritime Brilliance, and the MoPSW launched a significant infrastructure development initiative aligned with the 2047 Vision. Deendayal Port Authority (DPA), Kandla, marked a historic moment with a monumental Rs. 10,000 crores MoU with Umeandus Technologies India Private Limited. Additionally, APM Terminals and Jawaharlal Nehru Port Authority (JNPA) committed to investing Rs. 20,000 crores in the VadHAVAN Port Project.

Inland Waterways takes big steps towards building Maritime Vision 2047

The inaugural session of the Inland Waterways Development Council (IWDC) in Kolkata concluded with numerous ground-breaking initiatives aimed at enhancing the capacity and sustainability of the country's inland waterways. Chaired by Union Minister MoPSW Shri Sarbananda Sonowal, the meeting saw the participation of essential stakeholders, including ministerial representatives from states, as well as influential figures from policy-making circles and industry leaders.

Rise in freight rates affecting India's trade

Indian exporters claim that the Red Sea issue has caused freight prices to soar by as much as 600%, which would be detrimental to global trade. They also recommend that the government establish a globally recognized shipping line of its own. In the Board of Trade (BoT) meeting, which Commerce and Industry Minister Shri Piyush Goyal chaired, Director General Ajay Sahai of the Federation of Indian Export Organisations (FIEO), raised the matter of the freight hike. He said "It is a serious issue" and the problem will hurt the global demand for goods besides pushing inflation in different countries.



Great Eastern Shipping Co. join hands with Harbor Lab

Great Eastern Shipping Co. Ltd., India's largest private shipping company, has entered into a digitalization partnership with Harbor Lab, a maritime software company based in Greece. The collaboration is focused on optimizing the management of port costs. As part of this partnership, Great Eastern Shipping will leverage the complete range of tools and solutions provided by Harbor Lab for all their commercial and husbandry port calls. Notably, the collaboration marks a significant milestone for Harbor Lab, as it marks the first instance of an end-to-end integration with both a Voyage Management System (Veson) and an Accounting System (SAP).

DP World signs agreements with the Government of Gujarat

DP World, a global logistics management and services firm, announced the signing of agreements worth Rs 25,000 crore with the government of Gujarat. As part of these agreements, DP World will undertake the development of new ports, terminals, and economic zones. The MoU was signed during the Vibrant Gujarat Global Summit 2024 in Gandhinagar, emphasizing Gujarat's role as a developmental role model and a significant contributor to the nation's growth. The agreements were signed by Sultan Ahmed bin Sulayem, Chairman and CEO of DP World, and M K Das, Additional Chief Secretary of the Gujarat government.



Increased security concerns in the Red Sea lead to a rise in freight rates

Red Sea diversions require container lines to increase their ship capacity to transport the same cargo volume. The increased security concerns, exacerbated by coalition air strikes in Yemen, have led to a significant surge in spot container freight rates. Additionally, this security situation is now causing a rise in the rental prices that container lines pay for chartering ships. According to a market report by MB Shipbrokers (formerly Maersk Broker), there has been a rush to secure immediate tonnage, and ship owners are adopting a more optimistic stance, seeking higher rates than the previous ones in various segments and regions.

Maritime trade faces challenges due to drought in the Panama Canal

The Panama Canal acknowledged that it comprehends clients' decisions to explore alternative shipping methods amid restrictions caused by an ongoing drought, affecting one of the world's busiest trade routes. The canal, facing reduced crossings due to low water levels, is working on solutions to mitigate setbacks from future climate crises. Danish shipping company Moller-Maersk announced that it would utilize rail transport for some cargo due to Panama Canal bottlenecks. The Panama Canal Authority assured continued support for Maersk's operations, emphasizing that the announced changes impact only one Maersk service.

Baltic Exchange Index declines due to Red Sea Disruptions

The Baltic Exchange's dry bulk sea freight index reached a four-month low, continuing its decline due to reduced rates driven by seasonal demand weakness. Despite concerns arising from disruptions in the Red Sea, the overall index, incorporating rates for capesize, panamax, and supramax shipping vessels, fell by 100 points or 6.9% to 1,360 – the lowest level since mid-September. The capesize index witnessed a significant drop of 292 points or 13.4% to 1,880, marking its lowest point in the past four months. Daily earnings for capesize vessels, commonly used for transporting 150,000-ton cargoes like iron ore and coal, decreased by \$2,426 to \$15,589.

APM Terminals signs MoUs to develop green hydrogen projects

APM Terminals Pipavav has entered into several MoUs for the development of a comprehensive green hydrogen ecosystem and port infrastructure. This forward-thinking initiative aims to provide economic benefits to the local and regional economy, generate employment opportunities, and contribute to broader decarbonization objectives. The initiative is strategically positioned to take advantage of the anticipated surge in hydrogen demand over the next two decades. The signed MoUs position Pipavav and the state of Gujarat as pioneers, offering a first-mover advantage and making them frontrunners in attracting ongoing investments to capitalize on this emerging global opportunity.