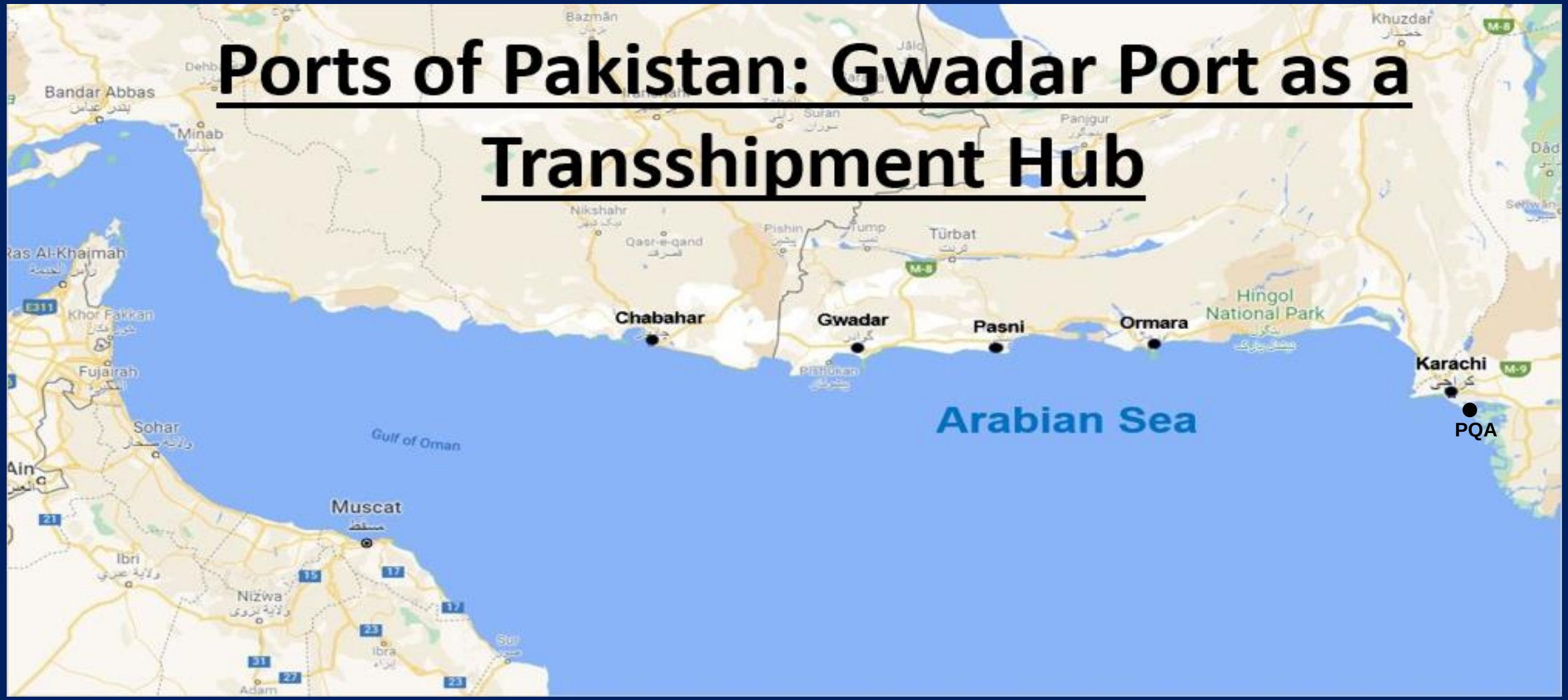

بسم الله الرحمن الرحيم

# Ports of Pakistan: Gwadar Port as a Transshipment Hub

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# Points Covered

- Introduction
- Important Factors for  a hub Port
- KPT and PQA ( including their cargo handling capacity)
- Gwadar Port
- Concession Agreements to operate Gwadar Port
- Requirement to start Transshipment from Gwadar port
- Recommendations

# INTRODUCTION

# Excerpt from National Security Policy
# Blue Economy

A Comprehensive maritime policy will be developed to optimize the Blue Economy of Pakistan by Tapping the economic potential of the maritime sector with special focus on Transshipment, ship constructions, off shore explorations, ports infrastructure, fishing, coastal tourism and other maritime industries.

# Important Factors for a Hub Port

- Location close to the major trade routes.
- Ability to dock bigger ships. Modern Ships have mostly 14.5 to 15.5m draft and 50.0 to 60.0 m beam. Therefore, modern ports should be able to dock bigger ships and have long arms quay side cranes.
- Connectivity with hinterland by rail, road and air.
- Quick turnaround time of ships at a reasonable cost.
- Amount of transshipment cargo it can attract
- Logistics chain and manufacturing industries in the vicinity.
- Technology and communication system
- Trained labor force and efficient service provider companies
- Ability of port authority and political administration.

# Karachi Port Trust

# Terminals Functioning – Karachi Port

| Terminal | Established | Operated by | Berths/Quay Wall | Estimated Cost |
|---|---|---|---|---|
| Karachi International Container Terminal (KICT) | 1998 | Hutchison Ports, Hong Kong | Draft 13.0m<br>Quay wall – 973m<br>Total Berths – 5 | USD 65 million |
| Pakistan International Container Terminal (PICT) | 2002 | International Container Terminal Services Inc. (ICTSI) | Draft 13.0m<br>Quay wall – 600m<br>Berths - 4 | USD 150 million |
| South Asia Pakistan Terminal Limited(SAPTL) | 2016 | Hutchison Ports, Hong Kong | Total Berths 4,<br>Quay wall – 1500m<br>Draft – 16.0m | • KPT = USD 1.4 billion<br>• Hutchison Port, USD 600 million |

**Source:** KPT Website

# Cargo Handling Capacity of KPT

Total Cargo – 125.0 million Tons (all types including containers)

Containers – 4.1milion

Last Fiscal Year

- Total Cargo handled – 52.0 million tons(all type including containers)
- Containers handled – 2.2 million

Note: Cargo by Rail  1.0 to 1.5%

# Congestion of Traffic in Port Area

# Congestion of Traffic – Karachi Port

# PORT BIN QASIM

# Terminals Functioning – PQA

| Terminal | Berth/Terminals | Annual Design Capacity million tons | Cost (Million) | Year Of Operation |
|---|---|---|---|---|
| Marginal Wharf | 2 | 4.0 | Rs.618 | 1981 |
| QICT-I Container Terminal | 2 | 0.6 TEUs | US$ 100 | 1997 |
| Iron Ore & Coal Berth (IOCB) | 1 | 3.03 | Rs.415 | 1980 |
| FOTCO Oil Terminal | 1 | 9.0 | US$ 97 | 1995 |
| EVTL Liquid Chemical | 1 | 4.0 | US$ 76 | 1998 |
| QICT-II Container Terminal | 2 | 1.175 TEUs | US$ 211 | 2010 |
| SSGC LPG Terminal | 1 | 2.0 | US$ 50 | 2007 |
| FWQ Liquid Cargo Terminal | 1 | 4.0 | US$ 25 | 2009 |
| FAP Grain & Fertilizer Terminal | 1 | 4.0 | US$ 135 | 2010 |
| EETPL LNG Terminal | 1 | 4.5 | US$ 120 | 2015 |
| PIBT Coal Clinker & Cement Terminal | 1 | 8.0 | US$ 285 | 2017 |
| PQEPC Coal Terminal 1320 MW | 1 | 4 | US$ 2.085 B | 2017 |
| PGPCL LNG Terminal | 1 | 4.5 | US$ 135 | 2017 |
| MW 3&4 Coal Terminal | 1 | 4 | US$ 138 | 2017 |

**Source:** PQA Website

# Cargo Handling Capacity of PQA

Total Cargo – 83.0 million Tons (all types including containers)

Containers – 2.0 million

Last Fiscal Year

- Total Cargo handled – 58.0 million tons
- Containers handled – 1.0 million

Note: Cargo by Rail 0.5 to 1.0%. Railway share needs to be increased

# GWADAR PORT

# Main Objectives of the Port

- To act as an alternate port for Pakistan.
- Handle transit trade of China, Afghanistan and CAR states.
- Serve as a transshipment hub
- Facilitate supply of cargo to hinterland of Pakistan and development of Balochistan province especially Gwadar region.

# Main features of Gwadar Port

- Quay wall 602m (3 multipurpose berths including RO-RO), service berth 100m.
- Design depth 13.8 m, alongside berths 14.5 m, turning basin 590m
- Channel length – 4.7 KM
- The backup area 383,000 square meters for stacking the cargo.
- Allowable ship length to enter harbor 295 meters.

# Strategic Location of Gwadar Port

# Main Points of Concession Agreement GPA and PSA(Feb 2007)

- All the charges on account of use of port facilities and services including, port dues, and the related wet charges shall be collected by the Concession- Holder ( CH ). The CH shall pay nine percent (9%) of its Gross Revenue to GPA every month.
- In all cases, channel dredging, both initial construction and maintenance dredging, shall be funded and undertaken by GPA.
- Construction and maintenance of breakwater(s) shall be financed and undertaken by GPA.
- The Concession Holder shall install quayside cranes and other heavy terminal equipment. Shall also install sufficient back-up power generating capacity to ensure the cargo operations are not affected when the main and normal power supply system fails.
- No duty would be imposed on the machinery and equipment to be imported for development work in this area and for port operations, for 40 years.
- The GPA will be responsible for the provision of all conservancy, security and firefighting services.

# Transfer of Concession Agreement To China Overseas Port Holding Company ( COPHC)

# Concept of Transshipment

# Competitive Regional Ports for Transshipment

| Ports | Established | Draft/Quay Wall | Container Handled |
|---|---|---|---|
| Port of Salalah (Oman) | 1971<br>Deep draft ops 2015 | Total berths – 18, Quay – 4417m<br>Deepest draft – 18m | 2016: 3,325,000<br>2017: 3,946,424<br>2018: 3,385,000 |
| Port of Sohar (Oman) | 2004<br>Deep draft ops 2014 | Total berths – 13, Quay – 6280m<br>Deepest draft – 16m | 2018: 7,976,000<br>2019: 7,684,250<br>2020: 7,745,678 |
| Port of Duqm (Oman) | 2012<br>Deep draft ops 2016 | Total berths – 20, Quay – 6000m<br>Deepest draft – 18m | **2020:** RO379 million |
| Jebel Ali (UAE) | 1977 | Total berths – 77, Quay – 17.62km<br>Deepest draft – 17m | 2016: 15,730,000<br>2017: 15,370,000<br>2018: 14,950,000 |
| Port of Hambantota (SriLanka) | 2010<br>Deep draft ops – 2012 | Total berths – 13, Quay – 2876m<br>Deepest draft – 17m | 2021: 1,206,425<br>2020: 420,421 |
| Port of Cochin (India) | 1928<br>Deep draft ops – Feb 2011 | Total berths – 16,<br>Deepest draft – 14.5 | 2018-2019: 32 million tonnage<br>2020-2021: 31.5 million tonnage |
| Port of Djibouti (Djibouti) | 1998 | Total berths – 18, Quay – 2829m<br>Deepest draft – 18 | 2014: 856,064<br>2015: 910,615<br>2016: 987,189 |

# Ease of Business

# Requirements to Start Transshipment at Gwadar

1. Channel may be dredged up to 16m.
2. SRO to include handling of Less than Container Load (LCL).
3. Improvement of telecommunication, especially Wi-Fi.

# Recommendations

- Connectivity of KPT and PQA with the hinterland by rail be given priority. Ports and railway authorities may consider joint Venture.
- Gwadar Port to operate as a Transshipment Hub be given due importance. Following requirements to start Transshipment may be met on priority.

    a. Channel be dredged to 16.0m. Cost is $47.0 m approx. in 6 months duration.

    b. The SRO dealing Transshipment be amended to include LCL cargo

    c. Telecommunication especially Wi-Fi be improved in Gwadar port area.

# Thanks for giving

# Patient Hearing