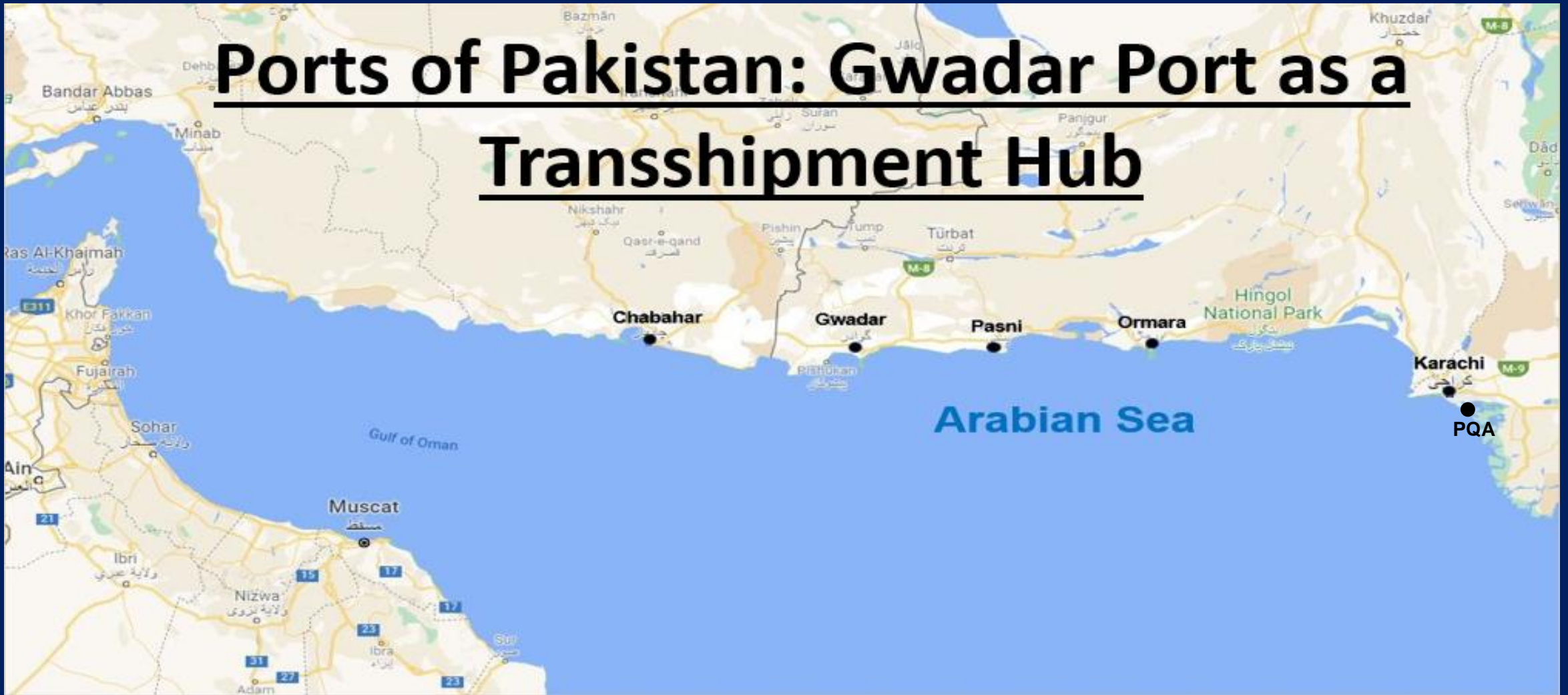


بِسْمِ اللَّهِ الرَّحْمَنِ الرَّحِيمِ

Ports of Pakistan: Gwadar Port as a Transshipment Hub



**By Dr. Anjum Sarfraz, Commodore (Retd)
NIMA, ISLAMABAD**

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 Quay wall – 973m Total Berths – 5	USD 65 million
Pakistan International Container Terminal (PICT)	2002	International Container Terminal Services Inc. (ICTSI)	Draft 13.0m Quay wall – 600m Berths - 4	USD 150 million
South Asia Pakistan Terminal Limited (SAPTL)	2016	Hutchison Ports, Hong Kong	Total Berths 4, Quay wall – 1500m Draft – 16.0m	<ul style="list-style-type: none"> • KPT = USD 1.4 billion • Hutchison Port, USD 600 million

Source: KPT Website

Cargo Handling Capacity of KPT

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

Containers – 4.1million

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