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Welcome to Ports Report, our fortnightly publication focusing in each edition, on a specific port or terminal, and carrying the views of a top executive, through one-to-one interviews

This edition looks at the development of Salalah in the Oman, and its increasing importance as a major transshipment port in the Middle East in an exclusive interview by PR News Service with Salalah's Chief Executive, Peter Ford

The Port of Salalah shareholding structure has APM Terminals as the largest shareholder with 30%, followed by the Omani Government with 20%, and the rest split between the private investor community

So let's forget the economic downturn in Europe for the moment, as well as the issues of overcapacity and falling cargo volumes, because Salalah has a success story to tell, and much of that success has come from the big East/West trade routes and the potential of the transshipment market

According to Ford, "Salalah is primarily a transshipment port, and around 95% of our business comes from this sector, with the remaining 5% to and from the inland market

"In 2011, Salalah handled 3.2m teu, and it would not be unreasonable for the 2012 projection to reach a +20% volume increase to reach 4.0m teu

"We are already seeing very strong volumes in the first half 2012 outperforming the same period last year, and historically, the second half of the year has always shown increased growth compared with the first six months"

Transshipment business over Salalah is interestingly split between the North/South and East/West routes, and while the former concentrates mostly on the Africa market growth potential, there is no doubt about the importance of the East/West business

Says Ford, "We at Salalah see a huge opportunity in this sector", and to underscore that belief he continues, "Most recently Oman Container Lines (OCL) has launched a new service known as the India Express to connect Salalah with APM Terminals own facility in Mumbai

"This new service, which effectively comes as a result of a close working relationship with OCL, follows the feeder line's Gulf Express Service (GEX), initially covering the Salalah/Jebel Ali route, but recently extended to include calls at Port Sultan Qaboos"

Obviously the well-documented port congestion problems on the East Africa coast are of paramount importance to shipping lines, but the attitude of ports such as Salalah is more relaxed on the issues to the South, as Ford continues "We certainly are aware there are serious port congestion issues in East Africa, but the important factor concerning us, is the strong market growth

"Trade demand in East Africa is still there, and even though ships are being delayed at anchor for up to several weeks in some cases, the underlying positive factor is the continuing strength of the Africa market"

In addition to existing services, Salalah is about to see the arrival of another route courtesy of United Shipping Arab Company (UASC)

"We have recently received three ad hoc calls at Salalah by UASC, and shortly expect confirmation that the line will commit to a firm call on one of its Asia/Europe routes"

But like any success story, Salalah has also had its down times

Back in early 2009, there were plans for a joint venture set up between the Port of Salalah and APL, but the Asia/Europe downturn put that initiative on ice, at the least for the time being

"The idea was for a 50:50 joint venture to be established between Salalah and APL which would involve the operation of Berths 7 to 9

"Effectively construction of those berths would bring another 3m teu of handling capacity to the port

"However, the European economic crisis meant APL decided against the plan, and it never happened"

But those blue prints are still on the drawing board

Continues Ford, "I firmly believe that within the next two years, Salalah will set up a joint venture of this nature with a shipping line, not necessarily APL, which will lead to these container berths being built"

Salalah's success is not just about quayside activity, and futuristic drawing board blueprints of new berths- without vital back up and storage facilities and an efficient inland distribution network, no container port would ever work

"The port's close proximity to Salalah's main airport is an added bonus to us, and we have now established a working agreement with Oman Air to offer connections to and from the major inland markets

"Separately, we are looking at increasing warehousing operations, an important part of any port's business, and I firmly believe that within the next 12 months we will conclude an agreement to build more facilities in this sector", concludes Ford

In the space of just under 14 years since its establishment, the port has firmly placed itself near the top of the container transshipment league, and with no less than 17 super post-panamax gantry cranes gracing the landscape, this is a port that would seemingly be snubbing any market downturns, and reacting with a very positive outlook