

NEWSLETTER

Volume 01
October 2024



Message from the Management

Dear Valued Partners,

As we navigate through October 2024, we are pleased to share the first newsletter to share updates and developments of **CAPELINE** and its group of companies. We are committed to providing exceptional logistics solutions continues to drive our success. We would like to take this opportunity to extend our heartfelt thanks to all our stakeholders for your continued support and trust in us.

Industry Insights

Market Trends: The global shipping industry is witnessing a surge in demand for flexible logistics solutions. NVOCCs are playing a crucial role in meeting these needs by offering cost-effective and reliable services.

Regulatory Updates: Stay informed about the latest changes in international shipping regulations and how they may impact your business. Our team is here to help you navigate these complexities.



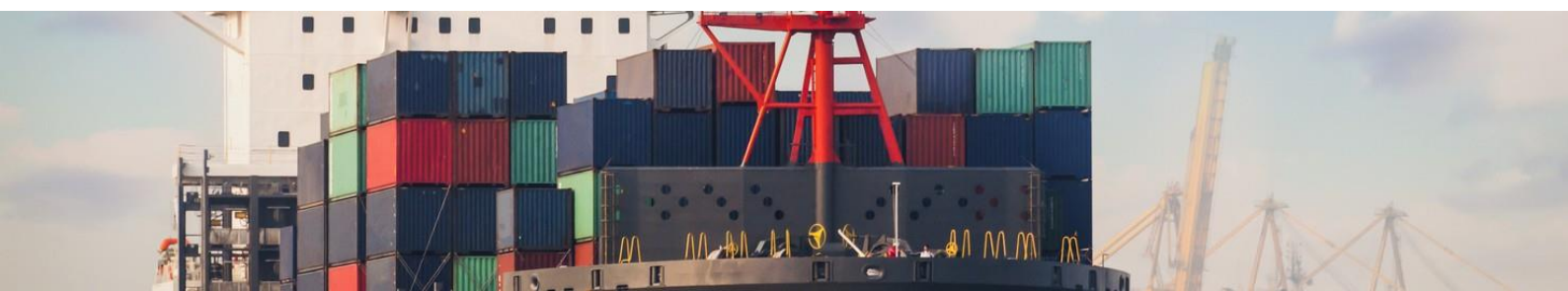


Operational Highlights

- **New Routes Launched:** We have expanded our services to far-east, red sea, major GCC port and Mediterranean port. These additions will enhance our network and provide more options for our clients.
- **Fleet Expansion:** We are continuously expanding our fleet to meet growing market demand and ensure our services reach every corner of the world
- **Technology Upgrades:** We are utilizing advanced software to ensure that all our movements are accurately recorded and that our service locations are properly interconnected.

AS AN EMPLOYER

At CAPELINE, we firmly believe that teamwork is the cornerstone of success, and that having a strong, cohesive team often makes the difference between achievement and failure. We also ensure prioritize creating an environment where employees feel valued and welcomed. With a workforce of over 125 employees in Capeline and as a collective group of more than 250, we take pride in fostering a work environment where talents are appreciated, nurtured and developed. CAPELINE always value the skills and work/life balance and to ensure a welcoming environment always.





UPCOMING EVENTS

Dubai : Global Freight Summit 2024, November 18th – 20th. We are also a part of this show, please visit our booth.



Mumbai : Steel Construction Expo 2024, from Oct 22 – 24.

KNOW US MORE

Capeline commenced operations in 2018, and in 2024, we proudly celebrate our 6th anniversary, marking 6 years of dedicated service to the industry and our stakeholders. As an NVOCC, we have significantly expanded our operational reach, allowing us to better serve our customers and agency partners across multiple continents. We firmly believe that fostering strong relationships with our stakeholders is key to identifying new opportunities for growth and improvement.

Capeline is actively expanding both vertically and horizontally to enhance our service offerings. Our recent growth includes establishing our own offices in India, under both our name and that of our group company, and strengthening our presence in the UAE with a dedicated team, alongside our sister companies. We adhere to the principle that "Time is Money," and are committed to continuously improving our performance. With a steadfast focus on "TRUST" as our foundation, we aim to maintain and build upon our success for the benefit of both our stakeholders and our organization.

NEWSHEADS



"Salvors Advance in Efforts to Contain Fires on Burning Tanker in Red Sea"

After a week of firefighting, the blaze aboard the tanker *sounion* has been partially contained, according to the 'Combined Maritime Forces' Joint Maritime Information Centre (JMIC). Greek salvors began tackling the fire on September 23 & achieved promising results by September 29. The vessel remains anchored 40 nautical miles off Eritrea, supported by firefighting vessels. Infrared satellite imaging still shows elevated temperatures as of October 2. The *Sounion* was attacked by Yemen's Houthi rebels on August 21, disabling its engine and leading to fires after explosive charges were planted on board. Salvors are working to prevent a catastrophic oil spill, with plans to transfer the cargo to another tanker. Houthi leaders have pledged not to interfere, recognizing the environmental threat a spill would pose. While the EU's Operation Aspides provided escorts, recent Houthi attacks on other vessels highlight the ongoing risks to Red Sea shipping lanes. Dr. Stavros Karamperidis of the university of Plymouth noted that western nations face limited options in countering these attacks, as the Houthis face little direct threat to their power base.

WHAT'S NEW

TAKE A LOOK INSIDE

LOW EARTH ORBIT (LEO)

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VOLUME SPIKES
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SHEVA PORT
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"Middle East reefers hit by Red Sea diversions"

According to a recent analysis by Xeneta, the trade in seafood from Europe to the Arabian Gulf has entered a "negative spiral" due to the ongoing diversion of container shipping around the African Cape, following the Middle East conflict. Around 90% of shipping traffic has bypassed traditional markets along the Suez route in an effort to return empty equipment and ships to the Far East quickly. As a result, there has been a significant decline in freight rates to the Arabian Gulf, with demand growth slowing to just 2.5%, compared to a 6.8% rise in Southeast Asian freight. While reefer rates to both regions surged earlier this year, the gap between them has widened dramatically, with Middle Eastern rates now \$959 per FEU higher than Southeast Asian ones.

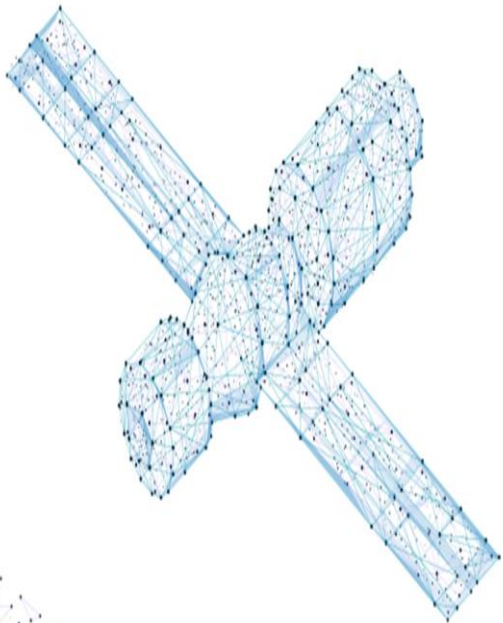
Despite the profitability of the Arabian Gulf reefer market, it remains a small trade in terms of volume, with just 18,000 TEU shipped last year. Xeneta's chief analyst Peter Sand noted that while some carriers might explore alternatives, such as transshipping at Jeddah or trucking cargo across Saudi Arabia, these are not ideal substitutes for traditional shipping routes. European seafood could return to the region once the Suez Canal reopens, but Sand cautioned that unless freight rates stabilize soon, the influx of new vessels in the coming year could push carriers to rethink their deployment strategies.



"LEO Satellites Revolutionize Marine Communications: Unlocking Opportunities and Navigating"

UAE: The satcoms sector is undergoing rapid transformation with the rise of low-earth orbit (LEO) satellite constellations, revolutionizing connectivity for both land and maritime businesses. Nabil Ben Soussia, Chief Commercial Officer at IEC Telecom Group, highlights LEO's potential to capture 40% of the global satcom market by 2030, driven largely by the maritime sector. He predicts a 20% drop in fixed satellite service fees by 2028 due to increased competition and oversupply. Beyond business, affordable LEO connectivity is enhancing crew welfare and is becoming a key factor in attracting and retaining maritime talent.

LOW EARTH ORBIT



LEO, or Low-Earth Orbit, refers to a satellite orbit located relatively close to the Earth's surface, typically at altitudes between 180 and 2,000 kilometers (112 to 1,242 miles). Satellites in LEO complete orbits faster, usually taking about 90 to 120 minutes to circle the Earth. This proximity allows for lower latency and faster data transmission compared to satellites in higher orbits like Medium Earth Orbit (MEO) or Geostationary Orbit (GEO). LEO satellites are often used for communication networks, Earth observation, and scientific missions, with applications ranging from internet services to maritime and remote area connectivity.

LITTLE-KNOWN FACT

SPECIAL PURPOSE CONTAINERS

Special purpose containers are uniquely designed containers built to accommodate specific types of cargo that cannot be transported in standard shipping containers. These containers are customized for goods requiring special handling due to size, shape or fragility.

Example: Reefer containers (refrigerated containers) are a type of special- purpose containers used to transport perishable goods such as fruits, vegetables, meat, and pharmaceuticals. They maintain a controlled temperature throughout the journey, ensuring the cargo remains fresh from origin to destination.



“IRAN-ISRAEL CONFLICT HITS BASMATI RICE EXPORTS, THREATENS FARMER PROFITS”

In Uttar Pradesh's Ghaziabad grain market, the price of the Paddy (Dhan) Basmati 1509 rice variety has dropped by ₹200 to ₹300 per quintal over the past two days, as large export orders have declined. This price slump, now at ₹2,700 per quintal, is linked to the ongoing Israel-Iran conflict, which has severely impacted exports. Last year, the same variety was priced as high as ₹3,500 per quintal, causing concern among farmers as major exporters and millers have reduced their purchases.

India exports about 25% of its basmati rice to Iran, a market now facing significant disruption. Ajay Bhalotia, General Secretary of the All India Rice Exporters Association, highlighted that the basmati rice industry is in jeopardy due to the conflict. With 25% of Indian basmati exports going to Iran and 20% to Iraq, the combined export value to these countries exceeds two million tonnes, worth more than \$2 billion. Without these exports, farmers' profits could be halved. Additionally, Bhalotia mentioned that insurance companies have stopped providing coverage for exports to Iran, effectively halting trade. He urged the government to intervene and request insurance companies to resume coverage, allowing some level of exports to Iran and Iraq and ensuring fair prices for farmers. Last month, India removed the minimum export price (MEP) for basmati rice to boost orders from regions like the Middle East, Europe, and the Americas, offering global buyers a broader range of rice varieties. India remains the leading exporter of basmati rice globally, followed by Pakistan.



VOLUME SPIKES TEST GTI CAPACITY IN NHAVA SHEVA PORT

APM Terminals Mumbai, also known as Gateway Terminals India (GTI), is facing capacity challenges due to a surge in ship calls at Nhava Sheva Port (JNPA). To address the bottlenecks, the terminal has announced temporary restrictions on vessel operations for three days, ending on September 15. During this period, only one berth will handle vessels, and unscheduled calls will be suspended. The terminal plans to use the 48-hour window for focused cargo evacuation and is seeking coordination from container freight station (CFS) operators to achieve its clearance targets. Average container dwell times have increased to 50 hours from the usual 36-40 hours. Despite these issues, Nhava Sheva Port has experienced a nearly 10% volume increase in 2024 compared to the previous year, with APMT Mumbai handling 859,130 TEUs from April to August, up from 521,367 TEUs in the same period in 2023. The port's combined throughput for April to August rose to 2.93 million TEUs, from 2.6 million TEUs.

"Urgent Action Needed as Rising Freight Costs and Container Shortages Threaten Exports, Warns GTRI"



Increasing freight costs, container shortages, and reliance on major shipping hubs and foreign carriers pose significant challenges to India's exports, according to the Global Trade Research Initiative (GTRI). GTRI recommends boosting domestic container production, promoting the use of locally made containers, and increasing the role of Indian shipping companies to reduce dependence on foreign liners and mitigate the risk of global supply chain disruptions. Shipping rates for a 40-foot container have remained elevated since the COVID-19 pandemic, and India's reliance on containers produced in China, along with dependence on foreign shipping liners, leaves the country vulnerable to logistical inefficiencies, rising costs, and geopolitical risks.

India currently produces only a fraction of the world's containers, with about 10,000 to 30,000 units annually, compared to China's 2.5 to 3 million. The GTRI warns that India's export sector could face further disruptions due to the US-China trade tensions and global container shortages. Approximately 90-95% of India's cargo is transported by foreign liners, and a significant portion is transhipped through hubs like Singapore and Colombo, further driving up freight costs and delays. To strengthen its global trade position, GTRI urges India to scale up container production, reduce reliance on foreign shipping companies, and invest in its domestic shipping industry.

CURIOUS TO KNOW



EXW Incoterm stands for EX Works; an international trading principle or Incoterm was first introduced in 1936 by the International Chamber of commerce & is also featured as one of the 11 incoterms of 2020. Having an EXW arrangement means that there is minimum obligation for the seller, whereby he is responsible only till the delivery of goods at the named place, and the buyer covers the entire shipping cost.

EXW appears to be more in favor of the seller as he has no charges to pay once the goods have left the premises. However, the buyer may have certain advantages, if he manages to reduce the transportation costs and handle the shipping process more efficiently.

"Wärtsilä to Assist Singapore in Developing Next-Generation Vessel Traffic Management System"



Wärtsilä has been awarded a contract by the Maritime and Port Authority of Singapore (MPA) to develop a prototype for the Next Generation Vessel Traffic Management System (NGVTMS). This advanced system aims to enhance maritime safety and operational efficiency at Singapore's bustling port, leveraging AI-driven technologies for real-time traffic management. Selected in April 2024, Wärtsilä will collaborate with MPA at its Maritime Innovation Lab 2.0 over the next 15 months, incorporating advanced analytics and machine learning to predict traffic congestion and potential collisions. This project aligns with Singapore's digital transformation goals and Wärtsilä's mission to drive sustainable maritime innovation.

"DEVELOPING MARINE CONTAINER TRAFFIC ALONG THE ST. LAWRENCE SEAWAY"

Early efforts to develop container traffic along the St. Lawrence Seaway were unsuccessful, leading to the withdrawal of services. However, recent changes in global container shipping have revitalized this route, connecting American Great Lakes ports to Canadian destinations. With larger container ships and increased demand for railway transport, transportation costs have risen, making maritime shipping a viable alternative. The Port of Cleveland on Lake Erie has become a key hub for direct container shipments between Europe and the Great Lakes, using smaller ships with competitive rates. This success has spurred further container terminal developments at ports like Duluth, Monroe, and Chicago, as well as the Canadian Port of Johnstown, signaling growth in container transfer along the Great Lakes.

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