

YEAR BOOK

2009-10



GOVERNMENT OF PAKISTAN
MINISTRY OF PORTS & SHIPPING
ISLAMABAD

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FOREWORD

The Ministry of Ports & Shipping presents its Year Book for the period 2009-10 as a statement of the activities undertaken during the year.

2. I anticipate that this book will serve as a reference and source material for the policy makers and the general public at large.

(Muhammad Saleem Khan)
Secretary

INTRODUCTION

The Ports of Pakistan provide a lifeline for country's economy. The importance of this sector of economy can well be realized by the fact that 97% of our trade takes place through sea and the national ports facilitate this trade. Our two ports have remained profitable and self-sustaining since last more than 8 years. Our third newly developed port has come into operation and its efficiency is at initial stage. Pakistan National Shipping Corporation, a public sector shipping entity, has gained profit worth billion of Rupees. It has succeeded in replacing some of its old ships. During the year 2010, PNSC inducted two double Hull Aframax Tankers namely MT Lahore and MT Karachi into its fleet.

2. After decision of the ECC to utilize Gwadar Port for the handling of wheat, fertilizer and coal, it has handled a total of 130 ships including 26 wheat ships, 68 urea ships and 26 other ships / vessels. The total cargo handled was over 3.17 million Metric Tons including 1 million Tons of wheat and 2.17 million Tons of urea.

3. Gwadar Port has started operations and has proved that it can handle Panamax ships of over 60,000 DWT, however, its commercial viability and sustainability is largely dependent upon the road and railway linkage with the upcountry and the neighbouring countries including Afghanistan, CAR's and the People's Republic of China.

4. After the completion of rail and road linkages the Gwadar Port will be able to generate cargo traffic and become commercially viable.

-MISSION STATEMENT

Sustainable development of national ports and competitive shipping to improve the socio-economic condition of the country ensuring safe navigation and protection of marine - environment.

OBJECTIVES

Formulation and implementation of plans and policies in conformity with International best practices.

To encourage private ship owning under Pakistani flag by creating favourable conditions.

To maintain safety and security standards as per International Maritime Organization (IMO) Conventions.

To ensure and maintain quality of Pakistani seafarers in accordance with Standard for Training Certification and Watch-keeping (STCW) 1978 Convention.

To regulate functioning of subordinate organizations i.e. Pakistan Marine Academy, Karachi Port Trust, Port Qasim Authority, Pakistan National Shipping Corporation and Gwadar Port Authority.

FUNCTIONS OF THE MINISTRY

1. National Planning. Research and international aspects of:
 - i) Inland water transport, and
 - ii) Coastal shipping within the same Province.
2. Diverted cargo belonging to the Federal Government.
3. Navigation and shipping including coastal shipping but not including shipping confined to one Province; safety of ports and regulation of matters relating to dangerous cargo.
4. Navigation and shipping on inland water-ways as regards mechanically propelled vessels and the rule of the road on such water-ways; carriage of passengers and goods on inland water-ways.
5. Lighthouse, including lightship, beacons and other provision for safety of shipping.
6. Admiralty jurisdiction; offences committed on the high seas.
7. Declaration and delimitation of major ports and the constitution and power of authorities in such ports.
8. Mercantile marine; planning for development and rehabilitation of Pakistan Merchant Navy; international shipping and maritime conferences and ratification of their conventions; training of seamen; pool for national shipping.

DIRECTOR GENERAL **PORTS & SHIPPING WING, KARACHI**

The Director General of Ports & Shipping Wing is a part of the Ministry of Ports & Shipping, located at Karachi. The functions of the Ports & Shipping Wing are summarized as under:-

- a. Formulation and implementation of plan and policies in line with the changing technology according to international conventions and standards for improvement of ports & shipping and allied organizations;
- b. Technical and professional advice to Government on matters related to ports & shipping, maritime training and maritime affairs;
- c. Administers various Acts and Rules made there-under of maritime affairs.
- d. Training of Merchant Maritime Officers and Ratings (staff);
- e. Conducting of Examination of Masters, Mates and Engineers and certification to internationally accepted standards;
- f. Promulgation of instructions for surveys, casualties inspection and standards for ships safety and operation and investigation into shipping casualties;
- g. Coordination with other Ministries;
- h. Supervision of sub-ordinate offices, attached departments and autonomous organizations of this Ministry.

MERCANTILE MARINE DEPARTMENT

The Mercantile Marine Department is a Subordinate Office of the Directorate General, Ports and Shipping Wing, Ministry of Ports and Shipping. It's activities during the year 2009-10 have been tabulated as under:-

REVENUE RECEIPTS	
Examination, Survey, Registration and Misc.	Rs.25,141,275
Light Dues	Rs.102,471,104
JOBS	
<u>SURVEY AND INSPECTION</u>	
After loading of Merchant Ship/Craft	157
Container Stuffing of Dangerous Cargo	965
Examination of Structural Drawing	01
Fire Extinguisher/CO2 Weighment/Refilling/N.L/Workshop	20
Godown/Wharf (pre-loading) of Dangerous Cargo	1005
Life Saving Appliance (LSA)/FFA of Foreign Country Craft	159
LSA/Fire Fighting Appliance (FFA) of Fishing Trawler/Boat	207
LSA/FFA of Motor Launch	177
LSA/FFA of Barge	19
Life Raft Servicing	22
Supervision of New Construction, Repairs etc. of Ship/Craft	56
<u>ISSUANCE OF STATUTORY CERTIFICATES</u>	
Carving & Marking	-
Documents of Compliance	01
Exemption	01
Safety Equipment	12
Safety Radio	08
Safety Management	06
Safe Manning	03
Statement of Compliance	-

<u>NOC FOR OUTWARD PORT CLEARANCE</u>	
Pakistan/Foreign Going Ship	3105
Foreign Country Craft	342
<u>ENDORSEMENT</u>	
Change of Master on Ship Registry	18
Inland Master under STCW-95	05
Inland Driver under STCW-95	-
Stowage Plan of Ship	04
Stowage Plan of Foreign Country Craft	153
Shipping Bill Endorsed for Dangerous Cargo	1166
Shipping Bill Endorsed for Non-Dangerous Cargo	86
Tanker Endorsement	364
STCW Endorsement (Deck)	40
<u>REGISTRATION</u>	
Ship	02
Motor Fishing Boat/Motor Launch/Steel Dumb Barge	395
Re-registration of Motor Fishing Boat	150
<u>APPLICATION FORMS FOR APPEARING IN PROFESSIONAL EXAMINATION (FOREIGN GOING)</u>	
	No. of Cases
Deck Officer	347
Marine Engineer	719
<u>EXAMINATION (TECHNICAL/INLAND)</u>	
Diesel Mechanic	115
Eye Sight Test	1283
Electrician	65
Electrical Engineer	08
Efficient Deck Hand (E.D.H)	88
GP-III (Trainee)	1878
Inland Master	65
Engine Driver	29
Notice of Eligibility	214
Revalidation/Verification/Equivalent/Dangerous Cargo Endorsement of	
Marine Engineer and Deck Officer	788
Watch keeping of Engine/Deck Rating	410

ISSUANCE OF CERTIFICATE	
Diesel Mechanic	91
Eye Sight Test	1133
Electrician	38
Electrical Engineer	05
E.D.H	71
GP-III (Trainee)	1878
Inland Master	55
Engine Driver	33
Watch keeping of Engine/Deck Rating	332
MISCELLANEOUS	
Navigational Warning	25
Preliminary Inquiry	02
Summary Trials of the offences by 1st Class Magistrate	-

GOVERNMENT SHIPPING OFFICE

Government Shipping Office was established at Karachi Port on 21st May, 1948 under section 6 of the Merchant Shipping Act 1923. It deals with matters relating to seamen, their registration and arbitration. It also deals with manning of crew to all Pakistani and desiring foreign ships.

PAKISTAN MARINE ACADEMY

The Academy is mandated to impart pre-sea training to prospective mercantile marine officers. Co-located in the same Campus is also Seaman Training Wing (STW) mandated to train seamen for employment as ratings in the shipping industry. With the adoption of International Convention on the Standards of Training, Certification and Watch-Keeping in 1978 (STCW-78) by the International Maritime Organization (IMO), the Government was obliged to provide higher professional training facilities to its seafarers. To meet this re-training requirement, the Government approved establishment of **Pakistan Maritime Training Complex (PMTC)/Maritime University** to impart advanced post-graduate training education and R & D facilities in the field of Maritime Studies.

2. Pakistan Marine Academy (PMA) has taken major initiative to up-grade the quality of training being imparted to the Cadets. Some of the prominent ones are:

- Semester System (also known as GPA system) has been introduced to make our education and training harmonious with international systems and to make our qualification more compatible and acceptable worldwide.
- In order to improve student to teacher ratio, the number of students in each class has been restricted to about 35 by increasing the number of classes.
- Similarly the number of Cadets divisions have been increased from three to six to generate more opportunities for Leadership and Management training through extra-curricular and co-curricular activities.
- The fittings, furniture, fixtures and living conditions of cadets residential and instructional areas have been improved greatly to produce conducive learning environment.
- The Examination System has been computerized thus making it error free and transparent. This facility has enabled PMA to send the cadets' examination results to their parents/guardians on regular basis to keep them informed of the progress of their son/ward.

KARACHI PORT TRUST

INTRODUCTION

Karachi Port Trust came into being under 1886 Act through an Act. With a 11.5 kilometres long approach channel, a depth of 12 meters and turning basin of 600 meters, Karachi Port provides safe navigation for vessels up to 75,000 metric tonnes deadweight.

It consists of two wharves, the East and West Wharf. The East wharf has 17 multipurpose berths and the West wharf has 13 berths. Each of the wharves has 2 dedicated container terminals with a design depth of 14 meters. The Karachi Port Trust has three oil piers to handle liquid cargo.

FACILITIES AT KARACHI PORT

Container handling

Karachi International Container Terminal (KICT) and Pakistan International Container Terminal are the two dedicated container terminals. Developed in collaboration with private partnerships and equipped with the latest cargo handling equipments. These terminals can handle container capacity of 1.2 million TEUs. With expansion plans underway, it is estimated that container terminals would handle over 4 million TEUs by 2022.

Liquid cargo terminals

KPT manages 3 dedicated liquid cargo piers used for the handling of petroleum and non-petroleum products with a capacity of 24 million tonnes annually.

Cement silos

KPT has dedicated terminals for handling cement in loose bulk form. Huge silos are built at West wharf to handle cement in huge quantities. After the commissioning of silos and mechanised bulk loading, record export of cement has taken place from Karachi Port.

KPT PROJECTS

Deepwater Container Port

A deepwater container port is being constructed at Keamari Groyne yard to enable KPT to cater for fifth and sixth generation ships. Project consultants M/s Royal Haskoning and M/s Scott Wilson of UK have designed the port with ten berths at 18m depth and 5 km of quay wall. This project will be carried out in phases on public-private partnership at cost US\$ 1.6 billion. Its annual capacity will be 3.1 Million TEUs.

Reconstruction of berths 10 to 14



Reconstruction of berths 10 to 14 is being done through Korean consultants Ssangyong along with their local partners Usmani (JV). The work which got underway on 20th March 2007 is progressing under the supervision consultants Lyon Associates (USA) and their local partner Techno (JV). The project costing Rs. 5.515 billion is completely funded by KPT. Physical completion progress of the work is 62%. Three berths 11, 12 and 13 will be handed over to KPT in November 2010. The rest of the two berths (i.e. 10 and 14), would be handed over to KPT by August 2011. Soon after the completion of first phase, work on berths 15 to 17A will start.

Induction of marine crafts

Karachi Port Trust procured the latest 70 tonnes bollard pull capacity ASD tugs “Ghauri and Sheeraz” from Turkish shipyard “Uzmar Shipbuilding Industry, Coceli, Izmit”.

The ASD twin Z-drive, high speed diesel powered terminal support tug designed for maximum efficiency in the performance of



ship handling duties of tankers, bulk carriers and container ships with other terminal support duties arrived at Karachi in March 2010.

Procurement of the following marine craft is also underway: -

1. Pusher Tugs
2. Four Hopper Barges
3. Two Pilot Boats
4. Two Passenger Boats

Manora Dry Dock

Contract for feasibility report, identification and supervision of immediate repair work signed with M/s. Umer Munshi is complete. The contract has been given to M/s Ayub Brothers who has mobilized and it will be completed in one year time period.

Port Grand Food Court

Another project is the establishment of a food street at KPT's Native's Jetty Bridge and its adjoining area within the rotary of Jinnah Bridge. The project offered on BOT basis for a lease period of 21 years has attained completion. The scenic stretch has ample area for landscaping, stalls, walkways, joy rides, dinner cruises, etc. Infrastructure work has been completed and outlets awarded. Inauguration is expected to be held in November 2010.

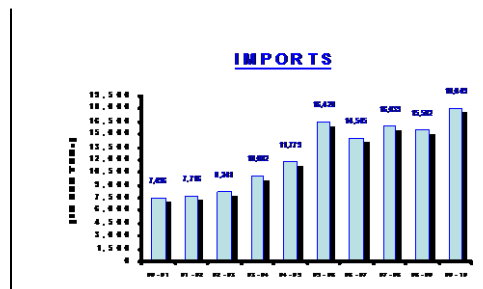
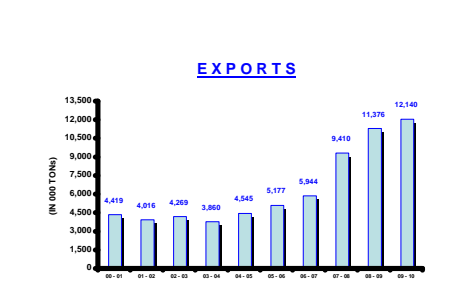
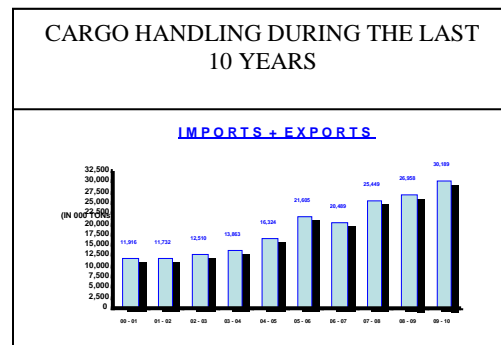
Following further projects are at various stages of implementation: -

- i) Wind Power Plant
- ii) Procurement of debris collection boat
- iii) Marine Oil Spill Response Centre (MOSRC)
- iv) Mangroves rehabilitation
- v) Setting up of desalination plants
- vi) Security wall construction

- vii) Rehabilitation of roads
- viii) Railway connectivity at coal storage yard
- ix) White Oil Pipeline
- x) Development of Cargo Village
- xi) Connectivity of Deepwater Port with Cargo Village
- xii) Sewerage Treatment Plant / Wetland Reserve

Cargo handling

In terms of cargo throughput the port of Karachi is handling over 60% of Pakistan's trade. In 2009-10 cargo throughput remained as 41.420 million tonnes as against 38.732 million tonnes. Dry cargo handling increased by 12%, containers by 17.44% whereas liquid cargo dropped by 4.61% when compared to the previous year.



On the exports front, as shown above, it handled 12.140 million tonnes of dry cargo this year in comparison to last year's figures of 11.376 million tonnes indicating a growth of 6.72%. Similarly, it handled 18.049 million tonnes of dry cargo imports this year indicating a growth of 15.83% from last year when the port recorded handling of 15.582 million tonnes. With reconstruction of 3 berths likely this year, the port is likely to continue its progress to lead the way as an important pillar of national development.

Ship handling performance

In 2009-10, 2,210 ships visited Karachi Port. Of these 982 were container ships, 443 bulk cargo ships, 288 general cargo ships, 436 oil tankers and 57 miscellaneous. With the size of ships increasing, carrying more traffic the number of ships handled reduced from 2386 in 2008-09 to 2210 in 2009-10, however the GRT increased from 50,750,160 in 2008-09 to 55,146,711 in 2009-10 indicating an increase of 8.7%.

Financial performance

In 2009-10, the total revenue was Rs. 17,560 million and net surplus Rs. 11,666 million as compared to Rs. 16,358 million and Rs. 11,088 million respectively in the year 2008-09 showing 5.2 percent increase. Port is investing these funds for its development projects. It is expected that the financial health of the Port will further improve during the year 2010-11 enabling it to strengthen the ports competitive position by providing additional facilities for enhancing trade.

KPT provides relief items for Gwadar

The recent cyclone that befell on the coastal areas of Balochistan created havoc on Gwadar Port and its surrounding areas. Karachi Port Trust, on 7th June 2010 provided relief items to Gwadar Port in the shape of tents, food items and medicines. These were dispatched by the Federal Minister for Ports and Shipping Senator Babar Khan Ghauri in a brief solemn occasion held at the KPT Head Office. The Minister expressed his deep sympathies with those affected by the cyclone and expressed his satisfaction over the relief efforts and support by KPT for its sister port Gwadar as well as the staff and people of coastal areas.

KPT in coordination with KICT and PICT, also dispatched more relief items for Gwadar on 15th June 2010. The relief items comprising edibles like rice, pulses, flour, sugar, tea, dry milk, etc in 1000 bags were carried to Gwadar by KPT officers. KPT medical team already present in Gwadar distributed these amongst the stranded evacuees.

PORT QASIM AUTHORITY

Port Qasim Authority was established through an Act of Parliament on the 29th of June 1973 to plan, design, develop, manage and maintain the second deep sea port of Pakistan to achieve the following objectives:

- i) To provide adequate, timely and cost efficient port facilities to cater the expanding maritime trade of the country.
- ii) To provide port facilities for raw material imports of Pakistan Steel Mills at its doorstep.
- iii) To provide sites for industries and other economic activities for which proximity to deep seaport is the prime determinant of location.

EXISTING PORT INFRASTRUCTURE

The present facilities at this Port have been established both by the public and private sector. These are:

- i) **MULTI PURPOSE TERMINAL** The multipurpose terminal presently comprises of four multi-purpose berths in a linear length of 800 meters, each divided into 200 meters length. Berths (1 to 4), with design capacity of 4 to 5 million tonnes, are capable to accommodate vessels drawing more than 35000 DWT.
- ii) **CONTAINER TERMINAL** Out of the seven multipurpose berths 5,6 &7 have been converted into a 2 berths “Qasim International Container Terminal”. QICT is Pakistan’s first dedicated international container terminal established by the private sector on BOO basis. The terminal was constructed at a capital cost of US \$35 million.
- iii) **ENGRO VOPAK CHEMICAL TERMINAL** An integrated bulk liquid chemical import /export and storage terminal was constructed as a joint venture of Engro Chemical of Pakistan Limited and Royal Vopak of the Netherlands on BOT basis in 1998. It has a design capacity of 4 million tonnes per annum.

iv) **FOTCO OIL TERMINAL**. The Oil terminal is a state of the art environmental friendly marine oil terminal. It was the first terminal to be developed by the private sector on BOO basis at a cost of US \$ 87 million. The facility mainly comprises a jetty capable of handling upto 75000 DWT vessels, product pipelines, loading arms and a 4 km long trestle that connects the jetty with the shore. The terminal has the capability to berth tankers with 71,000 tons ship-load. The terminal is designed to cater for four additional berths and four product pipelines to meet the current and future petroleum handling requirements of the country.

v) **THE IRON ORE & COAL BERTH** The Iron Ore and Coal berth commissioned in 1980 is a specialized berth for handling Iron Ore, Coal & Manganese for Pakistan Steel Mills. The berth 279 meters in length is equipped with two grab unloaders with a handling capacity of 700 tonnes per hour each. Currently vessels of 55,000 tonnes payload are being handled here. The berth is connected to the Pakistan Steel Stockyard through a 4.5-kilometer long conveyer. The design capacity of the berth stands as 3.36 million tons per annum..

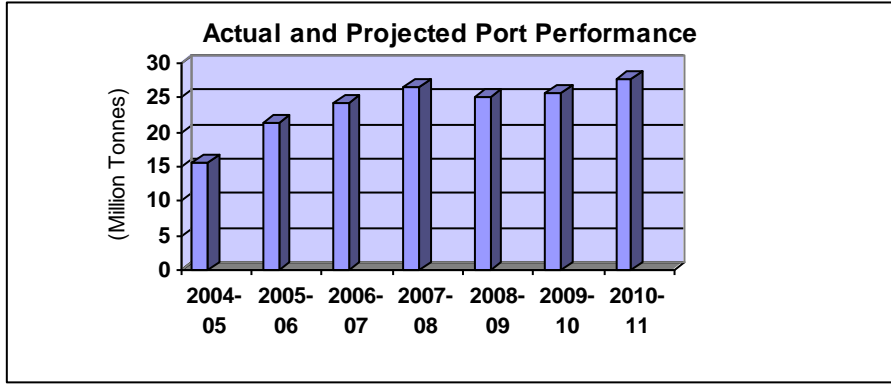
vi) **LIQUID CARGO TERMINAL**. Terminal commissioned in March 2009, Terminal developed to cater for Edible oil. Design handle capacity is 04 million tones per annum.

vii) **PROGAS TERMINAL**. Terminal commissioned in May-2007, Terminal developed to cater for LPG. Design handling capacity is 0.5 million tones per annum .

viii) **RAILWAY YARD** A railway station connects the port with the national railway network with capability of loading 4 train loads at a time located behind the back-up area of the Multi-Purpose berths.

PORT PERFORMANCE

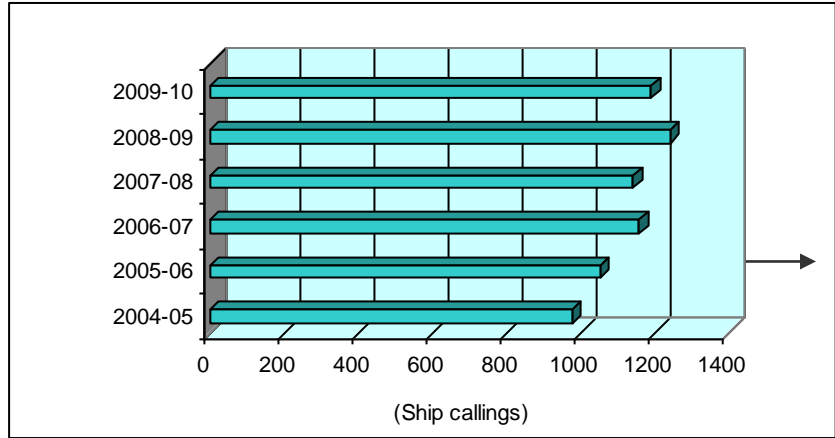
A cargo volume of around 25.6 million tones was handled during the last financial year 2009-10. A cargo volume of around 27.7 million tonnes is expected to be handled during current financial year 2010-11. A purview of actual and proposed Port Performance is as under:



Projected

SHIPS HANDLED

A total of 1187 Ship handled during last financial year 2009-10.



NIGHT NAVIGATION :

To facilitate the trade night navigation facilities are available at the Port. Currently vessels drawing up to 225 meters length enjoy the facility of night navigation on request. A total of 22 vessels berthed/ sailed during night hours during the year.

FINANCIAL PERFORMANCE :

During financial year 2009-10, PQA earned total revenue of Rs. 5,053.466 million while expenditure during the report period stood at Rs. 3,938.010 million. After making provision for income tax at Rs. 1,216.044, PQA earned net surplus of Rs. 2,258.368 million during 2009-10.

LAND DEVELOPMENT

PQA owns vast expanse of 12000 acres of land for setting up import based and export oriented industrial and commercial undertakings whose imports/exports may pass through the Port. The land is divided into 3 zones namely :

1. North Western Industrial Zone comprising of 2,700 acres.
2. South Western Industrial Zone which includes port operation area comprising of 1,000 acres and
3. Eastern Industrial Zone comprising of 8,300 acres.

FUTURE DEVELOPMENT PROJECTS

i) **2ND CONTAINER TERMINAL** Implementation Agreement signed on 17th August, 2006, with QICT for establishment of 2nd Container Terminal, Earlier terms were on BOO basis and now converted on BOT basis having capacity of 1.175 millions TEUs per annum and to be developed at the estimated cost of US \$211 million. The 2nd container terminal is spread over 250, 000 sq. meters. Terminal is designed to accommodate 6,000 TEUs container vessels. Projects is expected to be completed by the end of 2010.

ii) **FAUJI AKBAR PORTIA -GRAIN & FERTILIZER TERMINAL** Implementation Agreement for establishment of Grain and Fertilizer Terminal on BOT basis was signed on 3rd September, 2007 with Fauji Akbar Portia Marine Terminal (Pvt) Limited. Capacity of the terminal is 4 million tonnes per annum and suitable for handling 75,000 DWT vessels.

The estimated cost of the project is us \$ 100 millions. Project is expected to be completed by October 2010.

iii) **PAKISTAN GASPORT -LNG FLOATING TERMINAL** Implementation Agreement signed on 28th April 2007 for establishment of LNG Floating Terminal on BOT basis at a cost of US\$ 160 million. Terminal capacity is 3 million tonnes per annum and to be designed to handle 75000 DWT class vessels. Project execution period will be approximately 24 months after achieving date of effectiveness, which is expected to be achieved by December 2010.

iv) **ESTABLISHMENT OF COAL AND CLINKER /CEMENT TERMINAL.** Coal, Clinker / Cement Terminal is planned on BOT basis with the capacity of 8 million tonnes per annum (4 million in phase-I) at the estimated cost of US\$ 116-173 million. The berth shall be designed to handle 75000 DWT vessels. Project execution period will be approximately 36 months after achieving date of effectiveness.

v) **ESTABLISHMENT OF 2ND OIL TERMINAL** 2nd Oil terminal having capacity of 9 million tonnes per annum at the estimated cost of US \$ 52 million and suitable to handle 75000 DWT class vessels is planned on BOT basis to handle Crude Oil and finished products of proposed Indus Refinery and additional requirement of the country. Project execution period will be approximately 18 months after achieving date of effectiveness.

vi) **GRANADA GROUP-LNG FLOATING TERMINAL.** Terminal capacity is 3.5 million tonnes per annum and estimated cost is US\$ 274 million. Technical and Financial Proposals received from M/s Granada are under evaluation. Project execution period will be approximately 24 months after achieving date of effectiveness.

vii) **ESTABLISHMENT OF 2ND IOCB** On the request of Pakistan Steel, 2nd IOCB has been planned on BOT basis for the capacity of 8 million tonnes per annum. The estimated cost is US \$ 100 million. The berth shall be designed to handle 75000 DWT and above vessels. However, implementation of the project shall synchronize with the expansion of Pakistan Steel.

PAKISTAN NATIONAL SHIPPING CORPORATION

Pakistan National Shipping Corporation (PNSC) is an autonomous body, which functions under the overall control of the Ministry of Ports and Shipping, Government of Pakistan. It manages a fleet of 10 ships with total Dead Weight Tonnage of 593,390 metric tonnes, real estate and a repair workshop. PNSC has 18 subsidiary companies:-

1. Bolan Shipping (Private) Limited
2. Chitral Shipping (Private) Limited
3. Hyderabad Shipping (Private) Limited
4. Islamabad Shipping (Private) Limited
5. Khairpur Shipping (Private) Limited
6. Johar Shipping (Private) Limited
7. Lalazar Shipping (Private) Limited
8. Makran Shipping (Private) Limited
9. Malakand Shipping (Private) Limited
10. Multan Shipping (Private) Limited
11. Sargodha Shipping (Private) Limited
12. Sibi Shipping (Private) Limited
13. Swat Shipping (Private) Limited
14. Kaghan Shipping (Private) Limited
15. Pakistan Co-operative Ship Stores (Private) Limited
16. Lahore Shipping (Private) Limited
17. Karachi Shipping (Private) Limited
18. Quetta Shipping (Private) Limited

FINANCIAL PERFORMANCE

Following table depicts the fiscal position of PNSC for the year 2009~10.

<u>FISCAL POSITION</u>	<u>2009 – 2010 (Rs. In 000')</u>
Operating Revenue	7,849,977
Operating Expenditure	6,334,759
Operating Profit	1,515,218
Other Operating Income	888,895
Other Expenses	954,582
Profit before taxation	1,449,531
Profit after taxation	967,824

a) Earning per share of the PNSC Group of companies was Rs. 7.22 as against Rs. 17.51 last year.

b) During the year PNSC inducted two double hull Aframax takers namely M.T. "Lahore" and M.T. "Karachi" into its fleet in February and April 2010 respectively.

c) During the year, three old age dry cargo combi vessels viz. M.V. "Makran", M.V. "Chitral" and M.V. "Khairpur" were disposed off being uneconomical due higher maintenance/operational costs and unprofitable employment.

DEVELOPMENT ACTIVITIES:

a. INDUCTION OF TWO MODERN DOUBLE HULL AFRAMAX TANKERS:

(1) PNSC acquired two 2003 built Aframax crude oil tankers i.e. M.T. "Lahore", and M.T. "Karachi" enbloc for US\$ 78.0 million from its own funds. These vessels were inducted into PNSC fleet on 24th February 2010 and 21st April 2010 respectively.

b. **PNSC'S FIVE YEAR DEVELOPMENT PLAN (2010~2015):**

(1) PNSC is presently undertaking replacement of its old vessels from its fleet through a five year fleet development plan (2010~2015) established this year under which the Corporation has planned to induct 15 vessels comprising eleven dry cargo vessels, two product tankers, one Aframax tanker and one LNG carrier at a total outlay of US\$ 605 million. The Government of Pakistan has been requested to facilitate PNSC in accomplishment of these acquisitions through aid / grant / funding.

c. **INDUCTION OF TWO BULK CARRIERS UNDER PNSC'S FIVE YEAR DEVELOPMENT PLAN (2010~2015):**

(1) The Corporation following aforesaid five-year development plan has recently concluded deal of two dry cargo bulk ships i.e. 1 X Panamax ship and 1 X Supramax vessel out of 5 ships to be procured by December 2010. The respective Memorandum of Agreements have already been signed by PNSC's subsidiaries and the owners/Sellers. The 1st Handymax bulk carrier will be delivered to PNSC in October 2010 and will be named "Chitral" upon acquisition while PNSC will take delivery of Panamax Bulk carrier vessel in November 2010 and will be named "Malakand". The process of acquisitions will continue until complete procurement of ships as per the plan.

(2) Acquisition process of additional three Handysize / Supramax bulk carrier vessels in year 2010 is also under progress at present. These vessels will be purchased by using ship financing facility from bank.

GWADAR PORT AUTHORITY

Gwadar Deep Water Port is the 3rd Port of Pakistan, Karachi and Port Qasim being the other two ports. Situated on the Balochistan coast, it is about 537 KM from Karachi and 120 KM from Iranian border. Gwadar port is located at the mouth of Persian Gulf and out side the straits of Hurmoz due to which it enjoys high commercial and strategic importance.

2. The Development of Gwadar Deep Water Port was planned to be undertaken in two Phases. The Phase-I, comprising of three multipurpose berths, having a total of 602 meter length, a 100 meter service berth, 4.25 Km approach channel berthing area, cargo handling / operational facilities, all ancillary buildings and operation equipment and floating crafts. As an extension of this Phase, channel has been deepened to 14.5 meter, so that the mother ships can call on the port and Transshipment can take place from this port. This multipurpose terminal will be extended by 900 meter and than a further 2700 meter to permit one continued berthing format of 4.2 Km.

3. Gwadar Deep Water Port Project, Phase-I including Deepening of Channel has been substantially completed. The operation of Gwadar Port was assigned to Port of Singapore Authority (PSA) through a Concession Agreement for a period of 40 years on 6th February, 2007. The PSA mobilized in 2008, in pursuance of the said Agreement. During the year 2009, the Chinese team remobilized to Gwadar Port and completed the testing / commissioning of the equipment installed at Gwadar Port. In order to operationalize the Port.

4. After decision of the ECC to utilize Gwadar Port for the handling of wheat, fertilizer and coal, it handled a total of 130 ships including 26 wheat ships, 68 urea ships and 26 other ships / vessels. The total cargo handled was over 3.17 million Metric Tons including 1 million Tons of wheat and 2.17 million Tons of urea.

5. Gwadar Port has started operations and has proved that it can handle Panamax ships of over 60,000 DWT, however, its commercial viability and sustainability is largely dependent upon the road and railway linkage with the upcountry and the neighboring

countries including Afghanistan, CAR's and the People's Republic of China.

6. After the completion of rail and road linkages the Gwadar Port will be able to generate cargo traffic and become commercially viable.

THE BOTTLENECKS

- i) In order to attract commercial business it is essential that the Gwadar Port connectivity with the main arteries via road and rail link needs to be expedited. The Gwadar-Rathedero Road is under construction and may take about three years to complete after which the operational capability of the port is expected to substantially increase. The Prime Minister of Pakistan during his recent visit of the port directed to expedite early completion of road network.
- ii) The non-availability of Electricity is another problem due to which the operations of Port become costly. A Grid Station is being constructed by WAPDA to provide electricity to Gwadar Port. The Prime Minister of Pakistan during his visit also directed for early completions of the work.