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SUB: TANKER / BULK COMMODITIES SCENARIO/PORT AND OTHER DEVELOPMENTS – INDIA

We give below our report on the subject for your kind info and record:

A. TANKER COMMODITIES SCENARIO

1. INDIA-NORWAY ENERGY TIES BROADENING, LNG SUPPLIES HAVE BEGUN, SAYS NORWEGIAN OFFICIAL

Norway's State Secretary for the Ministry of Foreign Affairs, Astrid Bergmal, who was in India this week for the first anniversary of the India-EFTA TEPA, has told ET that the India-Norway energy partnership is becoming broader and more future-oriented, with Oslo launching LNG supplies to India this year. Our cooperation is expanding across several areas, including renewable energy, green hydrogen, offshore wind and green shipping. Norwegian companies are contributing technology, investment and specialised expertise that can support India's energy transition and climate ambitions," Bergmal said when asked about the growing India-Norway energy partnership. "A good example is Equinor, which is working with Indian partners on renewable energy and low-carbon solutions. Earlier this year, we witnessed an energy milestone when Equinor's first LNG delivery arrived in Gujarat, marking the beginning of a 15-year LNG supply agreement.

2. INDIA'S CRUDE OIL IMPORTS DRIVE TANKER FREIGHT SURGE AMID RISING MARITIME RISKS

India's recovering crude oil imports from Iraq and Indian refiners' growing responsibility for arranging tanker transport are putting pressure on an already tightening tanker freight market, amid persistent security threats across the Strait of Hormuz and the Red Sea. According to Signal Group market data, Iraqi crude oil shipments to India more than doubled in September 2026 to 4.41 million tonnes, up 106.3% from August and 13.7% year-on-year. In contrast, Russian crude shipments to India declined 32.3% month-on-month to 5.48 million tonnes. The revival in Iraqi supplies follows a near-cessation of shipments between March and July, with imports recovering to levels slightly above the average recorded during January and February.

3. MRPL, CHENNAI PETROLEUM SHARES IN FOCUS AS CRUDE TANKER FREIGHT RATES SURGE TO RECORD $1.3 MILLION PER DAY

MRPL and Chennai Petroleum face potential pressure on refining margins as record crude tanker freight rates, higher crude premiums and concerns over diesel spreads raise operating cost risks for Indian refiners. Shares of Mangalore Refinery and Petrochemicals Limited (MRPL) and Chennai Petroleum Corporation Limited (CPCL) are in focus amid a sharp increase in global crude oil transportation costs, with tanker freight rates reaching unprecedented levels as disruptions in international energy markets reshape crude trade flows. According to data from maritime brokerage Poten & Partners, daily charter rates for Very Large Crude Carriers (VLCCs) operating on the Middle East–Asia route have surged to approximately $1.3 million per day, representing a 43-fold increase since January 2026. The extraordinary rise in tanker rates has significantly increased the cost of transporting crude oil, creating an additional challenge for refiners already navigating elevated crude premiums and volatility in global petroleum product markets. Both MRPL and Chennai Petroleum have recently witnessed profit-taking, with market concerns increasingly centred on rising crude procurement expenses and their potential impact on refining profitability. Crude tanker rates surge 43 times since January. The latest data from Poten & Partners highlights the extent of the disruption in global crude shipping markets. VLCC freight rates on the Middle East–Asia route have climbed sharply during 2026, with the most significant acceleration occurring in recent weeks. The cost of transporting crude has also increased substantially relative to the underlying value of the commodity. At the beginning of January, freight accounted for approximately 3% of the crude oil value in the comparison presented by Poten & Partners. By October, this proportion had climbed to approximately 27%.

4. VISAKH REFINERY TO GET SIX NEW REACTORS

Public oil sector major Hindustan Petroleum Corporation Limited (HPCL) has floated a high-value tender for the supply of six specialised refinery reactors at its Visakh Refinery as part of its efforts to strengthen its secondary processing facilities According to official procurement notices on the Government e-Marketplace (GeM) portal, the project covers the end-to-end supply, positioning, and site commissioning of the reactors, which are designed to operate under high-temperature and high-pressure parameters. Speaking to The Hindu, a senior HPCL official said: “Yes, the procurement process is correct. Following contract award, the vendor has a strict 252-day window to complete installation and commissioning of all six reactors to boost secondary processing reliability.

The new six reactors are expected to improve operational flexibility, by allowing the refinery to process cheaper, heavier crude slates while maximising yields of high-value light distillates like petrol and diesel. The procurement follows the multi-billion-dollar Visakh Refinery Modernisation Project (VRMP), which expanded the crude processing capacity from 8.33 MMTPA to 15 MMTPA.

5. OPEC CUTS INDIA'S 2026 OIL DEMAND GROWTH FORECAST TO 40,000 BARRELS PER DAY

The Organisation of the Petroleum Exporting Countries (OPEC) has lowered its forecast for India's oil demand growth in 2026 to 40,000 barrels per day (b/d), from 60,000 b/d projected in its September report. On a year-on-year (YoY) basis, India's oil demand is expected to rise by around 40,000 b/d to 5.7 million barrels per day (mb/d) in 2026, according to OPEC's latest monthly oil market report. OPEC has also trimmed its global oil demand growth forecast for 2026 to 0.2 mb/d, down from 0.4 mb/d estimated in its previous assessment. However, it has raised its projection for global oil demand growth in 2027 to 2.6 mb/d, from 2.4 mb/d forecast last month. Transportation fuels, particularly gasoline and diesel, are expected to remain the primary drivers of India's oil demand growth in 2026. "Gasoline is expected to be supported by heightened road mobility amid robust vehicle sales. Diesel demand is anticipated to gain additional support from strong manufacturing and agricultural activity," OPEC said. The report also projects an increase in demand for residual fuel during the year, while jet fuel consumption is expected to register marginal growth. In contrast, demand for liquefied petroleum gas (LPG) and naphtha is expected to ease, OPEC said.

B. BULK COMMODITIES SCENARIO

1. INDIAN RICE EXPORTERS CUT BASMATI FREIGHT COSTS BY 74% IN BULK SHIPMENTS TO IRAQ

Indian rice exporters have reduced freight costs by 74% through a bulk shipment of 102,210 metric tonnes of basmati rice to Iraq, demonstrating how innovative shipping arrangements can help maintain export competitiveness amid rising geopolitical tensions in West Asia. The shipment was organised by the Indian Rice Exporters' Federation (IREF) in collaboration with shipping solutions provider Eximwala. By shifting to bulk shipments, the initiative brought freight rates down from US$350 to US$90 per tonne, offering substantial savings for exporters and overseas buyers. The cargo was transported aboard three vessels bound for Umm Qasr Port in Iraq: MV Lamar S, carrying 36,810 tonnes; MV Lolo Gate, carrying 25,500 tonnes; and MV Outlander, carrying 39,900 tonnes.

2. ANGLO-EASTERN SUPPORTS WORLD'S FIRST AMMONIA-POWERED DRY BULK VESSEL FROM CONCEPT TO OPERATION

Anglo-Eastern has highlighted its multi-year engineering, newbuilding and operational support for Mineral Europa, the world's first ammonia-powered dry bulk vessel, following the ship's maiden voyage announced by CMB.TECH. The 210,000-dwt Newcastlemax vessel, built by CSSC Qingdao Beihai Shipbuilding Co., Ltd., is equipped with a WinGD dual-fuel ammonia engine and a Sun Rui Ammonia Fuel Supply System, enabling it to operate on ammonia or conventional marine fuel. Anglo-Eastern's involvement began in 2018 with feasibility studies into alternative fuels for bulk carriers. Through Anglo-Eastern Technical Services (AETS), the company subsequently developed the vessel's design philosophy, safety concepts, risk-mitigation measures and preliminary engineering, securing Approvals in

Principle from Lloyd's Register and the American Bureau of Shipping in 2021.

3. BULK CARRIER GOES DOWN WEEKS AFTER FATAL HORMUZ STRAIT STRIKE

A bulk carrier has sunk weeks after a deadly attack in the Strait of Hormuz, highlighting the continuing risks facing commercial shipping in one of the world's most strategically important maritime corridors. The incident raises concerns over vessel safety, the handling of ships damaged during attacks and the wider impact of regional tensions on international trade. The Strait of Hormuz is a critical passage linking the Persian Gulf with the Gulf of Oman and the Arabian Sea, carrying substantial volumes of global energy shipments and other commercial cargo. Damage to a merchant vessel can create further hazards even after an initial attack, particularly if structural integrity has been compromised or the ship remains exposed to challenging sea conditions.

C. CONTAINERS

1. SUEZ CANAL CONTAINER SHIP TRAFFIC REBOUNDS WITH TENFOLD SURGE

Large containership transits through Egypt's Suez Canal have increased more than tenfold, signalling a significant recovery in vessel movements through one of the world's most important maritime trade routes. The rise points to improving traffic conditions for container shipping through the canal, which connects the Mediterranean Sea with the Red Sea and provides a shorter route between Asia and Europe. Disruptions in the Red Sea region had prompted many shipping companies to divert vessels around the Cape of Good Hope, increasing sailing distances, transit times and operating costs.

A return to the Suez Canal can help carriers reduce voyage distances and improve vessel utilisation, although decisions depend on security assessments, insurance costs and the reliability of passage through the region.

D. PORT DEVELOPMENTS

1. VOC PORT GETS ₹753.68 CRORE INFRASTRUCTURE BOOST; GREEN ENERGY AND CONTAINER CAPACITY IN FOCUS

V.O. Chidambaranar (VOC) Port Authority is set to strengthen its maritime infrastructure with projects worth ₹753.68 crore, inaugurated or initiated by Prime Minister Narendra Modi through virtual participation on October 11. The eight projects include four infrastructure facilities inaugurated and foundation stones laid for four new developments, focusing on port connectivity, cargo-handling capacity, operational efficiency and green energy. The inaugurated projects comprise a four-lane road connecting TTPS Roundana and Check Post-2 at ₹47.46 crore, a green methanol bunkering and refuelling facility at ₹38.12 crore, a 2 MW solar power plant at ₹9.80 crore, and four electric buses costing ₹4.67 crore.

2. NEW CARGO STORAGE FACILITIES OPEN AT CHENNAI PORT

Chennai Port has opened new cargo storage facilities to strengthen its logistics infrastructure and improve cargo management, supporting the port's efforts to enhance operational efficiency and accommodate trade requirements. The additional storage infrastructure is expected to provide more space for cargo handling and temporary storage, helping streamline the movement of goods through the port. Improved storage availability can support smoother cargo operations, reduce congestion risks and facilitate better coordination among port operators, shipping lines, freight forwarders and cargo owners. Chennai Port is an important maritime gateway on India's east coast, handling a range of containerised and other cargo linked to domestic industries and international trade.

3. PARADIP PORT SETS NEW RECORD IN SINGLE-DAY COAL LOADING AT 1.40 LAKH TONNES

Paradip Port Authority's Mechanised Coal Handling Plant (MCHP) achieved its highest-ever single-day coal loading of 1,40,022 metric tonnes on 10 October 2026, surpassing the previous record of 1,37,500 MT set on 29 May 2022. The achievement highlights the port's robust mechanised cargo-handling infrastructure, operational efficiency and the coordinated efforts of its workforce.

Shri Susanta Kumar Purohit, IRSEE, Chairperson of Paradip Port Authority, congratulated the officers, employees and workers associated with MCHP for their contribution to the milestone. The new record reinforces Paradip Port's commitment to enhancing cargo-handling capacity and operational performance, further strengthening its role in India's maritime trade and logistics network.

4. DEENDAYAL PORT BOARD TO CONSIDER ₹1,686.66-CRORE TUNA TEKRA BERTH PROJECT FOR ESSAR PORTS

The Board of Deendayal Port Authority (DPA) will meet on October 15 to consider approving Essar Ports Ltd's bid to develop a multipurpose cargo terminal at Tuna Tekra, near Kandla, with an investment of ₹1,686.66 crore. The terminal, located outside Kandla Creek, is designed to handle 18.33 million tonnes of non-liquid and non-containerised cargo annually. Essar Ports emerged as the highest bidder for the 30-year concession, quoting a royalty of ₹61 per tonne when bids were opened on April 24, 2026. DPA Chairman Sushil Kumar Singh said the Ministry of Ports, Shipping and Waterways has approved the relaxations sought by the bidder regarding minimum guaranteed throughput and cargo-handling productivity norms. The Board's approval will pave the way for issuing the Letter of Award.

5. NEW MANGALORE PORT HANDLES OVER 26 MILLION TONNES OF CARGO, RECORDS 7.68% GROWTH

New Mangalore Port Authority (NMPA) has handled over 26 million tonnes of cargo during the current financial year as of October 12, 2026, registering a growth of 7.68% compared to the corresponding period last year, when cargo traffic stood at approximately 24.23 million tonnes. The strong performance reflects the port's sustained operational momentum and the continued contribution of port users, trade partners and other stakeholders. The growth highlights NMPA's focus on operational excellence, efficient cargo handling and improved port operations. The achievement further strengthens New Mangalore Port's position as a key maritime gateway for Karnataka and a vital contributor to India's maritime trade and logistics network.

E. OTHER DEVELOPMENTS

1. INDIA PLANS SOUTH KOREA, JAPAN OUTREACH TO SECURE SHIPBUILDING INVESTMENTS

India's Ministry of Ports, Shipping and Waterways is planning a high-level delegation visit to South Korea and Japan next month to attract major shipbuilders and secure anchor investors for proposed maritime clusters across the country. According to a report published by Mint on October 11, 2026, the delegation will include senior government officials and industry representatives and focus on investments in shipbuilding and ship repair, technology transfer and partnerships with Indian shipyards. The proposed outreach comes as India seeks to translate policy incentives and infrastructure development into firm investment commitments. South Korean shipbuilding major HD Hyundai had signed a memorandum of understanding with the Tamil Nadu government in December 2025 to explore a $4 billion greenfield shipyard at Thoothukudi.

2. SHIPPING COSTS SURGE FOR RUSSIAN OIL DELIVERIES TO INDIA

The cost of transporting Russian crude oil to India has surged, with shipping charges reportedly reaching as much as $30 million per tanker, adding to the financial burden on refiners importing Russian supplies. The sharp increase in transportation costs reflects mounting challenges in moving Russian oil amid geopolitical tensions, sanctions-related restrictions and growing scrutiny of vessels involved in the trade. Shipowners, insurers and shipping intermediaries face additional risks when handling cargoes linked to Russia, potentially pushing up freight rates and associated expenses. India has emerged as a major buyer of Russian crude in recent years, with refiners attracted by competitively priced supplies. However, higher freight costs can reduce the price advantage of Russian oil and affect the economics of individual shipments.

3. INDIA–EUROPE SHIPPING CORRIDOR POISED FOR 3 MILLION CONTAINERS A YEAR

The proposed India–Middle East–Europe Economic Corridor (IMEC) could eventually handle around 3 million twenty-foot equivalent units (TEUs) annually, creating a major new multimodal trade link between India and European markets, according to Captain Sumit Chauhan, president of the Port of Haifa in Israel. Speaking at the Mare Med conference in Tel Aviv on October 14, Chauhan said the corridor could initially handle approximately 1.5 million TEUs a year, with the potential to double volumes as port capacity, railway infrastructure and operational coordination improve.

The IMEC initiative aims to connect India with Europe through maritime and rail links across the United Arab Emirates, Saudi Arabia, Jordan and Israel. Haifa Port could serve as a Mediterranean gateway, allowing cargo arriving from India to move onward to European destinations.

F. WEATHER/STRIKE- NIL

G. INTERNATIONAL HIGHLIGHTS

1. OVER 60 COUNTRIES OPPOSE TOLLS ON INTERNATIONAL SHIPPING ROUTES AMID STRAIT OF HORMUZ CRISIS

More than 60 countries have pledged to oppose tolls and fees on international shipping routes, sending a strong diplomatic message against attempts to impose charges on vessels transiting through critical maritime waterways, particularly the Strait of Hormuz amid escalating tensions involving Iran. Announced by the European Union on Monday, the global initiative, titled 'No Fees, No Tolls', is backed by all EU member states and 33 other countries, including Australia, Japan, the United Kingdom, Canada and Singapore. The declaration seeks to safeguard freedom of navigation and uphold international maritime law amid growing concerns over restrictions on commercial shipping.

2. MISC TO ADD FIVE MORE LNG CARRIERS FOR PETRONAS

Malaysia-based shipping group MISC is preparing to add five more liquefied natural gas (LNG) carriers for Petronas, strengthening its role in transporting the energy major's LNG cargoes and supporting long-term gas shipping requirements. The planned additions highlight the continuing demand for specialised LNG transportation capacity as global energy companies seek reliable shipping arrangements to move natural gas to international markets. LNG carriers are purpose-built vessels designed to transport natural gas in liquid form at extremely low temperatures. Their availability is essential to maintaining dependable supply chains, particularly as international LNG trade serves power generation, industrial consumption and other energy needs across multiple regions.

3. ADNOC OPEN TO FURTHER LONG-TERM LPG DEALS WITH INDIA, SEES INDIA AMONG MOST IMPORTANT ENERGY MARKETS

The Abu Dhabi National Oil Company (ADNOC) is open to further long-term liquefied petroleum gas (LPG) supply agreements with India and sees significant potential to deepen cooperation across crude oil, liquefied natural gas (LNG), naphtha, trading, shipping and strategic storage, Nasser Omair Al Muhairi, its Acting CEO (downstream industry, marketing and trading business) told The Hindu in an exclusive interaction. By combining [ADNOC's] supply, trading and shipping capabilities, ADNOC is well positioned to provide Indian customers with reliable long-term LPG access, greater flexibility and enhanced energy security," he said. Mr. Al Muhairi described India as one of ADNOC's most important energy market. Indian Oil had signed a strategic collaboration agreement with ADNOC in May during Prime Minister Narendra Modi's visit to the United Arab Emirates (UAE). The agreement seeks to expand LPG supply and trading opportunities, including through ADNOC's global trading unit, and potentially pave the way for a long-term sale and purchase agreement, building on the LPG term contract in place since 2023. Mr. Al Muhairi said ADNOC's "reliability, operational resilience and proximity" to key demand centres positioned it as a trusted partner in meeting India's growing energy needs. ADNOC supplied more than 500,000 barrels of crude oil a day to India in 2025, accounting for "almost one in ten barrels of [India's] crude imports", Mr. Al Muhairi said. The company is also among India's leading suppliers of LNG and naphtha. "Building on this foundation, we see significant opportunities to deepen cooperation across crude, LNG, LPG, naphtha, trading, shipping and strategic storage," he said. ADNOC's ambition, he added, extended beyond supplying more energy to Indian customers to providing "greater security and flexibility while supporting investment and growth across the energy value chain. "Expanding supply capacity. Mr. Al Muhairi said that ADNOC is working to increase its oil production capacity to five million barrels a day by 2027. It is also expanding domestic gas production and broadening access to global LNG supplies.

4. NYK-MISC JOINT VENTURE SECURES LONG-TERM CHARTER FOR NEW LNG CARRIER

Asia LNG Transport Sdn. Bhd. (ALT), a joint venture between Japan's NYK Line and Malaysia-based MISC Berhad, has signed a long-term time-charter contract with Malaysia LNG Sdn. Bhd. (MLNG) for a newly built liquefied natural gas (LNG) carrier. The vessel will be constructed by China's Hudong-Zhonghua Shipbuilding (Group) Co., Ltd., with delivery scheduled for 2028. Following delivery, the LNG carrier will be deployed to transport LNG to Japan, supporting the country's energy supply requirements.

Representatives from MLNG, MISC and NYK attended the contract-signing ceremony held in Tokyo on October 9, reaffirming their commitment to close cooperation to ensure the safe and successful execution of the project.

5. BANGLADESH AND CHINA SIGN $335 MILLION DEAL FOR MONGLA PORT

Bangladesh and China have signed a $335 million agreement for the development of Mongla Port, one of Bangladesh's key maritime gateways. The deal is aimed at strengthening port infrastructure and improving the country's capacity to handle international trade and cargo traffic. Located in southwestern Bangladesh, Mongla Port plays an important role in supporting the country's export-import activities. Improvements to its infrastructure could help enhance cargo-handling efficiency, streamline port operations and strengthen connections with inland transport networks. The agreement reflects continued cooperation between Bangladesh and China in infrastructure development.

Thanks and Regards,

Ronak Shetty
Managing Director
AGS SHIPPING

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