

APM-Maersk charts 'bold' India plans

Q&A Denmark's \$55 billion shipping conglomerate AP Moller-Maersk has announced a \$2 billion plan to invest in India, focusing on Pipavav Port, owned by its subsidiary APM Terminals, and other initiatives spread across verticals in the maritime economy. With India's latest ₹70,000 crore maritime development plan and Prime Minister Narendra Modi's clarion call to global industry to invest, senior executives from the Danish giant — **Christopher Cook**, managing director of Maersk South Asia, and **Jonathan Goldner**, chief executive, APM Terminals Asia & Middle East — share their plans in an interview with Dhruvaksh Saha in Mumbai. Edited excerpts:

The Indian maritime sector recently witnessed a spate of policy and regulatory changes. How does Maersk view these developments?

■ **Cook:** The demand for shipping comes from what customers are producing. With things like production-led incentives, I can see the derisking of supply chains with more businesses producing in India. This means more capacity is needed. We have expanded our capacity significantly. We have expanded our service in Europe and North America to support that. The incentives to improve manufacturing are lifting

demand here. We have flagged two of our ships under the Indian flag as there is an opportunity in terms of normalisation of cabotage. We are also looking at container manufacturing and are already recycling vessels in Alang. Investment in the maritime sector will make things easier.

■ **Goldner:** India has a bold vision and I think "bold" is needed because the potential of India is

Christopher Cook (left) and Jonathan Goldner

so high that you have to aim high. I commend the government for doing that. What is exciting about the time right now in India is we are seeing a convergence of ambition and execution. We are excited and want to help execute this plan, particularly on the port side.

Shipbuilding has emerged as a major

thrust area for India, and other companies are placing orders on Indian shipyards. Does APM-Maersk plan to have its ships built in India?

■ **Cook:** We are trying to support the maritime sector for years. We started bringing our vessels here for recycling, and that is building an ecosystem and capability set, which can then start strengthening shipbuilding. It is a path that we have been on for a while. We are actively looking at shipbuilding. One of the pathways to that is through ship repair, which can help in building skill sets, the ecosystem around those locations, and then shipbuilding becomes a natural progression.

■ **Goldner:** In today's geopolitics and factors like saturation in global shipyards, competition is good. If we can help India build great ships that are cost-effective, the industry would welcome it.



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Is APM Terminals looking at expansion in India?

■ **Goldner:** Absolutely. We have signed an MoU for VadHAVAN Port and we would love to be part of that project. We also have an MoU signed with Andhra Pradesh. Several options are being considered and we need to work with the government to see which one would make the most sense. Obviously, we are present in Mumbai and Pipavav but we would like to have some more ports. On VadHAVAN, we see the vision and how that fits for the growth of Northwest India. There are still many unknowns about the project that we need to understand to be able to make a competitive, compelling decision, but we're serious about it. We are also helping as much as we can to provide advice to the government on building megaports in other locations from our own learning.

India has this ambition to become a shipping hub. As a leading global player, which are the key areas with scope for work?

■ **Cook:** One can see the impact dedicated freight corridors are having on volumes, which allow us to connect to our terminals in Pipavav and Nava Sheva. In India, there is an opportunity to improve the road infrastructure, and there is work going on there. There is an opportunity in

simplifying the universal logistics portals, which can streamline customs entry and also the tax code — essentially ease of doing business. These are elements that make life easier for importers and exporters and for us to do business and bring more investment into the country.

The recent vote at the International Maritime Organization seems to have derailed global efforts towards a shipping “net-zero” emission framework. How does APM-Maersk view the developments?

■ **Cook:** There must be a framework that is globally incorporated to bring net zero to life. We now need to see how this one-year delay materialises — of course it is not what we wished for. We wanted to have an agreement. But we have still set our plans for net zero by 2040.

You recently announced a large investment of ₹17,000 crore in expanding Pipavav Port. What is the plan?

■ **Goldner:** We have a bold plan. The first aspect is that we want to have infrastructure that is fit for larger ships. We also have bold aspirations on the roll-on, roll-off front — we want to build a world-class RoRo port for our car customers. And with the liquid berth expansion, we will continue to be a multipurpose port.