

PTO blazing a trail

Pakistan's first dedicated tank container cleaning facility is a big success, with business more than doubling over the last financial year. Clive Woodbridge reports

Pakistan's economy is developing at a steady pace, with the IMF forecasting growth rates of around 2 and 3 per cent respectively in 2015 and 2016. The chemicals and petroleum products sectors are considered to be amongst the parts of the economy that have the greatest scope for growth, as the country tries to realise its undoubted potential. Logistics businesses have an opportunity to expand by taking advantage of Pakistan's strategic location.

Pakistan Terminal Operators (PTO), established in 2013 as a joint venture between e2e and Freight Connection, aims to capitalise on both trends by offering a comprehensive logistics service to the chemical and downstream petrochemical industries, with a focus on the transportation of hazardous and non-hazardous cargoes in tank containers. The company was established to offer professionally-run, tailored services, including cleaning, storage and repairs, for ISO tank containers.

Before PTO was set up, there was an obvious gap in the local market. Tank containers were often used on a single trip basis only, as the country lacked dedicated cleaning and washing facilities. "There was a clear need for a specialised tank container cleaning operation to remove sources of odour and contamination so that tank containers could be reused for transportation," says Khurram Niazi, chief operating officer, Freight Connection Group. "This

was necessary to reduce overall shipment costs by achieving higher levels of utilisation and avoiding the need to transport empty tank containers outside of Pakistan for cleaning."

PTO opened the first ever certified tank container cleaning station in Pakistan in September 2013. This has changed the dynamics of the liquids transportation sector in the country by allowing laden ISO tank containers to be moved in both inbound and outbound directions.

The PTO depot covers an area of 8000 m² and includes a washing bay, re-pair shop, office area and storage yard. Solid fencing around the depot provides a high level of security and the depot is fitted with external lighting and CCTV surveillance. Armed guards are stationed at the depot gate and the entrance to the building.

Considerable investment has been made to ensure the PTO tank cleaning facility in Port Qasim, just outside of Karachi, is capable of offering world-class services. The high pressure cleaning machines, which can operate at up to 120 bar, were imported from the well-known manufacturer, Weidner in Germany. The plant is fully automated, with an automation system from Schneidmacker, and features two drive-through bays. One of the bays is dedicated for tanks transporting foodstuffs and offers both interior steam and regular cleaning, as well as exterior cleaning.

"Our cleaning operations comply

with ITCO standards," Niazi points out. "We are also a member of the Asian Tank Container Organisation (ATCO) and are currently in the process of becoming certified as an Approved Cleaning Station and Repair Depot."

PTO's philosophy is to follow leading industry standards such as those set by The Federation of Oils, Seeds and Fats Associations (FOSFA) for contamination-free cleaning.

Environmental standards are also important to PTO. All waste water generated from the cleaning process is stored in septic tanks which have a capacity of up to 7,000 gallons. PTO has also signed a contract with a local waste management company which will treat the waste at its waste water treatment plant on weekly basis. "At PTO we care for the environment and will always adhere to the most environmentally sound waste water procedures," confirms Niazi.

The company aims to take an innovative approach to meeting customer requirements. "We are continuously striving to serve our clients better and our R&D department is actively involved in generating in gate/out gate reports, as well as storage reports, while EIR/damage reports are generated by our systems and sent to customers on a regular basis," says Niazi.

Business has been boomed at PTO over the past 12 months, indicating the demand for such a facility in the area. In 2013-14, the company received 801 tank containers; in 2014-15 the number more than doubled to 1,780.

The increase in volume has been driven by a number of

factors, including the granting of export licences for ethanol by Pakistan's Excise and Taxation Department. Food grade ethanol is one of few commodities being exported from Pakistan in tank containers so this decision has had a positive impact on the market creating opportunities for return cargoes for tank containers bringing in imported goods.

PTO's biggest customer for tank cleaning is Eagletainer, but currently there are 21 tanker container operators using the facility. These include Stolt, Fourcee, Baytanx, e2e, Bertschi, Hoyer and Bulkhaul. In addition, there are service contracts with Bolt Tank and Cargo Plan. PTO has also started working with India-based Exodus Line recently.

These customers have been attracted by PTO's 'one-stop shop' approach. According to Niazi, "We are currently offering our customers a complete package, including cleaning, repairs if required, and transportation from the port. We are also offering better quality services, and prices, than companies in India, where most companies are cleaning manually or using locally assembled cleaning plants, and are performing better than tank container facilities in Jebel Ai, which are struggling from overload. As a result a number of customers are sending their tanks to us in Pakistan for cleaning and repairs as an alternative to India and the UAE."

PTO is keen to expand the range of services it offers. Recently it has started carrying out periodic tank container testing in collaboration with Bureau Veritas (BV) and has also started offering small-scale repair services, including repairs to the outer shell and corner posts and castings, with training similarly being provided by BV.

"We have decided to invest around US\$200,000 in developing a one acre site to expand our repair activities for ISO tank containers,



PTO's depot has two drive-through cleaning bays which are heavily automated

making us the only dedicated repair company working directly with tank container operators in the region," adds Niazi. "We believe we will be able to provide repair services to operators around 20% cheaper than the competition in India and the UAE."

While extending the scope of its operations into tank container repair, PTO's core service is, and will remain, tank cleaning. "We have significantly improved the quality of our cleaning services since we started up two years ago," claims Niazi. "We have achieved a zero rejection and contamination rate over the past 12 months as a result."

To enhance service quality still further, PTO has also invested recently in a reverse osmosis plant, with 0% chlorine, for tank container washing, to avoid any potential contamination claims. The company has furthermore started using a high-quality detergent, specially prepared for

the cleaning of ISO tank containers.

Training is a key focus for the company to maintain and improve its standards. A number of staff members have been sent overseas for ITCO and other training courses. "We take safety very seriously and will soon be applying for ISO certification," says Niazi

PTO has two shareholders, which gives the business a strong foundation. E2e is claimed to be one of the fastest growing companies in Pakistan, and is the preferred agent of Geodis Wilson. The company provides a range of transportation and logistics services through a branch network comprising 14 offices across Pakistan and Afghanistan. Freight Connections Pakistan is a subsidiary of Rais Hassan Saadi, one of the top logistics groups in the UAE. Freight Connections provides a range of shipping services, freight forwarding, logistics and other related freight transport activities to clients across Pakistan.