Back with a bang

WELCOME to the Lloyd's List One Hundred Ports 2018, the definitive ranking of the world's largest box facilities.

Modest throughput growth has been the theme of the container port sector in recent years, but 2017 sparked memories of the industry's golden era as volumes rebounded with a bang.

Aside from the trials and tribulations of individual ports, the overall global picture in 2017 was one of prosperity, as the top 100 ports posted a robust aggregate growth figure of 6%.

The economic health of key trading nations facilitated a lift in box numbers to levels not witnessed since 2010, which came largely as a market correction following the global financial crisis the previous year.

In 2017, the driving force behind the acceleration in global port volumes was the global economic powerhouse, China.

The intrinsic link between the health of the country's economy and global containerised trade was once again evident in the top 100 rankings, which comprised no fewer than 22 Chinese entries. Average growth of nearly 9% at China's ports was the key factor behind the top 100's overall 6% growth figure.

Ports in North America, too, chipped in with more than respectable growth figures of their own, as did those in South America and Southeast Asia. But it was China that stole the limelight.

Lloyd's List subscribers can now access the exclusive One Hundred Ports online tool, allowing users to compare and contrast port rankings, view regional and national statistics, as well as historical teu data.
Back on track

Strong growth has returned to the upper echelons of the container port premier league, with China leading the way, writes Linton Nightingale

THE world’s top 100 container ports moved nearly 588m teu in 2017, a rise of 6% year on year, evoking memories of industry glory days off the back of two consecutive years of subdued volume growth. Although throughput increases were not quite at the double-digit-plus percentage levels regularly achieved in the 1990s and the early-2000s, a near ‘return to form’ was welcome nonetheless. The health of key global economies helped to buoy global containerised trade and ports reaped the rewards. This was not to say volume growth was total. Far from it. Whether box numbers fell on the back of trade sanctions, geopolitical forces, revamped alliance schedules or apparently endless carrier consolidation — and, with it, a dwindling customer base — clearly risks remain in the container port sector.

Nevertheless, the big story in 2017 was the return of strong growth at China’s colossal container complexes, driving global figures skywards, as ports capitalised on the country’s trade recovery. It will come as little surprise that Shanghai was top of the pile once more, with a seemingly insurmountable lead as the world’s number one. However, even by its own standards, last year was special. Not only did Shanghai record its highest level of growth since 2011, as volumes swelled by 8.3%, it also became the first-ever port to eclipse handling figures of 40m teu for the calendar year. The 3.1m teu gained over 2016 alone was more than nearly half of the entries that make up this top 100 listing.

Meanwhile, although container volumes did not accelerate by the same margin as Shanghai, Shenzhen, China’s second-largest port — listed third in the overall rankings — also reported healthy box growth last year. Yet throughput growth of 5.1% in Shenzhen, reversing last year’s losses, to 25.2m teu, was still outshone by compatriot Ningbo-Zhoushan. Blessed by a vast industrial hinterland and natural deep harbour, volumes climbed 14.1% to 24.6m teu, as Ningbo-Zhoushan recorded double-digit growth for the first time in its dual-port existence.

A measure of China’s improving fortunes was how even Hong Kong — which has steadily slid down the rankings since its lofty first position in 2004 — achieved a 4.8% upswing in box traffic last year. This also helped Hong Kong cling onto fifth spot in the 2017 standings, although it appears only a matter of time before
it can no longer hold off the advances of Busan, South Korea. Elsewhere among the Chinese port majors, Guangzhou followed up 2016’s high-single-digit gains with an equally impressive 8% volume growth, while Xiamen was also a standout performer, with its own 8% throughput increase. However, the big Chinese movers on rankings terms were those of the smaller variety, namely Tangshan and newcomer Zhuhai. Work to improve Tangshan’s hinterland connectivity continues to bear fruit, attracting new service calls and customers, leading to a whopping 30.7% rise in traffic.

Yet this is still nothing compared to the progress made in Zhuhai. Significant investment in port and terminal infrastructure to allow the call of ultra large containerships led to a staggering near-70% leap in box traffic to catapult Zhuhai into 80th place in our rankings. With Zhuhai making its debut this year, China now has 22 entries among the global top 100. The country’s ports handled a combined total of 226.7m teu in 2017, representing a 38.6% share of the overall top 100 throughput total.

In addition, all of China’s ports making up the top 10 — seven in total — managed to hold onto their ranking places.

At the top of the container port tree, this theme was repeated. Movement was non-existent, with the top runners remaining unchanged from last year. Singapore cemented its second position after two difficult years by returning to growth mode. The Asian transhipment hub posted volumes of 33.7m teu for 2017, a rise of nearly 9% year on year, having upped its carrier alliance call quota.

Busan clung onto sixth place, despite Guangzhou closing the gap to little more than 100,000 teu. DP World’s flagship Jebel Ali stayed ninth, as volumes rose 4% to 15.4m teu, despite the negative impact of geopolitical forces on its box business.

**Strong showing**

Outside of China, Asia’s other major container ports saw positive developments in throughput last year. Emerging markets gave a particularly strong showing. Volumes in the sprawling Ho Chi Minh City complex of terminals maintained steady inclines, climbing by a combined 4.6% on 2016 levels to more than 6m teu, as manufacturers continued to make the most of advantageous labour costs. There is also a ranking introduction for fellow Vietnamese port Cai Mep, which was felt to merit its own inclusion, given its position 50 km south of the capital. Cai Mep’s box numbers surged just shy of 20% as it benefited from the ongoing shift in factory production away from China. This trend also helped Thailand’s premier port, Laem Chabang, gain a 6.1% hike in annual figures to 7.7m teu.

In addition to strong performances from the region’s biggest ports, Singapore and Busan, Manila continued to pull more container numbers, as its economy grew apace. Tokyo, too, enjoyed a year of healthy volume growth on the back of increasing demand for both Chinese and US goods. 2017 was, though, a disappointing year for Malaysian mega hub Port Klang. Traffic slumped by nearly 10% having lost significant liner business to Malacca Strait transhipment rival Singapore.

Meanwhile, in India, it was Mundra that stole the headlines, chalking up an impressive 27.7% container throughput growth to 4.2m teu. With a logistical lead in reaching the country’s northwest hinterland, making Mundra the most convenient gateway for Exim trade, the port was able to take full advantage of a booming economy. Although not to the same extent, Jawaharal Nehru, Mumbai, also reported a more than respectable 7% volume hike. Colombo, acting as a major transhipment port for India, also enjoyed a fruitful 2017. The Sri Lankan port, the subject of significant investment in recent years, most notably from China Merchants Group, not only benefited from increasing traffic heading north to India but also Bangladesh. Colombo’s strategic location at the crux of east-west trade routes also continued to play into its hands, combining to help lift volumes 8.3% to 5.7m teu.

In the Middle East, Jebel Ali reigns king. However, one port has its eyes fixed firmly on dethroning Dubai as the region’s numero uno. Having made its top 100 debut in 2016, Saudi Arabia’s fledgling facility King Abdullah Port followed up with a further 20.9% throughput jump to 1.7m teu last year for a throughput jump to 1.7m teu last

### The winners

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Port</th>
<th>2017 annual throughput (teu)</th>
<th>2016 annual throughput (teu)</th>
<th>Annual % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>80</td>
<td>Zhuhai</td>
<td>2,270,000</td>
<td>1,338,000</td>
<td>+ 69.7%</td>
</tr>
<tr>
<td>55</td>
<td>Barcelona</td>
<td>2,968,757</td>
<td>2,236,960</td>
<td>+ 32.7%</td>
</tr>
<tr>
<td>71</td>
<td>Tangshan</td>
<td>2,530,303</td>
<td>1,936,000</td>
<td>+ 30.7%</td>
</tr>
<tr>
<td>35</td>
<td>Mundra</td>
<td>4,240,260</td>
<td>3,320,285</td>
<td>+ 27.7%</td>
</tr>
<tr>
<td>86</td>
<td>St Petersburg</td>
<td>1,848,700</td>
<td>1,457,800</td>
<td>+ 26.8%</td>
</tr>
<tr>
<td>95</td>
<td>Gdansk</td>
<td>1,593,761</td>
<td>1,298,842</td>
<td>+ 22.7%</td>
</tr>
<tr>
<td>69</td>
<td>Bandar Abbas</td>
<td>2,607,000</td>
<td>2,130,000</td>
<td>+ 22.4%</td>
</tr>
<tr>
<td>89</td>
<td>King Abdullah</td>
<td>1,695,322</td>
<td>1,402,225</td>
<td>+ 20.9%</td>
</tr>
<tr>
<td>52</td>
<td>Savannah</td>
<td>3,065,014</td>
<td>2,581,093</td>
<td>+ 19.7%</td>
</tr>
<tr>
<td>41</td>
<td>Cai Mep</td>
<td>3,891,209</td>
<td>3,258,381</td>
<td>+ 19.4%</td>
</tr>
</tbody>
</table>
year. Although volumes are still lagging well behind Jebel Ali, the plan is to increase capacity to 20m teu by 2025. Watch this space.

Elsewhere in the Middle East, with sanctions lifted in Iran, Bandar Abbas made up for lost time, posting a 22.4% increase in annual traffic. However, with more sanctions currently on the horizon, rising trade in Bandar Abbas could prove short-lived.

**Bumper**

North America relished in a bumper 2017 for containerised trade. The US majors enjoyed wholesale rises in throughput levels, as demand for consumer-based products from overseas surged in line with healthy economic growth.

Volumes at neighbouring Californian ports Los Angeles and Long Beach grew by 5.5% to 9.3m teu and 11.4% to 7.5m teu, respectively.

Meanwhile, New York/New Jersey witnessed a 7.3% rise in box traffic last year, in what was a landmark year for the biggest port on the eastern seaboard, having finally completed the long-running project to elevate the Bayonne Bridge. The rising of the roadway will finally allow ultra large containerships to call all four corners of the dual-port complex.

Further south, Charleston danced to the tune of near-double-digit percentage gains in box cargo. Not to be outdone, Savannah posted 11% volume growth of its own, as Virginia volumes improved 7%.

Indeed, it was only US ports in the Pacific Northwest, Oakland and the Seaport Alliance, that achieved moderate growth, with the trend of domestic cargo being moved through Canadian facilities in the north showing little sign of slowing.

In South America, the major winner in 2017 was Colon. Panama’s premier port saw liftings surge nearly 20% to 3.9m teu, putting the previous year’s dire performance firmly in the past, while leapfrogging Santos in the process to lay claim as South America’s busiest box port.

This was not to say Santos did not have a fruitful 2017. The Brazilian port reported its own double-digit percentage gains over last year — albeit not enough to hold onto its regional crown, even with political and industrial turmoil embroiling the country.

Healthy volume growth was a common theme at South America’s top ports. Mexico’s Manzanillo saw a 9.7% increase in container volumes, despite economic tailwinds, while Cartagena, Colombia, rebounded emphatically after a tough 2016 posting volume growth of 9.5%.

**Mixed bag**


**The losers**

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Port</th>
<th>2017 annual throughput (teu)</th>
<th>2016 annual throughput (teu)</th>
<th>Annual % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>78</td>
<td>Khorfakkan</td>
<td>2,321,360</td>
<td>4,330,200</td>
<td>-66.4%</td>
</tr>
<tr>
<td>75</td>
<td>Gioia Tauro</td>
<td>2,448,600</td>
<td>2,797,000</td>
<td>-12.5%</td>
</tr>
<tr>
<td>97</td>
<td>Damman</td>
<td>1,582,388</td>
<td>1,784,720</td>
<td>-11.3%</td>
</tr>
<tr>
<td>12</td>
<td>Port Klang</td>
<td>11,978,466</td>
<td>13,169,577</td>
<td>-9.0%</td>
</tr>
<tr>
<td>33</td>
<td>Algeciras</td>
<td>4,389,836</td>
<td>4,761,428</td>
<td>-7.8%</td>
</tr>
<tr>
<td>88</td>
<td>Dandong</td>
<td>1,866,000</td>
<td>1,990,000</td>
<td>-6.2%</td>
</tr>
<tr>
<td>73</td>
<td>Melbourne</td>
<td>2,497,000</td>
<td>2,640,000</td>
<td>-5.4%</td>
</tr>
<tr>
<td>43</td>
<td>Felixstowe</td>
<td>3,849,700</td>
<td>4,016,000</td>
<td>-4.1%</td>
</tr>
<tr>
<td>15</td>
<td>Koohsiung</td>
<td>10,271,018</td>
<td>10,464,860</td>
<td>-1.9%</td>
</tr>
<tr>
<td>94</td>
<td>Alexandria</td>
<td>1,613,000</td>
<td>1,633,600</td>
<td>-1.3%</td>
</tr>
</tbody>
</table>
Challenges of container line consolidation

Container terminals live and die by their client container lines, so the health of the carriers will be of major concern to box ports, writes James Baker

CONTAINER terminals exist for one sole reason: to serve their container line customers. Neither can exist without the other and this symbiotic relationship means that what happens in the world of container shipping matters to container terminals.

And much has been happening in container shipping: consolidation, capacity and cost-cutting have been the key words.

Consolidation has seen the number of independent, global container lines reduced now to seven major players. Until July, the top three of those were European, but Cosco’s acquisition of Overseas Orient Container Lines has pushed it up to third place, displacing France’s CMA CGM.

In April, the combination of the container lines of the three large Japanese shipping companies — NYK, K Line and MOL — into a new container line, Ocean Network Express, reduced even further the number of carriers plying the world’s trade lanes.

For container terminals, fewer container lines means fewer customers. While the volumes being transported remain the same, where those volumes are delivered can change.

If a carrier is taken over by or merged with another, there is no guarantee it will continue to call at the same terminals — particularly if the other partner in a merger or the company taking it over has its own terminals.

Cosco and Long Beach
In the case of the Cosco-OOCL takeover, the fallout was clear in Long Beach.

To gain US regulatory approval for the merger, Cosco needed approval from the Committee on Foreign Investment in the US. In July, CFIUS said there were no “unresolved national security issues” regarding Cosco’s plan to take over the Hong Kong-based carrier, but with the condition the parties were to sell off the state-of-the-art container terminal in Long Beach.

Cosco and OOCL reached a national security agreement with the US Department of Homeland Security and Justice to sell all entities that directly or indirectly operate the Long Beach Container Terminal business to an unrelated third party.

Pending the sale, the ownership of LBCT is to be transferred to a US trust, under which OOCL is the beneficiary and of which the principal trustee will not be a shareholder of OOCL.

However, the question has now turned to who would buy LBCT. Despite being the most technically advanced and automated terminal in the US, it may prove to be something of a white elephant.

OOCL signed a 40-year concession agreement to develop Long Beach’s Middle Harbor site in 2012. The facility is due to be fully completed in 2019, when annual capacity will total about 3m teu.

Yet there are challenges facing the sale of LBCT.

Firstly, it is one of 13 in the combined Los Angeles/Long Beach complex in San Pedro Bay. Most of the alliances formed in 2016-2017 have now made long-term terminal agreements prioritising their own alliance members’ facilities, leaving very dim prospects for any strategic
player to acquire this facility backed by an anchor tenant.

Cosco itself has interests in two other terminals in LA and Long Beach, so does not necessarily need LBCT, although one of those has restricted access and so is limited in terms of the size of ships it can handle.

With the threat of a trade war likely to dampen interest — and more volumes moving to ports on the east coast of the US, or via Canadian gateways such as Prince Rupert — any buyer would have to take a long-term view, which usually excludes financial investors.

Trade investors could take an interest, but companies such as SSA and Ports America already have investments in southern California, and companies such as PSA, DP World and China Merchants could face the same national security vetting as Cosco.

However, there are some potential buyers. Pension and infrastructure funds, keen to take the long-term, regular dividends that terminals provide, are likely candidates. There could even be a collaboration between two or more buyers to acquire the terminal.

There is also the Yildirim Group, which has been actively investing and has said it wants a bigger presence in the US. Valuing a terminal that may have no anchor tenant will be a difficult task. So too may be finding someone to put in a viable bid.

Network changes

Another fallout of the consolidation of container shipping and its concentration into three major alliances is that carriers are looking closely at their networks and port rotations.

With supply and demand still out of kilter, carriers have been running ships without full loads.

At the same time, services are running behind schedule, often because of congestion at ports. This is sometimes caused by landside issues, but often by the sheer scale of the ships calling.

The move to ultra large tonnage on the trades that can take it — and cascading that — has meant all trades are utilising the biggest ships that can be deployed, which means loading and offloading ships is taking longer than in the past. This can result in ships waiting at anchor to be worked, delaying their next port call.

With large ships only economical when they are at sea and not in port, carriers are looking at reducing the number of port calls their vessels make. This reduces their costs and improves their reliability.

With alliance partners able to take up the slack on ports that are being skipped, carriers can do fewer calls individually, resulting in fewer calls for terminals.

With rising fuel costs, poor schedule reliability and shoreside congestion, container lines are finding it hard to satisfy their shipper and beneficial cargo owner customers. And they are struggling to make money.

The strain on carriers will not directly hit container terminals, but lower earnings for lines means they will be negotiating harder over terminal handling fees, making fewer port calls, and there will be fewer ships calling.

Taking action

One terminal operator that has seen the writing on the wall is UAE-based DP World, which in August announced it was acquiring European and Mediterranean shortsea and feeder operator Unifeeder.

The move initially raised eyebrows. What purpose did a terminal operator have with a feeder line, other than as a customer? But dig down a bit and the deal starts to make some sense.

With carriers, as described above, undertaking fewer port calls, they will be making educated choices about where they call. One of the concerns they will have is how well they can then feeder off their customers’ containers to their final destinations.

In the normal scheme of things, feederships are the poor relation, often stuck at anchor waiting for the mothership to disembark its cargo before being allowed in to load that cargo onto the smaller vessel for its onwards passage. Schedule reliability on feeder services is notoriously bad.

By owning its own feeder service calling at its ports, DP World gets to offer guaranteed connectivity to its mainline trade carrier customers and offer fast, reliable feedering, as it can prioritise its own ships.

Many of DP World’s rivals are subsidiaries of container lines who have a guaranteed customer in their owner; think APM Terminals and Maersk Line. DP World doesn’t have this guarantee and so must do more to ensure it attracts business.

While a number of ports in China have small containership fleets for the same purpose, they differ in that they are bringing in export cargoes from the region for placing onto export vessels heading to major markets. DP World, however, is a global terminal operator and has said it wants to expand Unifeeder. It is a bold move but could well pay off for DP World.

In the meantime, carriers and terminals will have to continue to face the vicissitudes of global trade. At the time of writing, the trade war between the US and China had yet to emerge in the freight volume figures, although an early warning sign was a downturn in volumes at Long Beach in July.

The drop was attributed to shipping alliances’ decision to shift vessel deployment and port calls. Port officials also raised concerns that escalating tariffs could slow trade activity during the remainder of the year.

The warning signs are there. The year ahead could be a difficult one for both container lines and the terminals that serve them.
More of the same?

Volumes at the halfway stage of 2018 point to another prosperous year for container ports, but uncertainties risk destabilising positive trade sentiment, writes Linton Nightingale

DURING the first half of 2018, robust volume growth carried over from last year, with major ports reporting strong cargo volumes across their docks.

However, trade uncertainties remain, putting a repeat second-half performance in doubt.

Nine of the top 10 container ports reported volume increases in the six months through to the end of June this year, with average growth recorded at a more than respectable 4.9%.

Shanghai maintained its strong growth trend and its position as the world’s busiest box port, with throughput levels up 4.6% to 20.5m teu, according to figures published by Belgian-based analysts Dynamar.

Singapore, too, recorded a healthy haul in the first half of 2018. Riding the wave of strong economic growth domestically, all bar one of China’s top 10 port entrants posted volume gains in the first six months of 2018, including notably strong performances from Ningbo-Zhoushan and Guangzhou — where box numbers climbed 7.5% and 8.6%, respectively.

Indeed, the only other blip in the top 10 — in addition to Hong Kong, where container traffic fell 3.6% — was Dubai.

However, the growth story was not restricted solely to the top 10 ports.

In Europe, Rotterdam and Antwerp led the way in the northern range, with high-single-digit volume gains. Elsewhere, Gdansk, Piraeus, Barcelona and a resurgent St Petersburg saw liftings climb by double-digit percentages.

Meanwhile, ports in the Americas maintained the healthy growth figures seen in 2017, in a theme repeated across much of Asia, the Middle East and Australasia.

For the full year, analysts expect more of the same. Clarksons are anticipating full-year box growth a shave under last year’s 6%, at around 5.3%, while Drewry is slightly more optimistic, forecasting an uptick in trade of approximately 6.5%.

Encouragement for the full year has been helped in part by strong underlying growth in the global economy. The International Monetary Fund is forecasting full-year growth of around 5% for emerging markets and 2%-3% in mature economies.

However, as a side note, the IMF says its forecast is subject to the fallout and impact of the ongoing trade war between the world’s two largest economies, China and the US. Analysts share these concerns.

Chinese container exports to the US account for around 5% of global seaborne container trade. Tariffs affect up to 7% of US box imports from China, equivalent to 0.4% of global box trade, which may not sound much but it is still something ports on either side of the Pacific could live without.

There is also increasing uncertainty surrounding the ongoing renegotiation of the North American Free Trade Agreement.

Add into the equation the uncertainties surrounding Brexit, geopolitical tension, whether in the north China Sea, the Middle East, Africa or elsewhere, sustained strong volume growth through the second half of the year is far from clear-cut.

In the first half of 2018, smaller ports also witnessed significant upward movement in throughput totals, with some notable performances to boot.

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Port</th>
<th>1H 2018 throughput (teu)</th>
<th>1H 2017 throughput (teu)</th>
<th>Annual % change</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Shanghai</td>
<td>20.5m</td>
<td>19.6m</td>
<td>+ 4.6%</td>
</tr>
<tr>
<td>2</td>
<td>Singapore</td>
<td>18m</td>
<td>16.2m</td>
<td>+ 11.5%</td>
</tr>
<tr>
<td>3</td>
<td>Ningbo-Zhoushan</td>
<td>13.3m</td>
<td>12.4m</td>
<td>+ 7.5%</td>
</tr>
<tr>
<td>4</td>
<td>Shenzhen</td>
<td>12.1m</td>
<td>11.9m</td>
<td>+ 2.3%</td>
</tr>
<tr>
<td>5</td>
<td>Busan</td>
<td>10.6m</td>
<td>10.1m</td>
<td>+ 5.0%</td>
</tr>
<tr>
<td>6</td>
<td>Guangzhou</td>
<td>10.5m</td>
<td>9.6m</td>
<td>+ 8.6%</td>
</tr>
<tr>
<td>7</td>
<td>Hong Kong</td>
<td>9.9m</td>
<td>10.2m</td>
<td>+ 3.6%</td>
</tr>
<tr>
<td>8</td>
<td>Qingdao</td>
<td>9.4m</td>
<td>9.1m</td>
<td>+ 3.2%</td>
</tr>
<tr>
<td>9</td>
<td>Tianjin</td>
<td>7.8m</td>
<td>7.4m</td>
<td>+ 5.2%</td>
</tr>
<tr>
<td>10</td>
<td>Dubai</td>
<td>7.7m</td>
<td>7.7m</td>
<td>+ 0.2%</td>
</tr>
</tbody>
</table>
Dwindling returns

The port operator game was once awash with money, but with returns no longer easy to achieve, its players have been forced to think outside the box, writes Linton Nightingale

PROFIT, it is often said, is the return of risk. Unfortunately the container port sector seems to be the exception that proves the rule. A downward trend in return on invested capital, despite simultaneous rising operational risks, suggests all is not well in the industry. According to a recent Drewry report analysing the top terminal operators, ROIC is no better than it was in 2009, when the container port sector suffered its one and only drop in annual volumes in its otherwise growth-heavy history.

Market maturity is the overriding factor here, with port overcapacity outpacing demand and container line consolidation adding further risk. Strong volume growth last year — and indeed through the first six months of 2018 — was a welcome boost to operators, but this has only been a short-term fix.

Not only are box port operators struggling with handling bigger ships and the peak cargo volumes that come hand-in-hand with welcoming larger vessels, they are also under tremendous pressure to improve productivity. Not to mention lower terminal handling fees.

With carriers continually rationalising and fine-tuning networks to make the best of alliances and ensure new ships sail at maximum capacity, there is also fear that carriers could switch business to a rival facility. This has only added to an already competitive operating environment, while increasing market share volatility.

In adapting to this challenging landscape, port operators are mirroring the carriers by way of consolidation and M&A activity of their own. Meanwhile, tie-ups with carriers to guarantee forward cargo are becoming increasingly common.

With global container growth slowing markedly in recent years (2017 proving the exception), longstanding overcapacity in the container port sector has been exacerbated.

Container handling capacity has increased at a relatively constant level of 40m to 50m teu annually, according to German analysts DS Research, but that figure consistently exceeds demand growth.

Over the past four years, about 300 projects consisting of 185m teu have been built, whereas container throughput has risen by only 63m teu during the same period.

A further 350 expansion projects providing 270m teu of additional container handling capacity is due by 2023. However, DS Research only expects 40% to 70% to be executed with capacity developed more in line with demand than in the past.

They forecast box demand to swell by a further 210m teu through to 2023 – that’s a compound annual growth rate of 4.3%, versus 260m teu (3.4% CAGR) of additional port capacity over the next five years.

There is also a noticeable move away from the mega-projects towards smaller-scale port capacity enhancements. Of those scheduled for completion by 2023, around 75% include expansion plans below 1m teu.

Furthermore, there is a definite trend among global concessions of being let as a multi-purpose terminal, where breakbulk or dry bulk capabilities are developed alongside container operations.

With terminal operators looking to make more bang from their buck, this is becoming an increasingly attractive move amid dwindling returns from conventional box handling.

Diversification is also becoming a notable feature of how port
**Top of the ops**

HEALTHY growth across the globe’s elite container facilities was reflected by a strong showing from the top port operators in 2017. Cosco Shipping Ports, the port-operating arm of state conglomerate China Cosco Shipping Group, remained at the top, having taken Hutchison Ports’ crown the previous year.

CS Ports handled a total of 91.3m teu across its global portfolio of terminals, representing year-on-year growth of 6.7%, according to figures provided by Drewry Maritime Research. Terminals both in China and overseas markets posted robust growth figures, although this came on the back of weaker performance in 2016. CS Ports highlighted calls by Ocean Alliance’s fleet, of which Cosco Shipping is part, as a key factor helping drive liftings, most notably through Piraeus, Busan and Kupmport, Turkey.

Hutchison Ports held onto second spot in the operator league after volumes rebounded in 2017. Following a near-2% drop the previous year, the Hong Kong operator posted a 4% advance on 2016 levels to 82.3m teu. Volumes were boosted by a surge in domestic cargo handled by subsidiary Hutchison Port Holdings Trust, responsible for terminal facilities predominately in South China.

Similarly, the rest of the top five remained unchanged against the 2016 rankings. This meant that APM Terminals, the terminal-operating arm of AP Moller Maersk, remained in third place. However, it too reported a healthy volumes hike of 6.9% to 76.3m teu, a feat credited to rising traffic in North Asia, Latin America and strong growth from sister carrier Maersk Line.

Continuing the growth theme was PSA International. The Singaporean giant reported significant gains at its flagship domestic operation and notable contributions from terminal interests abroad. This combined to a 9.8% jump in throughput totals on the previous year to 73.9m teu.

Finally, DP World, despite is fifth position, achieved the highest volume hike in 2017. Containerised trade grew by double-digit levels of 10.2% to 68.7m teu, amid robust growth at terminals in Europe, the Americas, and the Middle East and Africa. Volumes in its home base of the United Arab Emirates increased 4%.

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operators are going about their business, whether heading down the multi-purpose route, expanding operations inland or offering customers value-added services within the confines of the port. Container stuffing, warehousing and customs facilities are just a few of several options being explored to drive up revenues.

Others, too, are thinking outside the box, particularly those without a carrier-affiliated arm. DP World has recently completed the acquisition of European feeder specialist Unifeeder, a logical step in creating a multimodal response to carrier power over terminals. This comes after the Dubai-based operator announced last year that it had partnered with Richard Branson’s Virgin to launch a hyperloop start-up.

Expanding traditional container operations is also that much harder, given the lack of opportunities and the competition for port tenders. This has been made much more difficult for those that are not fortunate enough to be state-backed, particularly those of Chinese origin, which can bid for projects at a premium. They can also easily absorb short-term losses as terminal development is ramped up. Smaller terminal operators with global aspirations, such as Yilport and Gulftainer, who neither benefit from state backing or liner links, are therefore finding it increasingly difficult to reach their respective expansionist goals.

In short, operators have had little choice but to be more business-savvy, as they can no longer rest on their laurels. Appeasing shareholders once used to such generous returns from the industry is no easy task and the job for operators will only get harder.
Behind the numbers: Chinese supremacy

In 2017, the driving force behind the acceleration in global port volumes was the global economic powerhouse, China. The intrinsic link between the health of the country’s economy and global containerised trade was once again evident in the top 100 rankings, which comprised no fewer than 22 Chinese entries. Average growth of nearly 9% at China’s ports was the key factor behind the top 100’s overall 6% growth figure.

China port growth 2017

8.8%
Average growth at China’s top 100 ports

39%
China’s share of overall traffic

226.7m teu
Volumes handled by Chinese ports

TEU by country

Regional breakdown

Ranking 1 - 10
# The top 100 Ports in 2017

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Port</th>
<th>Country</th>
<th>Region</th>
<th>2017 annual throughput (teu)</th>
<th>2016 annual throughput (teu)</th>
<th>Annual % change</th>
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<td>1</td>
<td>Shanghai</td>
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<td>Asia</td>
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<tr>
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<td>Singapore</td>
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<td>33,666,600</td>
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<td>3</td>
<td>Shenzhen</td>
<td>China</td>
<td>Asia</td>
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<tr>
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<td>Qingdao</td>
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<td>18,010,000</td>
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<td>Port Klang</td>
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<td>Antwerp</td>
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<td>Laem Chabang</td>
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<td>21</td>
<td>Long Beach</td>
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<tr>
<td>22</td>
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<td>United States</td>
<td>North America</td>
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<tr>
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<td>China</td>
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<td>Sri Lanka</td>
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<td>Germany</td>
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<td>Spain</td>
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<tr>
<td>33</td>
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<td>Japan</td>
<td>Asia</td>
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<td>Jeddah</td>
<td>Saudi Arabia</td>
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<td>37</td>
<td>Piraeus</td>
<td>Greece</td>
<td>Mediterranean</td>
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<tr>
<td>38</td>
<td>Savannah</td>
<td>United States</td>
<td>North America</td>
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<td>39</td>
<td>Salalah</td>
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<td>Dongguan</td>
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<td>Asia</td>
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<td>41</td>
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<td>Brazil</td>
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<tr>
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<td>Seaport Alliance</td>
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<td>North America</td>
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<td>45</td>
<td>Tanjung Perak</td>
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<td>Asia</td>
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<td>3,327,048</td>
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<td>Tanger Med</td>
<td>Morocco</td>
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<td>North America</td>
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<td>Malta</td>
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<td>3,150,000</td>
<td>3,084,309</td>
<td>2.1%</td>
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</table>
### Rankings

<table>
<thead>
<tr>
<th>Ranking</th>
<th>Port</th>
<th>Country</th>
<th>Region</th>
<th>2017 annual throughput (teu)</th>
<th>2016 annual throughput (teu)</th>
<th>Annual % change</th>
</tr>
</thead>
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<td>51</td>
<td>Ambarli</td>
<td>Turkey</td>
<td>Mediterranean</td>
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<td>Cai Mep</td>
<td>Vietnam</td>
<td>Asia</td>
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<td>Incheon</td>
<td>South Korea</td>
<td>Asia</td>
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<td>54</td>
<td>Fuzhou</td>
<td>China</td>
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<tr>
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<td>Barcelona</td>
<td>Spain</td>
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<td>56</td>
<td>Port Said</td>
<td>Egypt</td>
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<tr>
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<td>Kobe</td>
<td>Japan</td>
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<td>2,801,160</td>
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<tr>
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<td>Balboa</td>
<td>Panama</td>
<td>Central &amp; South America</td>
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<td>2,831,893</td>
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<tr>
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<td>Le Havre</td>
<td>France</td>
<td>N. Europe</td>
<td>2,870,000</td>
<td>2,510,000</td>
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</tr>
<tr>
<td>61</td>
<td>Virginia</td>
<td>United States</td>
<td>North America</td>
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<td>2,655,705</td>
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<tr>
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<td>Manzanillo</td>
<td>Mexico</td>
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<td>2,580,660</td>
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<td>Melbourne</td>
<td>Australia</td>
<td>Australasia</td>
<td>2,806,636</td>
<td>2,649,274</td>
<td>5.9%</td>
</tr>
<tr>
<td>64</td>
<td>Nagoya</td>
<td>Japan</td>
<td>Asia</td>
<td>2,784,109</td>
<td>2,658,481</td>
<td>4.7%</td>
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<td>Yantai</td>
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<td>Asia</td>
<td>2,702,000</td>
<td>2,600,000</td>
<td>3.9%</td>
</tr>
<tr>
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<td>Durban</td>
<td>South Africa</td>
<td>Africa</td>
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<td>2,620,000</td>
<td>3.1%</td>
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<td>67</td>
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<td>Colombia</td>
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<td>2,432,816</td>
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<tr>
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<td>Genoa</td>
<td>Italy</td>
<td>Mediterranean</td>
<td>2,622,200</td>
<td>2,297,917</td>
<td>14.1%</td>
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<tr>
<td>69</td>
<td>Bandar Abbas</td>
<td>Iran</td>
<td>Middle East</td>
<td>2,607,000</td>
<td>2,130,000</td>
<td>22.4%</td>
</tr>
<tr>
<td>70</td>
<td>Chittagong</td>
<td>Bangladesh</td>
<td>Asia</td>
<td>2,566,597</td>
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<td>9.4%</td>
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<td>71</td>
<td>Tanjungshan</td>
<td>China</td>
<td>Asia</td>
<td>2,530,303</td>
<td>1,936,000</td>
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<tr>
<td>72</td>
<td>Sydney</td>
<td>Australia</td>
<td>Australasia</td>
<td>2,520,012</td>
<td>2,362,014</td>
<td>6.7%</td>
</tr>
<tr>
<td>73</td>
<td>Houston</td>
<td>United States</td>
<td>North America</td>
<td>2,459,107</td>
<td>2,174,000</td>
<td>13.1%</td>
</tr>
<tr>
<td>74</td>
<td>Gioia Tauro</td>
<td>Italy</td>
<td>Mediterranean</td>
<td>2,448,600</td>
<td>2,279,000</td>
<td>12.5%</td>
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<tr>
<td>75</td>
<td>London</td>
<td>United Kingdom</td>
<td>N. Europe</td>
<td>2,541,000</td>
<td>2,537,000</td>
<td>0.3%</td>
</tr>
<tr>
<td>76</td>
<td>Oakland</td>
<td>United States</td>
<td>North America</td>
<td>2,420,837</td>
<td>2,369,576</td>
<td>2.2%</td>
</tr>
<tr>
<td>77</td>
<td>Osaka</td>
<td>Japan</td>
<td>Asia</td>
<td>2,326,852</td>
<td>2,216,980</td>
<td>5.0%</td>
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<tr>
<td>78</td>
<td>Khorfakkan</td>
<td>United Arab Emirates</td>
<td>Middle East</td>
<td>2,321,360</td>
<td>4,330,200</td>
<td>46.6%</td>
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<td>79</td>
<td>Quanzhou</td>
<td>China</td>
<td>Asia</td>
<td>2,303,000</td>
<td>2,091,500</td>
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<td>Russia</td>
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<td>Egypt</td>
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<td>1,537,669</td>
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<td>6.2%</td>
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</table>

**Total** | 587,974,004 | 554,720,387 | 6.0% |

**Note**

2016 throughput figures have been updated to include revised figures from port authorities and terminal operators and further research.
THE port of Shanghai had plenty of reasons to celebrate in 2017. But now it has good reason to be cautious.

The world’s busiest container harbour saw its throughput top 40m teu last year, another big milestone. At the same time, its success in fully capitalising on China’s trade recovery was evident from the 8.3% annual handling growth — the highest level seen since 2011.

However, the escalating Sino-US trade conflict has overshadowed the port’s prospects, albeit with limited immediate impact.

In the first half of 2018, Shanghai’s box volumes increased 4.6% to 20.5m teu, still a decent pace considering the broader trade picture in China.

Yet Yan Jun, president of Shanghai International Port Group, the port’s main operator, told Lloyd’s List a trade war might be major market disruptor for the remainder of this year and beyond. Last year, traffic to and from the US stood at 6.9m teu at Shanghai, accounting for about 23% of the port’s foreign trade volume.

At present, Washington and Beijing have imposed 25% tariffs on $50bn-worth of goods imported from each other. The next round of US levies on $200bn of Chinese imports could be effective from September at the earliest, while President Donald Trump has proposed to lift the duty rate from 10% to 25%.

Given that the current tariffs have a minor impact on containerised trade between the two countries and there is about a three-month lag before they actually hit throughput levels, more meaningful damage can only be expected to emerge towards the end of this year, if not later.

There are, of course, factors that can alleviate the situation. The Chinese currency has depreciated by more than 7% against the US dollar since June, affected by the trade issues, and is expected by some to weaken further. This could offset some of the extra product costs caused by the tariffs.

Moreover, a strong growth in exports to the Belt and Road regions, including Europe, Southeast Asia, the Middle East and part of Africa, can help make up some of the cargo lost from transpacific trade.

According to Shanghai Statistics Bureau, the city’s exports to the Belt and Road countries increased 11.7% to Yuan294.7bn ($42.7bn), while those to the US grew 6.1% to Yuan314.7bn.

That said, with the tension between the world’s two largest economies showing no sign of letting up, the uncertainties for ports and carriers have grown bigger — to say nothing of the additional debt problem that is weighing on China’s own economy.

However, the port of Shanghai and SIPG have to stay optimistic and focus on the businesses that are under their control, not beyond. Yangshan Phase IV, today’s largest fully automated container terminal, reached 600,000 teu in handling volumes at end-June after a six-month trial run.

It is aiming at 1.5m teu by the end of this year, according to Mr Yan. And it has already achieved a rate of 24–26 crane moves per hour, close to what manually operated terminals can achieve.
Meanwhile, development of the feeder ports network on the Yangtze River appears to be going well, with a steady increase of cargo volume seen from the extended hinterland.

However, a more significant focus of attention is required on digitalisation.

In July, SIPG digitalised its equipment interchange receipt system for the pick-up/delivery of containers at terminals. Major carriers, such as Cosco Shipping and CMA CGM, are currently running the test.

Its online tracker booking system, established in 2016, now has about 40,000 registered drivers and makes up about 47% of the booking for pick-up of laden containers.

Moreover, SIPG is building an e-platform that facilitates container flows destined for Shanghai via the Yangtze River, where volumes topped 10m teu last year. Users will be allowed to check vessel schedules and to track their cargo, among others functions that are being developed.

“The three platforms are the necessary steps for Shanghai to transform its business mode for the digital era of logistics,” Mr Yan said.

To achieve that goal, SIPG welcomes partnerships — even with players outside of the shipping industry, such as Alibaba Group, the Chinese e-commerce, technology, investment and finance conglomerate.

The group executive chairman Jack Ma recently pledged to invest more than Yuan100bn to establish a smart logistics network that spans ocean, air and landside freight across the globe and connects all elements along the supply chain.

Mr Yan says there has been no discussion between the two companies, but cooperation would make sense because Alibaba has direct reach to hundreds of thousands of shippers, while SIPG is equipped with one of the world’s largest sea ports.

“In building the smart logistics network, SIPG certainly has its part to play,” he added.

<table>
<thead>
<tr>
<th>2017 throughput</th>
<th>40,233,000 teu ▲ 8.3%</th>
</tr>
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</table>

**Port authority**
Shanghai Municipal Transportation Commission, Floor 6-16, Building#1, 300 Shibocun Road, Pudong District, Shanghai, China 200125

**Website**
www.shanghaiport.gov.cn

**Email**
contact@portshanghai.com.cn

**Terminal (Operator)**
Yidong Container Terminal Branch (SIPG)
Zhendong Terminal (SIPG)
Shanghai Pudong International Container Terminal (Shanghai Waigaoqiao Free Trade Zone Stevedoring Co, Hutchison Ports Pudong and Cosco Pacific)
Shanghai East Container Terminal (SIPG and APMT Terminals)
Shanghai Mingdong Container Terminal (SIPG, Cosco Shipping Ports and HPH)
Shanghai Guangdong International Container Terminal (SIPG)

**02 | Singapore**

AFTER two ‘difficult’ years, Asia’s dominant transhipment hub is back into growth mode and fully focused on a digital future, supported by emerging technologies, automation and data analytics.

2017 ended on a relatively positive note as global container throughput had its strongest showing since 2011.

Meanwhile, the frenzied container liner shipping consolidation of 2016, which percolated into service deployment changes in 2017, ultimately benefited Singapore as it saw the number of weekly calls from the newly consolidated alliances increase from 29 to 34.

Volumes of 30.9m teu in 2016 were pumped up to 33.6m teu in 2017, an increase of 8.9%. Its flagship operator, PSA Singapore Terminals, contributed 33.3m teu, 9% higher from the 30.5m teu a year earlier.

However, with competition heating up among regional ports and global transportation and supply chains facing disruption from digitalisation, there is no room for complacency at the top of the transhipment tree.

Strengthening relationships with major carriers through new agreements to further develop the joint-venture facilities it operates has formed part of the strategic plan that has seen additional investment pumped in. PSA and CMA CGM launched the second phase of their container terminal joint venture in March 2017, lifting the total operating capacity at the CMA CGM-PSA Lion Terminal to 4m teu, up from 2m teu.

PSA and Cosco Pacific also began operations last year from three new container berths that can handle the largest boxships at the Pasir Panjang terminal.

Meanwhile, Singapore’s great port migration to its new, multi-billion-dollar home far west of the island, the upcoming Tuas mega-port, is shaping up nicely.

In April 2018, the MPA awarded a $1.46bn ($1.1bn) contract to a global consortium including Royal Boskalis Westminster for the second phase of development at the port, which includes work to dredge the
Tuas basin, set up wharf structures and reclaim 387 hectares of land.

The Tuas mega-port, when completed in 2040, will be able to handle up to 65m teu.

At the Pasir Panjang Terminal, new automated cranes and vehicles are on trial, with the intention of boosting productivity significantly. Speaking to media at a demonstration launch of the new cranes in July, Eddy Ng, managing director of Singapore Terminals 2, which includes the Pasir Panjang Terminals, said an existing automated yard system in Pasir Panjang Terminals 4, 5 and 6 has led to a 20%-25% increase in productivity.

The move to boost efficiency at the Pasir Panjang Terminal follows a S$3.5bn expansion of the facility completed in the first half of this year.

However, the most immediate investment for Singapore has focused more on digital than physical infrastructure.

The Maritime and Port Authority announced earlier this year it would be topping up its Maritime Cluster Fund by S$100m to help the industry test-bed and embrace new technologies as well as groom talent for a digital and automated maritime future.

That latest injection effectively lifted the total investment since 2007 under the MCF to S$285m.

“The word ‘disruption’ has moved from being a buzzword to being the norm for most industries, reflecting the accelerated pace of change and leaving no industry untouched,” said group chief executive of PSA Tan Chong Meng, speaking at the beginning of the year.

“We are preparing for a future where logistics and supply chain needs are transformed by new technology, trade, manufacturing and e-commerce dynamics.”

The government is investing heavily in multiple programmes and signing deals and memoranda of understanding with start-ups and investors at a fearsome pace.

During Singapore Maritime Week alone this year, the MPA signed seven agreements to back projects focused on everything from small start-ups to established players looking for a development partner and a platform to test and innovate.

Government backing and its willingness to throw money at the tech business sector has already attracted some venture capitalists and incubators as well.

---

2017 throughput
33,666,600 teu ▲ 8.9%

Port authority
Maritime and Port Authority of Singapore, 460 Alexandra Road, PSA Building #19-00, Singapore 119963

Website
www.mpa.gov.sg/web/portal/home

Email
qsm@mpa.gov.sg

Terminal (Operator)
Tanjong Pagar (PSA Singapore)
Keppel (PSA Singapore)
Brani (PSA Singapore)
Pasir Panjang (PSA Singapore)
Jurong (Jurong Port)
THE port of Shenzhen saw its container throughput rise 5.1% on year to more than 25.2m teu in 2017, reversing the 0.9% contraction seen in the previous year.

The improvement was partly due to a recovery in China’s foreign trade amid strengthened demand from the US and Europe, but also to route restructuring by shipping alliances and the deployment of increasingly large vessels.

Statistics from Shenzhen’s transport commission showed the port last year served 226 international routes, more than 100 of which featured the three major carrier groupings: 2M, Ocean Alliance and The Alliance.

It also had 60 barge routes connecting 52 feeder ports in the Pearl River Delta.

On the city’s east side, Yantian International Container Terminals recorded an 8.6% increase in handling volume to 12.7m teu, backed by the growth of outbound cargo to US and Europe, as well as empty and transhipment boxes, according to its operator HPH Trust, part of Hutchison Ports.

Yantian is known for its capability of serving megaships, with 100% of the world’s fleet of 16,000 teu or above vessels having made the facility their port of call.

Among the largest of these, the 20,170 teu MOL Triumph visited Yantian on its maiden voyage last year, while the 20,568 teu Madrid and the 21,413 teu OOCL Hong Kong made their inaugural calls at the terminals.

The launch of the two remaining deepwater berths at the West Port Phase II project in January 2018 has pushed the total number of container berths at Yantian to 20 units.

On the west side, volume at the Dachan Bay port area, operated by Hong Kong-based Modern Terminals, was flat at 1.3m teu.

However, the West Shenzhen Port Zone complex controlled by China Merchants Group reported a 2% growth in throughput to 11.2m teu.

The state-owned giant has been active in building the trio of ports — Chiwan, Shekou and Mawan — as its home base.

Phase II of the Tonggu Channel widening project is expected to be completed this year, which will improve navigation conditions and attract calls by megaships.

China Merchants is also rebuilding an old general cargo terminal, Haixing, to create a smart new container terminal, while pushing forward a fast
customs clearance system in Shekou, within a free trade zone. Earlier this year, the company orchestrated a deal to make the smaller subsidiary, Shenzhen-listed Chiwan Wharf, acquire its much bigger associate, Hong Kong-listed China Merchants Port (CM Port). China Merchants said the move, in which the main operator of the Chiwan port area will ascend to the holding platform of the conglomerate’s entire port portfolios, solved a regulatory issue on illicit competition and helped CM Port tap into the equity market in mainland China. In China, Shenzhen is a pioneer in reducing shipping emissions. It was the first mainland Chinese city that encouraged a 0.5% sulphur cap on vessels at berth, through its green port incentive scheme, which can be traced back to April 2015. Today, the port is within the Pearl River Delta Emission Control Area designated by Beijing, where ships will be subject to the 0.5% sulphur limit from 2019. The other two existing ECAs are located in waters surrounding the Yangtze River Delta and in Bohai Gulf. Shenzhen also leads China’s pilot projects for shore power. In late June, five major shipping carriers — Maersk, CMA CGM, Cosco Shipping, Evergreen and Yang Ming — entered into an agreement with the city’s port to use shore power for 107 of their large containerships. The shore-side facility is available at a total of 25 deepwater berths in Shenzhen.

2017 throughput
25,208,700 teu ▲ 5.1%

Port authority
Transport Commission of Shenzhen Municipality, 16 Zizhu 7th Rd, Futian, Shenzhen, Guangdong, China, 518040
Website
www.sztt.gov.cn
Email
jzx12328@sztt.gov.cn
Terminal (Operator)
Shekou Container Terminals (China Merchants Port Holdings Company) Chiwan Container Terminal (Chiwan Wharf Holdings, Kerry Properties (HK), China Merchants Port Holdings Company and Modern Terminals) Yantian International Container Terminals (HPH Trust) DaChan Bay Terminal (Modern Terminals and Shenzhen Yantian Port Group) Mawan Container Terminal (China Merchants Port Holdings Company, China Everbright Holdings, China National Foreign Trade Transportation and Nanhai Oil Shenzhen Development)

04 | Ningbo-Zhoushan China

It is clear the Ningbo-Zhoushan port complex benefited from China’s robust recovery of trade last year. It returned to double-digit growth in container throughput in 2017 for the first time since the two ports became one in 2015. During the first six months of 2018, the pace slowed down to 7% year on year. However, the absolute volume of 13.3m teu outdid the 12.1m teu throughput reported by Shenzhen, helping Ningbo-Zhoushan lay claim to the title of the world’s third-busiest container port at the halfway point. It is clear that Ningbo continues to be blessed by its superior hinterland and natural conditions. Located in Zhejiang province, Ningbo has benefited from the rising demand in domestic consumption and a major manufacturing industry in the wealthy region.
Sitting in the southern part of the Yangtze River Delta, one of China’s most prominent economic powerhouse, Zhejiang is the fifth-largest export/import hinterland in China, serving a population of around 55 million.

The water depth in the main approach to the port of more than 22.5 m is the envy even of the nearby port of Shanghai, and has made Ningbo one of the most favourable ports for carriers to deploy their ultra large containerships.

The complex now has seven container terminals and a number of multi-purpose terminals, equipped with 28 deepwater berths and 112 shore cranes, according to Ningbo-Zhoushan Port Group, the main port operator.

To further increase capacity, the Meishan Phase II project, with a Yuan7.6bn ($1.1bn) investment and a design capacity of 4m teu, is under construction.

As the front-runner in consolidating ports at the provincial level in China, Zhejiang is now seeking more synergies from the arrangement centred on the Ningbo-Zhoushan.

However, the port complex’s aspiration is not without challenges. Similar to Shanghai, Ningbo is a major port in transpacific trade and hence exposed to a potential hit from a full-front trade war between the US and China. Trade with US accounts for about 17% of the port’s container traffic.

What is more, the request from the central government in Beijing late last year to reduce port fees at several major coastal ports that include Ningbo-Zhoushan may take a toll on its profitability, despite increased handling volumes.

Such a policy drive will continue into this year, as suggested in a routine meeting held by the State Council in April.

2017 throughput
24,607,000 teu  ▲ 14.1%

Port authority
Ningbo Municipal Transport Bureau, Ningbo Municipal Port Administration Bureau, No 117 He Ji Road, Ningbo, China

Website
www.nbjt.gov.cn

Email
webmaster_nb@zjt.gov.cn

Terminal (Operator)
Ningbo Beilun International Container Terminals (Ningbo-Zhoushan Port Group)
Ningbo Daxie China Merchants International Container Terminal Ningbo, State Development & Investment Transport Holding
Ningbo Gangji (Yining) Container Terminal (Ningbo-Zhoushan Port Group)
Beilun Third Container Terminal (Ningbo-Zhoushan Port Group)

Please note: Beilun Third Container Terminal took over operations from Ningbo Yuan Dong Terminals and Ningbo Gangji (Yining) Terminal in 2016, but the latter two companies remain in existence

Ningbo Daxie China Merchants International Container Terminal (China Merchants Holdings International, Ningbo-Zhoushan Port Group and China International Trust & Investment Corp)
Ningbo Meishan-Island International Container Terminal (Ningbo-Zhoushan Port Group, Ningbo Meishan Island Development & Investment) Zhourshan Yangzhou Container Terminals (Ningbo-Zhoushan Port Group)

05 | Hong Kong China

The fact that Hong Kong managed to cling onto its number five ranking this year probably had more to do with Busan being hit badly by the demise of Hanjin and continuing economic headwinds their end, than any positive improvement in Hong Kong’s long-term fortunes.

While throughput for 2017 rose a promising 4.8% compared with the previous year, creating a grand total of almost 20.8m teu for 2017, a consistent decline in throughput figures for the first half of 2018 suggests problems have not been completely reversed.

This ranking reflects the full-year 2017 figures but, based on declining volumes seen in the first half of 2018, Hong Kong would actually be in seventh place.

Until 2004, Hong Kong was the world’s busiest container port, as it served as a conduit for cargo moving in and out of China.

However, as China expanded its manufacturing and boosted capacity at its ports to match, Hong Kong has continued to face stiff competition from other Chinese ports investing heavily in port infrastructure and operating efficiency.

www.lloydslist.com/topports18
Hong Kong has slipped steadily through the annual rankings over the past decade. The city's port lost its number one status to Singapore in 2005, then slipped behind Shanghai in 2007, Shenzhen in 2013 and Ningbo in 2015.

Meanwhile, the carrier consolidation process has not been kind to Hong Kong, which found itself one of the biggest losers as lines rationalised their services last year.

Most of the biggest containerships worldwide — even the ones operated by Hong Kong-based Orient Overseas Container Line — favour calls at Chinese ports en route to Europe. Direct services to China means reduced demand for transhipment in Hong Kong, which means steadily smaller volumes.

The recent US-China trade spat has not helped matters and does not bode well for the prospect of any immediate recovery for Hong Kong, given further downward pressure on port cargo throughput.

As China and the US account for a majority of Hong Kong’s imports and exports, Hong Kong is likely to suffer as the alliances look to reduce transpacific services on the back of reduced demand if the trade spat continues this year.

While volumes are clearly a cause for concern, the long-term strategic approach appears to be focused on developing high-value-added shipping services, such as ship registration and management, maritime insurance, and shipping arbitration and legal services for Hong Kong to improve its position as an international shipping centre — the logic being that the trickle-down effect on the port’s position will improve.

A good indication that this approach may be about to bear fruit came from the latest rankings via the Baltic Exchange, which positioned Hong Kong as the second-best port city in the world in the fifth annual Xinhua-Baltic International Shipping Centre Development Index Report.

According to the Baltic, shipping centres in the Asia-Pacific region still maintain a strong growth trend, with Hong Kong boosted by the Belt and Road initiative. And Hong Port has not been stagnant in terms of investment. The Hong Kong-Zhuhai-Macao Bridge (HZMB) promises to improve the efficiency of cargo flow from the Pearl River Delta region — especially the nearby Guangdong province — to Hong Kong, effectively providing an alternative to the current barge services.

Upon completion of the HZMB, the Western PRD will fall within a three-hour-commuting radius from Hong Kong. That is a substantial reduction in both transportation costs and time, while the cargoes flowing from the Western PRD, Guangdong and Guangxi Provinces will be able to utilise the facilities of the HKIA and the Kwai Chung Container Ports in Hong Kong.

The hope is that HZMB will help to facilitate the economic integration between Hong Kong and the PRD region, and enhance the competitiveness of the PRD vis-a-vis countries of the Association of Southeast Asian Nations and other economic zones, such as the Yangtze River Delta region.

While that all sounds promising in theory, there are limits to the project and local sources suggest the bridge will only be more cost-effective for time-sensitive, high-value goods, such as cold-chain logistics.

The chances of Hong Kong being able to keep Busan at bay for another year on this list look increasingly slim.

### 2017 throughput
20,770,000 teu 4.8%

### Port authority
Hong Kong Marine Department, Harbour Building, 38 Pier Road, Central, Hong Kong

### Website

### Email
mdenquiry@mardep.gov.hk

### Terminal (Operator)
Terminal 1 (Modern Terminals)
Terminal 2 (Modern Terminals)
Terminal 3 (Goodman Hong Kong Logistics Fund and DP World)
Terminal 4 (Hongkong International Terminals)
Terminal 5 (Modern Terminals)
Terminal 6 and 7 (Hongkong International Terminals)
Terminal 8 East (Hongkong International Terminals and Cosco)
Terminal 8 West (Asia Container Terminals)
Terminal 9 North (Hongkong International Terminals)
Terminal 9 South (Modern Terminals)
BUSAN’S cat-and-mouse chase with Hong Kong up the global container throughput rankings continued last year. However, despite box volumes at the entrepôt rising to 20.5m teu, Busan was still unable to leapfrog Hong Kong in 2017 to stake its claim as one of the world’s top five container ports, remaining the sixth-ranked port.

Busan saw a significant increase in cargo volumes from Southeast Asia, particularly Vietnam, Indonesia and Thailand, although China, Japan and the US accounted for 55% of the total cargo volume, including transhipment, by country. However, the port was badly mauled by the demise of Hanjin Shipping, which, at the time of its collapse in 2016, was not only a key Busan customer, but also the world’s seventh-largest container line.

Port officials told Lloyd’s List that Busan “was severely impacted” by Hanjin’s bankruptcy, especially as Hanjin’s transhipment volumes were hard to track and, once Hanjin had gone, were difficult to bring back to Busan.

As part of efforts to overcome these challenges and to recover lost cargo, Busan Port Authority implemented several incentive schemes to attract transhipment cargo that were aided by consolidation and changes in the liner alliances last year. As a result, transhipment volumes soared 3.9% last year to a record 10.2m teu, up from 9.8m teu in 2016 and beating the previous record of 10.1m teu in 2015.

Busan Port Authority has since targeted the three main alliances — Maersk’s 2M partnership with MSC; Ocean Alliance, which includes CMA CGM and Cosco; and The Alliance, featuring Hapag-Lloyd, Evergreen Marine and Japan’s Ocean Network Express group — to further bolster transhipment volumes this year.

Busan handled 71%, or 7.3m teu, of the combined transhipment cargo of the three alliances in 2017. BPA International Logistics Business director Kang Bu-won said the port has set a target to handle around 11.1m teu of transhipment cargo in 2018.

Throughput growth has been further supported by South Korea’s SM Line, which rose from Hanjin Shipping’s ashes after acquiring some of the defunct carrier’s ships and its intra-Asia and transpacific, Asia-US west coast, services.

As part of moves to expand and make port operations more efficient, Busan Port Terminal has recently been formed from the merger of the former Gamman and Sinseondae container terminal.

The main shareholders of Busan Port Terminal are South Korean shipping line Sinokor and KX Holdings, the holding company of the CJ Group, which, through its subsidiary CJ Korea Express, operated Sinseondae Container Terminal. Busan Port Authority is also going ahead with plans to add a further 45 berths by 2030, including 10 under the first two phases to be completed by 2025.
GUANGZHOU didn't miss the boat in terms of China’s buoyant cargo trade last year.
A decent growth of 8% in container throughput finally sent the port into the league of 20m teu.
More than half of the almost 2.4m teu total came from cargo flowing within the country, helping it keep the title as China’s busiest port for domestic trade.
At present, Guangzhou’s container operations are distributed in four port areas, of which the most important one is Nansha, with three major box terminals.
Terminal Phase I, the first built in Nansha, is used for domestic trade, while the other two specialise in overseas trade. Of these, Phase II is capable of receiving 20,000 teu class ships; while Phase III, which just came online last year, will be able to handle vessels of that size once the dredging project in the channel is complete.
Supported by these facilities, Nansha’s handling volume reached nearly 1.4m teu in 2017, up 10.5% from the year before.
Guangzhou is also teaming up with the nearby ports of Fushan and Zhongshan to co-invest Yuan5.6bn ($821.3m) to build the Nansha Phase IV, with four container berths and a designed capacity of 4.8m teu. The facility will primarily handle domestic traffic.
To facilitate the expensive infrastructure investment, Guangzhou Port Group, the main operator of the port, successfully listed its subsidiary, Guangzhou Port Co, in Shanghai last year. A total of Yuan1.6bn raised from the initial public offering was used to fund the Yuan7.5bn Phase III terminal.
As of end-May this year, the port of Guangzhou was equipped with 202 container service lanes, of which 96 were on foreign trade (90 in Nansha) and 106 on domestic trade.
Both the 2M and Ocean Alliance have launched services in Nansha, where Cosco Shipping Line bases its southeast China headquarters. However, the ambition of Guangzhou, the capital city of China’s Guangdong province, not only rests on its own port.
In July, the government of Guangdong appointed GPG and Shenzhen Port Group in a proposal to lead the consolidation of ports in the 15 cities governed by the province. Market talk suggests Guangzhou is likely to be the platform to merge ports in the west part of Guangdong, which covers Zhuhai, Foshan, Dongguan and Zhongshan, among other main regional ports.
The consolidation is part of the bigger plan of Beijing’s Greater Bay Area to link the major cities in the province with Hong Kong and Macau in a bid to forge a world-class, integrated economic and business hub.

**07 | Guangzhou China**

**2017 throughput**: 20,370,000 teu + 8%

**Port authority**: Guangzhou Port Authority, 14-19F, No 606 Yanjiang East Road, Guangdong 510100, China

**Website**: www.gzport.gov.cn

**Email**: gzgjcs@gzport.gov.cn

**Terminal (Operator)**: Henan Terminal (Guangzhou Port Group) Guangjun Terminal (Guangzhou Port Group) Huating Terminal (Guangzhou Port Group) Huangpu Old Port (Guangzhou Port Group) Xinsha Terminal (Guangzhou Port Group) Guangzhou Container Terminal (Guangzhou Port Group and PSA) Nansha Terminal Phase I/Nansha Stevedoring (Guangzhou Port Group, CS Terminal and Guangzhou Nansha Assets Operation Company) Nansha Terminal Phase II/Guangzhou South China OceanGate Container Terminal (Guangzhou Port Group, Cosco Pacific and APM Terminals) Nansha Terminal Phase III/Guangzhou International Container Terminal (Guangzhou Port Group)
AS the busiest port in northern China, Qingdao suffered from hinterland blues in 2017. The Chinese economic growth was accelerating for the first time in seven years last year, but the recovery was uneven across the regions. South and central China outperformed the north, which relied on a manufacturing sector dominated by heavy industries.

Like other major ports in northern China, Qingdao encountered slower growth in box throughput. Total box volume increased by 1.6% to 18.3m teu in 2017, compared with the 2016 growth rate of 2.9%.

However, this does not mean the port is in trouble. In fact, the past year has shown the port operator has the ability to earn profits by optimising its business operations despite weakness on the macro side. In 2017, Qingdao Port International, the port’s main operator listed in Hong Kong, reported net profits of Yuan3bn ($439.5m) on revenues of Yuan10.1bn. This compared with net profits of Yuan2.2bn on revenues of Yuan8.7bn in the previous year.

Segment revenues of its container operations increased to Yuan892m from the 2016 level of Yuan626.9m.

The port added 12 box services in 2017 and saw international transhipment volume grow by 48%, according to QPI’s annual report. For the sea-to-rail business, Qingdao increased the number of services by six to 37 last year — consolidating its status of China’s top port in this area.

Looking further ahead, the port operator has continued to launch new growth initiatives.

QPI has teamed up with China Cosco Shipping, its largest client, in overseas port investments. The pair have acquired stakes in Vado Ligure, Italy, and Abu Dhabi, the United Arab Emirates.

To build the war chest for expansion, the company raised HK$1bn ($133m) via a new share issue in Hong Kong.

“The directors consider the placing as an opportunity for the company to raise funds at a favourable price while broadening the shareholder and capital base of the company,” QPI said last year.

Moreover, QPI plans to launch an initial public offering in Shanghai to raise another Yuan8.5bn. Based on the initial proposal, unveiled in October 2017, the company will issue 671m yuan-dominated new shares, accounting for more than 10% of its total equity stake. After the IPO, the shareholdings of Qingdao Port Group and China Shipping Terminal Development — the two largest shareholders of QPI — were expected to be diluted to 52.51% and 15.14%, respectively.

Domestically, QPI has been most proud of its new automated terminal, hailed to be the first in Asia.

Commissioned in May 2017, the two berths initially handled approximately 26 boxes per hour. With improved efficiency, the pair were able to process 30 boxes per hour in October.

Then, in May, the average handling volume rose further to 33 boxes per hour. Local authorities said the berths even set a new world record by handling nearly 43 boxes per hour on April 21, 2018.

The “Smart Port” drive could be Qingdao’s secret weapon against the general port overcapacity in northern China. International container volume amounted to 9.4m teu in the first six months of 2018, up 3.2% on year.
DP WORLD’S flagship operation in Dubai, Jebel Ali, returned to the growth path in 2017, as volumes climbed back above 15m teu to hold on to its top 10 ranking.

Despite geopolitical forces in the region, including the blockade of Qatar by its neighbours impacting local transhipment services, and the revival of container traffic through Bandar Abbas as sanctions against Iran eased, the Dubai port complex handled 15.4m teu, a rise of 5.3% year on year.

With the Dubai-based operator anticipating further throughput gains to the end of the decade, in preparation for the Emirate’s hosting of the Expo 2020, Jebel Ali’s capacity continues to creep up in 2017.

DP World added 1.5m teu of capacity to its Terminal 3 via new equipment, bringing the total at that facility to 4m teu.

The largest remains Terminal 1, with capacity of 9m teu, followed by Terminal 3, which could handle as much as 6m teu a year.

The Dubai group is also developing a fourth terminal, which will have a capacity of 3.1m teu in the first phase, but could eventually handle 7.8m teu if the market dictates.

No date has been set yet for when Terminal 4 will open. However, suggestions it could open at some time in 2018 appear to be wide of the mark.

Indeed, Jebel Ali’s volumes so far this year have flattered to deceive. Despite a promising start to the year, volumes at the halfway stage came in 2.1% on the first six months of last year.

Although construction works are at an advanced stage, the investment and expansion comes at a time of changing port dynamics in the region, with the added complication of the trade sanctions against Qatar, which forbid ships from going to Jebel Ali after a Doha call.

Whereas in the past, Jebel Ali had a monopoly over the Middle East transhipment market, today there are several big game players, including domestic rivals Abu Dhabi and Khorfakkan, and the new kid on the block, King Abdullah Port, Saudi Arabia, among others.

However, Jebel Ali is more than solely a transhipment hub, with just below half of total box volumes attributed to localised trade.

That is where the vast Jebel Ali Free Zone, adjacent to the container terminal, comes in. More than 7,300 companies are now based there, able to undertake a range of activities from manufacturing and warehousing to logistics and other services.

These businesses are not just focused on Dubai, though, but an estimated two billion people who live across the whole region that can be served by ship from Jebel Ali.

Amid such competition for transhipment, the success of DP World’s local business could prove vital. And there are already signs the operator is renewing efforts to expand its homegrown product.

In July, DP World signed off on a joint venture with Zhejiang China Commodities City Group to build a ‘traders market’ at the free zone. The 3m sq m market will include clusters of traders from all over the world, offering a wide range of products at one site, according to DP World.

The terminal operator adds it will also enable trade within the GCC, MEA and India subcontinent regions, “widening market reach for goods and serving as a platform to trade at competitive prices”.

If the initiative proves successful and drives localised traffic, Jebel Ali’s long-awaited fourth terminal — putting capacity up and beyond 20m teu — could be open sooner rather than later.
Tianjin China

The port of Tianjin is gradually gathering pace in terms of its container-handling business. The growth of box throughput last year was 3.8%, compared to 2.8% in 2016 and 0.2% in 2015. Situated in the key Bohai Bay cluster, China’s northern economic and trade power house, the port has to compete with a number of major harbours, such as Dalian and Qingdao, for various kinds of cargo, both dry and wet.

However, Tianjin is putting a priority on developing containerised traffic, said Tianjin Port Holdings in its 2017 annual report.

TPH is the Shanghai-listed arm of state-owned Tianjin Port Group, the port’s main operator.

In April 2017, it took the opportunity of the alliance reshuffle to gain two mainline services — one to Europe and one to the US — from The Alliance. The Europe route is equipped with 11 megaships, including the then newly launched 20,170 teu MOL Triumph.

In November, another service to the Persian Gulf via Southeast Asia was opened at Tianjin by a group of five carriers — Zim, TS Lines, KMTC, RCL and SM Line — with six 6,500 teu ships.

With the investment in Jin Tang International Container Terminal at the neighboring port of Tangshan, Tianjin’s transhipment volume within the Bohai Bay has also increased — from 804,000 teu in 2016 to more than 900,000 teu in 2017.

The port is also no slouch when it comes to cutting prices to attract further carriers and cargo. A string of port fees has been reduced or removed since April this year, when the so-called “sunshine pricing” campaign was launched.

For instance, a Yuan1,459 ($215.6) cap has now been put on the so-called ‘regular port charges’ — including terminal-handling fee, delivery order fee, customs clearance fee and storage fee — for a 20 ft standard export container. The limit for an import container of the same size is Yuan1,787.

Beyond routing and pricing, Tianjin also completed an internal restructuring in September 2017, when Hong Kong-listed Tianjin Port Development sold all of its port-handling and logistics business to Shanghai-listed TPH in a Yuan4.1bn deal.

The consolidation is expected to help the port avoid unnecessary internal competition and streamline business.

In April 2018, Tianjin applied a unified operation system to six container terminals at the port. The ability of information sharing between different facilities, among other benefits, has largely increased the port’s efficiency, said TPH.

However, while the container business has enjoyed positive momentum, Tianjin’s total cargo throughput fell 8.9% year on year to 433m tonnes last year. This was largely due to a ban on coal transport by trucks from the port, as part of Beijing’s clampdown on pollution, which led to a substantial decline in volume of the commodity.

Further down the road, the government is planning to consolidate Tianjin and other ports in China’s Hebei province. As the largest port in that area, Tianjin’s role is expected to grow bigger.

2017 throughput
15,040,000 teu ▲ 3.8%

Port authority
Tianjin Port (Group) Co., 99 Jingang Road, Binhai New Area (Tanggu), Tianjin 300461, China

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Terminal (Operator)
Second Stevedoring Company Terminal (Tianjin Port (Group))

Tianjin Port Container Terminal (Tianjin Port Holdings)

Tianjin Orient Container Terminal (DP World, New World (Tianjin) HK and Tianjin Port Holdings)

Tianjin Five Continents International Container Terminal (Tianjin Port (Group), NWS Holdings, Cosco, China Shipping and China Merchants Group)

Tianjin Port Alliance International Container Terminal (Tianjin Port (Group), PSA International, OOCL, APM Terminals Tianjin)

Tianjin Port Euroasia International Container Terminal (Tianjin Port (Group), Tianjin Port Holdings, Cosco Pacific and APM Terminals Tianjin)

Tianjin Port Pacific International Container (PSA International and Tianjin Port Co.)
THE Port of Rotterdam said container throughput rose “spectacularly” during 2017, climbing 10.9% to 13.7m teu.

The rise brings its market share to 31% in the year to the third quarter, the highest level since 2000.

Port of Rotterdam Authority chief executive Allard Castelein said the port had a “good” year, led by the container sector, which saw goods throughput rise to a record level.

Most of the growth came from shipments bound for Asia and South America, and traffic from North America, with feeder volumes particularly strong, up 21% in teu, for all European shipping areas, especially Scandinavia and the Baltic states.

Shortsea routes saw a 10.2% expansion in teu terms, with a particularly sharp increase in throughput for services to and from the Mediterranean and ScanBaltic, the port said. Hinterland volumes also rose.

“This growth and the increase in feeder volume confirm the strong position of Rotterdam in the networks of container shipping companies and major alliances,” it said, adding throughput at Maasvlakte 2 rose sharply, with volumes increasing at almost all other terminals.

The growth has come despite congestion at times, leading to the implementation of new fees for barge and feeder services. A cyber attack also halted operations at APM Terminals for about a week.

Meanwhile, throughput of loaded containers surged by 12.1% in teu, outstripping the rise in empty containers of 6.1%.

Looking ahead, the port authority expects throughput growth in the container sector to be lower in 2018 than the “exceptional” growth seen in 2017.

In January 2018, the port authority embarked on a digitalisation drive, teaming up with IBM to create a “connected, smart” port that will enable a new wave of safer and more efficient traffic management.

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FOR Malaysian mega hub Port Klang, 2017 was a year to forget. Double-digit growth in combined volumes in 2016 was followed by a high-single-digit drop last year, as the port lost significant ground to rivals in the battle for transshipment cargoes in the Malacca Strait.

Singapore was the big winner after the state-owned operator PSA tied down both Cosco Shipping and CMA CGM as new long-term customers. Business was secured via joint ventures, namely Cosco-PSA Terminal and CMA CGM PSA Lion Terminal.

With the carrier pairing centring regional operations in Singapore, Port Klang lost significant trade as services switched regional calls.
Volumes fell 9% in Port Klang from 13.2m teu to slightly under 12m teu. As a result, Port Klang dropped one global ranking place in the process, falling to 12th at the expense of Europe’s largest port, Rotterdam.

There was, however, brighter news for Port Klang regarding gateway cargoes, which registered an increase of 6%, underlining strong fundamentals in Malaysia’s economy as a major manufacturing hub in the region.

Demand for logistics facilities also continues to grow, with occupancy at Port Klang Free Zone — a 1,000-acre Special Economic Zone wholly owned by Port Klang Authority — at nearly 90%. It generated revenue of RM78m ($19m) in 2017, an increase of 100% since 2012.

Despite the setbacks in 2017, Port Klang continues to expand its port-handling capacity, having confidence in the bullish domestic economy and the growth in regional and global trade.

Westports has completed its Phase 1 development with Container Terminal 9 (CT9), commissioned in December 2017, raising its annual capacity to 15m teu.

The terminal operator has also gained government approval to embark on Phase 2 of the development, where capacity will be doubled to 30m teu, with the development of CT10 through to CT19 by 2035.

At Northport, the upgrading of Wharf 8 was completed in 2017, where the terminal is now able to handle vessels of more than 18,000 teu, along a berth length of 550 m, at the same time boosting annual capacity to 5.8m teu.

Besides this, Port Klang is finalising plans to develop a third terminal at Carey Island, an integrated facility capable of meeting future demands.

Earmarked to embrace full automation and extensive green port features, the terminal will comprise container, bulk and breakbulk facilities — supported by industrial, commercial and logistics activities — within a 120 sq km landbank, to be developed over a 30-year period.

2017 throughput
11,978,466 teu • 9%

Port authority
Port Klang Authority, Mail Bag Service
202, Jalan Pelabuhan Utara, 42005 Pelabuhan Klang, Selangor, Malaysia

Website
www.pka.gov.my

Email
onestopagency@pka.gov.my

Terminal (Operator)
Westports (Westports Malaysia)
Northport (Northport Malaysia)

13 | Antwerp Belgium

CONTAINER throughput at Antwerp was up 4.1% to 10.5m teu in 2017.

The final quarter of the year was the best in relative terms, with growth of 7% in teu versus a year earlier, Port of Antwerp said. It added record volumes of more than 900,000 teu were witnessed in three separate months: May, August and October.

With regards to trading routes, the biggest improvement came from North America, which was up 11.6%, followed by Latin America,
which increased by 8.5%, and the Far East, which rose by 7.7%, it said.

The US “performed particularly well as a trading partner for Antwerp”, with a 9.7% overall growth in volumes of laden containers, with box imports being up by as much as 10.4%, it added.

By contrast, in Europe — Antwerp’s biggest trading partner — the port lost volume, down by 3.6%, partly due to the loss of imports for transhipment.

According to the Global Port Tracker published by Hackett Associates and ISL, Antwerp lost some market share in the January to September period, sliding by 0.3% to 24.3% for box imports and exports, including empties.

In November, the Sea-invest Group officially inaugurated the Antwerp Container Terminal in the Delwaide dock. It aims to serve niche carriers, able to navigate through a lock passage.

The port authority’s chief executive Jacques Vandermeiren is optimistic, saying he expects further growth in container volumes in the coming years.

“In 2018, we will continue to work hard on providing additional container-handling capacity in Antwerp,” he said in a statement.

The port was looking to strengthen the intermodal connections to cut road congestion and had invested in a digital data platform to enhance efficiencies, Mr Vandermeiren added.

To enable better future performance, at least nine projects are planned for the area, funded by Flemish authorities and the port.

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14 | Xiamen China

IT WAS a year of celebration for Xiamen in 2017 when it became a 10m teu-class container port.

Its throughput increased nearly 8% year on year to almost 10.4m teu.

As the busiest harbour in China’s Fujian province, a main big export-manufacturing base, foreign trade has remained Xiamen’s main growth driver. Out of its 140-some service lanes, more than 100 are connected with overseas markets.

Among the seven box terminals at the port, Xiamen Ocean Gate Container Terminal, 70% owned by Cosco Shipping Ports (CS Ports), is apparently the star performer.

XOGCT, the first fully automated container facility in China, runs berth 14-15, with the capacity of receiving 20,000 teu class ships.

Its handling volume jumped 32.7% to 1.5m teu last year, backed by the large fleet of vessels from Cosco and its alliance partners, CS Ports said in its annual report.

Ocean Alliance, which began operating in April 2017, brought in nine new routes to the terminal that year.

In April this year, a new South America service, WSA3, was launched to link Xiamen with Chile and Mexico, using 11 8,500 teu ships, which would “push the terminal volume to a higher ground”, according to CS Ports.

With the strong support from the shipping giants, XOGCT already topped 1m teu in the first half of 2018, representing a stunning 61.7% growth compared to the same period of last year.

As for the rest of the port, total throughput increased 7.6% to 5.2m teu in the six months ended June.

Xiamen appears not to be satisfied, however, and is looking to increase the pace of growth in the second half.

It is working on a new business model for containerised steel transhipment.

In July, more than 1,300 tonnes of cold-rolled steel sheets from Tsingshan Steel Indonesia, a subsidiary of China’s Tsingshan Holding Group, were unloaded at
IT wasn’t exactly a good year for Kaohsiung in 2017. Taiwan’s busiest port saw box throughput drop 1.9% to just under 10.3m teu.

Kaohsiung was struggling amid the fallout of the Hanjin Shipping bankruptcy before some new alliances expanded direct services from Southeast Asia to North America, undercutting Kaohsiung’s status as a transhipment hub, port officials told local media.

At the same time, Xiamen has been emerging as a top transhipment port across the Taiwan Strait, gaining ground on Kaohsiung. However, Kaohsiung’s volume in 2017 was still the third-highest on record, following a late push.

With favourable handling rates and pre-Christmas shipments, the port’s box volumes reached 901,421 teu in December, the highest in nine months.

Lacking a drive for growth has been a longstanding issue for Kaohsiung. In the first half of 2018, total container throughput reached 5.2m teu, up 0.1% on year.

Taiwan Internationals Ports Corp, the port operator, has been seeking to redevelop some of the oldest terminals for leisure use, while expanding logistic facilities for various terminals.

In late 2017, TIPC completed expansion works for the container yard of berth 115-117. The company said it was hoped this could raise Terminal 4’s actual handling capacity.

Moreover, the company has started to build breakwater structures for Terminal 7, which will comprise of five berths with a depth of 18 m and be capable of accommodating 22,000 teu containerships.

This new project could increase Kaohsiung’s handling capacity by 4.5m teu per year, including 2.25m teu tentatively scheduled to be commissioned in 2019.

2017 throughput
10,271,018 teu ▼ 1.9%

Port authority
Taiwan Internationals Ports Corporation: No 10 Pengla Road, Gushan District, Kaohsiung City 804, Taiwan

Website
www.twport.com.tw

Email
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Terminal (Operator)
Terminal 1: Berths 42-43 (Lien Hai Container Terminal Company)
Terminal 2: Berths 63-64 (Wan Hai Lines; Berths 65-66 (OOCL)
Terminal 3: Berths 68-69 (APL); Berths 70 (Hong Ming Terminal & Stevedoring Company, subsidiary of Yang Ming Marine)
Terminal 4: Berths 115-117 (Evergreen Lines); Berths 118-119 (Hyundai Merchant Marine); Berths 120-121 (Taiwan International Ports Corporation)
Terminal 5: Berths 76-78 (Hyundai Merchant Marine); Berths 79-81 (Evergreen Line)
Terminal 6: Kao Ming Container Terminal Corp
THE port of Dalian continued its tepid growth in 2017, with box throughput edging up 1.3% to 9.7m teu.

Despite having oil terminals as its largest revenue stream, Dalian is still the busiest container port in northeast China. And the slow expansion in volume seen in recent years has been a reflection of the predicament it faces.

A major challenge is the lacklustre economic growth in the hinterland. Among the so-called Northeast Three Provinces in China, Heilongjiang and Jilin saw GDP increase 6.4% and 5.3%, respectively, last year — both lower than China’s average of 6.9%. In Liaoning province, where Dalian resides, the increase was only 4.2%.

Another problem is the competition from nearby ports. The Bohai Gulf is home to a string of large Chinese ports. These include Yingkou and Jinzhou in Liaoning, let alone Tianjin and Qingdao in the lower part of the area.

In 2016, the port of Xiamen outstripped Dalian in container throughput amid the latter’s persistent stagnation. Last year, the gap was amplified as Xiamen’s volume exceeded 10m teu.

In November 2017, Dalian announced the merger of its three box terminals into Dalian Container Terminal, a joint venture among Dalian Port Group (the city’s main port operator), PSA, Cosco Shipping and NYK.

Following the integration, the new DCT has a combined quay length of 5,759 m and a maximum water depth of 17.8 m. It is equipped with 18 container berths (14 in service), of which five are capable of receiving ultra large containerships exceeding 18,000 teu.

DCT president Li Xiaoguang said the merger can reduce costs, unify operation standard and increase berth flexibility, which is a must for the port when facing the bigger alliances of the shipping lines today.

Moreover, the Liaoning provincial government gained the ownership of DPG and Yingkou Port Group from their respective city-level governments, as part of the move to consolidate the ports in the province with the support of state conglomerate China Merchants Group.

Dalian’s aim is to build an international shipping hub in northeast Asia, although it seems the city has a long way to go.

The target for container throughput set by the port authorities this year is 9.85m teu, a 2% growth from 2017.

LOS Angeles broke its own record again in 2017, growing by 5.5% to 9.3m teu and moving more cargo than at any time during its 110-year history.

“2017 was a year beyond expectations but it was not by chance,” said Los Angeles executive director Gene Seroka. “Our growth is a direct result of a concerted, multi-year effort by the port and its many partners to maximise efficiency throughout the supply chain. All the collaborative work by a broad range of global
The South Korean line leased space from APM Terminals for its California United Terminals facility on Pier 400, but closed it at the end of August. The sub-leased premises were returned to be incorporated into APMT’s Pier 400 facility.

Nevertheless, terminals are still developing their sites to handle more cargo. TraPac has expanded through a five-year, $510m port infrastructure improvements programme that has extended its wharves to 4,600 ft, deepened water depth at berths 144-147, installed new cranes, upgraded and electrified its yard, constructed road and gate improvements and terminal buildings, and built a new on-dock rail facility.

Construction of on-dock rail and the final phase of improvements were completed in 2017, making the Port of Los Angeles home to the first automated terminal and rail facility on the west coast.

Construction was also completed last year of Yusen Terminals Inc’s berth improvement programme at berths 212-225. This saw the upgrading of wharves and other infrastructure to aid YTI’s ability to handle the biggest ships on the transpacific trade, dredging alongside to between 47 ft and 53 ft and adding 14 post-panamax cranes.

Supply chain efficiencies implemented by the port in 2017 included technology upgrades, like the new Port Optimizer digital information portal developed by the port in collaboration with GE Transportation. This aggregates key cargo data online to facilitate better cargo tracking, projections and productivity.

“Infrastructure upgrades like those completed at TraPac Container Terminal and YTI during 2017 continue to boost the port’s ability to service increasingly larger ships, as well as to more efficiently facilitate cargo movement throughout its terminals,” the port said.

Although the 18,000 teu CMA CGM Benjamin Franklin made a call to the port in 2015, ultra large tonnage is still absent from the transpacific trade.

In October 2017, the 13,000 teu Maersk Evora arrived at Los Angeles fully laden with nine containers above deck, a first for any US port. By the time the vessel left, 24,846 teu had been loaded off and on the ship, which is believed to be a new world record for a single vessel port call.

2017 throughput 9,343,192 teu ◁5.5%

Port authority Port of Los Angeles, 425 S. Palos Verdes Street, San Pedro, CA, USA 90731

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18 | Hamburg Germany

EUROPE’S third-largest container port — which plays host to Hapag-Lloyd and Maersk affiliate Hamburg Süd — saw throughput broadly stable in 2017, at 8.8m teu. That is a 0.6% decline, most due to a downturn in empties, according to a statement from its marketing department.

“Against the background of the still-outstanding fairway adjustment on the Elbe, and the economic sanctions still in force on trade with Russia that is of such significance for the Port of Hamburg, the result in the container segment is in line with our expectations,” an official said.

Once dredging work is completed, in compliance with EU directives for the protection of flora and fauna, the expectation is for a return to growth in the container and bulk sectors alike, he added.

Despite this headache, it is worth noting that Hamburg has seen a marked increase in the number of calls by larger boxships, with 102 calls by container vessels in the 18,000-20,000 teu bracket last year.

Another likely filip at the moment is the potential increase in transatlantic trade flowing from the Comprehensive Economic and Trade Agreement between the EU and Canada, which came into force last September.

The deal eliminates customs taxes on 98% of goods, with most import and export restrictions relaxed.

A diversified port, with four dedicated container terminals and several multi-purpose terminals, Hamburg also has a major rail depot that handles goods to and from Germany’s industrial heartland to the south.

It is also staying abreast of technology and has expressed its ambition to become ‘port 4.0’ in the service of so-called industry 4.0.

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19 | Tanjung Pelepas Malaysia

MALAYSIA’S Port of Tanjung Pelepas (PTP) clawed back some lost box traffic last year, but although volumes increased 2.9% year on year to 8.3m teu, they remained short of the record of 9.1m teu handled in 2015.

A spokesman claimed the transhipment hub’s marginal volume gains in 2017 were the result of PTP’s “success in achieving the performance expectations set forth by customers and various proactive measures that we took in improving our equipment reliability and availability”. PTP also benefited from the restructuring of shipping alliances last year.

“PTP has successfully secured two out of the three biggest shipping alliances, which are 2M and Ocean Alliance, to call at the port,” said the spokesman.

“Due to this, PTP has also managed to get additional boxes for both 2017 and 2018.”

PTP forecasts that throughput
The superstructure has also been enhanced. In early 2017, PTP acquired 29 rubber-tyred gantry cranes and another 93 prime mover units to boost its RTG fleet to 180 units and prime mover fleet to 348 units.

At the end of last year, PTP also installed a series of super post-panamax cranes weighing 1,900 tonnes and offering a lifting height of 55.5 m and outreach of 72 m.

“PTP has successfully completed its comprehensive equipment refurbishment programme, which saw seven existing cranes fully refurbished,” said the spokesperson.

“With the acquisition of eight new quay cranes and refurbishment of seven existing quay cranes, PTP is now operating at 100% twin-lift capacity, which enables it to operate all mega container vessels.”

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**20 | Laem Chabang Thailand**

THAILAND’S leading container gateway benefited from a resurgent Thai economy last year. Gross domestic product growth of 3.9% represented the fastest expansion of the Southeast Asian economy in five years, with exports of goods and services up by 5.5%.

The economy’s revival was reflected at the port of Laem Chabang, located on the Gulf of Thailand, which saw box throughput soar by 6.1% year on year in 2017 to total 7.7m teu.

Throughput was almost evenly split — 51% of cargo was export traffic and 49% imports — making it an attractive port call for lines.

China was the leading destination for export containers, accounting for 14% of throughput,
followed by the US with 11.7%, Japan (9.2%) and Indonesia and Vietnam (both 5.2%).

Of the port’s plethora of terminals, Hutchison Laem Chabang Terminal accounted for most throughput in 2017, handling just over 2m teu. Hutchison is expected to maintain its position as the port’s leading stevedore this year, following the opening in May of Hutchison Ports Thailand’s new $600m Terminal D facility at the port.

The first stage of development (D1) comprised 400 m of deepwater berth and three super-post-panamax quay cranes, supported by 10 electric rubber-tyred gantry cranes, adding 600,000 teu of annual capacity. This will increase to 1.2m teu of capacity once D1 is fully operational in 2019. Phases D2 and D3 will add 3.5m teu by 2024.

At present, the largest containerships received at Laem Chabang are of 10,000 teu capacity, but Hutchison said the new terminal can handle vessels up to 14,000 teu, vastly improving the liner economics of including the port of Laem Chabang on east-west trade loops.

21 | Long Beach US

LONG Beach, the second-largest container port in the US, had a cracking year in 2017, with volumes rising more than 11% to top 7.5m teu, reversing a decline recorded in 2016 after it lost Hanjin Shipping as a customer, and taking it back ahead of 2015 throughput.

The growth takes the port’s volumes closer to that of its rival across San Pedro Bay, Los Angeles, where growth slowed in 2017, reducing the margin between the two.

However, Long Beach suffers from the same overcapacity that the two ports share. There are 13 terminals operating in the combined complex, six of which are in Long Beach. Moreover, the shake-up in the alliances and consolidation is seeing a reshuffle in terms of who goes where.
The whole LA/Long Beach complex faces major uncertainties because of so much surplus capacity, which has been exacerbated by the formation of three big carrier alliances. CMA CGM, for example, is a member of Ocean Alliance, whose members each have terminal interests. At the end of last year, it finalised the sale of its stake in the Global Gateway South terminal in Los Angeles.

One partner, OOCL, is developing the Long Beach Container Terminal on Pier E and F in the port’s Middle Harbor, which is the most technically advanced and automated container-handling facility in the US, fitted with cranes able to handle 20,000 teu ships. Cosco, which has shareholdings in terminals in both ports, is in the process of buying OOCL. As part of its agreement with the Committee on Foreign Investment in the US, Cosco and OOCL have agreed to put LBCT into trust, ahead of a sale of the terminal. Despite its technological advances, LBCT will be left without an anchor tenant, as Cosco already has terminals in both Los Angeles and Long Beach.

The fourth member of the alliance, Evergreen, has its own dedicated terminal in Los Angeles, Everport Terminal Services. The flipside of that coin for Long Beach, however, was Hyundai Merchant Marine’s decision to shut down its terminal in Los Angeles. The South Korean line leased space from APM Terminals for its California United Terminals facility on Pier 400, but has given notice to close it at the end of August. APMT incorporated the sub-leased premises into its Pier 400 facility. HMM also has a 20% stake in the Pier F facility in Long Beach that was previously operated by Hanjin Shipping until its bankruptcy in 2016. Mediterranean Shipping Co then acquired a majority interest, with HMM taking a 20% share. Newly formed container line Ocean Network Express has also come into the mix this year. Created by merging the container line operations of NYK, MOL and K-Line, ONE has inherited the three container terminals in the San Pedro Bay, two in Los Angeles and one in Long Beach that were previously owned by the parent companies.

### 2017 throughput

<table>
<thead>
<tr>
<th>Port authority</th>
<th>2017 throughput</th>
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<tbody>
<tr>
<td>Port of NY and NJ, Four World Trade Center, 150 Greenwich Street, New York</td>
<td>6,710,817 teu ▲ 7.3%</td>
</tr>
<tr>
<td>Port authority</td>
<td>Port of Long Beach, 4801 Airport Plaza Drive, Long Beach, CA 90815 US</td>
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<tr>
<td>Email</td>
<td><a href="mailto:info@polb.com">info@polb.com</a></td>
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<tr>
<td>Terminal (Operator)</td>
<td>APM Terminal, for example, is investing in a new truck gate complex and four new cranes targeting larger container vessels. Port Newark Container Terminal is expanding truck lanes as part of its new gate complex, as well as adding 30 more acres of terminal space and purchasing 20 straddle carriers and four super-post-panamax cranes, while Maher Terminal is elevating the height of four ship-to-shore cranes to accommodate larger vessels. “The raising of the Bayonne Bridge was an impressive engineering achievement that showcased the port authority’s ability to build great, challenging projects,” said port authority executive director Rick Cotton.</td>
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<tr>
<td>Port authority</td>
<td>Port of Long Beach, 4801 Airport Plaza Drive, Long Beach, CA 90815 US</td>
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“It cemented our port as the most attractive east coast option for international shippers and, based on early returns, shippers agree and are bringing their cargo here in record volumes.”

With the port authority expecting 4% growth in box traffic per annum in the coming years, New York city officials have drawn up a $100m plan to prepare the US east coast hub for higher volumes.

The plan includes construction of a new Brooklyn barge terminal to help remove trucks from the road and a new inland port near Syracuse to boost intermodal capacity.

23 | Yingkou China

YINGKOU posted a 3.1% growth in container throughput last year, better than the 2.8% seen the previous year, yet still far short of the country’s average.

The “rust belt” northeast part of China, the port’s hinterland, remained as a major challenge to any efforts to boost volumes.

Liaoning Province, where Yingkou is located, saw its gross domestic product only increase 4.3% year on year in 2017, compared to the national level of 6.9%.

The provincial policymakers hope a consolidation of the ports under its administration will restore competitiveness.

In February 2018, Northeast Asia Gang Hang Development Co, established by the Liaoning government, took ownership of Dalian Port Group and Yingkou Port Group — the main operators of the province’s two largest ports — from their respective city-level governments.

The next month, state conglomerate China Merchant Group was formally brought on board to lead the consolidation programme, with a series of agreements signed between the involved parties.

At that time, CMG said it was bullish about the future of Liaoning ports and would hammer out a plan for them to increase profitability and efficiency.

However, the prospects of Yingkou have been overshadowed by its debt problems.

In late June, YPG’s Shanghai-listed unit Yingkou Port Liability Co said 542m of its shares held by the parent company had been frozen by courts owing to disputes with creditors. Those shares were worth about Yuan1.2bn ($180m), based on the then stock price.

The announcement came after news that YPG earlier that month nearly defaulted on Yuan531m of debt payments, which was part of
a Yuan2bn investment product issued by Sun Life Everbright Asset Management and guaranteed by Bank of China.

A credit report released by Dagong Global Credit Rating in June showed YPG had cash and cash equivalents of Yuan4.3bn as of end-March, while short-term borrowing reached Yuan16.6bn.

Investment in infrastructure accounted for a large part of its debts. The company had spent Yuan26.5bn on eight projects under construction, including one logistics centre and five multi-purpose berths, as at end-March.

Completion of these projects requires more investments, the amount of which was not entirely disclosed by YPG, according to the report.

“The company’s actual investment in ongoing projects is quite high, and the investment size of some projects cannot be confirmed. Its further capital expenditure is hence uncertain, while its cost control needs to be enhanced,” Dagong said.

Although Dagong maintained its AA+ rating — the second-highest in China’s corporate rating system — on YPG, the agency revised its outlook from stable to negative as a result of the company’s heavy debt burden.

YPG did not reply to a request for comment on its debt situation.

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<tr>
<td>6,278,000 teu ▲ 3.2%</td>
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<tr>
<td>Yingkou Container Terminal (Yingkou Port Container Terminal Company)</td>
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**24 | Colombo Sri Lanka**

SRI LANKA’S super-hub Colombo followed double-digit volume growth the previous year with an 8.3% hike in traffic for 2017.

Colombo, located in the southwest of the country, is a major transhipment port for India and Bangladesh in the north, but also acts as an east-west link for transits from Southeast Asia to North America and Europe.

This unique location has been integral to Colombo’s success and why the wayport call continues to attract traffic and accrue year-on-year growth.

Last year, the port’s terminals combined to handle 6.2m teu, but there is scope to handle more, with a new terminal due to open in 2019.

The East Container Terminal — the second of two facilities under the government-led Colombo Port Expansion Project at the port’s south harbour — will, at full build-out, increase capacity to nearly 12m teu.

ECT will not be privatised and will remain under the supervision of state-owned operator, the Sri Lanka Ports Authority.

The project’s first terminal, the China Merchants Group-controlled Colombo International Container Terminals, continued to lead the way in 2017, with volumes jumping 18.5% to 2.4m teu.

Meanwhile, the SLPA handled slightly over 2m teu at its two terminals, the
Jaye Container Terminal and Unity Container Terminal. The South Asia Gateway Terminal, owned by a consortium of local and global companies — including APM Terminals, which holds a 33% share — shifted the remaining 1.8m teu. Colombo is on course for further traffic increases in 2018, having fared well from the latest reshuffle of carriers’ alliance networks, including a major coup for SAGT, which secured its place on the port rotation of the Ocean Network Express’s EC5 loop, linking Asia with the US east coast.

The SLPA has also hatched a plan to further promote Colombo through the signing of a memorandum of understanding between all the port’s operators to fulfil collective expansionist goals. SLPA chairman Parakrama Dissanayake, upon signing the agreement, said with only three of the 17 loops on the Asia-Europe trade calling Colombo, there is a challenge to ensure the port attracts more services. “This means we have to go beyond the partisan approach of promoting our terminals to protect the Port of Colombo,” he stressed.

### 25 | Ho Chi Minh City Vietnam

VIETNAM’S premier port complex enjoyed another year of expansion, as a 6.7% GDP growth rate, a supreme export performance and new port calls helped Ho Chi Minh City secure a 4.6% rise in throughput in 2017, to 6.1m teu.

With an impressive 16.6% growth in export volumes in 2017, according to the International Monetary Fund, Vietnam was the region’s best performer, outpacing countries like China, the Philippines, Indonesia, Malaysia and Thailand.

The massive Cat Lai terminal, operated by Saigon Newport Company, saw throughput grow by 12.3% to 4.5m teu.

The port was also part of certain landmark ventures last year. In November 2017, South Korea’s SM Line sailed one of its vessels to Bangkok and then to Ho Chi Minh City using blockchain technology.

Korea Shipping Partnership’s 14-member consortium agreed in early 2018 to use three vessels to service a new route connecting Chengdu in China and Ho Chi Minh City, with Shanghai and Bangkok in the middle.

However, Ho Chi Minh’s national dominance may not go unchallenged for long. With Cai Mep already on the rise in the southeast, the country’s biggest port complex faces competition from the north.

The Haiphong International Container Terminal inaugurated services in May 2017, backed by its capability to service vessels up to 14,000 teu. Saigon Newport, whose terminals control the vast majority of Ho Chi Minh’s throughput, owns a 51% stake in HICT.

### 2017 throughput
6,155,535 teu ↑ 4.6%

**Port authority**
Vietnam Seaports Association, 3 Nguyen Tat Thanh St, HCMC, Vietnam

**Website**
www.vpa.org.vn

**Email**
info@vpa.org.vn

**Terminal (Operator)**
Binh Duong Ben Nghe (BNP)
Dong Nai (Dong Nai Port Joint Stock Company)
Lotus (Lotus Joint-Venture Company)
Tan Cang Cat Lai (Saigon Newport Company)
Vietnam International Container Terminals,
VICT (First Logistics Development)
Saigon Premier Container Terminals, SPCT (DP World)
Sai Gon Tang Cang Hiep Phuoc (Saigon Newport Company)
26 | Tanjung Priok  Indonesia

THE port of Tanjung Priok is doing its utmost to make up ground after years of under-investment left box-handling demand hugely outstripping capacity.

Tanjung Priok is the main gateway to the Indonesian archipelago located near Indonesia’s capital city, Jakarta.

Last year, volumes totalled 6.1m teu, up 10.4% from 5.5m teu in 2016. However, the port continues to suffer from congestion due to a lack of berth and storage space.

Truck access and capacity is also limited, while the Greater Jakarta area is notorious for road congestion, adding to the port’s hinterland logistics challenges.

The long-running challenge to finally add new capacity at the port’s New Priok site finally bore fruit in August 2016 with the opening of New Priok Container Terminal One, which is owned by Indonesian state-owned port operator Pelindo II (IPC), Mitsui & Co, PSA International and NYK Line.

The terminal offers eight super-post-panamax twin-lift quay cranes and 20 rubber-tyred gantry cranes. Significantly, it also offers a draught of 16 m, enabling larger container vessels to offer direct services to Indonesia, thereby reducing the transhipment costs that have for so long limited the ability of exporters to compete in overseas markets.

Additional New Priok development phases to add a further 3m teu of capacity have been on the drawing board for most of the past decade, but despite reports of Chinese port investors making investment commitments, reliable dates for its further expansion are hard to confirm.

Contacted by Lloyd’s List, managers at port authority Pelindo II, which operates a number of ports across Indonesia as well as Tanjung Priok, refused to comment.

27 | Bremen/Bremerhaven  Germany

BREMENPORTS managing director Robert Howe is certainly not shy about singing his company’s praises.

“We have a transportation paradise in terms of infrastructure,” he declared in an interview with Germany’s biggest-circulation red-top tabloid in February. He even went so far as to declare it “the most productive port in Europe”.

Be that as it may, container throughput — all but a handful of which goes through Bremerhaven rather than Bremen — was actually down by 0.5% last year.

Outbound cargoes, at 2,928,000 teu, outstripped inbound cargoes, at 2,581,000 teu, as you might expect at the number two port in what remains Europe’s export powerhouse.

From an historical point of view, throughput peaked at 6,110,000 teu in 2012, with the decline relatively limited but nevertheless real.

Competition from Hamburg remains strong, and nearby
Wilhelmshaven — although still comparatively small — is nipping at its heels. It is also worth noting that Bremen/Bremerhaven does a fair bit of business with the UK, so Brexit may prove more of a hindrance than a help next year. Even so, Bremen/Bremerhaven remains Europe’s fourth-largest container port. Boxship calls came in at 3,257 last year. While it can handle the latest generation of ultra large containerships, Mr Howe conceded in his interview that this is because such vessels are not fully laden when they arrive. Accordingly, deepening of the Weser will be a key priority in the coming period.

28 | Jawaharlal Nehru India

JAWAHARLAL Nehru port, India’s largest container terminal, saw continued expansion of its box throughput in 2017. The port recorded container volumes of 4.8m teu in 2017, up 7% on year. This expansion was impressive when compared to a rise of just 0.8% the previous year. Much of this growth came from increased activity at the APM Terminals-operated Gateway Terminals, which reported a 13% gain in traffic to 2.03m teu from 1.8m teu. However, port-owned Jawaharlal Nehru Container Terminal saw volumes drop by 3.4% to 1.48m teu from 1.53m teu in 2017.

Nhava Sheva International Container Terminal handled 1.30m teu and the newly opened PSA International’s Bharat Mumbai Container Terminals accounted for 23,212 teu. The new terminal took delivery of three super-post-panamax, ship-to-shore cranes, which brings the total number of these to nine. The cranes have a lifting capacity of 66 tonnes and an outreach of 63 m, capable of servicing large vessels of up to 22,000 teu containers. With a berth line of 1,000 m, the new terminal has a capacity of 2.4m teu per year, which will increase to 4.8m teu when the second phase is ready. During the past year, a number of measures have been taken to resolve congestion problems in

Key news stories over the past 12 months include a dramatic expansion of the port’s rail links, following work that has been ongoing since 2014. This is designed to increase the number of trains per week from 570 to 770. There are other investment projects in progress, including the regeneration of an old fishing port for commercial use.

**2017 throughput**

<table>
<thead>
<tr>
<th>Port authority</th>
<th>Website</th>
<th>Email</th>
<th>Terminal (Operator)</th>
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<tbody>
<tr>
<td>Bremenports GmbH &amp; Co. KG, Am Strom 2, 27568 Bremerhaven, Germany</td>
<td><a href="http://www.bremenports.de">www.bremenports.de</a></td>
<td><a href="mailto:office@bremenports.de">office@bremenports.de</a></td>
<td>Eurogate Container Terminal (Eurogate) North Sea Terminal Bremerhaven (APM Terminals and Eurogate) MSC Gate (Terminal Investment Ltd and Eurogate)</td>
</tr>
</tbody>
</table>
the port, including automated gate systems, an inter-terminal trucking system linking all terminals and establishment of new parking lots for trucks.

In addition, government reforms like direct port delivery and direct port entry services have substantially decreased cargo dwell times at the port.

To improve the overall efficiency of the port, JNPT has led the expansion of its container berth and other facilities and has deepened and widened the Mumbai Harbour channel, as well as the port channel. The port authorities also have plans to set up a port-based special economic zone.

As part of its expansion plan, the port authority is also developing dry ports in different regions in the state of Maharashtra, which will connect the hinterland with the port and improve cargo throughput.

JNPT is one of the few public ports in India that is keen on capacity expansion, and the aggressive approach has so far benefited the terminal.

VALENCIA’S cat-and-mouse chase with fellow transhipment hub Algeciras up and down the global container throughput rankings continued in 2017. 

Having lost its crown as the Mediterranean’s largest box hub the previous year, Valencia, located on Spain’s orange blossom coast, regained its regional crown, as volumes climbed 2.1% to 4.8m teu.

Meanwhile, Algeciras lost ground on the back of a near 8% drop in annual figures.

The volume gains were perhaps even more surprising given the go-slows and industrial action that plagued Valencia in the first half of the year, as the long-drawn-out Spanish port reform process threatened to boil over.

Indeed, several services were diverted to neighbouring Barcelona at the height of the labour dispute.

However, the big news coming out of Valencia in 2017 was on the acquisition side.

In October last year, China continued to extend its international network of port interests, with Cosco Shipping Ports acquiring a majority stake in Noatum Port’s Valencia terminal.

CS Ports agreed a $224m deal for a 51% shareholding in JP Morgan-controlled Noatum Ports, which operates a facility in Bilbao, as well as in Valencia.

Noatum’s Valencia terminal handled 2.4m teu last year and, after a recent expansion with its Muelle de Costa berth, has capacity of 3.5m teu and the ability to work four ultra large containerships simultaneously.

There is also more land that could be developed. CS Ports will look to use Valencia to complement its other recent acquisition in the Mediterranean to the east in Piraeus, Greece, driving volumes through either terminal via its parent company and affiliated carrier, Cosco Shipping.

With Valencia’s two other terminals operated by liner juggernauts Mediterranean Shipping Co and Maersk, the addition of Cosco points to a bright future for the Spanish port.
THE port of Manila, based in the capital city of the Philippines, saw container lifting up 5.7% to 4.7m teu in 2017 as a result of its aggressive infrastructure push. The large majority of the port container throughput last year was handled by Manila International Container Terminal. The operator accounted for 2m teu of Manila’s total volumes compared to the other two port operators.

In June this year, MICT took delivery of three new cranes — a pair of neo-panamax quay cranes and a post-panamax quay crane — making it capable of handling the largest containerships. With the new acquisitions, MICT now has a total of 16 quay cranes. Two more quay cranes are set to arrive in 2019.

The operator also has other projects in the pipeline for its Philippine operations, including the revival of the rail link between MICT and the recently opened Laguna Gateway Inland Container Terminal in Calamba. Meanwhile, Manila port, which remains the most important international gateway in the country, has also taken significant steps to reduce its congestion problems. According to the Philippine Ports Authority, the Manila port’s performance in productivity indicates no sign of congestion problems, with combined yard utilisation of 55%, berth occupancy rate of 57% and quay crane productivity of 26 moves an hour per crane. The efficient movement of cargoes coming in and out of the port area since the implementation of the terminal appointment booking system and other decongestion measures are key factors in the progressive operations at Manila’s ports, a port authority spokesperson said.
A THROUGHPUT of 4.5m teu has allowed Taicang to keep its title as the busiest container port on the Yangtze River in 2017. The 10.5% year-on-year growth was also quite impressive. Domestic trade remained as the main contributor of Taicang’s traffic, accounting for about 60% of its handling volume. As of end-2017, Taicang had expanded its networks to 50 feeder ports on the Yangtze River, following the launch of five new feeder routes at the ports of Wuhu, Nanchang, Suqian, Xuzhou and Yixing last year. At the same time, its co-operation with Shanghai International Port Group — via the joint venture, SP Zhenghe Container Terminals — has strengthened its ability to handle oceangoing vessels, especially those that have the nearby ports of Shanghai and Ningbo as their next stops.

In September 2017, SP Zhenghe received the 3,398 teu Tim S. The vessel going to Ecuador was, at that time, the largest containership that called at the port of Taicang. The record was broken less than two months later, when the 5,071 teu Aeneas, which was also heading to Ecuador, arrived. Both vessels are operated by CMA CGM. Shortsea wise, two services were opened to Russia’s Vostochny port and South Korea’s Incheon port last year, followed by two more to Southeast Asia. As of the end of June 2018, container lanes at Taicang totalled 196. These efforts have also helped the port’s throughput reach nearly 2.45m teu, an 11.7% increase from the year-ago period.

Looking forward, one thing that might constrain Taicang’s further development is its handling capacity, among other factors including China’s economy slowdown and geopolitical uncertainties. The 4.5m teu of throughput in 2017 has actually exceeded the port’s design capacity of 4.35m teu. Now the phase IV expansion project, with an investment of Yuan3.8bn ($557m) in four container berths, is under construction at Taicang. When completed in 2021, it will add 2m teu to the port’s handling capacity. This is likely to further unlock Taicang’s potential, provided there is sufficient cargo flow by then.

### 2017 throughput

| 4,514,000 teu | 10.6% |

#### Port authority

Jiangsu Taicang Port Administration Committee, 8 Beihuan Rd, Taicang Port Development Area, Jiangsu Province, China

#### Website

www.tcport.gov.cn

#### Email

gwj@tcportgroup.com

#### Terminal (Operator)

Taicang International Container Terminals (Ningbo-Zhoushan Port Group, Cosco Shipping Ports and Suzhou Port Group)

Suzhou International Container Terminals(Ningbo-Zhoushan Port Group and Taicang Port Group)

SP Zhenghe Container Terminals (Shanghai International Port Group and Taicang Port Group)

Taicang Port Zhenghe Xinggang Container Terminals (Taicang Port Group)

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CONTAINER throughput at Lianyungang gained 0.2% to 4.7m teu in 2017, following a year-on-year fall of 6.1% in 2016. That was, however, hardly satisfactory, as Chinese coastal ports achieved an average volume increase of 7.7% last year, amid the country’s strong recovery in foreign trades. While the port has been positioned as an important stop on Beijing’s Maritime Silk Road, it has struggled to maintain stable growth — at least when it comes to liner shipping traffic. One of the often-mentioned disadvantages is Lianyungang’s
The Jiangsu-based port is situated in between Shanghai and Qingdao, two of the largest container hubs in China, which largely limits its capability to expand hinterland cargo sources and transhipment volume.

As a result, the port has been searching for its niche by positioning itself as the departure point of the so-called Eurasia land bridge and by developing railway networks that link to central Europe.

The China-Kazakhstan logistics station, established to promote cross-border freight train services three years ago, recorded a cargo throughput of 4.2m tonnes last year, up 32% from 2016. That included an 82% surge in container volume to 257,000 teu.

In May 2017, Lianyungang Port Holding Group, the port’s main operator, teamed up with Cosco Shipping and each acquired a 24.5% stake in Kazakhstan’s Khorgos dry port.

In June 2018, it launched the Japan-China-Europe sea-rail transport service, which shipped a batch of containers from Yokohama to Lianyungang and then hauled them to Hamburg by train via Khorgos. Total voyage time is about 27 days.

LPHG said in its 2017 annual report that it received Yuan1.3bn ($192m) government subsidies for the port infrastructure construction, including Yuan100m for two of the freight railways.

Nevertheless, with more Chinese coastal ports shifting their attention to rail connections amid Beijing’s Belt and Road initiative, Lianyungang’s aim to become the hub for the Eurasia land bridge will be put to the test.
shipping alliances or the demise of Hanjin Shipping.

Tokyo Port Terminal Corporation opened the Y1 terminal at the Central Breakwater’s Outer Wharf in January to cope with future growth in container volumes.

The terminal, also called the Kamigumi Tokyo Container Terminal Y1, is leased by the Tokyo Port Terminal to Kamigumi, a leading transportation and warehousing company. It has a 230 m-long berth, with depth alongside of 11 m.

Shanghai Pan Asia Shipping, a wholly owned subsidiary of Cosco Shipping, which specialises in intra-Asia services between China and Japan and Taiwan as well as domestic river feeder services, was the initial user of the terminal.

However, the launch of the new terminal was marred by long waiting times of six to nine hours to pick up inbound containers and return empty boxes.

Algeciras, Spain

ALGECIRAS, which vies with rival Valencia for dominance at the western end of the Mediterranean, clocked up a noticeable downturn last year, with container throughput dropping by well over 400,000 boxes.

Most of that appears attributable to industrial action, a factor at work in numerous Spanish ports last year, thanks to nationwide industrial action by dockers, in protest against an EU ports reform directive. Maersk — among many others — cancelled calls as a result.

However, there does seem to have been something of a bounce-back at the Juan Carlos I and Isla Verda Exterior terminals in the opening six months of this year.

First-half statistics suggest 2.3m containers have been handled so far, which marks a gain of 8.4% on the midway point last time round, so lost ground could be made up sooner rather than later.

Certainly, there is evidence of an increasing number of vessel calls. One report from Drewry suggested no fewer than eight mainline services were added in the final quarter of 2017 alone, taking the total from 39 to 47.

There are claims of big gains in other cargo categories, too, notably liquid bulk and general cargo. However, these figures also seem likely to have been impacted by last year’s repeated strikes.

There is also substantial passenger traffic at Algeciras, as well as some remaining fishing activity.

According to the latest edition of the port handbook available on its website, Algeciras already has the potential capacity to take its container throughput as high as 7m teu per annum.

Further expansion, in the shape of so-called ‘Phase c’, is still on the drawing board, but would mean an additional 80 hectares of port surface area, and more than 1,000 m of additional quay.

Conscious that numerous other facilities are available nearby, recent initiatives have included a reduction in port taxes.
35 | Mundra India

MUNDRA port chalked up an impressive container throughput growth of more than 27.7% to 4.2m teu as more and bigger ships visited its terminals. The port has sought to attract larger volumes with productivity improvements, including enhanced move counts in the same berth window.

Strategically located on the Gulf of Kachchh, Mundra port enjoys a logistical advantage in reaching the northwest hinterland of India, making it one of the country’s most convenient gateways for Exim trade. The deep draught, all-weather port has four container terminals. Two of these have a capacity of 1.3m teu each, while the remaining two have a capacity of 1.5m teu each, making it the largest private sector port in India.

DP World-operated Mundra International Container Terminal has upgraded its terminal with new automated handling equipment, including a super-post-panamax quay crane and a rail-mounted gantry crane, to speed cargo flows and push productivity. The quay crane has twin-lift capability and an outreach of 63 m, allowing the terminal to handle the latest generation of containerships. The rail-mounted gantry crane has attributed to a 21% higher train turnaround time, while the electrification of the terminal’s existing rubber-tyred gantry crane contributed to lower truck turnarounds and a 16% reduction in its carbon footprint.

Meanwhile, work is now nearing completion on the expansion of a facility operated by Switzerland-based Mediterranean Shipping Company to double capacity to 3.1m teu per year and bring Mundra’s total capacity to 6.6m teu annually. It is also setting up a container transhipment hub at Vizinjham in Kerala, which is expected to start operations in 2019, targeting the 2m teu of containers transhipped annually through the Indian Ocean.

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36 | Jeddah Saudi Arabia

JEDDAH saw volumes fall further by the wayside in 2017, with container throughput dropping by nearly 5% to below 4m teu, as competition for boxes heats up in the Red Sea. In Saudi Arabia alone, the country’s largest container port now has two major facilities to fight off: Dammam and the relative newcomer on the scene, King Abdullah Port.

Dammam also saw a fall in throughput numbers last year, but KAP reported double-digit growth, with more and more carriers shifting services to the region’s newest deepwater terminal. Fundamentally, Jeddah is starting to run out of space and is unable to cope with increasing demand for Saudi Arabia’s container-handling services. So KAP is mopping up the extras.

However, Jeddah remains the region’s top dog and is still a regular on the port rotations of the three major carrier alliances. The port also has three experienced operators — Red...
that elevated capacity by around 50% to 2.5m teu.

The new units are already playing dividends, with the addition of several new weekly stopovers from Ocean Alliance as part of its network reshuffle earlier this year.

2017 throughput
4,150,000 teu 4.9%

Port authority
Jeddah Islamic Port, PO Box 9285, Jeddah 21188, Saudi Arabia

Website
www.ports.gov.sa/EnglishVSA/Ports/Jeddah

Email
pr-jip@ports.gov.sa

Terminal (Operator)
Red Sea Gateway Terminal (RSGT)
Jeddah South Container Terminal (DP World)
Jeddah North Container Terminal (Gulftainer)

Sea Gateway Terminal, DP World and Gulftainer — fighting its corner. They will do their utmost to ensure Jeddah does not relinquish its crown.

RSGT has recently looked to address its capacity constraints with the addition of four new ship-to-shore gantry cranes in October last year, a move that elevated capacity by around 50% to 2.5m teu.

The new units are already playing dividends, with the addition of several new weekly stopovers from Ocean Alliance as part of its network reshuffle earlier this year.

37 | Piraeus Greece

The port of Piraeus is on a mission to grow. In 2017, Europe’s biggest eastern entry point continued on the successful path it had seen in 2016 and is now vying for the top spot in the whole Mediterranean.

During its first full year following China Cosco Shipping Group’s 51% stake purchase in 2016, the port’s throughput grew by 10.9% to surpass the 4m teu mark. In 2016, it had seen a growth rate of 12.2%.

However, unlike 2016, when only Cosco’s Pier II and Pier III performances improved, in 2017, Pier I also claimed some of the glory. The Piraeus Port Authority-operated terminal’s throughput grew by 70.6% to 453,264 teu, after recording a decline in 2016.

“The Asia-Europe route directly related to Piraeus increased by 5% in 2017, compared to a 2% rise in 2016 and this had a positive effect on the volumes handled at Piraeus terminals,” a port spokesperson said, explaining the port’s increased traffic.

The spokesperson added the qualitative features of the terminal — such as large natural draughts, 24-hour single tariff operation, tide-free access, good weather conditions and the competitive bunker market — help to attract routes from all three shipping alliances.
38 | Savannah US

SAVANNAH’S total container trade increased 11% in 2017 after the US east coast port turned around a slight decline in throughput in 2016. It has now become the fourth port in the US to hit the 4m teu annual barrier and sits only behind New York/New Jersey on the east coast leader board.

Like other ports on the US east coast, Savannah has benefited from infrastructure developments elsewhere. The expansion of the Panama Canal and the raising of the Bayonne Bridge have made it possible to bring larger tonnage to the eastern seaboard and container lines seeking to achieve slot cost advantages are now utilising neo-panamax vessels to serve these ports.

That has meant upgrades for the ports themselves, and Savannah is no different from its rivals in having to up its game. The first of Georgia Ports Authority’s four new neo-panamax cranes came online in March, bringing GPA’s operating fleet to 27.

“Georgia’s ports are dedicated to staying a step ahead of market demand,” said GPA executive director Griff Lynch. “These investments ensure port users can grow their business and supply chain efficiencies in Savannah.”

Garden City Terminal will receive another six cranes by 2020, growing the fleet to 36. This will allow the port to move nearly 1,300 containers per hour over a single dock.

The additional cranes, along with the Savannah Harbor deepening, will help accommodate the shipping industry’s move toward larger vessels. The Panama Canal can now handle vessels with a capacity of 14,000 teu. In September 2017, CMA CGM Theodore Roosevelt became the first vessel of that size to call the Port of Savannah.

Over the next 10 years, GPA will invest approximately $2bn in new cranes and terminal infrastructure to handle expanding cargo volumes.

Earlier this year, Savannah completed the dredging of its outer harbour, marking the midpoint of its expansion project.

Deepening the harbour will allow neo-panamax vessels to take on heavier loads and transit the Savannah River with greater scheduling flexibility.

The first half of the project deepened the outer harbour to 49 ft at low tide (56 ft at high tide). The inner harbour channel will be expanded from its current low-tide depth, 42 ft, to 47 ft (54 ft at high tide).
39 | Salalah Oman

AFTER expanding by almost 30% in 2016, Salalah claims to have increased throughput by almost 20% more in 2017.

In a port of the world dogged by obvious container terminal overcapacity, with many local rulers seemingly insistent on building a port as much by way of a status symbol as anything else, that is an impressive achievement by the Oman port.

Salalah is no doubt assisted to a great extent by its standing as a regional hub for the 2M alliance.

As the port itself said in an email to Lloyd’s List, an increase in volume from Maersk is probably the biggest factor in its recent growth.

This year has seen some disruption to services, with cyclone Mekunu forcing a shutdown towards the end of May. Heavy flooding in the city led to a power outage that, in turn, caused a total communications shutdown.

However, despite the necessity to declare force majeure, recovery was rapid, with Salalah’s number one customer commending the “remarkable grit” of the port’s employees in getting the show back on the road again as quickly as possible.

The largest equipment acquisition last year was the purchase of around 20 tractors, the port said. There has also been investment in bulk-handling hardware, including a recent $6.6m contract with British company Telestack.

Major current projects include the extraction of liquefied petroleum gas within Salalah Free Zone and its storage on port-owned land, with the Oman Gas Company hoping to start the extraction of propane, butane and condensate in 2019.

Plans for the future include upgrading berths five and six, with the installation of taller cranes able to handle Triple-E class vessels.

The wish list also includes rehabilitation of berths 21 to 28, which basically was the site of the former general cargo terminal; development of a multipurpose berth; and a new oil-trading berth, a fuel storage area and a gate security complex.

<table>
<thead>
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<th>2017 throughput</th>
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<td>3,946,421 teu</td>
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Port authority
Salalah Port Authority and offices Salalah Port Services Co. (SAOG), PO Box 369 Postal Code 211, Oman
Website
www.salalahport.com
Email
info@portofsalalah.com
Terminal (Operator)
APM Terminal Salalah (APMT)

40 | Dongguan China

THE Pearl River Delta port of Dongguan, located in China’s Guangdong province, saw container volumes total 3.9m teu last year, up 7.4% from 3.6m teu in 2016.

Growth was aided by a number of initiatives designed to improve the attractiveness of the port to shippers, not least via the launch of a new Yantian Port Barge Express developed with retailer IKEA and a range of 3PLs to speed access to export markets for manufacturers sourcing products in southern China.

The multipurpose port of Dongguan sprawls across multiple locations on the Pearl River. Land area of more than 52 sq km is due to be expanded to 60 sq km in the near future in recognition of the port’s pivotal role as a major development platform in the Guangdong-Hong Kong-Macao Greater Bay Area.

Container operations are largely focused on two terminals operated by PSA International.
and Sinotrans. However, it is the former that has been making the most striking gains.

PSA Dongguan Container Terminal Co was established in 2007 as a joint venture between Dongguan Humen Port Group with a 51% shareholding and Singapore-headquartered PSA International with a 49% shareholding.

The terminal handled 1.4m teu last year, up 36% from slightly more than 1m teu in 2016, as four new domestic and one international liner service were added to its portfolio of shipping options.

PSA DGCT’s big selling point is the availability of more than 20 barge and feeder operators, offering multiple services between Dongguan and global liner transhipment services at the ports of Hong Kong, Shenzhen and Nansha. The services are handled at 678 m of quay, offering a draught of 14.3 m and supported by six post-panamax quay cranes, two shore cranes, 20 rubber-tyred gantry cranes and 576 reefer plugs.

41 | Colon Panama

IN a year of improved traffic across container ports globally, the Panamanian port of Colon was one of the standout benefactors, putting it in contention for the crown of Latin America’s biggest port in 2017.

Having suffered an 8.9% throughput decline in 2016, the port complex’s traffic grew by 19.4% in 2017, giving it a level of business not seen in a few years.

The port’s largest terminal, the SSA Group-operated Manzanillo International Terminal, grew marginally by 2.6% to 1.88m, but the two smaller terminals recorded the significant gains that catapulted the port’s overall performance.

Hutchison subsidiary’s Cristobal jumped to 1.3m teu, recording a whopping 65.2% increase in traffic and marking the first time it broke the 1m teu milestone.

Evergreen Colon Container Terminal’s throughput also jumped by 10.9%.

2018 is on track to harvest further gains for Colon. MIT and CCT recorded 8.96% and 11.5% increases in throughput, respectively, between January and May, compared to the same period last year.

And, despite Cristobal’s traffic decreasing by 0.7% thus far, year-on-year throughput for the aforementioned period has seen a 6.25% boost.
42 | Santos Brazil

THROUGHPUT at Santos — which essentially serves São Paulo and its hinterland — hit an all-time record in 2017, at 3.9m teu, beating the 3.8m teu level seen two years before that.

That’s roughly 40% of all containerised trade in a key emerging market Bric economy. And, with Brazil expecting GDP growth in the 3%-3.5% bracket this year, the port has expressed its hope of topping the 4m teu mark in 2018.

However, the outcome is likely to be affected by the ongoing political and industrial turmoil that is afflicting the country at present.

A recent 10-day strike by 600,000 truckers deeply impacted the entire national economy. As Maersk confirmed to Lloyd’s List, backlogs and congestion did result.

In addition, industrial action by customs officers lengthened the clearance time need to get a box in or out, at one stage by up to 12 days for incoming containers.

On the upside, recent dredging work has deepened the draught to 13.5 m, although that is still short of the 14 m needed to handle neo-panamax vessels of around 13,000 teu.

Even so, port authority Codesp hopes the move will be a boost to throughput and support the addition of several hundred jobs to the payroll.

The port’s six functioning terminals compete fiercely for business, and Tecon has been hit by the loss of a key ESA consortium service linking the east coast of South America to Asia, to a Libra group facility. The contract is worth 150,000-200,000 boxes per annum.

Meanwhile, DP World last December took 100% control of Embraport, buying out the 66% previously held by giant Brazilian conglomerate Odebrecht, for an undisclosed consideration.

2017 throughput
3,853,719 teu ▲ 13.6%

Port authority
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Terminal (Operator)
Tecon Santos (Santos Brasil) Terminal 35 (Gruppo Libra)
Terminal 37 (Gruppo Libra)
Tecondi (Ecoporto)
Embraport (DP World)
Saboo (Rodrimar)
Brasil Terminal Portuario (Terminal Investment Ltd and APM Terminals)

43 | Felixstowe UK

THE UK’s biggest and busiest port had another poor year in 2017.

After growing by just 0.5% in 2016, Felixstowe reversed those meagre gains and saw throughput fall by 4.1% in 2017 as it struggled to handle volumes and the alliance shake-up saw it lose services to rivals.

While the slowdown in container shipping over the past few years may account to some extent for this moribund growth, rival terminals — particularly London Gateway — have been fighting hard to take a slice of Hutchison-owned Felixstowe’s market share.

To an extent, they have been successful. Last year, The Alliance, comprising of Hapag-Lloyd, Yang Ming and the three Japanese carriers that have now come together as Ocean Network Express, announced it would be handling all of its UK throughput via DP World’s Southampton and London Gateway operations.

The Alliance announced last March it would call at the UK’s newest deepwater facility on its
Far East FE3 and FE5 loops, while DP World Southampton would welcome the line's FE1, FE2 and FE4 services when the consortia launched operations on April 1.

The agreement also saw vessels deployed on The Alliance’s transatlantic AL3, AL4 and AL5 offerings call Southampton, while those on the AL1 and AL2 call London Gateway.

While the 2M alliance of Maersk and Mediterranean Shipping Co has remained loyal to date, even it has begun to shift some services temporarily this year, after a botched terminal operating system upgrade wreaked havoc at the terminal.

Maersk Line moved two 2M alliance service calls to Liverpool for 12 weeks as continuing problems at Felixstowe provided a boost to Peel Ports’ operation in the northwest of the UK.

That followed earlier announcements by MSC that because of the operational delays at the Port of Felixstowe, it had diverted eight vessels to London Gateway and Tilbury, and would use its intermodal services to deliver containers to customers.

The move followed a similar announcement by Hamburg Süd that it would divert two of its services to Southampton instead of calling at Felixstowe.

The disruption will come as a blow to the UK east coast port, which has invested heavily in extending its piers and is able to work the largest container ships.

It proudly hosted OOCL Hong Kong when it called, which, at 21,413 teu, is one of a series of OOCL vessels that have the largest capacity of any boxships.

Ironically, given Liverpool’s grab at some of its services, Felixstowe has also been investing in its hinterland connections, particularly to the northwest of the UK, where Liverpool is located.

The British government approved the latest enhancements to Felixstowe’s rail connections, a move one freight customer described as a “huge milestone” that would increase the top UK container port’s intermodal connections with the Midlands and northwest by around 50%.

The £60.4m ($79.6m) scheme, jointly funded by Network Rail and Hutchison Ports, will allow up to 47 freight trains per day to run in each direction between Ipswich and Felixstowe, an increase of around 50% compared with the existing capacity.

However, if it is to make use of that new capacity, it will have to retain both carriers and shippers, many of whom have become frustrated at the delays and disruption caused by this year’s failures. And there is no shortage of competitors snapping at Felixstowe’s heels.
THE Northwest Seaport Alliance is a marine cargo-operating partnership of the ports of Seattle and Tacoma, and was set up in August 2015.

Combined, the ports are the fourth-largest container gateway in North America. Total container volumes showed little change in 2017 over 2016, growing by just 1% to 3.7m teu. However, there were different stories for international shipping and for routes to Alaska and Hawaii.

International volumes in 2017 were encouraging, with export boxes up by 7% at 1,445,437 teu more than offsetting flat import volumes of 1,513,029 teu, to give a total (including empties) of 2,958,466 teu.

Container shipments to Alaska were down 7% for the year due to soft market conditions; Hawaii volumes through the Pacific Northwest were down 2% for the year.

The Washington State ports of Seattle and Tacoma had been competitors for most of the 20th century but began to lose business to the new Vancouver Fraser Ports Authority; this led to merger proposals, which brought about the alliance.

Competition for US Midwest business also came from Los Angeles/Long Beach on the west coast and, since 2016, from the east coast as larger liner vessels now operate via the expanded Panama Canal.

Speaking to the US House Ways and Means Committee early in 2018, chief executive John Wolfe stressed the importance of trade links with China to the Alliance’s prospects.

More than $27bn in imports from China came through cargo terminals in Seattle and Tacoma in 2017, he said, in addition to almost $5bn in exports to China.

The impact of tariffs on US-China trade would be significant because more than 60% of goods imported through the Northwest Seaport Alliance goes to states beyond the Northwest region.

Mr Wolfe acknowledged concerns about China’s trade practices, tariffs should only be used as a last resort.

2017 throughput
3,665,329 teu ▲ 1.4%

Port authority
Ports of Seattle and Tacoma, The Northwest Seaport Alliance, PO Box 2985, Tacoma WA 98401-2985, US

Website
www.nwseaportalliance.com

Email
info@nwseaportalliance.com

Terminal (Operator)
Tacoma:
West Sitcum Terminal, formerly APM Terminals (APM Terminals)
East Sitcum Terminal, formerly Olympic Container Terminal (Ports America Group)
Husky Terminal (West Coast Terminal and Stevedoring)
Pierce County Terminal (Ports America Group)
Washington United Terminals (Washington United Terminals)
Tote Maritime Alaska Terminal (Tote Maritime Alaska)

Seattle:
Terminal 5 (Port of Seattle)
Terminal 18 (SSA Terminals)
Terminal 30 (SSA Terminals)
Terminal 46 (Total Terminals International)
Terminal 115 (Alaska Marine Lines)
**45 | Tanjung Perak Indonesia**

Indonesia’s second-largest port continued on its growth track in 2017, with a 6.8% increase in throughput as the Surabaya-based state-owned facilities are bound for equipment and capacity upgrades. Enjoying a 5.1% growth rate in 2017 — its highest in four years, according to the World Bank — Indonesia’s economy continued to constitute an important backbone for the port’s steady growth rate.

Teluk Lamong Terminal, self-dubbed as “eco-friendly”, recorded a 103% increase in throughput in 2017 to 491,657 teu, with two shipping companies doubling their business at the port last year.

International container throughput at Surabaya Container Terminal (TPS), in which DP World has a 49% stake, also increased by 5%.

Pelindo III, the port operator, said it is reconfiguring the Berlian Terminal to handle domestic boxes, having added 16 HMC units, 13 rubber-tyred gantry cranes, four reach-stacker units, 12 head truck units and 12 forklift units to the terminal in 2017.

In 2018, Pelindo III will add 10 more units of automated stacking cranes to TLT, on top of the 20 it already has, and expand the container yard up to 15 blocks, elevating capacity by 1.5m teu.

It will also expand the wharf by up to 500 m for both international and domestic traffic.

The port is also looking to increase berth moves per hour at TPS from 46 boxes per hour to 60 boxes per hour by 2019.

This year, five HMCs will also be added to the Mirah Terminal for panamax and post-panamax vessels.

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**46 | Tanger Med Morocco**

After a largely static year in 2016, Africa’s largest port came up to speed again, registering a 12% increase in volumes to break the 3m teu barrier comfortably, pushing the former African leader, Egypt’s Port Said, into second place.

Industrial strife across the Strait of Gibraltar at Algeciras would have done no harm to Tanger Med either, as APM Terminals — which owns facilities at both ports — was able to redirect transhipment volumes to the southern side of the strait with little disruption.

At just over 25 km as the crow flies, Tanger Med is closer in distance to Algeciras than some terminals in Rotterdam are to each other, so little diversion is required for a Europe-bound containership to offload cargoes destined for Mediterranean or West African ports.

Tanger Med rose out of the desert of Morocco just over 10 years ago and now has two terminals working almost at full capacity.

The new Tanger Med II complex, which is due to open next year, will have 6m teu of capacity if fully utilised. If it can find those volumes, Tanger Med’s total of 9m teu would see it become a top 20 port globally, and the largest in the Mediterranean. In European terms, it would only fall behind the giants of Rotterdam and Antwerp.

With the success that the current tenants, APM Terminals...
2017 throughput
3,312,409 teu ▲ 11.7%

Port authority
Tanger Med Port Authority, Zone Franche Ksar el-Majaz, Oued R’mel, BP 80 Tangier, Morocco

Website
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tmsa.port@tmsa.ma

Terminal (Operator)
APM Terminals Tangier (APM Terminals)
Eurogate Tanger (Eurogate)

and Eurogate, have had with the existing Tanger Med I, Tanger Med II looks set to bring a wider range of carriers to the port. APMT will operate two terminals, with Eurogate (with CMA CMG via its Terminal Link investment) and local terminal operator Marsa Maroc taking up the remaining space.

With vessels of up to 22,000 teu able to call at Tanger Med II, the north African port stands to continue growing in the years ahead. Containerised import and export levels in Morocco are insignificant compared to its transhipment volumes. There is a risk that moves by container lines to make more direct port-to-port pairings in order to make their networks more efficient could affect transhipment levels, but the port is unconcerned. More than 40% of transhipment cargo goes to Africa, and the port argues there would be insufficient cargoes to warrant direct calls.

The first container terminal, TC1, acquired two additional quay cranes in 2017. The two cranes will allow the terminal to operate more containers and handle the latest generation containers vessels with a length of 400 m and capacity up to 20,000 teu, and will increase productivity of the terminal.

47 | Vancouver Canada

VANCOUVER, on Canada’s Pacific northwest, is reaping the benefits of a booming Canadian economy and improved trade conditions.

Last year, it rebounded from the poor performance of 2016 to set records for container throughput.

In 2017, volumes grew 11% to reach 3.3m teu, of which 2.8m teu were loaded containers.

Canada, unlike its larger neighbour to the south, has been pushing for free trade agreements in an effort to boost exports.

As well as signing the Comprehensive Economic and Trade Agreement with the European Union last September, in March this year, it adopted the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, the reduced TPP agreement that excludes the US.

Earlier this year, Maersk’s Canada president Jack Mahoney said the
benefits of Canada’s free trade agreement with the European Union are already being felt. “It has been fantastic to see a trading country embracing free trade agreements everywhere,” Mr Mahoney said. “This country makes a very direct correlation between trade and the prosperity of the country.” Vancouver’s four container terminals have been taking advantage of that environment. “The record year for cargo movement and healthy growth across the port reflects the strength of the Canadian economy in 2017, as well as the Port of Vancouver’s ability to accommodate the most diversified range of cargo of any port in North America,” said Vancouver Fraser Port Authority chief executive Robin Silvester. “Year over year, we continue to see an increase in the global demand for Canadian products shipped in containers and Canadian demand for consumer and manufacturing goods from Asia.” However, that success has not come without its problems. Bound by mountains, Vancouver is short on land and is competing with a growing urban population. Road congestion from containers being shifted between terminals is acute and steps are being taken to move more boxes by rail. This year, Vancouver received $200m in federal funding for key goods-movement infrastructure projects.

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<thead>
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<th>2017 throughput</th>
<th>3,252,225 teu ▲ 11%</th>
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<tr>
<td>Port authority</td>
<td>Vancouver Fraser Port Authority, 100 The Pointe, 999 Canada Place, Vancouver, British Columbia, Canada V6C 3T4</td>
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<tr>
<td>Website</td>
<td>portvancouver.com</td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:info@portvancouver.com">info@portvancouver.com</a></td>
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<tr>
<td>Terminal (Operator)</td>
<td>Centerm (DP World Vancouver) Deltaport (GCT Canada) Fraser Surrey Docks (Fraser Surrey Docks) Vanterm (GCT Canada)</td>
</tr>
</tbody>
</table>

### 48 | Rizhao China

CONTAINER volume growth at Rizhao accelerated slightly in 2017, suggesting the north China port’s recent initiatives in expanding international trade may be paying dividends. According to official data, Rizhao, located in the eastern province of Shandong, recorded throughput of 3.2m teu last year — representing an on-year gain of 7.6%.

This compared with an increase of 7.1% in 2016, when the port’s throughput broke the 3m teu mark. The healthy growth came as Rizhao Port Group, the main port operator, continued to enhance its standing in intra-Asia trade. Last October, the port launched a service from Rizhao to some Southeast Asian nations, including Vietnam and Thailand.

In December, DBR Container Lines launched a service from Rizhao to Kantō, Japan, on which three 698 teu containerships were deployed. Rizhao has a handful of international services. In addition, the port has launched sea-rail intermodal services to Central Asia, which RPG says should enhance transhipment volumes from South Korea.

Looking further, RPG
remains active in pursuing new business opportunities, unfazed by earlier scandals.

The company has set up a joint venture with Cosco Shipping Logistics to handle various logistical businesses, including intermodal, reefer cargoes, supply chain finance and depots, among others.

As Cosco Shipping Logistics is a subsidiary of China Cosco Shipping, China’s largest shipping conglomerate, the venture could mean a win-win situation where

Rizhao can achieve more business and Cosco can reduce its costs.

So far this year, Rizhao has been doing well. Box volumes grew 23.9% on year to 1.9m teu in January-June, while international cargo rose 39.5% to 87,900 teu.

With continued expansion, RPG has embarked on a project to transform 10 general cargo berths in the western section of Shijiu into container berths, designed to have an annual handling capacity of 600,000 teu.

49 | Nanjing, China

Growth of container throughput at Nanjing slowed in 2017 as the port was in need of finding a new position.

Box volumes at the Yangtze River port amounted to 3.17m teu, up 2.8% from the 2016 level.

By comparison, Nanjing’s container throughput grew 6.5% in 2015 and 4.9% in 2016.

Nanjing apparently has trouble competing for transhipments within the Yangtze River valley with Suzhou-Taicang, which has enjoyed rapid expansion of throughput with its close proximity to Shanghai, the world’s busiest port.

Nanjing Port Group, the main port operator, has had several initiatives to maintain the growth. The jury is still out on these.

The company has enhanced the operations of Nanjing Tonghai, its subsidiary that operates domestic feeder services. In late 2017, it launched a direct service from Longtan, where Nanjing’s box operations are mainly based, to the phase 4 automated terminal of Shanghai’s Yangshan port.

It has also started to offer containerisation services for bulk cargoes, shipping coke to Shanxi. In June, the first return rail service from Nanjing to Russia was launched. NPG hopes this will enhance its sea-rail intermodal transport.

According to data provided by NPG, the number of rail services from Nanjing to Central Europe increased by 560% on year during January-May.

Looking further ahead, the Chinese government would want Nanjing and its nearby ports like Suzhou-Taicang to complement rather than compete with each other.

The provincial government of Jiangsu has established Jiangsu Port Group, which is consolidating the port and shoreline resources of Nanjing, Lianyungang, Suzhou, Nantong, Zhenjiang, Changzhou, Taizhou and Yangzhou.

Under this framework, Nanjing is positioned as a shipping and logistics hub for the Yangtze River valley. How it will achieve this goal remains to be seen.

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Terminal (Operator)
Nanjing Port Longtan Container Co (Nanjing Port, Shanghai International Port Group, Cosco Shipping Ports and Sinotrans Logistics)
50 | Marsaxlokk Malta

SOLELY operated by Malta Freeport Corporation, the Marsaxlokk container port continued to enjoy another year of growth, marked by clientele boosts, new services and infrastructure investments that are set to continue.

The two-terminal port grew by 2.12% to 3.15m teu in 2017 compared to 2016.

Already having the 2M Alliance on its roll call since 2015, the port also snatched up Ocean Alliance, which began using the port last year.

Hamburg Sud, UASC, Hapag-Lloyd, Seago Line and UASC, together with a number of other shipping lines offering feeder services, are also regular callers at the port.

Marsaxlokk beefed up its services as well.

The new IndaMed Service links Marsaxlokk to ports in India, Pakistan, eastern Mediterranean and the Arabian Gulf, while the Sirius Service opened new trade links to Brazil and Argentina, on the back of existing weekly services to ports in Chile, Colombia, Ecuador and Peru.

The Mesa service is also providing improved port coverage and transit times between South America’s east coast and the Mediterranean, according to the MFC.

Aside from bolstering its refrigerated container capacity, MFC poured money into equipment additions in 2017.

The port introduced 16 new MOL tractors and two empty handlers. It has also ordered 15 new Kone rubber-tyred gantry cranes, to complement the 50 it already has, and has also bought 31 new tractors and 36 new trailers.

The new RTGs will be capable of stacking containers one-over-six high and are expected to be delivered between December 2018 and March 2019.

“This investment in equipment is linked to a huge infrastructural development plan, which will involve the squaring off of Terminal Two North Quay following the renewal of the development permit,” the port said.

MFC is currently upgrading blocks 1 and 2 in Terminal One to stack six-high containers, increasing the yard capacity by 4,000 teu and also upgrading seven-high container stacking at the rail-mounted gantry crane area of the terminal.

51 | Ambarli Turkey

THIRD time’s a charm, as the saying goes. After two years of declining throughput at the port of Ambarli, traffic increased by 11.9% to 3.13m teu in 2017.

Aside from Turkey’s gross domestic product for 2017 more than doubling to 7.4%, Ambarli reaffirmed its position as the key port linking the Black Sea and the Mediterranean.

Marport, the biggest container terminal and the only one to grow in 2016, was the only one to suffer in 2017, recording a 7.3% drop in throughput, which stood at 1.71m teu.

The China Merchants Holding and Cosco-operated Kumport terminal saw an impressive 59.8% boost to 1.06m teu, which it attributed largely to its ability to attract The Alliance, which began calling there in 2017.

Meanwhile, Cosco and OOCL included Kumport in their new North Europe Turkey Express service earlier in 2017.

The terminal, capable of accommodating vessels of up to 18,000 teu, completed the conversion and extension of the rubber-tyred gantry areas, upgrading the gates and renewing operation and customer service building.

Under the second phase of its investment project, it will add two new quay cranes with a 24-row outreach, eight new RTGS, other equipment and make further infrastructure investments.

Having acquired an empty stacker, it will have two QCs and eight RTGs by the end of
52 | Cai Mep Vietnam

CAI MEP closed the book on another impressive year with an almost 20% increase in traffic, as new alliance calls lifted throughput and attested to the port’s growing stature in the region. With a 6.8% growth rate in 2017, according to the World Bank, Vietnam maintained its status as one of the fastest-growing economies in the world.

The country’s southeastern port won significant new business last year, with APL including it in its new Singapore-Fremantle service and Zim also adding it to its new Med-Pacific service. Saigon Newport’s three deepwater terminals stepped up the pace, boasting a 28.5% throughput growth. TCIT and TCCT are seeing 10 weekly calls, with the latter being capable of servicing vessels up to 14,000 teu. Meanwhile TCTT receives six weekly calls.

The APMT-operated CMIT, a joint venture between Saigon Port, Vinalines and APMT, boosted throughput by 12.8% in the year to surpass 1.33m teu. APMT attributed the increase to market growth in South Vietnam and attracting three Ocean Alliance services and one 2M service.

Among the highlights in 2017 was the arrival of the 18,300 teu Margrethe Maersk in February. APMT disclosed it has no infrastructure developments planned for CMIT, which can accommodate vessels between 18,000 teu-20,000 teu.

However, with a new barge terminal adjacent to CMIT with a direct gate connection, the terminal is looking at enhanced capacity. This creates additional capacity of approximately 350,000 teu-400,000 teu for CMIT.

Meanwhile, 90% of imports and exports on mainline vessels are transhipped via barge and only 10% via gate at CMIT, so the barge could have significant effects on throughput in 2018.
53 | Incheon South Korea

The year 2017 saw records broken at Incheon, the nearest container port to South Korea’s capital city, Seoul. After a steady increase during the period 2013 to 2016, from 2.2m to 2.7m teu, Incheon raised its throughput by 370,000 teu to nearly 3.1m teu — a record total, which included the highest ever monthly total of 278,000 teu in December.

The import/export split still favours imports at 1,527,000 teu to 1,450,000 teu, with both showing significant growth over 2016. Transshipment volumes and coastal shipping also recorded increases.

Not surprisingly, given the short distance to the top 20 ports of Qingdao, Tianjin and Dalian, China dominates import volumes at Incheon with 870,000 teu — an increase of 75,000 teu on 2016 — representing 57% of the South Korean port’s import total.

By comparison, import containers from Vietnam (160,000 teu) represented just 10% of the total; containers arriving from Thailand, Malaysia and Indonesia each represented between 3% and 6%.

The significant increase in the number of containers arriving from Iran, 22,000 teu in 2017, was mostly new business for Incheon. China was even more dominant for the port’s export boxes, with 65.6% destined for China’s ports (951,000 teu). This was an increase of 160,000 teu, and a 20% hike year on year.

Iran again saw a significant rise, from 5,000 teu in 2016 to 18,000 teu in 2017, while export boxes heading for Vietnam, Taiwan, Hong Kong and Thailand each added between 1% and 7% of the total.

Incheon Port Authority chief executive Nam Bong Hyeon attributed the port’s step-change in throughput to the full opening of Incheon New Port during the year and the addition of four new container services to China and Southeast Asia.

The target for 2018 is to raise the number of boxes handled from 3m teu to 3.3m teu, which will require “aggressive marketing”, especially around high-value-added refrigerated and frozen freight, including fruits and food materials.

54 | Fuzhou China

Container throughput at Fuzhou topped 3m teu in 2017, marking a big breakthrough for the port in southeast China.

Its Jiangyin port area, where most of Fuzhou’s international services reside, achieved more than half of that volume alone — a compelling 23% growth from the previous year.

No wonder this area has gained the primary focus from the port authorities, with expansion projects breaking ground and new services being launched.

Oceangoing ships at Jiangyin reach as far as Africa and the US west coast, although the majority of them serve intra-Asia trades, covering Taiwan, South Korea and Southeast Asia.

In March 2018, Jiangyin launched its 10th “Belt and Road route”, a weekly service to Vietnam’s Ho Chi Minh, via Shantou, Hong Kong, Shenzhen and Guangzhou, with two 1,200 teu ships on a nine-day voyage.

Jiangyin is capable of receiving containerships of 14,000 teu maximum, while the Yuan1.4bn ($207m) construction project of two new container berths — numbers six and seven — that can handle even bigger ships are expected to be completed by the end of 2019.

Fuzhou Port Group, the main port operator, also signed an
agreement earlier this year to build three more berths — numbers 15, 16 and 17 — with a total investment of Yuan2.8bn.

Intermodal transport is another focus of attention. The fifth rail express train service linking to Chengdu city in southwest China was started in July this year, with Jiangyin’s sea-rail transport volume up 112.6% on year to 18,110 teu during the first half of 2018.

In early 2017, to further encourage port development, the city government introduced an incentive scheme, offering Yuan100m of annual subsidies to terminal operators that establish new routes and increase traffic.

55 | Barcelona Spain

BARCELONA was the fastest-growing European port in 2017 and saw one of the largest percentage increases in the entire top 100 container ports globally.

Volumes rose 32% to 3m teu last year as the port benefitted from an improving Spanish economy and cargoes affected by industrial action at rival Spanish terminals.

A significant factor in the increase was a 137% rise in transhipment containers, picked up largely from Algeciras, which saw a steep decline in volumes last year.

Containers for foreign trade also performed very well. Containerised import cargo stood at 561,103 teu, up 8.3%, and export cargo — the most significant in volume terms — was up 2.6% to 705,204 teu.

“These figures also indicate a significant degree of recovery compared to pre-crisis levels,” the port said.

“Reactivation of traffic in export containers had already begun in 2010, but it is worth noting that in 2017, Barcelona channeled 68% more of this type of cargo than in 2007.”

Last year, the all-time record for import containers, which was established in 2007, was surpassed for the first time. The Catalan port channeled 3% more import containerised cargo than it did 10 years ago.

China continues to be the Port of Barcelona’s prime trading partner. In terms of imports, 44.3% of foreign trade containers unloaded in Barcelona came from the Asian giant, and 11.6% of exports were destined for China.

Net turnover was €167m ($190.4m), up 7% year on year — due mainly to increased revenue from the upturn in activity — and the port booked a profit of €50m for the year.

Of the two container terminals in Barcelona, APM Terminals operates the Muelle Sur Terminal, with an annual throughput capacity of 2.3m teu.

APM Terminals acquired Terminal de Contenedores de Barcelona, which operates Barcelona’s Muelle Sur Terminal, in January 2016, as part of the acquisition of Grup TCB’s terminal portfolio. The terminal provides 1,515 m of berth, and a 16 m depth alongside.

The Barcelona Europe South Terminal at the Prat wharf is owned and operated by Hutchison. Last year, it launched a project to raise the height of three of its ship-to-shore cranes at the semi-automated terminal in order to serve 18,000 teu vessels with greater stack heights.
56 | Port Said Egypt

The trend of falling box traffic at Port Said prolonged into 2017. However, the Egyptian port can at least take solace in how it managed to stem the tide slightly. Volumes dropped back by more than 12% in 2016, whereas last year this number was reduced to 2.2%, upon shifting just shy of 3m teu.

This is despite the best efforts of the Suez Canal Economic Authority, which introduced 50% rate discounts on trade between the six ports under its governance — including Port Said — in a bid to drive traffic numbers. However, the largest of the port’s two box facilities, Suez Canal Container Terminal, operated by APM Terminals, did post a similar volume total to 2016 last year, handling 2.5m teu over the 12-month period. And volumes would have been substantially higher had carrier consortia The Alliance — comprising newly formed Japanese carrier Ocean Network Express, Hapag-Lloyd and Yang Ming — not switched operations to East Mediterranean rival Piraeus, in Greece.

Lars Christensen, chief executive of SCCT, recently told local media the terminal is targeting a similar performance for 2018. Meanwhile, volumes at the smaller Port Said Container Terminal, operated by domestic operator Port Said Container & Cargo Handling, fell to 488,000 teu. Throughput totals at PSCT have been on the wane for several years, yet efforts are being made to advance its competitive position and attract new business.

Last year, PSCT issued a tender for three new rubber-tyred gantry cranes and, more significantly, the terminal is now able to welcome larger vessels with a draught of 15.5 m and length of up to 370 m, following successful trial runs.

57 | Yokohama Japan

One of Japan’s oldest ports and among the first to be opened to foreign trade in 1859, Yokohama is a major commercial hub of the greater Tokyo area and the country’s second-most populous city. With this commercial strength, Yokohama has benefited from the recovery in the Japanese economy. Container volumes rose last year for the first time in seven years, with foreign cargo volumes climbing by 4% and domestic cargo throughput soaring by 17.7% compared with 2016. Aside from a 10.1% rise in box volumes, Yokohama also posted a 5.3% surge in overall cargo volumes to 114.8m tonnes.

Taking advantage of Japan’s economic boom, Yokohama is planning a raft of initiatives to improve port facilities to increase container throughput. At Minami Honmoku, Yokohama Port Corporation is aiming to have the new Pier 4 (MC-4) completed by the end of the fiscal year 2019. At 900 m long and with a water depth of 18 m, it will be the biggest berth in Japan. Meanwhile, at Honmoku, Pier D1 (D1) is being reconstructed by the end of the 2018 fiscal year.
CELEBRATING its 150th anniversary last year, Kobe has been steadily rebuilding its position as a leading container port since the 1995 Great Hanshin earthquake caused severe damage to the city and port.

Around 120 of the port’s 150 berths were damaged during the earthquake. Last year’s surge in container volumes was due to a record amount of domestic cargo, buoyed by Kobe’s extensive network of feeder services.

There are around 100 feedership calls per week, connecting Kobe with ports in western Japan. As a result, Kobe has emerged as a regional transhipment hub in line with the Japanese government’s policy to make Kobe a strategic international container port.

While Kobe has yet to re-establish the prominence it held before the earthquake, port officials are determined to expand the transhipment business, increasing the number of port calls by mainline carriers operating transpacific and Asia-Europe services.

Marking Kobe’s 150th birthday, city officials unveiled a 30-year vision for the Port of Kobe, which includes the construction of a new container terminal on an artificial island south of Rokko Island.

The new island, due to be completed around 2030, will include warehousing and manufacturing facilities in addition to the container terminal. Exact details of the number of berths and the timeline of development have yet to be decided.

The numbers tell a story for Balboa — a story that relates to the expansion of the Panama Canal.

In 2015, the year before the opening of the new locks, Balboa handled 3,078,000 teu. Transpacific liner vessels running from Asian manufacturing hubs to US consumers through the canal were limited to 3,500 teu capacity.

The game changed with effect from June 2016, after which vessels of 10,000 teu and more have been accommodated by the canal without the need for transshipment at Balboa. Figures for that year saw a dip to 2,831,000 teu.

However, far from suffering further erosion as containership operators cascaded larger ships onto transpacific routes, Balboa saw a small, yet significant upturn in 2017. The first full year of the Panama Canal expansion saw the port handle 2,905,000 boxes.

Some 90% of Balboa’s container handling has been transshipment and, while much of that has been retained, Panama Ports Company — which operates both Balboa and Cristóbal, on the Atlantic side of the canal — worked hard during 2016 and 2017 to attract new business.

The result has been a shift in emphasis from the transshipment
of Asian-manufactured exports to
a dramatic increase in west coast
South American reefer exports.
Balboa is now the hub for Central
and South American exports
feedered to Panama to connect
with larger vessels heading for the
US and Europe. The rebalancing
has not been complete; however,
the trend is moving in the right
direction, with volumes down
by about 2% between 2016
and 2017, from a deficit of 8%
between 2015 and 2016.
Panama Ports Company chief
executive Paul Wallace has overseen
investment at Balboa to handle
20,000 teu ships as well as greater
volumes, higher efficiency and
better environmental performance.
PPC is a subsidiary of Hutchison
Ports. Together, Hutchison’s
Balboa and Cristóbal handled
4,216,000 teu in 2017.

**60 | Le Havre France**

The three ports that make up
Haropa — Le Havre, Rouen and
Paris — had an exceptional
year in 2017, coming back from
the brink of decline following
changes to global container line
alliances and the introduction of
mega ships in 2015 and 2016.

Throughput at the deepwater
port of Le Havre in 2017 was up
14.3% to 2.9m teu following a 2%
dip in 2016 from 2015 levels.
In total, all three ports saw
throughput of 3m teu, a new
record for the grouping.
Haropa put its strong growth
record down to the development
of shipping services by global
alliances 2M (MSC and Maersk
Line), The Alliance (Hapag Lloyd,
Yang Ming and Ocean Network
Express) and Ocean Alliance
(CMA CGM, Cosco Shipping
Lines, Evergreen and OOCL).
The Alliance created a new
Asia service in April, placing
Haropa as the first port of
call for European imports.
Le Havre remains one of
the few north European ports
capable of berthing the new
supersized ships, such as the
Marshall Islands-flagged, 2017-
built, 20,000 teu MOL Triumph.
That helped it consolidate its
position in the leading northern
European range — the six largest
ports, stretching from Le Havre,
France, to Germany’s Helgoland Bay.
Le Havre increased its market share
within this range, with an additional
0.8% of loaded incoming volume
and 0.6% of loaded outgoing traffic.
MSC and X-Press opened a
network of special commercial
feeder services at Le Havre in
2017, creating a hub to serve the
UK and Ireland and services on
the northern Iberian Peninsula.
Consolidation at Le Havre’s
multimodal terminal saw more rail
and river operators join. The terminal
handled 145,000 teu in 2017,
reaching close to 3,000 teu per week.

He earmarked Le Havre,
Marseilles and Dunkirk for strategic
investment and launched key
studies into improvements to
management, international business
development and competitiveness
against other European ports.

<table>
<thead>
<tr>
<th>2017 throughput</th>
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<tr>
<td>2,870,000 teu ▲ 14.3%</td>
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Port authority
Grand Port Maritime du Havre, Terre-Plein de
la Barre, CS 81413, 76067, Le Havre, Cedex,
France

Website
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Terminal (Operator)
Terminal de l’Atlantique (Compagnie Nouvelle
de Manutention Portuaire)
Terminal Nord (Generale de Manutention
Portuaire)
Port 2000 GMP (GMP)
Port 2000 Terminal Porte Oceane (TPO)
Port 2000 Terminal Normandie (MSC or TNMSC)
61 | Virginia US

THE port of Virginia reinforced its position as the mid-Atlantic’s global gateway in 2017 with impressive 7% growth on 2016 — previously its highest volume year on record.

It moved 185,000 teu more in 2017 than 2016, with an average monthly growth of 15,442 teu.

Virginia had a ‘perfect streak’ in 2017, with every month setting a new throughput record, bringing it to a new annual high, Virginia Port Authority executive director John F. Reinhart said in a press release.

VPA put its growth down to a “fundamentally sound” world economy, a balanced mix of imports and exports, and ocean carriers seeking access to Midwestern markets.

Large infrastructure work has enabled fewer but larger ships to call at Virginia, which saw the number of vessels drop by 9% in 2017. That trend is expected to continue.

Deepening of the Norfolk Harbor and entrance channels to 55 ft and widening portions of the Thimble Shoals Channel to 1,200 ft was approved by The US Army Corps of Engineers in November 2017, based on future forecasts of larger vessels calling Virginia.

The dredging project will allow for two-way traffic of ultra large container vessels and has an expected completion date of 2024.

Port of Virginia welcomed the UK-flagged, 2017-built, 14,400 teu CMA CGM Theodore Roosevelt in August 2017, the largest containership ever to call the US east coast at that time.

A couple of months earlier, the Hong-Kong flagged, 2011-built, 13,000 teu Cosco Development had called at the port.

Projects that came online in 2017 include CSX’s National Gateway, a multi-stage railroad construction project designed to improve rail connections to the Midwest markets in Pittsburgh and Ohio by upgrading bridges and tunnels to allow double-stack rail access.

The port christened its new 26-lane, $42m North Gate complex at Norfolk International Terminals in June, following two years of construction.

In February, work began on a $320m expansion of Virginia International Gateway, a project that will take two years to complete and nearly double the terminal’s annual container throughput capacity to 1.2m units from its present capacity of 650,000 containers.

In July, the port also began work on expansion of the south stack/container yard at Norfolk International Terminals. This $350m project will expand annual capacity by 400,000 containers.

The container stack yard will be completely reconfigured and will be served by 60 new rail-mounted gantry cranes. The project will be complete by 2020.

Other project work approved in 2017 include the East Coast Gateway Terminal Agreement, allowing the ports of Georgia and Virginia to begin information sharing and collaboration.

2017 throughput
2,841,016 teu ▲ 7%

Port authority
Virginia Port Authority, 600 World Trade Centre, Norfolk VA 23510, US

Website
www.portofvirginia.com

Email
www.portofvirginia.com/contact/contact.aspx

Terminal (Operator)
Virginia International Gateway (Virginia International Terminals)
Norfolk International Terminal (Virginia International Terminals)
Virginia Inland Port (Virginia International Terminals)
Portsmouth Marine Terminal (Virginia International Terminals)
Newport News Marine Terminal (Virginia International Terminals)

62 | Manzanillo Mexico

MANZANILLO reported near-double-digit increases in container throughput levels last year.

Posting only moderate growth levels the previous year, Mexico’s principal box port Manzanillo handled more than 2.8m teu in 2017, a rise of 9.7% year on year, as the port’s two terminals welcomed several new fixed services.

Despite the ongoing struggles of the Mexican economy, containerised trade in the world’s 13th-largest export economy is on the up. Indeed, Mexico enjoyed its fastest container growth rate since 2011 last year.

A recent trade report published
by logistics giant DB Schenker noted how carriers and freight forwarders are paying attention to this encouraging trend, while interest in trade activity south of the US border is also increasing as Los Angeles and Long Beach reach capacity.

There is also growing confidence that the ongoing renegotiation of the North American Free Trade Agreement (Nafta) will not have the negative impact initially feared, but rather an outcome that better serves Mexican interests and mitigates for any major trade barriers with the US — by far and away the country’s largest export market.

Positive trade sentiment has also come from recent progress on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or CPTPP. The trade treaty will allow Mexico, along with 10 other Pacific nations, to take advantage of a near-zeroing of tariffs across a market worth approximately $12.6trn.

Fortunately, Manzanillo is preparing for the expected upswing of traffic heading Mexico’s way, with terminal operators SSA Mexico and International Container Terminal Services Inc enhancing terminal capacity.

63 | Melbourne Australia

MELBOURNE’S container terminals handled 2.8m teu in full-year 2017, an increase of 5.9% from the calendar 2016 figure.

Full container exports were the primary contributor to the overall growth, an official at the port said.

Exports benefited from favourable seasonal conditions, which resulted in a near-record winter crop. This, in turn, produced large volumes of wheat, barley, pulses and hay for export during the year, he said.

The port hailed a record performance in the 2017/18 financial year, reaching total throughput of 2.93m teu.

The start of operations by Victoria International Container Terminal at the port in early 2017 also aided growth, adding another service provider to the stevedore pool for Australia’s east coast ports.

The $550m investment in its new highly automated terminal at Webb Dock, and its capacity to handle larger boxships due to its location at the mouth of the Yarra River, will be a key competitive advantage, according to a statement.

A number of works programmes are under way that should help to improve performance further.

In July 2018, Berth 1 of Swanson Dock was handed back to Patrick Stevedores after rehabilitation that involved re-leveling and installation of new crane rails, which allows for more efficient movements up and down the dock.

In August 2018, the port of Melbourne announced that upgrade works will be carried out to enable larger vessels to berth at Webb Dock East berth one, as Toll Shipping is expected to replace its existing ro-ri vessels with two new larger ones in early 2019. The upgrade is expected to be completed in autumn 2019.

The port is looking to grow volumes and attract new business and has appointed industry expert Jim Cooper as executive general manager in the commercial unit.
CELEBRATING its 110th anniversary in 2017, fittingly Nagoya retained its position as Japan’s busiest port for the 16th consecutive year, handling 195.9m tonnes of cargo, up 1.4% year on year.

However, while overall cargo volumes were up, Nagoya still lags behind ports such as Tokyo, Yokohama and Kobe in the box-handling stakes.

With Nagoya seen as the gateway to the industrial Chubu region, a larger proportion of the port’s cargo volumes are non-containerised products, such as vehicles, industrial machinery, steel and chemical products, iron ore, crude oil and liquefied natural gas.

While international cargo volumes topped 128m tonnes, down by 0.5% compared with 2016, the volume of containerised cargo in tonnage terms climbed 3.6% to 49.6m tonnes in 2017.

Not only is Nagoya Japan’s busiest port, it is also the biggest. Its combined port area, including terminals, harbour and channels, covers around 123 sq km — larger than the combined port areas of Tokyo and Yokohama. Nagoya is also a key export hub for Toyota, Japan’s largest car manufacturer.

Within the port, November 2017 saw two important milestones. The first involved the completion of a 13-year programme of works at the east channel, the port’s main access fairway, to deepen it to 16 m and increase the width to 580 m.

The second was the completion of anti-seismic improvement works, first started in 2013, to the 4.49 km high-tide breakwater, to strengthen the port against future earthquakes.

YANTAI reported a 3.9% growth in container throughput to 2.7m teu during 2017.

The pace was slower than the 6% seen in 2016, but was enough to help the port achieve its annual target.

By end-2017, Yantai, located in Shandong province, eastern China, had opened 22 domestic trade lanes that lead to most major Chinese coastal ports, including Dalian, Shanghai, Ningbo, Guangzhou and Shenzhen.

It also offers five feeder services for cargo flows to and from a number of important river ports. Beyond China, the port operates 16 international routes linking to Japan, South Korea and Southeast Asia.

In December 2017, Cosco Shipping Lines opened a new lane that goes through Qinhuangdao, Yantai, Qingdao, Ningbo and Ha Chi Minh.

State-owned Yantai Port Group, the port’s main operator, said the service largely lowered the logistics costs for local exporters, as they no longer need to transport their goods to Qingdao by road, while being able to access Ningbo’s overseas networks.

To further boost capacity,
YPG is building a new port area, with a total investment of Yuan50bn ($7.3bn).

The so-called West Port Area will boast an annual container-handling capacity of 15m teu. It will also be equipped with berths to handle dry bulk vessels, tankers and general cargo carriers, as well as facilities for shiprepairs and China’s strategic oil reserves.

Now within Shandong, Qingdao remains the largest port that can receive megaships, while Yantai and nearby Rizhao play more of a supporting role.

Looking to the future, Shandong has rolled out a blueprint to consolidate the three ports along with several smaller ports in the province. That might put Yantai’s ambitious expansion project to the test, in view of government efforts to tackle the problem of port overcapacity.

Nevertheless, for now, Yantai has set a target of 3m teu container throughput for 2018.

**THE port of Durban saw container throughput rise 3.1% to 2.7m teu from January to December 2017 on “good performance” from imports and exports.**

From an import perspective, there was high cargo output from the Far East, with vessels arriving with larger-than-budgeted parcel sizes due to demand for retail goods, equipment and fast-moving consumer goods.

Meanwhile exports were driven by demand for mineral products, base metals and vehicle equipment, supported by a recovery in the global economy.

The port expects volumes to increase to 2.85m teu during its 2018 financial year, which runs from April to March, from 2.77m teu in 2017/18, which itself was 3% higher than the prior year.

The port is the busiest in southern Africa, with about 4,000 vessel calls per year, handling 65% of the country’s total containerised cargo.

State-owned Transnet owns and operates two dedicated container terminals at the port: Durban Container Terminal (DCT) Pier 1 and DCT Pier 2.

Container volumes are also handled at berth 12 at the Maydon Wharf facility. Transnet National Ports Authority is the port landlord, while Transnet Port Terminals is the terminal operator.

Preparatory work has been taking place ahead of an expansion project, said the port’s acting manager Nokuzola Nkowana.

The project, for which a contractor had yet to be announced at the time of print, will see deeper berths able to accommodate newer-generation container vessels at DCT’s Pier 2’s North Quay.

**AFTER a tough 2016, the port of Cartagena rebounded emphatically in 2017 with a 9.5% growth rate, elevating Colombia’s premier port throughput to 2.66m teu for the year.**

The considerable improvement was spurred by the two Sociedad Portuaria Regional de Cartagena-operated terminals, Contecar and the Manga Sea Terminal, which collectively grew by 9.2%,
pushing SPRC to its largest volumes since at least 2000. SPRC’s terminals account for 60% of Colombia’s container trade with the US, backed by 18 services between the two destinations.

The port is working its way up in terms of handling capacity as well, aiming to service 14,000 teu vessels, up from the current 12,000 teu limit.

Meanwhile, the Terminal Compas Cartagena, set up through a joint venture by APMT and Compañía de Puertos Asociados (Compas SA), also recorded a 17% throughput growth, reaching 102,665 teu.

The terminal added its first Maersk Line service at the end of the third quarter of 2016, between Russia, other European ports, Cartagena and Ecuador. At the end of the third quarter of 2017, it also secured a Maersk service connecting ports in the Caribbean, Costa Rica and Colombia with the US east coast and southeast. Since taking over the port’s ownership three years ago, APMT and Compas have pledged to jointly invest more than $200m in upgrading and expanding the facility to triple the annual throughput capacity of 250,000 teu and enable the terminal to handle vessels up to 13,000 teu, a significant scale-up from the 4,300 teu vessels it can accommodate at the moment. APMT said under the best-case scenario, construction would begin in 2019 and be ‘online’ in 2021.

The terminal brought in one LHM 550 mobile harbour crane, and further infrastructure and superstructure investments are planned once all constructions pre-requisites are approved by the respective authorities.

68 | Genoa Italy

THE Tyrrhenian Sea port of Genoa had a strong 2017, with throughput across its five container terminals up overall by 14%.

Leading terminal PSA Voltri-Prá is responsible for around 60% of Genoa’s containerised trade. Its throughput rose 16.5% in 2017 to 1.6m teu from 1.4m teu the year before.

Singapore terminal giant PSA put this down to the launch of new services at Genoa, including The Alliance’s Mediterranean to North America east coast offering, the AL 6 service, which has a port rotation of Salerno, Livorno, La Spezia, Genoa, Fos, Halifax, New York, Norfolk, Savannah, Salerno.

Genoa continued its long-running infrastructure investment works in 2017, including yard electrification and repaving, berth reinforcement works and the approval of a new 50,000 sq m area for empty containers.

The introduction of 25 rubber-tyred gantry cranes and electrification works is expected to add 140,000 teu of annual capacity at the port.

Genoa’s long-delayed new container terminal, Calata Bettolo, being built by the Bettolo Consortium — in which MSC holds a controlling share — will be capable of handling upwards of 500,000 teu.

The terminal is slated to open for business in 2019.
IRAN’S main container terminal is Bandar Abbas, also known as Shahid Rajaee.

In 2017, container throughput climbed 22% to 2.6m teu as the lifting of international sanctions helped to stimulate trade.

The port has two terminals — SRCT 1 and 2 — with a total capacity of 3.3m teu. The management for both terminals was awarded to Iranian companies, with foreign entities selected as joint-operators.

An expansion of SRCT 2 is under way, which is expected to add 2.2m teu to the terminal’s capacity. A German manufacturer is providing 12 gantry cranes, eight of which have a boom length of 67 m, with the rest at 61 m.

Installation of the cranes is under way, with completion expected at the end of 2018, according to the port authority.

A plan to build a third terminal at the port is on the cards, which will be able to accommodate ships of 18,000 teu. The first phase will see the construction of 800 m of berth, out of a total of 1,475 m, with a draught of 17 m.

The investment is being made by the Ports and Maritime Organization, a state-owned entity.

A logistics centre is also being planned, as the port is well-connected to road and rail networks.

The optimism may be short-lived, however, as some lines may be stopping services to Iran in 2018, given the threat of fresh sanctions by the US administration.

CHITTAGONG continued its rise up the rankings in 2017, following a second consecutive year of near-double-digit growth in container throughput.

The Bangladeshi box hub, responsible for more than 90% of the country’s containerised trade, shifted a record 2.6m teu, up 9.4% on 2016 levels.

Chittagong, located on the northeast curve of the Bay of Bengal, is the vital seaborne connection that supports Bangladesh’s $30bn garment trade.

Volumes have swelled on the back of the garment industry’s success and it stands to reason why nearly every major carrier frequents the port via the regional mega hubs of Singapore, Malaysia’s Port Klang and Colombo, Sri Lanka.

However, Chittagong has become a victim of its own success, to the point of saturation. Indeed, volume growth at the port would have been substantially higher last year if capacity had permitted.

An old port by design and age, Chittagong is not fit to meet the requirements of contemporary container handling. Yards are overspilling with container stacks, equipment is outdated and its location, 10 km up the tidal Karnaphuli River, restricts access to vessels any larger than 3,000 teu.

To make matters worse, midway through 2017, a vessel colliding with the quay left two of Chittagong’s four gantry cranes inoperable.

The cranes have since returned to action, but the Chittagong Port Authority is not resting on its laurels. With the value of
the garments exported from Bangladesh expected to almost double by 2021 to approaching $50bn, the CPA has since procured a further six units due to enter service before the end of 2018. New cranes, however, are just the start. The CPA is currently moving ahead with several expansion opportunities in and around Chittagong, including a new terminal, known as the Laldiah project, consisting of four berths measuring 800 m in total.

The private-public partnership has attracted the interest of DP World, Adani Ports (India) and China Merchants Ports. In the interim, a smaller facility is set to open near the mouth of the Karnaphuli at Patenga in late 2019.

**71 | Tangshan China**

WHEN the port published its 2017 results, local residents posted on social media: “You rock, my port of Tangshan!”

They had a point. The northern Chinese port near Tianjin, a rising star in the sector, reported a 30.7% increase year on year in container throughput to 2.5m teu in 2017.

The growth rate in the previous two years was 27.2% and 37%, respectively.

In Jingtang port area, where Tangshan’s main container facilities are located, handling volume hit 2m teu for the first time, up 33.2% from 2016.

To accommodate the fast growth, Tangshan Port Group, the main operator of the port, retrofitted three general cargo berths into container berths in 2017.

At the same time, another three box berths are under construction and scheduled for completion in 2019.

The joint venture, Jintang International Container Terminal, setup by Tangshan Port Group and Tianjin Port Group in December 2016, has provided a platform for improved competitiveness and better resources allocation between the two ports.

The terminal provides important feeder services to Tianjin, while using the bigger neighbouring port’s overseas networks to boost Tangshan’s own export volume.

Currently, Jingtang operates 30 domestic and foreign trade routes, which connect with the major ports along the China’s coastal lines, as well as those in Japan, South Korea and Southeast Asia.

The city’s developed railway systems have also help the port to expand its reach to new markets in inland areas.

Five dry ports (Erdos, Urumchi, Shuozhou, Xinzhou and Wuhai) in China’s central and western regions were added by TPG into its networks last year.

In April, Tangshan joined the list of ports that open China-Europe freight train services, as part of China’s Belt and Road initiative.

The first train, carrying 41 containers of Chinese products, arrived in Antwerp in 16 days.

**2017 throughput**

2,530,303 teu  ▲ 30.7%

**Port authority**

Port and Shipping Administration of Hebei Provincial Department of Transportation, No. 509, Yuhua East Road, Shijiazhuang City, Hebei Province, China

**Website**

www.tsjtys.com

**Email**

tstraffic@126.com

**Terminal (Operator)**

Berths 10,11, 18 & 19 (Tangshan Port Group)
Jintang International Container Terminal (Tangshan Port Group & Tianjin Port Group)

**72 | Sydney Australia**

SYDNEY’S Port Botany container terminals saw throughput rise 7.1% to 2.5m teu in 2017.

The growth has come thanks in part to greater efficiencies from new automated operations.

In the six months to December, imports and exports totalled 1.3m teu, versus 1.25m teu in the same period a year earlier, according to data from NSW Ports, the port authority.

All months showed higher throughput, with the biggest increase in October.

One of the highlights for the year was a special unique cargo: a giraffe. The 15-month-old
giraffe named Mtundu arrived at DP World’s terminal on board the Hamburg Sud vessel *Hammonia Galacia*.

It needed special equipment to be transported from the port to Mogo Zoo on the south coast of New South Wales after its voyage from Auckland Zoo.

However, it will not be plain sailing for the terminals at the port in 2018 due to threats of strike action by workers.

In addition, safety standards have been called into question at Hutchison Ports’ terminal after an accident that left a female worker in a critical condition in April. The 55-year-old worker fell from the cabin of a shuttle carrier following a collision.

Further out, there is the threat that calls for a potential new container terminal in Newcastle, north of Sydney, may steal volumes from Port Botany, which has been given funding to duplicate a section of its rail network to improve its freight performance.

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73 | Houston US

CONTAINER throughput at the port of Houston, a key gateway to US Gulf markets for lines and shippers, rose nearly 13% to a record 2.5m teu last year.

The striking gains were driven by a 22% increase in imported containers from “a strengthening east Asian market”, Port of Houston Authority told Lloyd's List.

This saw box imports and exports at the hub achieve almost perfect balance during 2017, adding to the attractiveness of port calls for lines.

Despite a slow start to 2018, which saw box throughput growth of just 1% in the first two months of the year, PHA is still forecasting a 9% year-on-year increase in teu throughput in 2018, with volumes expected to be boosted by terminal upgrades at key facilities.

For example, the port took delivery of three cranes for commissioning at Barbours Cut Container Terminal in October 2017 as part of the $700m modernisation of the 40-year-old terminal.

As of July 2018, three ship-to-shore cranes had also been built and were being shipped for installation at Bayport Container Terminal, with delivery scheduled for August.

“The Bayport Container Terminal, which opened in 2007, is 50% complete, and $600m is scheduled to be spent during the next decade for the build-out of the terminal,” said PHA.

“Bayport currently is 305 acres, with four berths. At full build-out, the Bayport terminal will be 450 acres, with seven berths,” it added.

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2017 throughput
2,530,122 teu ▲ 7.1%

Port authority
NSW Ports, Level 2, Brotherson House, Gate B103, Penrhyn Road, Port Botany, NSW 2036, Australia

Website
www.nswports.com.au

Email
enquiries@nswports.com.au

Terminal (Operator)
Brotherson Dock, north side (Patrick Stevedores)
Brotherson Dock, south side (DP World Australia)
Hayes Dock (SICTL, Hutchison Ports Australia)
CONTSHIP Italia Group’s Medcenter Container Terminal, located at Gioia Tauro, is undergoing an expansion of its inland rail network connections, following an investment of €40m ($47m), to become a full-scale gateway port by the end of 2018.

Significant changes in network routings reduced the year-on-year throughput of the terminal by 12.5% to 2.5m teu in 2017. The decline was also attributed to traffic lost as a result of the liner alliance shake-up earlier in the year that resulted in fewer ship calls at the transhipment hub. The group’s overall container throughput, meanwhile, dipped 1.8% to 7.8m teu in what Contship Italia president Cecilia Eckelmann-Battistello described as “another challenging year” for the industry. However, despite the decrease, MCT highlights its ability to accommodate ultra large containerships with its 3.4 km of linear quay, the group said.

Back in 2016, the terminal, which faces stiff competition from places such as Tanger Med, handled the biggest boxship to call at an Italian port. That trend has continued, with two more megaship calls during 2018 — from MSC Maya and Maersk Mayview.

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BOX volumes handled by London terminals lost ground in 2017, amid contrasting fortunes for the port’s big two players.

Double-digit increases in percentage terms the previous year were replaced by a 4.2% drop in throughput traffic to 2.4m teu. The UK’s newest deepwater terminal, Dubai-based operator DP World’s London Gateway, was the big winner in 2017, having finally secured its first direct Asia-Europe calls.

London Gateway witnessed a 35% upswing in container numbers as The Alliance brought in five new services linking the port and London with the Far East and the US. The only direct deepsea link between New Zealand and the UK also started calling at London Gateway last year. The Panama Direct Line, or PAD loop — also known as North Atlantic South Pacific — jointly operated by French carriers’ CMA CGM and Marfret, began calling in late September. Earlier that month, the same pair launched their North Europe French Guiana (NEFGUI) service.

Other major developments at the London Gateway complex included the opening of a new distribution centre by Dixons Carphone; the expansion of Pentalver’s onsite container facility; and the start of operations at logistics giant UPS’s new parcel sorting hub.

Facilitating increasing demand for the port’s services was a third deepwater container berth, opening at the start of the second quarter last year. It provides another 400 m of quayside and four new towering ship-to-shore cranes, enabling London Gateway to handle three ultra large containerships simultaneously.

Meanwhile, container traffic operated by French carriers’ CMA CGM and Maersk, began calling in late September. Earlier that month, the same pair launched their North Europe French Guiana (NEFGUI) service.

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Meanwhile, container traffic...
A VIBRANT northern Californian economy and continued strength in US consumer spending drove strong import volumes at Oakland in 2017. The port saw throughput rise 2.2% to 2.4m teu during 2017. This was a slightly slower growth rate than it achieved in 2016, despite losing a client terminal that year when Ports America’s Outer Harbor Terminal filed for bankruptcy. However, it is still heading in the right direction.

Due to its location close to producers in California’s Central, Napa and Salinas Valleys, Oakland’s success is bounded by the local catchment, rather than acting as a gateway port for the wider economy. This is fine when the agricultural heartland of northern California is doing well; but the looming trade war between the US and China, which includes tariffs on some US farm exports, could put a dampener on continued growth.

With its “last-stop” position on the transpacific backhaul to Asia, Oakland is key in the cool supply chain for US exporters. It exports more of the commodities covered under China’s retaliatory tariffs than ports of LA, Long Beach or New York and exports 97% of all US wine shipped to China. In the past five years, agricultural exports from Oakland have increased by more than 40% and in 2017, agricultural export volumes amounted to 375,000 teu in both dry and reefer containers.

“Overseas demand for high-quality US-grown products — especially in Asia — has never been stronger,” said Oakland executive director Chris Lytle. “We’d be disappointed to see anything curb the gains being made by American producers.”

Nevertheless, the port authority and its four container terminals are pressing ahead with upgrading their equipment. Earlier this year, the port introduced Oakland Portal, an online gateway to all Port of Oakland marine terminals, and Cool Port Oakland, a 283,000 sq ft temperature-controlled distribution centre, expected to ship 54,000 teu annually of chilled/frozen beef, pork and poultry, will also open this year.

Meanwhile, work has begun work on 440,000 sq ft distribution centre that will be the first building at the Port’s Seaport Logistics Complex, a former military site. Negotiations continue for the construction of an 8.5-acre truck service centre at the port, with building work likely to commence next year.

Since the beginning of last year, seven new gantry cranes have been installed — four at Trapac and three at Everport — and Oakland International Container Terminal has begun converting 13 rubber-tyred gantry cranes to hybrid electric-diesel motors as the port seeks to improve its environmental footprint.

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**2017 throughput**

2,420,837 teu ▲ 2.2%

**Port authority**

Port of Oakland, 530 Water St., Oakland, Ca 94607

**Website**

www.portoakland.com

**Email**

mzampa@portoakland.com

**Terminal (Operator)**

Oakland International Container Terminal (SSA Marine)

Matson Terminal (SSA Marine)

Trapac Terminal (Trapac)

Everport Terminal (Everport Terminal Services)
AN increased number of boxship port calls and a rise in exports to China helped Osaka post a 5% uplift in container throughput last year.

The number of containerships calling Osaka each month jumped from 300 to 316 in the year to May, buoyed by a raft of incentives, city port officials said. This assistance includes help for carriers that open new routes and lines that tranship containers at Hanshin port on services between North America and Southeast Asia. Among the new services is a joint operation between Wan Hai Lines and Interasia.

Ocean Network Express, the joint container line company formed by Japan’s big three lines, has also launched a joint service with Taiwan’s Yang Ming Marine and Hong Kong’s Orient Overseas Container Line that started in April 2018. Evergreen Marine also introduced its larger 7,000 teu S-type vessels in June 2018 on its Pacific Northwest (PNW 3) service. That came as foreign trade volumes climbed 5% in 2017 to just over 2m teu from 1.95m teu in 2016, supported by growth in exports to China. These include waste products for recycling, dye compounds, coating materials, resins and other industrial chemicals. Imports of garments, footwear and other consumer goods and machinery also climbed, while Osaka recorded a 5% rise in domestic throughput to 277,150 teu in 2017, from 264,608 teu in 2016. Container handling was improved last year, following completion of an extension to part of berth C-12 in Yumeshima.

GULFTAINER’S flagship terminal facility Khorfakkan saw box traffic numbers nearly slashed in half in 2017, as the UAE port felt the full brunt of container shipping’s ongoing consolidation. Khorfakkan, located on the emirate of Sharjah’s east coast, saw volumes tumble 46.4% to 2.3m teu, having lost the business of its second-biggest liner customer, United Arab Shipping Co, which has been absorbed by German giant Hapag-Lloyd. The Alliance, one of the three major container shipping consortia plying the major east-west trades — which, alongside Hapag-Lloyd,
also comprises the recently formed Ocean Network Express and Yang Ming — centres operations at rival facilities, including Jebel Ali and Jeddah, in the Gulf.

The unprecedent number of other mergers and acquisitions among its liner clientele also hit Khorfakkan’s transhipment trade hard in the interim, a spokesperson for Gulftainer told Lloyd’s List.

However, the terminal operator is confident the competitive edge granted by its geographical location, coupled with Sharjah’s ambitious plans to cement itself as a regional logistics hub, will ensure 2017’s slump in traffic remains an anomaly. And there is room for further optimism as the outlook for global trade improves and the ongoing recovery in port volumes in China, a key trading partner for ports in the Middle East Gulf.

79 | Quanzhou China

THE intensified competition from neighbouring ports has done little to impact Quanzhou’s performance.

Its container throughput rose 10.1% year on year in 2017, surpassing growth of 4.6% in 2016 and 6.1% in 2015.

At the same time, volume at two bigger ports nearby — Fuzhou and Xiamen — grew 13.5% and 8%, respectively, last year.

The port’s principle container facility, the Quanzhou Pacific Container Terminal, a joint venture between Cosco Shipping Ports and the state-owned Quanzhou Harbour Group, saw handling up 5.8% to nearly 1.4m teu.

While the majority of Quanzhou’s box traffic was generated from China’s cabotage business, the port is looking at foreign trade to unlock its growth potential.

Its throughput of export/import containers was minor, standing at only 134,400 teu last year, yet the 11.2% increase was quite encouraging.

The rise came after the weekly Quanzhou-Vietnam-Thailand service was launched by local carrier Ansheng Shipping in June 2017 at QPCT, marking the first direct service to the two Southeast Asia countries.

More recently, in April 2018, Cosco Shipping Lines also added an express service linking to Ho Chi Minh City, as Quanzhou’s fifth Belt and Road container shipping route.

To further boost Quanzhou’s handling capacity, the port is building two additional container berths — numbers five and six — at Shihu port area, where QPCT is located.

The facilities, worth Yuan1.6bn ($235m) and expected to be completed in 2020, have a designated annual handling capacity of 1.2m teu and can receive post-panamax boxships.

Quanzhou also expects additional momentum from the adjacent Jingjiang dry port, which is operated by Quanzhou-based logistics firm Fujian Dry-Port Group to facilitate intermodal transport and crossborder e-commerce in the region.

80 | Zhuhai China

ZHUHAI is the shining star in China’s container ports sector when it comes to volume growth. It may not be the strongest, but it is certainly the fastest.

The port recorded a 37.3% advance in throughput to 2.3m teu in 2017. Also, it took just three years for the port to enter the 2m teu league from topping 1m teu in 2014.

Ou Huisheng, chairman of Zhuhai Port Holdings Group, the port’s main operator, told Lloyd’s List the blistering pace in growth had been partially driven by a persistent
investment in port infrastructure over the past few years.

Currently, the major facility is the Zhuhai International Container Terminals (Golan), where Phase I — equipped with two 70,000-tonne box berths and an investment of Yuan1.9bn ($276m) — has been in service since 2009.

The Yuan4bn Phase II, having four 100,000-tonne container berths, will be completed by the end of this year, with one of the berths already starting a trial run last year.

Zhuhai’s full handling capacity will reach 5m teu when ZICT (Golan) becomes fully operational along with a number of smaller multi-purpose berths at the other terminals.

What is more, the port has spent more than Yuan1bn in dredging the main channel of Gaolan to 290 m wide and 19 m deep, allowing post-panamax containerships to enter Zhuhai.

As a port that mainly serves domestic trade and operates feeder services for nearby ports such as Hong Kong and Shenzhen, these investments are rather proactive.

Another contributor to growth is ZPG’s Xijiang River strategy, which has largely expanded Zhuhai’s hinterland with the establishment of a dense barge network that gets access to cargo sources in some inland provinces.

At the same time, the port is keen to expand the volume of foreign trade cargo, which is more lucrative than domestic trade.

To better explore the markets of Southeast Asia, Mr Ou said the company was looking to acquire an overseas port in the region to take advantage of opportunities offered by the Belt and Road initiative.

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**81 | Callao Peru**

PERU has the fifth-largest economy in South America, and approximately 70% of Peru’s foreign trade is handled at the Port of Callao, the busiest container port on the west coast of South America.

Growth has been driven by increasing transpacific trade as an improving Peruvian economy led to increased imports, while its agricultural products, fish and minerals are exported to Asia.

Changes in container shipping have proved a boost to Callao, which this year picked up new services from HMM and Ocean Network Express.

ONE’s new service schedule will include two Pacific coast strings, one connecting South American east coast hubs with the US west coast via Los Angeles, and the other a loop linking Panama’s Balboa with Callao.

South Korea’s Hyundai Merchant Marine has also formed a partnership with Mediterranean Shipping Co, Hapag-Lloyd and ONE to offer services jointly from Asia to South America’s west coast.

The line said the new routes will link South Korea, China, Japan and Taiwan to the west coasts of Mexico, Peru, Chile, Columbia via three loops starting in April.

Both the NW1 and NW2 rotation will call at Callao.

This will be positive news for the

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**2017 throughput**

2,270,000 teu ▲ 37.3%

**Port authority**

Zhuhai Transport Bureau, No 62, Meihuaxi Rd, Xiangzhu District, Zhuhai City, PRC

**Website**

www.zhtj.gov.cn

**Email**

zhjtjz@zhuhai.gov.cn

**Terminal (Operator)**

Zhuhai International Container Terminals (Golan) (Zhuhai Port Holdings Group)
Zhuhai International Container Terminals (Hong Wan) (Zhuhai Port Holdings Group)
Zhuhai Port Gaolan Stevedoring Co (Zhuhai Port Holdings Group)
Zhuhai Port Hongwan Stevedoring Co (Zhuhai Port Holdings Group)

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**2017 throughput**

2,250,200 teu ▲ 9.5%

**Port authority**

Autoridad Portuaria Nacional (APN), Av. Santa Rosa N° 135: Lo Perla, Callao. Peru

**Website**

www.apn.gob.pe/site

**Email**

atencionusuario@apn.gob.pe

**Terminal (Operator)**

DP World Callao (DP World)
Muelle Norte (APM Terminals Callao)

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two container terminals at the port, run by APM Terminals and DP World.

However, there are threats to Callao’s dominance. Not only does DP World acquired Peruvian logistics company Cosmos Agencia Maritima, and with it a terminal in the second-largest port, Paita, but Chinese giant Cosco is developing a major new port at Chancay, just 70 km from Callao.
82 | Yeosu Gwangyang South Korea

JOINTLY administered by the Yeosu Gwangyang Port Authority, Gwangyang and the smaller port at Yeosu form South Korea’s second-busiest port complex behind Busan, handling a total of 293.8m tonnes of cargo last year.

However, Yeosu Gwangyang continues to suffer from an earlier downtown and the 2016 collapse of Hanjin Shipping, as container volumes remained largely unmoved in 2017, following two consecutive years of falling throughput. In 2014, the port handled more than 2.3m teu.

Gwangyang, which has the capacity to handle 4.6m teu, aimed to handle 2.3m teu last year but actual volumes fell short at 2.2m teu.

Pointing to the impact of box line mergers, the demise of Hanjin Shipping and changes in the composition of carrier alliances have had on Gwangyang’s throughput, local lawmakers said carriers in global alliances previously accounted for 85% of the port’s volumes. That had fallen to around 35% last year.

Consequently, lawmakers have called on the local government to increase the amount of money given to Yeosu Gwangyang to incentivise carriers to use the ports in an effort to reverse the decline in container throughput.

They pointed out the port of Busan received more than $16m from government coffers to attract more container cargo, especially transhipment traffic, whereas Gwangyang received about $5m.

Currently, Yeosu Gwangyang Port Authority is working on plans to concentrate all cargo activities, including container shipments, at Gwangyang by 2020, dedicating Yeosu as a cruise and passenger hub port.

To meet that aim, work is under way to expand the existing cruise terminal and build new breakwaters at Yeosu.

Meanwhile, it was reported earlier this year that South Korean shipping company Sinokor Merchant Marine and CJ Logistics were mulling over the joint operation of a container terminal at Gwangyang.

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<th>2,230,000 teu ◼ 1.3%</th>
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83 | Karachi Pakistan

PAKISTAN’S largest container port, the Karachi Port Trust, continues to witness strong growth in its container traffic.

According to figures posted by different local media, Karachi port handled nearly 2.2m teu in the financial year 2017-18, as compared to 2.1m teu in the same period a year ago, an increase of 5.9%.

The port has four container berths with a total quay length of 1,500 m, a draught of 18 m, 210 acres of yard space, and modern service equipment, including 12 quay cranes and 52 rubber-tyred gantry cranes.

Its strategic location gives it access to major shipping routes, including the Strait of Hormuz.

However, road traffic congestion problems for containers arriving at and leaving the Karachi terminal, the largest of Pakistan’s box-handling facilities, have become acute as the volume of
foreign trade containers increase.
Keeping in view the port facilities, changes in maritime transport future requirements of trade and commerce, Karachi Port Trust launched a number of projects last year, which are in different stages of planning, tendering and execution.
A freight corridor at an estimated cost of around $8-$10bn is being developed alongside the seafront from Karachi Port to Port Qasim for quick movement of all categories of cargoes.
The freight corridor would have a dedicated railway track and road network, along with liquefied natural gas and petroleum, oil and lubricants pipelines.
KPT is also working on an elevated expressway, starting from Keamari to Northern Bypass, to provide a signal-free exit and entry road network for port traffic.

84 | Charleston US

CHARLESTON enjoyed a more than profitable 2017, posting a 9.1% hike in container throughput numbers, to the tune of nearly 2.2m teu.
Volumes accelerated at breakneck speed to a new annual record for the US port, an accolade attributed by the South Carolina Port Authority to several factors.
Firstly, the port has benefited largely from the upsizing of vessels on weekly services, allowing for greater volumes of cargo to be handed at the port per call.
This development has been boosted by a booming manufacturing sector in the wider state region, particularly in the automotive industry, driving not only the export of finished vehicles but also spare parts and components on the import side.
The exports of plastics from the US Gulf and agricultural products from the Midwest market were also key areas of strength for Charleston’s containerised trade, while a rising population continues to aid in the increase of inbound traffic.
And there was more good news from Charleston at the beginning of 2018, with the start of the Charleston Harbor Deepening project, which will see both the harbour and shipping channels dredged to a depth of 52 ft.
The project, seen as vital in safeguarding the port’s future, will enable the world’s biggest boxships to call Charleston’s container terminals without tide restrictions. The SCPA expects completion in early 2021.
85 | Southampton  UK

DP WORLD’S Southampton container hub has continued its steady growth path for the third successive year, with a 4.24% boost pushing it past the 2m teu mark for the first time.

In 2017, Southampton successfully negotiated potential turbulence from the realignment of the world’s major container consortia, 2M, Ocean Alliance and The Alliance, securing calls from all three services.

The result was a significant change to its existing call patterns, with different shipping line customers calling with different services. However, overall, its volumes remained positive.

DP World Southampton continued to benefit from infrastructure investment in 2017. It took delivery of nine brand new Kalmar straddle cranes at the end of 2016 and a further eight in February 2017.

It purchased another two new super-post-panamax quay cranes in 2017, which became operational in July 2018.

Parent company DP World has spent almost £2bn ($2.79bn) in the past 10 years on its terminals in Southampton and London Gateway and it intends to invest more.

The Dubai-based company said it will continue to promote its ‘single port’ policy introduced in 2017 across Southampton and London Gateway.

The policy provides access to both DP World Southampton and London Gateway container terminals under a single service contract and gives shipping line customers more choice over which terminal to call.

DP World is looking to diversify its business away from ports to delve deeper into the supply chain, inland business and logistics. For its UK business, that could mean a change in the way the company uses connectivity surrounding its container terminals at London Gateway and Southampton.

It could also mean a broader use for its container tracking service ‘Where’s my container’ into the ‘final mile’ delivery.

Unlike its domestic competitors, DP World Southampton remains relatively unperturbed by threats of a ‘No-Deal’ Brexit, given it services international carriers only at its terminals.

While domestic competitors scramble to make infrastructure upgrades, or invest in costly new technology, Southampton’s onsite customs clearance services boast one-hour turnarounds for onwards logistics.

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86 | St Petersburg  Russia

THE year 2017 was transitional for St Petersburg after the “perfect storm” of 2015-16, according to Global Ports Investments chairman Morten Engelstoft.

That period saw economic recession in Russia, depreciation of the rouble, weak import demand and consumer confidence, low utilisation levels and intense competition.

However, growth in Asia, Europe, and the US had prompted a strong recovery in Russia.

Consumer confidence was buoyed by a stable rouble, lower inflation rates and the growth of real incomes. This resulted in greater demand for imported goods as the year developed and increased levels of container shipments into St Petersburg.

Global Ports, which runs First Container Terminal, Petroleoport, and Moby Dik terminals at St Petersburg, enjoyed a strong second half of 2017 — up almost 12% on the second half of 2016 — fuelled by a revival of imports and increased containerisation of exports.

Consolidated marine container throughput for the year rose by 6.8% to 1,205,000 teu from 1,128,000 teu in 2016.

Meanwhile, JSC Container Terminal St Petersburg (CTSP) handled 643,700 teu in 2017, a rise of 15.4%, on 2016, to reach a high point in the company’s history. That gave a 32% market share to St Petersburg and Ust-Luga.
Exports accounted for 55% of throughput at 354,900 teu, with imports at 288,800 teu. The encouraging results were attributed to investment in terminal infrastructure, expansion of the fleet of equipment and automation of processes. In 2017, three rubber-tyred gantry cranes and other equipment were added. Container shipments by rail, via co-operation between the terminal’s operator UCL Holding and Oktyabrsksaya Railway, accounted for almost 27% of the terminal’s total cargo transportation. CTSP handles many of the long-haul carriers, including MSC, CMA CGM, Hapag-Lloyd and Cosco, and shortsea carriers Unifeeder and Team Lines.

87 | Guayaquil Ecuador

GUAYAQUIL, responsible for handling approximately 70% of Ecuador’s seaborne trade, enjoyed another year of volume growth in 2017, as throughput levels grew 3.1% to just shy of 1.9m teu. However, the port’s two terminals had mixed fortunes last year. The smaller of Guayaquil’s facilities, Terminal Portuaria Guayaquil, located in the south of the city port complex, bounced back from a dismal 2016, when volumes slumped by more than 30%, to record a near-threelfold increase in traffic.

TPG handled 620,924 teu in 2017 against 213,753 teu the previous year, a surge attributed by its Chilean container terminal operator SAAM to sealing several important commercial contracts, but also off the back of significant investment.

Between 2016 and 2017, SAAM invested around $60m in the upgrade of terminal infrastructure and equipment renewal at TPG. This included lengthening the quay from 360 m to 480 m, and the procurement of two new ship-to-shore cranes — the largest in Ecuador — as well as five rubber-tyred gantry units.

Meanwhile, Philippine port operator International Terminal Container Services Inc subsidiary Contecon Guayaquil (CGSA), handling the lion’s share of Guayaquil’s volumes, saw volumes drop nearly 22% to 1.3m teu. However, things are also looking up for CGSA, ICTSI’s largest port concession in the Americas, after getting the nod from the government to receive larger vessels of up to 305 m simultaneously at its two berths in Guayaquil.

ICTSI says the move will help strengthen its market position, resulting in “higher efficiency and productivity levels”.

2017 throughput
1,848,700 teu ▲ 26.8%

Port authority
Port Authority of St Petersburg, 10 Gapsalskaya St, 198035 St Petersburg, Russia

Website
www.pasp.ru

Email
public@mail.pasp.ru

Terminal (Operator)
Moby Dik (Global Ports Investments)
Petroleosport (GPI)
First Container Terminal (GPI)
Container Terminal St Petersburg (UCL Port)

2017 throughput
1,871,591 teu ▼ 3.1%

Port authority
Autoridad Portuaria de Guayaquil, Av. de La Marina via Puerto Maritimo Guayaquil, Ecuador

Website
www.apg.gob.ec

Email
info@apg.gob.ec

Terminal (Operator)
Contecon Guayaquil (ICTSI)
Terminal Portuaria Guayaquil (SAAM)
88 | Dandong China

DANDONG is the main trading hub between China and North Korea. So there is little wonder the port city was hit by UN sanctions against North Korea.

In 2017, box volumes at Dandong, situated in Liaoning province in northeast China, right next to the North Korean border, fell 6.2% to 1.9m teu. This compared with an 8.7% growth in 2016.

The trade growth of Dandong can be seen as a barometer as to how China, North Korea’s largest trading partner by far, is complying with the UN sanctions. Last year’s figures show Beijing was, indeed, moving towards full compliance.

However, all is not lost. With the recent thaw in relations between Pyongyang with its neighbouring countries and the US, Dandong could be enjoying a revival in trade in the not-too-distant future.

That said, Dandong’s problems do not just lie on the macro side. Dandong Port Group, the main port operator, has been defaulting on payments of bonds totalling at least Yuan2.9bn ($426.9m) since 2017, according to regulatory filings.

Wang Wenliang, who holds the controlling stake in DPG, was caught up in a widespread cash-for-votes scheme at China National People’s Congress, the top legislature, a company statement said in 2016. In August 2018, Mr Wang resigned from his position as the company’s legal representative. Then, DPG bondholders all opted to exercise their put options, forcing the issuer to pay back the principle before maturity, which partially led to the defaults.

In the latest twist of this event, a Chinese court froze Yuan2.7bn of DPG’s assets this May.

DPG has been a rare case in China’s generally state-owned port industry — but this could change soon. There were talks that China Merchants Port might play the white knight and acquire DPG at a certain point.

89 | King Abdullah Saudi Arabia

KING Abdullah Port continued its march up the Lloyd’s List rankings with another year of double-digit growth in container throughput.

The Red Sea hub, making its top 100 debut last year, saw volumes soar 20.9% to nearly 1.7m teu in 2017, as more services transiting the Asia-Europe trade opted for the Saudi wayport call.

KAP’s success is owed largely to the minor deviation required for carriers serving the lucrative east-west routing and the transhipment opportunities on offer.

However, the fledgling port has also benefited from its privately owned status — an anomaly for the Middle East.

It has allowed Saudi company Ports Development Company, a joint venture between two of the Kingdom’s largest construction conglomerates, to develop the port in conjunction with internationally renowned operators. This has brought

---

2017 throughput
1,866,000 teu ↓ 6.2%

Port authority
Dandong Port Group, 187 Guanhai Road, Dandong City, Donggang City, Liaoning, China

Website
www.dandongport.com

Email
nasendandong1.hk1920.webhost10.top/index.php/Home/Index/contact

Terminal (Operator)
Dandong Port Area (Dandong Port Group)
Langtou Port Area (Dandong Port Group)
Haiyanghong Port Area (Dandong Port Group)

2017 throughput
1,695,322 teu ↑ 20.9%

Port authority
PDC, 46 Entaj Street Building No.1 Industrial Valley, King Abdullah Economic City 23989 PO box: 48501, Jeddah 21582, Saudi Arabia

Website
www.kingabdullahport.com.sa

Email
info@portsdevco.com

Terminal (Operator)
King Abdullah Container Terminal (Ports Development Co)
industry expertise to the port, but also the reputation to match. The container terminal is operated under a 25-year joint venture public private partnership between local partners and Mediterranean Shipping Co’s port-operating arm, Terminal Investment Ltd. With TIL on board, its carrier affiliate naturally followed, bringing Maersk Line with it too, as part of the pair’s 2M alliance. In addition, the terminal sees frequent calls from nearly all the other major lines, including Hapag-Lloyd and CMA CGM.

KINGSTON’S overall container throughput in 2017 increased by 7.3% to 1.68m teu, due to a “modest improvement” in global trade. The growth is reflective of a marked rise in transhipment and domestic volumes at the Kingston Freeport Terminal, the largest of Jamaica’s two terminals at Port Bustamante.

Works to expand the terminal, operated by a unit of CMA CGM, continued during the year, with phase 1 of dredging “significantly advanced,” according to the Port Authority of Jamaica. Following completion of phase 2 of works, throughput capacity should rise to 3.2m teu from the current 2.8m teu.

The multi-year, two-phase capital investment programme was established under the terms of the 30-year concession agreement signed in 2015. The extended terminal will be better able to support new and larger straddle carriers, gantry cranes and other cargo-handling equipment, which is being acquired along with new port management systems, the port authority said.

The initiatives are expected to create further economies of scale as the port responds to increased demand from larger container vessels — of up to 14,000 teu — which now transit the expanded Panama Canal, it added.

The new infrastructure is also vital to attracting private investment in near-port logistics. During the year, Kingston Wharves, which operates the second multi-purpose terminal, launched three new logistics facilities.

HAVING made its top 100 debut last year, Sines held on to its ranking position with aplomb, posting a successive double-digit percentage jump in box trade for 2017.

The Portuguese port, where container activities are handled by Singaporean operator PSA at its Terminal XXI facility, shifted 1.7m teu from January through December last year, a rise of 10.3% on 2016 levels. Sines’ success comes largely from its unique geographical location. Situated at Europe’s most westerly
point, the box hub sits at the crossroads of the east-west and north-south trades. This allows not only for a host of transhipment opportunities provided by services traversing the two vital maritime arteries, but also gateway cargoes to and from the continent.

Such is the strength of the proposition, Sines is in the process of building a second box facility, Terminal Vasco da Gama. The terminal, adding a further 3m teu to Sines’ throughput capacity, is currently out for tender to prospective terminal operators. Shanghai International Port Group is one of several global players reportedly interested in the project. PSA is also ramping up its operation with the procurement of its 10th ship-to-shore crane at Terminal XXI, which is due to begin operations in July 2019.

Meanwhile, the Portuguese government is doing its part to further the port’s competitiveness. In 2017, it revealed plans to launch the ‘Logistic Single Window’, enabling track and trace on all cargo, whether by truck or train, from all Portuguese ports and along the logistics chain to end destination.

Plans also include extending the technology between Sines and the Spanish border to increase hinterland traffic and enhance connectivity for the wider Iberian market.

<table>
<thead>
<tr>
<th>2017 throughput</th>
<th>1,669,057 teu ▲ 10.3%</th>
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<tbody>
<tr>
<td>Port authority</td>
<td>Administração dos Portos de Sines e do Algarve, SA, Apartado 16, EC Sines</td>
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<tr>
<td>Website</td>
<td><a href="http://www.portodesines.pt/en">www.portodesines.pt/en</a></td>
</tr>
<tr>
<td>Email</td>
<td><a href="mailto:geral@apsinesalgarve.pt">geral@apsinesalgarve.pt</a></td>
</tr>
<tr>
<td>Terminal (Operator)</td>
<td>Terminal XXI (PSA Sines)</td>
</tr>
</tbody>
</table>

92 | Taichung Taiwan

TAICHUNG had a good year in 2017. The port’s efforts in building its infrastructure over the past few years have accomplished notable results. Having posted a year-on-year growth of 8.19%, the port achieved about 1.7m teu in its total container throughput, hitting an annual high.

Taichung wants to consolidate its container terminal business. It plans to gradually develop berths located in the northern part of the port into multi-functional terminals, serving tourism and leisure/recreational purposes.

The handling capacity will be consolidated into the central south terminal area, where four new container berths — numbers 36-39 — are to be developed. The T$12bn ($392m) Berth 36 has been given priority, with construction scheduled to be completed by 2021.

Container shipping lanes from Taichung are regionally focused, connecting with a number of big coastal ports in China, such as Hong Kong, Xiamen and Dalian. The Taiwanese port can receive 5,000 teu ships maximum, with a total annual design handling capacity of 1.8m teu.

The state-owned port operator Taiwan International Ports Corporation expected to invest more than T$10.6bn in building terminals and infrastructure at Taichung between 2017 and 2021. The company said it planned to attract more investors to the port.

In support of the government’s efforts to build Taiwan into a nuclear-free island by 2025, Taichung port has also been active in the emerging energy industry, such as wind power, LNG and solar photovoltaic systems.
93 | Haikou China

THE day of Haikou, the largest city of China's Hainan Island, has finally come. Well positioned to be a transhipment hub between Southeast Asia and south China, container throughput at Haikou increased by 17% to reach 1.6m teu in 2017.

Haikou also took advantage of the booming economy of south China last year. Official data showed the gross domestic product of Hainan Province grew by 7% in 2017.

The port’s main operator is Haikou Harbor Container Terminal, a subsidiary of state-owned Hainan Harbor & Shipping Holding (HNHS). Since 2017, HNSH has been authorised to streamline the container operations for the whole province. Subsequently Haikou took off with improved operational efficiency. Average waiting time reportedly fell to 21.35 hours as of January, from the previously recorded 37.01 hours.

In addition, the port operator has been tapping further into Haikou’s potential in international trade. In August 2017, a direct service from Haikou to Sihanoukville, Cambodia, was launched.

With rising volumes, HNHS has embarked on the phase 3 expansion of Haikou’s Majun area. This project will allow two 50,000 dwt containerships to berth at the same time. With an annual handling capacity of 900,000 teu, it is expected to begin operations in 2021.

2017 throughput 1,640,000 teu ▲ 17%
Port authority Hainan Harbor & Shipping Holding Co, No 157, Binhai Avenue, Haikou City, Hainan Province
Website www.hngh.com.cn
Email service@hngh.com.cn
Terminal (Operator) Xiu Ying (Haikou Harbor Container Terminal); Macun (Haikou Harbor Container Terminal); Xinhai (Haikou Harbor Container Terminal)

The much larger phase 4 project in the same area is still at the planning stage. If it materialises, the project will increase Haikou’s capacity by 6.2m teu, with two 100,000 dwt berths and seven 50,000 dwt berths.

That will be a game-changer — but it remains to be seen whether Haikou really needs that capacity, even though its growth has been astonishing.

94 | Alexandria Egypt

EGYPT’S Alexandria Port is one of the largest and most important ports in the Mediterranean. It is also one of the oldest, built around 2,000 BC. Situated at the top of the Nile Delta, it benefits from good transport links to the Egyptian hinterland.

The Port of Alexandria handles almost 60% of Egypt’s foreign trade, according to Alexandria Port Authority. It consists of two main container terminals: Alexandria in the east and El Dekheila in the west, divided by a T-shaped peninsula and located on the Mediterranean Sea.

In August 2017, a direct service from Haikou to Sihanoukville, Cambodia, was launched.

With rising volumes, HNHS has embarked on the phase 3 expansion of Haikou’s Majun area. This project will allow two 50,000 dwt containerships to berth at the same time. With an annual handling capacity of 900,000 teu, it is expected to begin operations in 2021.

Major container lines that call Alexandria include MSC, Evergreen, Arkas Line, Overseas Orient Container Line, Cosco, APL, PIL and UASC, among others.

In February 2017, Israeli container line Zim upgraded its India Med Express, or IMX, to connect its growing activity in the Indian sub-continent with the east Mediterranean and Black Sea, departing Mundra and calling at Hazira, Nava Sheva, Colombo, Alexandria, Haifa, Mersin, Istanbul, before returning to Mundra.

Also in February, French container shipping line CMA CGM introduced an upgraded NC Levant offering.

2017 throughput 1,613,000 teu ▼ 1.3%
Port authority Alexandria Port Authority, 106 El- Horyiea Avenue, Alexandria, Egypt
Website www.apa.gov.eg
Email info@apa.gov.eg
Terminal (Operator) Alexandria: AICT terminal (Alexandria International Container Terminals); ACCH terminal (Alexandria Container and Cargo Handling Co); El-Dekheila: AICT terminal (Alexandria International Container Terminals); ACCH terminal (Alexandria Container and Cargo Handling Co)
which directly connects the eastern Mediterranean Sea ports in Turkey, Egypt and Lebanon to the northern Europe ports of Belgium, England and Germany through Malta, Spain and Italy.

Deploying one 6,500 teu boxship, and four 5,900 teu vessels.


Both Alexandria to the east and El-Dekheila to the west have two terminals, one each operated by Alexandria International Container Terminals and Alexandria Container and Cargo Handling.

AICT is owned by Dubai-based Fajr Capital’s MENA Infrastructure fund and operated on its behalf by Hutchison Ports.

ACCH, established in 1984, is owned by Egypt’s state-owned Holding Company for Maritime & Land Transport, the Alexandria Port Authority and private shareholders.

AICT’s El-Dekheila terminal has a draught alongside of 14 m, allowing all but the biggest ultra large containerships to call at the port.

95  

**Gdansk Poland**

GDANSK, home to Poland's only deepwater container terminal, makes its rankings debut this year, as volumes continued to swell.

The port has cemented its position as a mainstay on the rotations of two of the three alliances serving the Asia-Europe trade.

Containerised trade is handled at DCT Gdansk — DCT highlighting its deepwater container terminal status, where throughput levels surged by an impressive 22.7% in 2017 to nearly 1.6m teu.

The Baltic box hub, inaugurated in 2007, boasts direct calls from both the 2M alliance and Ocean Alliance, marking the furthest eastern call in northern Europe on their mainline offerings to the region from the Far East.

Despite the significant diversion from the traditional northern Europe stopovers — focused largely on the stretch from Le Havre to Helgoland Bay — DCT offers direct access to an increasingly lucrative domestic market, plus unrivalled access for shippers to the landlocked countries of Slovakia, Czech Republic and Belarus.

Carriers can also take advantage of the transhipment opportunities to upper Baltic markets, including eastern Sweden, Finland and St Petersburg in Russia.

Such is the demand for DCT’s burgeoning box business — particularly the services offered by 2M and Ocean Alliance — the Baltic box facility opened its second container terminal, the aptly named T2, at the end of 2016.

T2’s inception, including an auxiliary 650 m of quay, doubled the port’s capacity to approximately 3m teu.

However, with demand only set to rise, DCT is increasing capacity further still, having recently embarked on its T2B programme, including the addition of three ship-to-shore cranes — adding to the five units currently lining the wharf, and a major uplift in rail capabilities.

DCT has the makings of a mainstay in Lloyd’s List top 100.
96 | Mersin Turkey

AFTER two years of declining throughput volumes amid uncertainty at home, the port of Mersin rebounded in 2017 with a 6.8% increase in container traffic.

Located in southern Turkey, the port is connected by road and rail to major Turkish cities including Ankara, as well as neighbouring countries such as Syria, Iraq and Iran.

It also has transhipment and hinterland connections to other areas in the Middle East and the Black Sea.

A port spokesperson attributed the annual throughput boost to increasing investments in capacity and improving trade volumes in the hinterland.

2017 marked the first full operational year for the port’s East Med Hub Project, inaugurated in August 2016, which boosted the port’s capacity to 2.6m teu and the maximum containership size the port can accommodate.

The port was also included in a new Yang Ming service between Turkey and the Far East and made operational additions to its arsenal.

During 2017, MIP made several equipment upgrades, acquiring one quay crane, five ZPMC rubber-tyred gantry cranes, three reachstackers and three Hyster MT handlers.

The design of the East Med Hub 2 expansion project, which will increase capacity to 3.5m teu and will allow for the concurrent operation of two mega vessels, has also started. It is projected to be operational as of 2021.

MIP is also looking to become an environmentally friendly port, through the electrification of port cranes and RTG equipment to reduce its carbon emission rates. Within this agenda, 11 quay cranes and 38 RTGs will operate on electricity.

97 | Dammam Saudi Arabia

THE Saudi port of Dammam, also known as King Abdul Aziz Port, saw volumes tumble 8.7% to 1.8m teu in 2016 as the country’s economic resilience was tested by low oil prices.

There was little improvement last year, when the port saw throughput decline a further 11.34% to 1.6m teu, as the economy teetered into recession as lower oil production in compliance with Opec agreements hurt growth.

As well as bearish domestic demand, the port — which serves as a gateway to eastern and central provinces, including the capital Riyadh — is also struggling to cope with strong competition for international cargoes from rival terminals at Jubail Commercial Port, which saw volumes grow 26% last year to total 674,000 teu.

However, with oil prices and economic activity ticking up in early 2018 and investments in new facilities moving forward, the port, located on the Arabian Gulf near to Bahrain, is expectant of improved fortunes.

The KSA government has earmarked $10bn to be invested in ports over the next decade, including more than $750m in Dammam alone.
98 | Taipei Taiwan

TAIPEI had another good year in 2017. While not at the double-digit rate seen in 2016, the growth pace of its box throughput was still healthy.

Container throughput at Taipei amounted to 1.6m teu last year, up 5.7% from the 2016 level of 1.5m teu. Import volumes rose by 5.1% to 758,566 teu, while exports increased by 6.2% to 803,177 teu.

Originally designed to supplement Keelung, the former number one port in north Taiwan, Taipei’s growth has mostly come at the expense of Keelung’s volume for much of this decade.

However, this was not the case in 2017. Container throughput at Keelung actually increased to 1.42m teu from the 2016 level of 1.39m teu, its first growth seen since 2014.

The development came against strengthening macroeconomic signals. Taiwan’s economy expanded by 2.8% in 2017, the fastest pace witnessed in three years.

On the other hand, Taipei itself has also enjoyed several advantages. With close proximity to Taiwan’s economic centre, Taipei can attract some import cargoes from Kaohsiung, Taiwan’s busiest port located in the south.

Moreover, the port is operated by Taipei Port Container Terminal, a joint venture between Evergreen Marine, Wan Hai and Yang Ming — Taiwan’s three largest container shipping companies — which will no doubt want to keep Taipei well utilised.

With four berths of a total length of 1,377 m and depth of 15.5 m, the port can accept vessels of up to 10,000 teu. Its prospects are strong, with continued investments by relevant parties.

In August 2017, TPCT commissioned a $700m (€22.9m) warehouse to improve its logistics services. With a nameplate throughput capacity of 40,000 cu m per month, the facility can serve as a container freight station and handle refrigerated cargoes.

Among other initiatives, Taiwan’s Food and Drug Administration has been participating in customs operations in Taipei since March 2018. TPCT said this would expedite overall operations.

2017 throughput
1,561,743 teu ▲ 5.7%

Port authority
Taiwan Internationals Ports Corporation: No 10 Pengpai Road, Gushan District, Kaohsiung City 804, Taiwan

Website
www.twport.com.tw/en

Email
public@twport.com.tw

Terminal (Operator)
Berths N3-N6 (Taipei Port Container Terminal)

99 | Chennai India

THROUGHPUT at India’s third-largest container port saw an improvement of 3.6% in 2017, effectively reversing a decline in volumes faced during the previous year.

Situated on the Coromandel coast of southeast India, Chennai port has two main container-handling facilities — DP World-operated Chennai Container Terminal and PSA International’s Chennai International Terminals — with a combined capacity of 3m teu.

In previous years, the port has faced escalating competition from a string of new minor ports, as the Indian government has ramped up port investments under its flagship Sagarmala project. Krishnapatnam, Gangavaram, Ennore and Kattupalli are the four ports in the east coast region of the country that are vying for trade from the same hinterland.

In order to attract transhipment cargo, the port trust has announced substantial tariff reductions this year for domestic and foreign ocean carriers handling export-import containers.
Under the discount programme, shortsea carriers — operating exclusively on coastal routes and carrying a minimum volume of 100 teu of transhipment cargo per voyage — receive a discount of 70% on vessel-related charges for up to 25 calls a year, and an 80% concession beyond that number during the year.

Likewise, mainline foreign carriers, who are able to fulfil those criteria, are allowed a 5% additional, upfront discount on the current 15% slab enjoyed by them regarding vessel-related charges. However, it remains to be seen whether those measures will manage to boost business. Efforts are also under way to construct a dedicated bunker berth inside the port to accommodate bunker tankers, a move that is expected to improve the port’s traffic.

### 100 | Montreal Canada

**LOCATED on the St Lawrence River in Canada’s Quebec province, Port of Montreal credited rising Asian and Mediterranean trade for last year’s box throughput gains as volumes rose 6.2% to 1.5 teu.**

“Asia now accounts for 24% of our international traffic, an increase of 14% compared to 2016,” a spokesperson told Lloyd’s List.

“As for the Mediterranean, with a rise of 9%, it represents 21% of international traffic.”

Transhipment accounted for 43% of the cargo handled at the port’s multiple box terminals in 2017, up from 42% in 2016.

The port’s global connections were bolstered last year by the start of two new international container services.

“In the spring, CMA CGM announced an agreement to share the Hapag-Lloyd service and it introduced the new NAWA (North America West Africa) service that connects the Port of Tanger Med, the hub for services to the rest of Africa,” said the spokesperson.

“For its part, Maersk introduced the Med-Montreal service in September 2017.”

2017 was also notable as the first full year of operations at Viau container terminal, which, in its first phase of development, offers 330 m of berth.

“Once the second phase has been completed, in the following years, Viau terminal will have a handling capacity of 600,000 teu, which will increase the Port of Montreal’s total capacity to 2.1m containers,” said the spokesperson.

“The total investment for the two phases of the Viau project is C$197m ($149.7m), and the Government of Canada’s contribution is C$42.1m.”

Further volume growth is anticipated in 2018, not least because Germany’s Hamburg Süd Group became the sixth major global line to call at the port when it launched a new service in July, connecting Montreal to a slew of Mediterranean ports.

**2017 throughput**
1,537,669 teu ▲ 6.2%

**Port authority**
Montreal Port Authority, Port of Montreal Building, 2100 Pierre-Dupuy Ave, Wing 1, Montreal, QC H3C 3R5, Canada

**Website**
www.port-montreal.com

**Email**
communications@port-montreal.com

**Terminal (Operator)**
Bickerdike Terminal (Empire Stevedoring)
Cast Terminal (Montreal Gateway Terminals Partnership)
Racine Terminal (Montreal Gateway Terminals Partnership)
Maisonneuve Terminal (Termont Montreal)
Viau Container Terminal (Termont Montreal)
The top 100 ports in 2017

<table>
<thead>
<tr>
<th>Port</th>
<th>2017 Annual throughput (teu)</th>
<th>% +/-</th>
</tr>
</thead>
<tbody>
<tr>
<td>Alexandria</td>
<td>4,633,000</td>
<td>3.1%</td>
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<tr>
<td>Algeciras</td>
<td>4,389,816</td>
<td>7.8%</td>
</tr>
<tr>
<td>Ambarli</td>
<td>3,131,621</td>
<td>11.9%</td>
</tr>
<tr>
<td>Antwerp</td>
<td>10,650,889</td>
<td>4.1%</td>
</tr>
<tr>
<td>Roja</td>
<td>2,905,049</td>
<td>2.6%</td>
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<tr>
<td>Bandar Abbas</td>
<td>2,607,000</td>
<td>22.4%</td>
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<tr>
<td>Barcelona</td>
<td>2,968,757</td>
<td>32.7%</td>
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<tr>
<td>Bremerhaven</td>
<td>5,510,000</td>
<td>0.5%</td>
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<tr>
<td>Busan</td>
<td>20,693,675</td>
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<tr>
<td>Cai Mep</td>
<td>3,065,014</td>
<td>19.7%</td>
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<tr>
<td>Callao</td>
<td>2,250,200</td>
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<td>Cartagena</td>
<td>2,663,415</td>
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<td>Charlotte</td>
<td>2,177,550</td>
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<td>Chicago</td>
<td>1,549,457</td>
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<td>Chittagong</td>
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<td>Dammam</td>
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<td>Danangon</td>
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<td>Dubai</td>
<td>15,368,000</td>
<td>6.0%</td>
</tr>
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<td>Durban</td>
<td>2,699,978</td>
<td>3.1%</td>
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Alongside our ranking of global container ports, we've provided a digest of our container trade coverage that was most-used across Lloyd's List in the last year. Our customers were busy reading about these topics; were yours?

Read on for a selection of interviews, news and analysis on global trade from our expert team including Janet Porter, James Baker, Linton Nightingale and Cichen Shen
Lloyd’s List’s most-read on containerised trade 2017/2018

The last 12 months have been another eventful period for the container shipping sector, as the unprecedented consolidation wave continued at a pace. Unsurprisingly, this theme has dominated Lloyd’s List’s front pages and garnered plenty of column inches. Lloyd’s List has spoken to those at the forefront of the merger and acquisition frenzy over the past year and our coverage of this ongoing trend made for some of our most-read content, with readers keen to keep to up-to-date with latest developments. This included an exclusive interview with the man at the helm of the newly integrated Japanese line Ocean Network Express, Jeremy Nixon, but also teething problems suffered by the enlarged carrier shortly after launch.

News on Europe’s two largest container shipping lines, Maersk Line and Mediterranean Shipping Co, also drew plenty of interest. MSC’s Diego Aponte’s views on price dumping was a notable feature, while the Maersk Group’s container transport and logistics strategy has been closely followed by our readership.

Lloyd’s List’s coverage of the Maersk Honam inferno and the subsequent fallout of the disaster also proved to be one of our most popular pieces of content of the year. So too did the ransomware attack on Cosco Shipping. Following Maersk’s online systems being compromised, the latest attack on another high-profile player highlighted the industry’s vulnerability and is of clear concern to our audience.

The other big story of 2018 was the passing of CMA CGM founder Jacques Saadé. Lloyd’s List’s fitting tribute to one of container shipping’s pioneers made for essential reading.
The Interview: Jeremy Nixon

Ocean Network Express, the container line forged from merging the box shipping operations of three fiercely competitive Japanese shipping companies, got off to a rather rough start earlier this year. Now, three months on from its April 1 operational launch, chief executive Jeremy Nixon tells Lloyd’s List that the business has settled into its rhythm.

FEW would dispute that Ocean Network Express went through something of a rough patch when it started operations earlier this year. Starting a brand new container line by merging the box shipping operations of three fiercely competitive Japanese shipping companies was always going to be a gargantuan task.

But one year on from when the company was officially formed in July 2017, and three months on from its Day One operational launch on April 1, the business has settled into its rhythm, according to chief executive Jeremy Nixon.

“At the initial period just at Day One, we were a little bit challenged resource-wise,” he tells Lloyd’s List. “We still had quite a lot of staff back in the legacy organisations but they have all been transferred over now.”

Service delivery has since stabilised, bookings are being taken and documentation processed accurately, he adds.

“One of our challenges was North America, because we got the Department of Justice clearance quite late, but even there it is fully stabilised,” Mr Nixon says. Early service performance at sea was another factor the company had to address. Figures from SeaIntel put ONE at second to last in its schedule reliability rankings in May, with on-time performance of just 66%.

Moreover, ONE was bracketed at the bottom of the league table by its The Alliance partners Hapag-Lloyd and Yang Ming.

Service reliability is now a major target for ONE, Mr Nixon says.

“We've put a particular focus on improving our schedule reliability. We've taken four port calls out of our FE2 Asia-Europe loop so we can run it on schedule and hit the relevant berthing windows on schedule so we can avoid delay.”

There will be more optimisation to come, he adds. On the Pacific northwest route, where The Alliance recently merged two of its loops to adjust capacity, an additional ship has been added to the remaining service to give better reliability.

“You're off schedule, you're having to burn more fuel to get back on schedule, you're missing connections, having to cut and run without time to evacuate empties or drop them off, so it has a lot of non-performance costs under the surface.”

Rising fuel costs

While there are some things ONE can control to improve life for its customers, the rising cost of fuel is one that will have to be passed on, Mr Nixon says.

“We've seen a close to $100 per tonne increase in bunker costs over the past three months. As an industry we use about 100m tonnes of fuel oil, so that's a $10bn increase across the industry and that has an impact on the bottom line of carriers. It is significant.”

The container shipping sector became complacent during the
years of low fuel costs, he says. “With some customers we skipped the bunker recovery surcharge in contracts. You could argue that was okay when the fuel price was $200 per tonne. But what we all realise is that this is not a blip and we are going back to a period of far higher fuel costs.”

But that is set to change now, with ONE introducing a bunker recovery surcharge into new contracts. “If a customer is already paying a bunker element, we respect that as there is a mechanism,” Mr Nixon says. “For those customers without that, and when we negotiated their freight rate bunker oil was back at $300 per tonne, we have the discussion with them.”

Generally, this is a “sensible conversation” with customers. “We’re not adding to the surcharges, just reinstating what has always existed in the trade,” Mr Nixon says. “We’ll make sure the formula is logical and verifiable. We’re not trying to make money out of it; it’s more a protection mechanism for the operator, and also for the shipper.”

But the situation for shippers is likely to get more expensive as the International Maritime Organization sulphur cap comes into force in 2020. While ONE has no intention of adding a specific low-sulphur surcharge, rising costs will be reflected in its bunker recovery charge. With no immediate plans to introduce scrubbers to its fleet, ONE will initially be going down the route of using low-sulphur distillates, which are expected to be significantly more expensive than heavy fuel oil.

“None of us today know how that fuel cost will change, but if we look at the current market price and current forward option projections there is a clear indication that low-sulphur gas oil will push up significantly in price, and that will be reflected in our bunker surcharge,” Mr Nixon says. The whole industry will be in for a “challenging” period during the crossover to the new low-sulphur regime, he says.

Networks may have to be adjusted to meet new bunkering requirements if low-sulphur bunker availability is different to that for heavy fuel oil. Moreover, fuels will have to be changed ahead of the deadline of January 1 to ensure compliance on the day, which will cause an additional operational requirement.

“Then there is how much it the price will go up,” Mr Nixon says. “If it is significant it will have a significant impact in terms of bunker recovery and also on the financial management of each carrier.”

Caution is required, Mr Nixon says. “We try to manage the knowns and some unknowns, and try to risk mitigate some of the unknowns.”

Sizing the network

That caution is being applied both to ONE’s services and fleet developments.

“We are being financially prudent,” Mr Nixon says. “Business is built around financially prudent companies in the long term and in the short term different carriers will have different strategies.

“We are taking a long-term view that we want to be financially prudent. We don’t want to take unnecessary risks. What other competitors do and what their logic is their concern.”

This conservative approach is being taken in an environment of weaker than expected volume growth and overcapacity across the board that has led to The Alliance making the changes on its transpacific service.

“We weren’t achieving the load factors to be expected as The Alliance, so as an alliance with Hapag-Lloyd and Yang Ming we pulled the TP8 service, where the round trip load factors over the last three weeks had fallen to below 70%,” Mr Nixon says.

“With fuel prices going up and with some concern over demand, and tariff barriers going up we had to right size our network to the trade.”

While the transpacific has been “reasonably positive” it has become slightly out of balance, he adds. “It has been clear during 2018 to date that it is over-tonnaged. We built in some contingency for the peak season but it became evident to us that April and May were not as strong as we thought they would be and that the deployment that had been put in to the market by the three consortia and the other independent lines meant that the load factors were not as strong as in the previous year.”

Orders on hold

With ships from Hapag-Lloyd and ONE, The Alliance has enough ultra-large tonnage to perform one Asia-Europe loop with 20,000 teu vessels, but there are no plans right now to add to that.

“We still have our existing orderbook with another five 14,000 teu units to go,” Mr Nixon says. “After that there are no more new orders.”

Again, caution comes in to play. “We have a good orderbook and we have to maintain good financial discipline to maintain our strong balance sheet. We also have to look at the technology options that are available post-2020. We’re reasonably comfortable with what we’ve got.”

And 14,000 teu ships offer far more flexibility than the 20,000 teu behemoths that can only ply the Asia-Europe trades. “With the 14,000 teus, you can get them to the US east coast and use them on the transpacific,” Mr Nixon says. “The 20,000 teus are a lot more challenging. You do have to have slot economics to survive and be cost-competitive, especially with the fuel price going higher. At the same time you have to think of it from the customer getting cargo to the hinterland. We take an end-to-end focus on the service delivery and there is no point creating a big bottleneck at the terminal.”
The Interview: Bronson Hsieh

The container shipping veteran who was appointed to lead Yang Ming out of its troubles says the carrier needs to catch up with its larger competitors in acquiring 20,000 teu-class ships, enhancing financial prowess and establishing sophisticated sales networks. But M&A is not necessarily the path.

WILL Yang Ming go into 20,000-teu class ships?
That is how Lloyd’s List begins the interview — a bit bluntly — with Bronson Hsieh at his tidy office in Taipei, after a few minutes of small talk.
The liner shipping veteran took the helm of Yang Ming in June 2016, having served the carrier’s larger compatriot competitor Evergreen for over 40 years. He impresses you easily with his sharp wit and strong confidence.
The answer to the question is positive, simply because to remain competitive on Asia-Europe trade, a decent fleet of ultra large containerships seems indispensable for Yang Ming as well as its partners in The Alliance.
However, the business environment around that tactic is much more complex.
Acquiring larger ships requires a bigger budget and wider networks — things now relatively lacking in mid-size Yang Ming — let alone the blessing of favourable market conditions that have become increasingly unpredictable nowadays, albeit an encouraging 2017.
In addition, there are other routes with bigger growth potential, in which the Taiwanese carrier seeks to grab a bigger share of the pie and facilitate its main trades.
Last year, Yang Ming returned to the black helped by its efforts in reducing costs and a turnaround in the freight market. But apparently, the company has to do more to survive and succeed.
It is often said that the true leadership capacity of a person is tested during times of crisis. For Mr Hsieh, his test had a good start yet is not completed.

We are more ‘duding’ now
After going through the latest market trough and waves of consolidation among container shipping carriers, Mr Hsieh says the survivors have now become more ‘duding’, a Chinese word that describes a mental state of being calm and assured.
Some industry observers may swiftly retort: how ‘duding’ can carriers actually be amid a market still facing severe threats from oversupply of ships and geopolitical uncertainties?
But the calmness has certainly been restored, to a large degree, at Yang Ming.
In the wake of Hanjin’s demise, Yang Ming — similar in fleet size and debt level — was widely suspected to be the next to follow. That had caused a big headache for the carrier last year when it was in talks with transpacific clients for long-term contracts, before the government in Taipei stepped up its support, Mr Hsieh admitted.
“This year, the situation has been much improved,” he says. “Clients no longer have that concern when we are signing the contracts.”
Even for other shipping lines, conditions have stabilised with the decrease in players and the formation of two new alliances.
As a result, “carriers can now calm their minds and ponder on the next positions they need to take”, according to Mr Hsieh.

**Acquiring ULCs very feasible**

One of the issues for Yang Ming is whether or not to spend on ultra large boxships, which are becoming the main workhorse on the Asia-Europe trades.

Mr Hsieh says that the acquisition of 20,000 teu-class ships is now under consideration in the company and the “feasibility is quite high”.

One driver behind the ULC thinking is the so-called “base ship strategy”, meaning each member in The Alliance needs to share the capacities deployed in a loop on an equal footing.

“If your partners have the 20,000 teu [vessels] while yours are 14,000 teu, the arrangement won’t be sustainable,” Mr Hsieh says.

The other two members of The Alliance — Hapag-Lloyd and Ocean Network Express, the joint venture between MOL, K Line and NYK — each run six ULCs exceeding 18,000 teu, while Yang Ming has none. The largest vessels in the Taiwanese carrier’s fleet now are 20 units of 14,000 teu chartered from Seaspan and Shoei Kisen.

But even Hapag-Lloyd and ONE pale in comparison to their competitors in 2M and Ocean Alliance in the race for ULCs. By 2020, 2M will have 62 units of 18,000 teu-23,000 teu, while Ocean Alliance will have 51 units. Hyundai Merchant Marine, currently not in any of the three major groupings, has recently announced a plan to order a dozen of vessels above 20,000 teu.

The 14,000 teu ship, of course, enjoys great flexibility, capable in almost all major trades, Mr Hsieh contends, but it’s still slightly falling short of size when sailing between the Far East and Europe.

While alliance members usually hold meetings every April to discuss the key agenda for the following calendar year, it is hard to imagine that competitive issues about ULCs will not be given some serious thought.

“All three members in The Alliance will need to think about the size issue, whether we should order bigger vessels,” Mr Hsieh says.

It remains too early, however, to put a date and number of vessels on the ordering, he adds. “There’ll be discussions and the progress should be steady. We want no rush.”

Indeed, Yang Ming should avoid any hasty move. To become an owner or charterer of ULCs, carriers need the support of strong financial capability and sophisticated sales networks, both of which Yang Ming can hardly boast about.

**It’s time to catch up now**

The bright side is that the company has been taking action to improve the two areas, and it has the government to stiffen its spine.

“To acquire 20,000 teu ships, we probably need another capital injection in the future,” says Mr Hsieh.

His Taipei-listed company has already raised $343.5m last year from two private placements and one public offering. The Taiwanese government, the key subscriber, has seen its stake in Yang Ming rise to 45% from 33% through the issuances.

An announcement followed in late March to collect another $343.5m at most by issuing convertible bonds guaranteed by a bank consortium led by state-owned Bank of Taiwan.

The five-year bonds, which will partially be converted into the company’s equity, are expected to further reduce its net gearing. The ratio had already gone down to 240.1% at end-2017 from nearly 400% as of September 2017, according to Drewry.

Under Mr Hsieh’s leadership, cost saving is another mean to shore up the cash position.

He says the carrier last year cut about 10 loss-making routes, which generated a monthly saving of $2m-$3m.

“I asked them to use a computer to calculate the margin of each route and cease those at the bottom,” he explains.

“This year, the demand/supply picture looks a bit tougher [against 2017], so our approach to cost reduction will be more stringent.”

At the same time, Yang Ming is also trying to build more sophisticated overseas networks, extending its reach to more cargo sources in different regions. That is why it established the Central and South America regional centre in Panama City and the new region centre of the Mediterranean in Piraeus, for example.

“Before we only had one American centre in New York, but it was too far away to cover the Caribbean and South American regions where Spanish is the most widely-used language,” Mr Hsieh says. “I want our agents to be more on the ground, closer to our clients so that they can understand the local demands and talk about real business.”

By strengthening the regional markets, Yang Ming can also set up a better interaction between its long-haul and feeder services, Mr Hsieh adds.

“These arrangements are nothing new actually, they’ve already been done by other carriers. But it’s time for Yang Ming to catch up now.”

In February, the shipping line unveiled its plan to charter in 10 new 11,000 teu containerships and order another 10 units of 2,800 teu, while Lloyd’s List recently exclusively revealed that tonnage providers Shoei Kisen and Costamare were first in the line to be contracted for the larger ones.

During the interview, Mr Hsieh says the 11,000 teu vessels are “extremely flexible” and can be deployed on both Asia-US west coast and Asia-US east coast trades, and can even serve trades for the Middle East.

The 2,800 teu vessels, on the
other hand, will primarily be used to haul cargo in the intra-Asia area, where Mr Hsieh foresees the greatest potential of cargo growth. Yang Ming’s intra-Asia volume increased 12% year on year to more than 1.1m teu in 2017. He has raised the target to 15% in 2018.

**Mergers and acquisitions not necessary**

Of course, acquiring ships is just one way to build scale. Acquiring your competitors is a quicker path that has been embarked on by some of the leading players, such as Maersk Line and Cosco Shipping.

But Mr Hsieh appears not particularly intrigued by the strategy. “If there is a good target we certainly won’t let it off. But if one can operate well on its own, M&A is not a necessity. Look at Wan Hai, they are independent yet their ebita [earnings before interest, taxes and amortisation] have always been among the top of the list.”

Mr Hsieh does not touch upon the widely-speculated marriage between Yang Ming and Evergreen, but talk that has circulated in the local shipping community seems to suggest a deal is not entirely impossible if one side has sufficient funds to acquire the other.

While there are still plenty of clouds on the horizon, the government in Taipei, Yang Ming’s largest stakeholder, is expected to play a decisive role in a merger under any form.

There is also speculation that HMM might become a new partner in The Alliance, as prospects that the South Korean carrier will join 2M become bleak.

Mr Hsieh says he is unaware of the rumour. However, “should HMM make the request, we’ll think about it”.

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**Saadé stamped his personality on to container shipping in a remarkable way**

The death of the founder of CMA CGM marks the passing of one of the great survivors in shipping, who turned a small shipping company into one of the top three carriers in the world

JACQUES Saadé was one of the great shipowners of his generation. Yet he was not brought up in a country with a strong maritime heritage, nor did he hail from an established shipping family.

Rather, he left Lebanon 40 years ago to escape the civil war, settling his family in the safety of France. From there, he founded a company, Compagnie Maritime d’Affrètement, that was to grow into one of the world’s most powerful shipping empires, CMA CGM.

He spotted the potential of containerisation when the concept of loading merchandise into a standard-sized metal box was yet to make much of an impact on the shipping world.

But in the intervening years, Mr Saadé proved to be one of the few survivors of an industry that has evolved from hundreds of players the world over trying to make their mark in an extraordinarily cut-throat industry, to just a handful.

That CMA CGM is among those very few, and now ranked number three in the world in terms of containership capacity, is testament to his vision, drive, ambition and ultimately passion for the business.

It was never a given that CMA CGM would feature among the top three, and indeed many thought it would fail, as numerous others have done along the way, when the group ran up huge losses and debts a few years back, believed to have been largely the result of fuel hedging options that went badly wrong.

But Mr Saadé never gave up, instead finding an investor, Turkish entrepreneur Robert Yildirim, who came to the rescue, and who remains a shareholder, along with France’s sovereign wealth fund. And as Mr

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Janet Porter, 25 June 2018
Saadé told Lloyd’s List in an interview shortly after that challenging episode, he did not think for a moment that he would lose the business.

By all accounts a tough negotiator and demanding boss, Mr Saadé was never afraid to make unpopular decisions or upset business partners, as some prominent names in the industry who have clashed with him will testify. But it was not just that ruthless streak that ensured CMA CGM’s survival. It was also his business acumen.

He was one of the first shipowners to move into China, for example, long before the country became the global power it is today. And CMA CGM has maintained that close relationship. Just last week, his son Rodolphe accompanied the French prime minister on a visit there.

CMA CGM also took the decision to expand not just organically, but through the purchase of regional lines around the world. Then came the big one — the acquisition of Singapore’s APL in 2016.

The deal consolidated CMA CGM’s position as one of the industry heavyweights. By that time, it was Rodolphe who was effectively in charge, but behind the scenes, Jacques Saadé and his brother-in-law Farid Salem remained closely involved in what is still very much a family business.

Mr Saadé ranks alongside a handful of other shipping magnates such as Evergreen’s Chang Yung-fa, and Mediterranean Shipping Co’s Gianluigi Aponte, who started from scratch and who helped to reshape the global economy by recognising the enormous benefits of containerisation back in the 1970s.

But probably none would have anticipated just how the industry would evolve, from a highly fragmented business to one today dominated by megaships and mega-players.

CMA CGM’s success rests on its ability to recognise opportunities and then move fast, whether that be new markets, trade lanes, technologies, or business activities.

That legacy lives on through Rodolphe, who was appointed chief executive in 2017, and who is proving to be just as entrepreneurial as his father, whether through the adoption of new digitalised processes, the choice of LNG to fuel its new ships, or by continuing to expand via acquisitions such as the recent takeover of Containerships, announced last week.

A devoted family man, Mr Saadé’s feud with his brother Johnny was something that overshadowed his private life for many years. But his children are undoubtedly as passionate about CMA CGM as Jacques, who oversaw a seamless handover to the younger generation.

So CMA CGM’s future looks to be in safe hands as the world mourns the death of a man who stamped his personality on to the shipping industry in a remarkable way.

FORWARDERS and NVOCCs claim the newly merged Japanese container line business Ocean Network Express is still failing to provide customers with even a basic level of service several weeks after its launch.

As Lloyd’s List reported exclusively last week, ONE has been struggling to get IT systems running and some customers have been contacting rival carriers to get their cargoes lifted.

ONE was formed from the container line operations of NYK, MOL and K Line at the start of April, but started taking bookings for its joint services in February. Yet despite having had a year to prepare for the launch, customers in the UK report a total lack of communication with clients, staff and equipment shortages, IT chaos, and missed pick-ups due to booking failures.

Daygard Logistics Group director Craig Lingard said since the start of April, dealing with ONE had been “shockingly bad”, adding that with over a year to get new systems in place it was hard for customers to understand how the transition could have been managed so poorly.

“One admits to having all sorts of issues, from bookings...
through to getting cargo on vessels,” he said. “But this is beyond teething problems.

“It’s a combination of IT and staff. As customers we don’t know who to talk to. We used K Line and NYK before the merger, but the reps we dealt with are no longer available. We don’t even know where they are now.

“It’s worse for exports, but imports are also bad. It’s affecting us and our customers.”

He said other forwarders and NVOs in the UK reported the same problems, and so do the company’s agents in mainland Europe.

Another forwarder and NVO said a rates matrix supplied by ONE contained incorrect information about the departure port.

“We are having haulages not covered, bookings being missed, confirmations taking two weeks, nobody answers the phone,” he said. “On one booking, a driver turned up, but he wasn’t trained to take hazardous cargo so they left the container until a haz driver could go and collect.

“These aren’t excuses you can make because of the merger. These are just stupid errors and they are making us look foolish to our customers.”

A senior executive at another major UK-based consolidator said he had seen no evidence of any progression planning to merge the three Japanese legacy carriers into ONE. “They’ve taken people out of MOL, K Line and NYK, left the original companies bare, and haven’t got enough people to look after things at ONE,” he said.

“It’s a shambles. There’s nobody to make decisions. Containers are being left behind. They are short of equipment. They’re not accepting bookings to collect boxes. There’s no space on the trains from the north to the south of the UK for our export consignments.”

Communications from ONE’s staff to clients confirm the current state of disorder. A ONE representative admitted to one forwarder to “discrepancies” on published rate tariffs, acknowledging that it should not be the forwarder’s responsibility to check to see if every routing offered is accurate.

There would also appear to be specific problems relating to the transfer of staff from NYK, MOL and K Line to ONE. A ONE representative admitted the line’s bookings department was “still under as much pressure this week as they were last week”. He explained that the bookings department had “walked in the door on April 3” on the “back foot” and were faced with an “unprecedented amount of bookings” and “didn’t have the resources to cope with these volumes”.

He added: “At the moment, I believe they are so snowed under that any time spent on the phone to customers would push back any progress they are making in processing the bookings and getting the T/Os sent to Southampton, which would only re-start the cycle.”

In the UK, ONE has now put in place a UK Service Recovery team, which the ONE representative said would be “a useful contact point once we get the remainder of the NYK legacy staff over onto bookings once legacy work has been completed”.

A leading shipping analyst who asked not to be named in this article said any supply chain issues faced by ONE customers would inevitably cause difficulties for its partners in the in The Alliance — Hapag-Lloyd and Yang Ming — which share slots on ONE vessels.

“We’re hearing a lot of negativity about ONE’s difficulties transitioning from three systems, particularly around IT,” he said.

“This will have a drip, drip impact across The Alliance’s network.”

Mr Lingard said the situation had now deteriorated to such an extent that it was damaging cargo owners’ businesses and the UK’s economy. “This is directly affecting UK exports,” he said. “If you can’t buy UK products reliably in, say, Singapore, then you might just turn to the US.”
**Kuehne + Nagel: Box carriers must differentiate to avoid commoditisation**

Data metrics visibility is key to preventing lines competing on price alone

CONSOLIDATION within the container shipping sector should lead to better contrast between lines and services as carriers seek to differentiate themselves on factors other than price alone, according to Kuehne + Nagel vice-president Paolo Montrone.

“We see the effects of consolidation in the carrier industry as a positive point,” said Mr Montrone. “We believe carriers will diversify their services more in the years to come. They will need to differentiate and improve their services and most importantly decommoditise their market approach.”

K+N would welcome this change as it would provide the company and its customers a greater number of options to create solutions for customers’ supply chains.

But the ability to provide clear information and comparative data would be a key component for carriers and K+N itself.

“We believe that container shipping is not a commodity,” Mr Montrone said. “But unless there is transparent information to show what is different and how you can get from origin to destination, it is often quite difficult for customers to take informed decisions above the obvious one, which is cost.”

But price alone was not sufficient, he added.

“Very often we have seen that a higher sea freight cost can result in overall savings to a customer’s supply chain.”

Mr Montrone was speaking at the launch of K+N’s new digital platform allowing customers to access its Blue Anchor Line non-vessel owning common carrier.

“Sea Explorer allows customer to explore, view and compare to take informed decisions about individual container shipping services,” he said.

K+N carried 4.4m teu on Blue Anchor services in 2017, and the new platform allows customers to measure services against several metrics, including reliability, capacity, transit times and carbon emissions across the 750 direct Blue Anchor services per week.

“For the first time our customers will have the capability to compare readily, easily and in real time, services in a trade or between key port pairs based on what matters to them,” Mr Montrone said.

For shippers, an optimal level of certainty on inventory in transit is a key element to reducing inventory, which is a major cost.

“By providing accurate visibility on the reliability scores, we can work with our customers to ensure the right services are selected,” Mr Montrone said.

“Informed decisions, such as choosing a slightly longer transit time but with a higher reliability, will be much easier to make.”

Realistic transit times would also be made available, he added.

“Today, due to the alliances, there is a certain level of complexity when you come to managing sailing schedules,” Mr Montone said. “Very often you can see a specific alliance or carrier showing different departure or arrival dates on the same vessel. You quickly realise there is something not correct.”

By using big data science, predictive analytics and K+N’s own experience, Sea Explorer allows shippers to align actual conveyance dates with realistic lead times.

“This is a big departure from how data and schedules have been managed in the past,” he said. “We want to make sure our customers can focus on their businesses and reduce or eliminate as much as possible the risks within global sea transport.”
Maersk bets the farm on container transport logistics strategy

Danish carrier wants to become a full-service transport operator, but will its vision pay off?

At the end of 2016, Maersk chief executive Søren Skou laid out a bold new vision for the Danish shipping group that would see it focus on its transport and logistics businesses at the expense of all else.

Just over one year on, Mr Skou fleshed out more details of his plans to analysts and investors at the company’s annual Capital Markets Day — delayed since December to allow for the completion of its acquisition of Hamburg Süd.

The picture that is emerging is that of a bold bet but also a risky one.

The conglomerate that once owned businesses ranging from supermarkets through to energy companies and the world’s largest container line is now to focus solely on container transport and logistics.

In the past year it has sold its oil and tanker business and is in the process of selling Maersk Drilling.

The constituent parts of the remodelled business will be Maersk Line — including the recently acquired Hamburg Süd — APM Terminals, Damco, Svitzer and Maersk Container Industry.

Mr Skou describes the decision to remove the company’s other businesses as “shrinking to grow”.

By removing the other businesses, Maersk can now focus entirely on what it considers to be its core activity and grow that business into something bigger than what exists already.

According to chief finance, strategy and transformation officer Jakob Stausholm, there is an “unmet demand” for an integrated container logistics player in the market.

“The industry serving customers’ transportation needs arose many decades ago and is fragmented,” he says. “There is not on the market a simple end-to-end offering and there is an unmet customer demand now.”

Maersk wants to offer customers an end-to-end service that will not only cover ocean transport, but also everything that goes with it, from logistics to finance.

“What this means is that we want our customers — the people that ship stuff from one end of the world to the other — to be able to do that in just dealing with Maersk,” Mr Skou says. “So we want to be able to carry the box from one port to another, be able to provide the inland service, custom house brokerage, finance the goods, insure the goods, and whatever other services — consolidation, and so on — which are maybe relevant for our customers.”

The new strategy puts Maersk on something of a collision course with some of its own customers — the logistics firms and freight forwarders that already do much of this work for customers and then ship with Maersk.

But Mr Skou does not believe Maersk will end up eating its customer’s lunch, and presented Kuehne+Nagel vice-president Otto
Schacht to defend the move.
“Maersk has always been a competitor in the logistics field,” Mr Schacht says. “But the forwarder market is still fragmented. So we don’t have problem with [Maersk’s logistics business] Damco. There will always be customers who go straight to the carrier.”
He adds that in a world driven by consumer demand, the distinction between business-to-business and business-to-consumer logistics is fading fast.
Little wonder then, that Mr Skou sees Maersk eventually having a similar model to the likes of FedEx and UPS, and hopes they will be considered peers.
“Shippers perceive shipping as a low-cost sector. The cost of shipping is so low it is hard to factor into a shipper’s costs,” he says.

Major challenge
But shipping was also difficult, frustrating and painful, and Maersk’s strategy was to aim to deal with those issues. “We believe we can do a better job for customers.”

Getting from here to there will be a major challenge.
“There is no guarantee that we will be the winner in meeting that but at least our starting point is much better than others because we are actually present in all parts of the supply chain,” Mr Stausholm says. “Different customers have different challenges and there is a huge opportunity to do it better.”
It is not necessarily an easy path, however.
“When you embark on major changes, it is not very helpful if you are a diversified company with nine different business,” Mr Stausholm says. “How can management really focus on that task. That was one of the reasons we came to the conclusion we would be better off being an even bigger group in the area where we are already big, in transport and logistics.”
The decision on breaking up the conglomerate could have ended with a completely different result, he added. Everything was considered, including sticking with energy and doing away with container shipping.
But while the energy businesses

Is MSC set to be the big winner from Maersk’s plan to become a global integrator?

COULD Mediterranean Shipping Co be the real winner of Maersk’s goal to become a fully integrated transport and logistics company, at least in the short term?
That may seem counter-intuitive, but it is what some in the industry are saying. Why?
They make this case because if it succeeds in its goal to become a one-stop shop for customers and provide every service required along the whole supply chain, Maersk will be competing directly with the freight forwarders.

Admittedly, Kuhne+Nagel’s vice-president for sea logistics Otto Schacht seemed quite relaxed about the Danish group’s massive restructuring plans when he addressed Capital Markets Day, saying that the forwarding giant was both a customer and a competitor of Maersk, as well as a collaborator.
But beneath the service, is there far more tension between the logistics industry and the world’s largest containership operator, which has now set its sights on fully integrating its ocean transport, terminals and forwarding activities?
For that reason, forwarders may start to direct more of their business towards Maersk’s 2M partner Mediterranean Shipping Co that has no such ambitions, but which is now benefitting in terms of service reliability from its tie-up with the Danish carrier.
Should that happen, MSC would profit from typically higher-paying containers than the freight moved by the big beneficial cargo owners, the Walmarts of the world, that know how to drive a hard bargain.

Early days
These are early days, and it is far too soon to judge whether Maersk will succeed in its vision of fully amalgamating its ocean transport and logistics businesses.
Senior executives publicly acknowledge that the easy part of the shake-up is selling off the non-core businesses, such as Maersk Tankers and Maersk Oil.
The difficult part is still to come. This involves combining operations such as Maersk Line and APM Terminals which have, until now, operated independently of each other in order for the ports business to reassure third-party customers that its sister company was not getting any preferential treatment.
So it will be some time before the success or otherwise of Maersk’s strategy starts to emerge.
Meanwhile, in the short timeframe world of container shipping, every other line will be trying to lure away Maersk’s freight forwarder customers with dire warnings about the risks of placing cargo with a line that also wants to compete for the same business.
So that is why MSC, one of the most aggressive lines in the business, could have the most to gain over the next few years from Maersk’s grand plan to re-shape the future.
Maersk confirms integration of Damco into Maersk Line

Maersk Group is bringing Damco’s supply chain business into the fold of Maersk Line’s Ocean product. But the Damco brand will continue as an independent air and ocean freight forwarder.

Maersk has confirmed that it is to bring its business lines closer together as part of its efforts to become an integrated container transport and logistics service. The move will see Damco’s supply chain services and Maersk Line’s ocean services integrated from January 2019. The realignment has been designed to provide “improved customer experience with fewer touchpoints and a comprehensive service offering”. The integrated business will operate under a single management team headed by Maersk chief commercial officer Vincent Clerc. Damco chief executive Klaus Rud Sejling will become head of Maersk’s logistics and service products, reporting to Mr Clerc.

“Today, we are taking further steps in the transformation of our business on a structural level and how we go to market, enabling us to offer more solutions to our customers in a simpler way,” Maersk chief executive Soren Skou said in a statement. “We are at the same time empowering our frontline organisation who is closest to our customers.”
MSC’s Diego Aponte warns of price dumping risks as container shipping recovery fizzes out

Exclusive: The president and chief executive of MSC Group is urging antitrust authorities to monitor the behaviour of state-backed carriers to ensure they do not buy their way into new trades through excessive rate cuts

The Damco brand will not disappear entirely, however. Its freight forwarding business will continue as a separate and independent business under the Damco brand, led by current chief operating officer Saskia Groen-in’t-Woud.

But Maersk has decided to retire its MCC Transport and Seago Line and Sealand brands, which will now be marketed as “Sealand — A Maersk Company” from next month.

As Lloyd’s List reported yesterday, the new organisation structure is being announced almost exactly two years on from Maersk’s announcement of a major strategic shake-up that saw it exiting the energy sector in order to focus on container transport and logistics.

“This integration marks a big milestone in Maersk’s current growth journey towards operating as one integrated company,” Mr Skou said. “We are in a strong position to deliver solutions that meet our customers’ end-to-end supply chain management needs, thereby tapping into markets covering the whole journey from producer to consumer by building on our business strengths.”

DIEGO Aponte is urging competition authorities in Europe and the US to monitor the behaviour of state-backed container lines amid fears that they may buy their way into markets through price dumping.

The president and chief executive of the Mediterranean Shipping Co group, which operates the world’s second-largest containership fleet, blames the industry’s disappointing financial results in the first quarter of 2018 partly on cheap freight rates charged by some carriers as they expanded into new trade lanes.

Mr Aponte acknowledges that this was not the only reason for such a poor start to the year, which saw major carriers such as Maersk and CMA CGM slide into the red, but appears to have been a contributory factor.

MSC does not publish financial figures, but Mr Aponte revealed in an interview with Lloyd’s List that the privately-owned group’s container line operations also lost money on a net basis in the opening three months as the market failed to live up to expectations. However, it was in the black in terms of earnings before interest, depreciation and amortisation. The first quarter “was bad.
for everyone” because of a combination of factors, according to Mr Aponte. The industry overestimated trade growth which, in turn, persuaded carriers to open up more services. That created a shortage of tonnage that has led to a sharp rise in charter rates. Adding to the industry’s woes was the steep rise in oil prices, which has forced lines to introduce emergency bunker surcharges. Against that difficult backdrop, a number of government-backed enterprises dumped prices as they expanded their reach, compounding an already weak freight rate environment, said Mr Aponte. Three carriers in particular that benefit from state aid appear to be intent on growing their market share. China’s Cosco Shipping is close to finalising the takeover of OOCL, while South Korea’s Hyundai Merchant Marine, and Taiwan’s Yang Ming are embarking on ambitious newbuilding programmes. Cosco has placed orders for a dozen 23,000 teu units plus eight of 14,000 teu, while Yang Ming has also expressed interest in 20,000 teu-class tonnage, even though both carriers are regarded as financially vulnerable. But with state support, certain players can distort the market, said Mr Aponte. Antitrust authorities around the world should stop obsessing about whether container lines are colluding with each other to raise prices, and instead turn their attention to other equally damaging actions, he continued. Regulators “have scrutinised our industry and never found anything because nothing has ever happened and there’s no suggestion the future will be any different”, said Mr Aponte of the numerous antitrust investigations into price fixing charges over the years. “And yet you have certain state-backed enterprises that have the capacity to lose as much as they wish, and nobody says anything.” Mr Aponte conceded that for the time being, actions by subsidised lines were limited to certain trade lanes and not yet of too much concern. But given their expansion plans through newbuildings or acquisitions, “it is something we have to watch out for”, he warned. “We are not afraid of competition,” he stressed, “but it is important that we are able to compete with equal weapons, and are not caught up in a situation where a private enterprise such as MSC finds itself up against a state-sponsored agenda. “Today there is no armour [for a European line] when it comes to anti-dumping policies.” Mr Aponte noted the tough action taken by the US to protect some of its industries against price dumping, and urged antitrust authorities in Europe and elsewhere in the world to be prepared to take an equally robust approach.
MSC backs scrubber technology as sulphur compliance divides shipping

Diego Aponte says installing scrubbers on its containerships ‘is the right thing to do’ and makes economic sense, given the probable shortage of clean fuels when the new sulphur cap rules come into effect in 2020.
Fire prevention in the dock after Maersk Honam inferno

Industry is urged to make a collective effort to consider what steps could and should be taken to ensure the new generation of containerships are properly protected from fires

MOVING the bridge and accommodation block towards the fore of large boxships was designed to provide better sight lines for the crew over huge stacks of containers.

But that might very well stop Maersk Honam from becoming a constructive total loss.

The fire which broke out in one of the holds on Tuesday, and which has already probably cost five lives, may be prevented from spreading because of the barrier of the accommodation block.

That may save both the ship, which cost $122m, and hundreds of millions of dollars’ worth of cargo in the containers stowed in the holds and on deck away from where the fire is now raging.

Firefighters are on their way, but it is likely to be days if not weeks before the flames are dampened down and investigators are given a chance to find out what started the devastating blaze.

But industry experts are already speculating that misdeclared freight or wrongly packed dangerous cargo was to blame. Fires as deadly as this one are few and far between.

The most recent was the MSC Flaminia, which was rocked by explosions that killed several crew members while crossing the Atlantic in 2012, with the ensuing fire burning for several weeks and ports across northern Europe refusing a place of refuge.

But behind the headline-grabbing disasters such as that, there are many more less severe incidents, with the TT...
Club’s risk management director Peregrine Storrs-Fox saying that on average, there is a containership fire every 60 days. Most are safely extinguished and loss of life is thankfully rare, but the industry has been agonising for years about how to handle a casualty involving an ultra large containership.

On that score, the 340 m-long Maersk Honam is not in the big league. The newest generation of 20,000 teu-class ships are 400 m in length and can carry considerably more cargo. Yet firefighting procedures have not advanced in parallel with ship capacities. So this may be the catastrophe that forces all stakeholders to take action.

Just as ocean carriers and shippers came together over misdeclared container weights, which eventually led to mandatory verified gross mass requirements, so this fire may at last drive home the need for some fresh thinking on shipboard fires, the causes, and how to tackle them.

What helped the introduction of mandatory container weight declarations was some clear data, starting with the evidence from the MSC Napoli casualty and other incidents around that time, which proved once and for all that customers were not always truthful about the weight of containers and cargo.

In the case of the Maersk Honam fire, any number of things could have caused the blaze, and such is the intensity of the inferno that the truth may never be known.

The ship had loaded cargo at several ports in Asia including Xiamen, Yangshan, Ningbo, Busan and Singapore, and would have been loaded with all the usual merchandise exported to Europe, possibly including fireworks and calcium hypochlorite, both of which have been responsible for fires in the past.

Packed correctly, declared as dangerous cargo, and stowed in the right place, these should not pose a risk.

The cargo on board Maersk Honam would have belonged to customers of Maersk, its alliance partner Mediterranean Shipping Co, or slot buyer Hyundai Merchant Marine, so tracking down the guilty party will not be easy. But Mr Storrs-Fox is now calling for a collective industry effort, and including the International Maritime Organization and International Association of Classification Societies, to consider what steps could and should be taken to ensure this new generation of containerships are properly protected from fires, with both beneficial cargo owners and freight forwarders doing their bit to help stamp out rogue shippers who put lives at risk.

Others will almost certainly add their voices, and who better to lead the campaign for safer ships and better fire prevention systems than Maersk, the world’s largest containership operator, which now has a vested interest in finding out what went wrong and determining how best to prevent such deadly accidents in the future.
Cosco Shipping targeted in ransomware attack

Carrier says in an internal email that it suffered a cyber attack overseas. Customers have been told the company has suffered a breakdown of its networks and systems in the US, but systems outside the US are working properly.

At the time of writing, Cosco’s US website remained offline but its UK and main corporate sites were working. Systems in CSL’s Chinese headquarters and offices outside the US were not affected, while operations of vessel terminals were normal, according to the notification.

CSL recommended US-related clients to submit booking requests, shipping instructions and amendments by using the e-commerce service on its website. “Some parts of your emails may be missed or delayed. Please keep tracing your shipment via ‘cargo tracking’ at our official website,” the company said.

It said it was assessing the incident and taking measures to minimise the impact of on business.

The attack comes a year after Maersk Line sustained a severe blow from a ransomware attack, which cost the Danish carrier up to $300m.

Maersk’s terminal operating arm, APM Terminals, was severely affected by that attack, which saw operations at many of its terminals severely curtailed as the company struggled to regain control of key systems. Its fully automated flagship Maasvlakte II terminal was forced to stop operations for over a week.

Last week, law firm Mishcon de Reya warned that the fragmented nature of shipping left it open to cyber threats and that the International Maritime Organization should take a lead in ensuring that the industry had stricter security standards.
Top 10 box port operators 2017

As part of our 2017 Top 100 most influential people in shipping series, we look at how China’s dominance in the container port sector gathers pace

01 / Huang Xiaowen, Cosco Shipping Ports

The merger of Cosco and China Shipping sent shockwaves across the box industry last year, creating a force to be reckoned with in both container shipping and ports.

Combining the pair’s terminal assets spawned the giant Cosco Shipping Ports, which became the world’s largest port operator on teu terms effectively overnight.

Huang Xiaowen was appointed chairman and non-executive director of the enlarged port group that has expanded its global footprint from the get-go. Spurred on by the government-backed ‘One Belt, One Road’ initiative with its significant financial clout, CS Ports’ rapidly expanding portfolio is showing little sign of slowing any time soon.

In total, CS Ports now has stakes in 42 container terminals in nine overseas ports that handle about 24m teu a year, on top of the 74m teu moved through ports in mainland China, Hong Kong, and Taiwan.

02 / Li Xiaopeng, China Merchant Port Holdings

Now in the second year of his tenure, China Merchants Port Holdings chairman Li Xiaopeng has hardly had time to sit still amid the port operator’s most active period on the purchasing front to date. Mr Xiaopeng has helped mastermind an aggressive acquisition strategy domestically and overseas, both directly and through its 49% stake in CMA CGM’s Terminal Link, which operates a network of container terminals and stevedores in Asia, northern Europe, the Mediterranean, West Africa and North America.

In a similar vein to CS Ports, CMPH is following foundations set by China’s One Belt, One Road programme to its advantage, with a spate of strategic investments in recent months.

But CMPH’s investments have not been restricted solely to the east-west corridor the government is so eager to promote. Indeed, perhaps the
most intriguing of overseas ventures is its 90% stake in Brazilian terminal operator TCP Participações, representing the first major foray by one of the major Chinese port operators in Latin America.

**03 / Eric Ip, Hutchison Port Holdings**

HUTCHISON Port Holdings is the original global terminal operator. The Hong Kong-based group was the first port company ever to engage in a cross-border acquisition when it bought the UK’s Felixstowe in 1994, a deal that caused quite a stir at the time in an industry not used to merger or acquisition activity.

HPH, fronted by group managing director Eric Ip, has since expanded its business to boast a presence in 50 ports spread across 27 countries, and held the crown as the world’s largest container terminal operator before being ousted by China’s colossal Cosco Shipping Ports last year.

Volumes last year disappointed due to the group’s exposure to weak markets, while unfavourable foreign currency exchanges have made for an equally challenging 2017 in terms of profitability.

However, throughput levels did rebound slightly in the first half of the year, and HPH is optimistic that this underlying performance is a sign that the group is firmly in recovery mode.

**04 / Fock Siew Wah, PSA International**

FOCK Siew Wah is now into the second decade of his tenure as group chairman of PSA International.

The Singaporean giant, the largest terminal operator on an equity share per teu count, reported a significant fall in profits last year and static volumes at its flagship domestic facility.

Volumes of 30.9m teu in 2016 were just 18,700 teu below 2015’s figure, a drop of less than 0.1%, representing Singapore’s second successive year of throughput losses on the back of a six-year growth spurt stretching back to 2009.

However, Singapore is widely viewed as the big winner of 2017’s shipping alliance reshuffle – with its weekly calls rising from 29 to 34 – after Ocean Alliance members CMA CGM and Cosco Shipping opted for the port as their principal box hub in the fiercely competitive Malacca Strait.

With PSA’s prize European facility Antwerp also reaping the rewards of its core customer MSC’s 2M tie-up with Maersk Line, 2017 is expected to prove more fruitful after two difficult years.

**05 / Morten Engelstoft, APM Terminals**

APM Terminals chief executive Morten Engelstoft has not had an easy ride since taking charge of The Hague-based terminal operator from the longstanding Kim Fejfer in the latter stages of 2016.

Not only has he had to oversee the integration of APMT into AP Møller Maersk’s new transport and logistics division and adapt to a rapidly evolving operating environment, but also contend with a high-profile and costly cyber attack in June.

The millions of dollars in lost revenues caused by the IT blackout hit the group’s second- and third-quarter results hard. That was compounded by APMT’s struggles to get to grips with what it referred to as ‘challenging commercial conditions’.

By Mr Engelstoft’s own admission, APMT’s terminals are currently among the most underutilised in the industry. This has prompted a switch in focus on improving the performance of existing assets rather than expanding its global portfolio through invested capital as in the past.

Closer ties with sister carrier Maersk Line are expected to help in this process while it is hoped that the added bonus of the soon-to-be absorbed Hamburg Süd into the Maersk group will help drive much-needed volumes through APMT’s terminals to prompt a turnaround in fortunes.

**06 / Sultan Ahmed Bin Sulayem, DP World**

SULTAN Ahmed Bin Sulayem may have taken over the reins from Mohammed Sharaf as chief executive of DP World
nearly two years ago, but he has long been the face of the Dubai-based operator. He has been integral to the rapid expansion of the company over the past two decades, which at the time of writing comprised more than 70 terminals in 40 countries, across six continents and annual volumes of 64m teu.

Developments in the pipeline are forecast to lift capacity from 84.6m teu to 100m teu by 2020, of which burgeoning flagship facility Jebel Ali will account for more than a quarter, once its fourth terminal that is now under construction is fully operational.

07 / Enrique Razon, International Container Terminal Services Inc

ENRIQUE Razon is the chairman and majority owner of Manila-based port operator International Container Terminal Services Inc. ICTSI is the port world’s quintessential opportunist. Investing heavily in emerging markets over the past decade it has rapidly expanded to quickly become an established global player. With over 30 terminals in more than 20 countries across the globe, the Philippine group’s preference to have majority control at its facilities – the only exception being a joint venture in Colombia with PSA – has proved pivotal to its success.

In 2017, the group’s volumes are on course to grow substantially above the market on the back of new business from recently opened terminals, including those in Iraq, the Congo and Australia.

08 / Chen Xuyuan, Shanghai International Port Group

CHEN Xuyuan is the chairman of Shanghai International Port Group, the principal operator at the world’s largest port Shanghai. But over the past few years it has showed its intent to expand beyond its domestic base to terminals overseas, capitalising on China’s ‘One Belt, One Road’ initiative.

Today, SIPG has port partnerships in Seattle, Barcelona, Nagoya and elsewhere, has teamed up with Cosco Shipping Holdings to buy Hong Kong operator Orient Overseas (International) Ltd. That will give SIPG joint ownership of OOCL’s state-of-the-art Long Beach Container Terminal, the most automated facility in the US.

09 / Robert Yildirim, Yilport Holdings

TURKISH entrepreneur Robert Yildirim is president and chief executive of the Yildirim Group, which, among its shipping-related subsidiaries, includes port-operating arm Yilport Holdings.

Nevertheless, port investments are the group’s top priority. Mr Yildirim has long declared his ambition of turning Yilport into a truly global player and a top 10 status in the terminal operator ranks.

“Terminal acquisitions” is the group’s mantra, which has seen it catapult to number 13 in terms of annual throughput numbers, but the company has gone a little quiet on the procurement front over the past year.

Mr Yildirim is not one to lay low for long. Talk of a serious investment in US giant Ports America has been bubbling beneath the surface for a number of months.

Although it is thought the group is biding its time in the hope that Ports Americas’ owners will come down on price for potential suitors, this could well be the move that sees Yilport achieve its top 10 goal and become a major player on the international stage.

10 / Vikram Sharma, Terminal Investment Ltd

MARITIME veteran Vikram Sharma has held the position of chief executive of Mediterranean Shipping Co’s port-operating subsidiary Terminal Investment Ltd, or TIL, for nearing a decade.

Since his appointment he has helped TIL, originally established to secure berths and terminal capacity for its sister line MSC, to flourish into a global port operator in its own right.

But it is the continued growth of MSC that has proved the catalyst for success. TIL has used the pull of guaranteed business from its liner partner to help establish a substantial network made up of majority of joint terminal ventures. Despite only being in existence since the start of the century, TIL now boasts as many as 34 operating terminals and one development terminal in 22 countries to its name.