

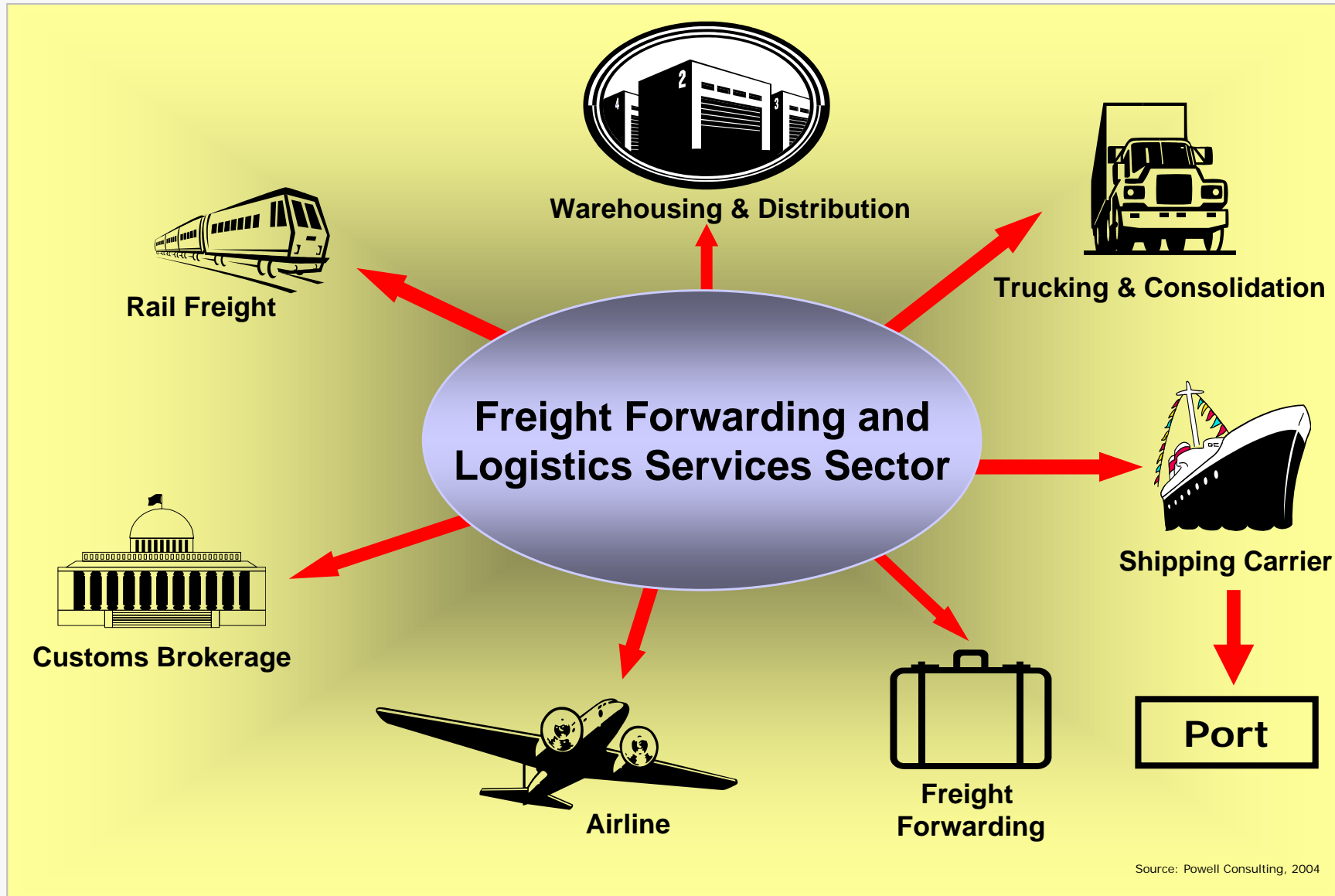
Reshaping a port's strategic role - adapting to challenges & changing trends



October, 2006

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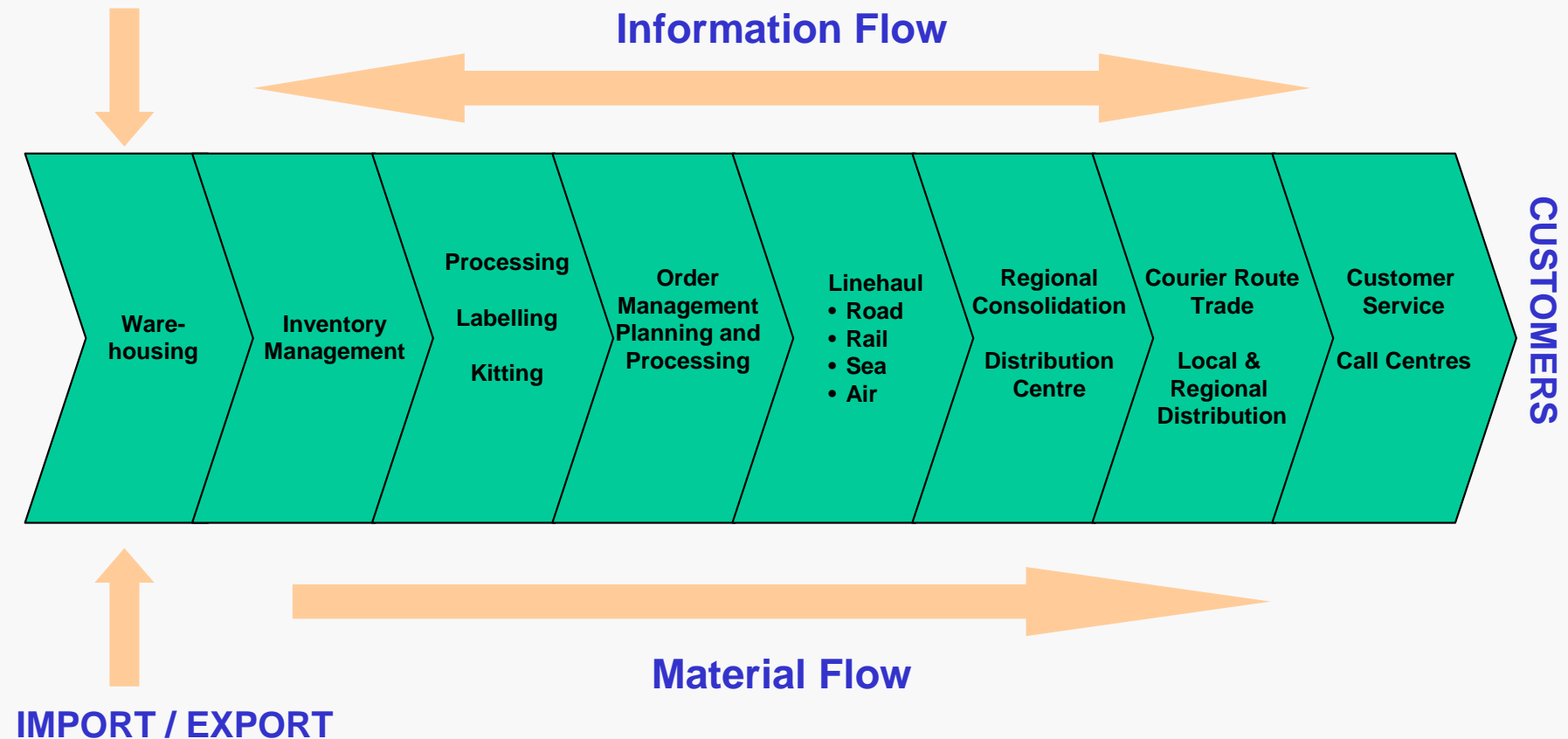
Traditional port environment



Today's port environment

The Global (containerised) Supply Chain

MANUFACTURERS



Source: Powell Consulting, 2004

We are all intermodalists now

A range of companies from historically distinct industries all see their future in the provision of value added logistics services

Liner shipping companies

- Maersk
- APL
- NYK

Terminal operators

- PSA Corporation
- HPH
- Dubai Ports World

Freight forwarders/ NVOCC's

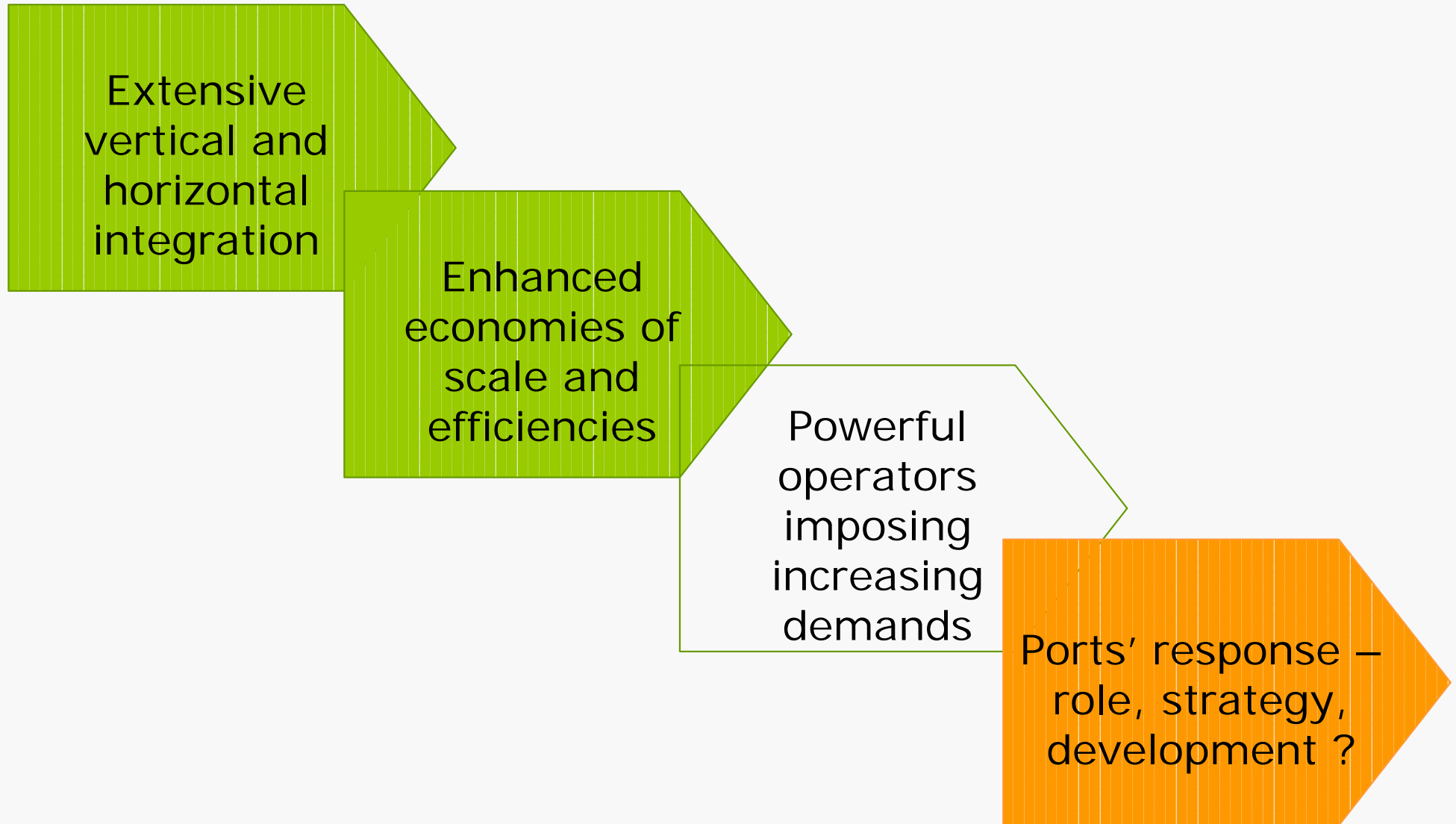
- Kuehne & Nagel
- Schenker
- DANZAS/DHL

Land transport operators

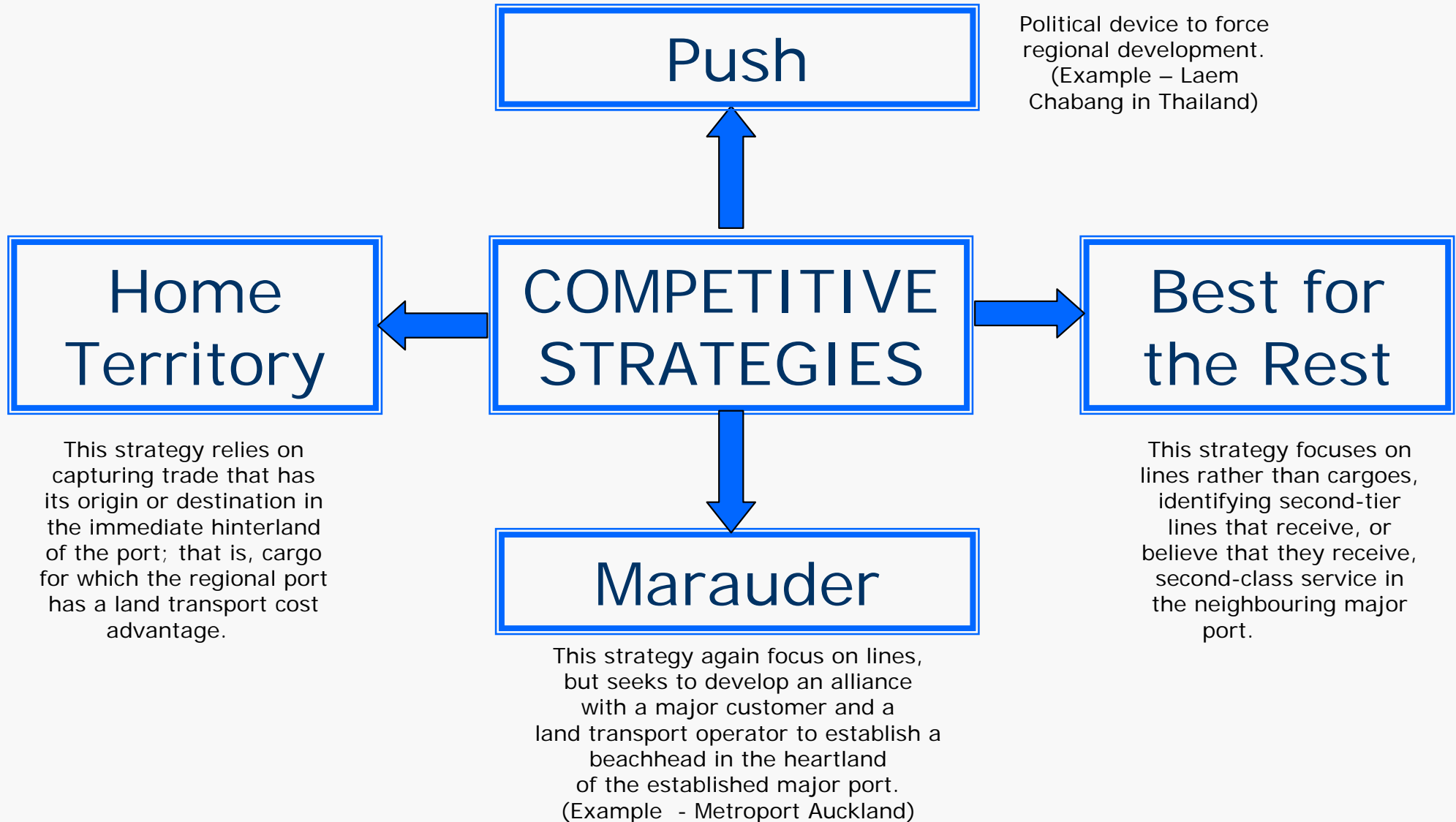
- Geest / United
- Toll Group



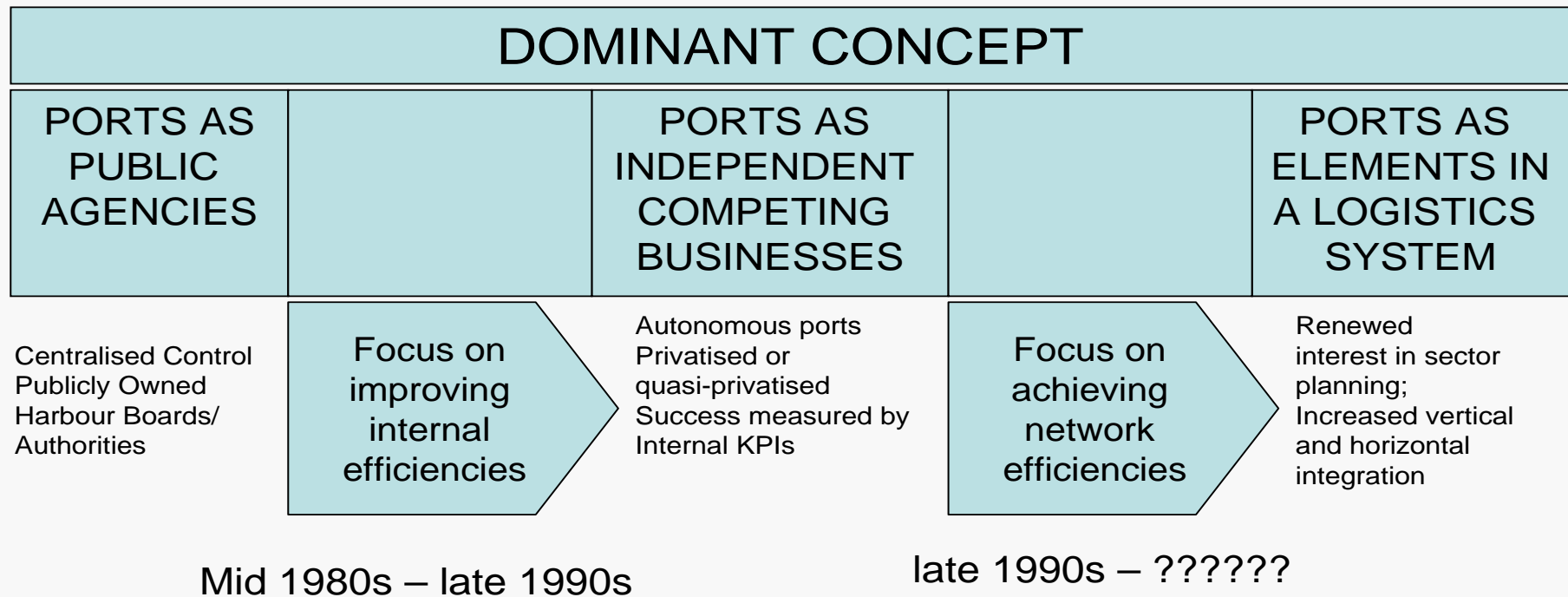
Current logistics environment



Port strategies within the box

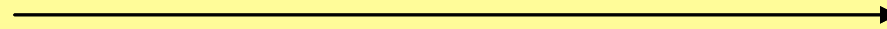


Shifting views – role of ports



Logistics roles of ports

Provide high quality
in-port intermodal
infrastructure and
interfaces



Landlord model:
Australian variant

Invest in intermodal
infrastructure beyond the port



Alameda

Become an active partner in
creating and promoting new logistics
solutions



Metroport

Get directly involved
in related logistics
services provision

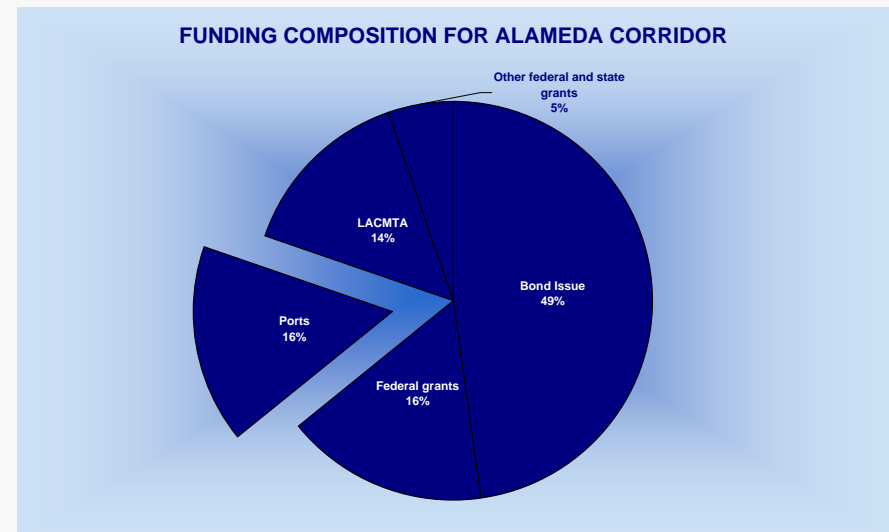


Duisburg

Alameda corridor



- Connects the ports of Long Beach and Los Angeles to the Union Pacific and Burlington National – Santa Fe rail terminals
- 30 kilometre corridor
- 15-kilometre trench section, 45m wide by 9m deep
- Replaces four at-grade branch lines with a single grade-separated line
- Removed 200 at-grade intersections



MetroPort – why did it work ?



www.meyrick.com.au

- Real trade opportunity existed
 - ANZDL had tried to get rail service to Tauranga
 - Import export imbalance
 - Worsening road congestion in Auckland
- Port company commitment
 - Rail company had knocked backed the concept
 - Port of Tauranga developed the concept
 - Port underwrote the risk for the first years of operation
- Regarded as integral part of port
 - Rail link is not separately priced
 - MetroPort functions are genuine inland port – on site CQS
 - Integrated IT – EXPRESS2 database and SPARCS system extended to include train operation
- Industrial location and traditional use minimised community objection



Duisburg – what the port did

- Acquired the Krupp Steel site
- Developed surrounding land for use as distribution centre
- Formed JV with P&O Ports for operation of the intermodal terminal
- Actively marketed land to key logistics companies (Wave Logistics [NYK], Kuehne and Nagel, Eurologistik)
- Pushed for German-Dutch inter-governmental agreements in improved trans-border rail services
- Developed and marketed dedicated train services operated by rail companies on a 'hook and pull' basis
- Established marketing, facilities management, rail, and packing subsidiaries
- Aggressively invested in supporting infrastructure
- Invested in a new container terminal in the seaport of Antwerp
- RESULT: a "logistics port", controlling its hinterland and access



 duisportal

To be a “PSA Corporation”

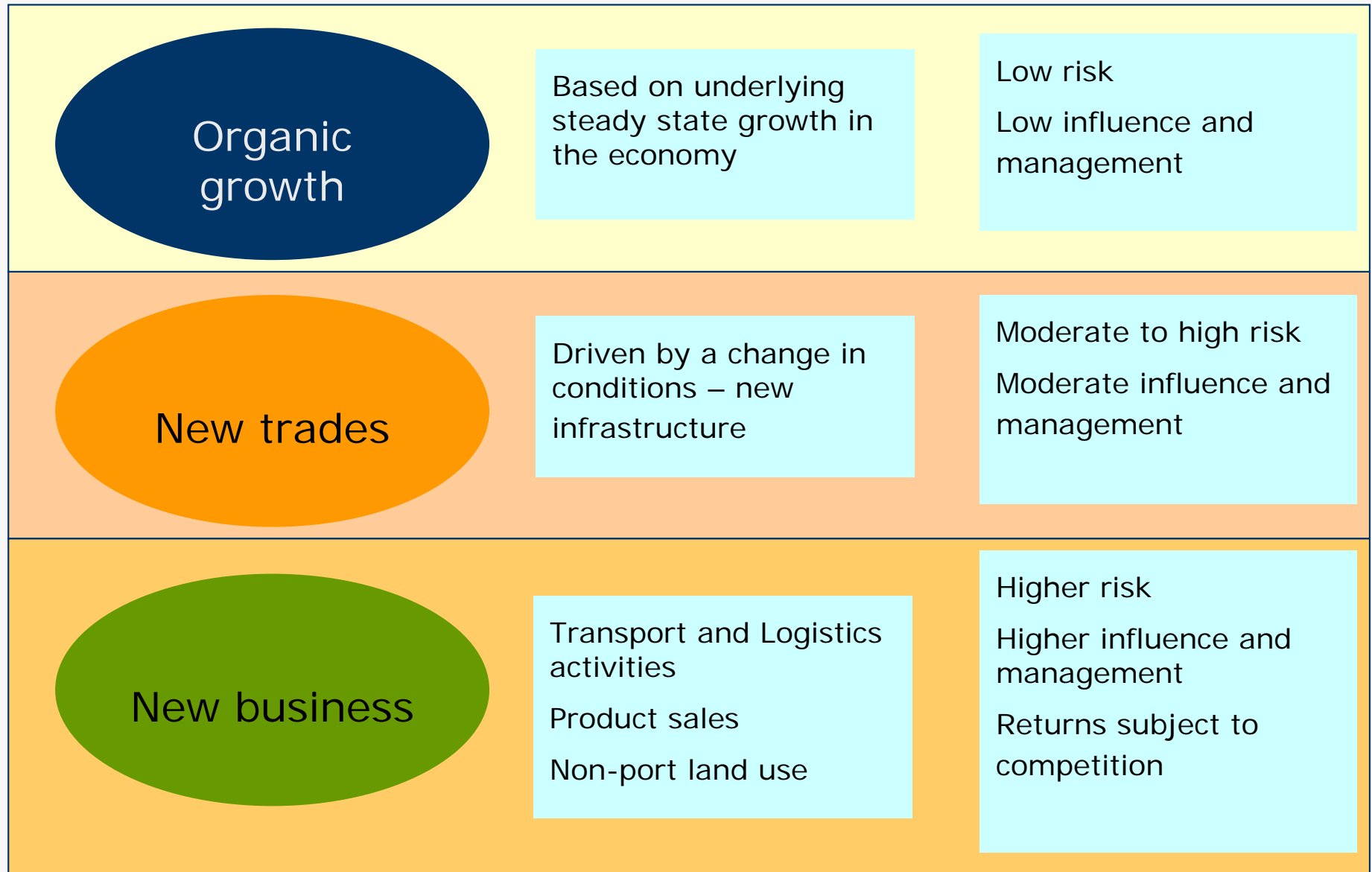
- Terminal Operations
 - 20 ports covering 11 countries
- Marine services
- Warehousing and distribution centres
 - Largest warehouse operator in Singapore
 - 14% of national total warehouse space
- Wharf logistics centres
 - Pasir Panjang & Sembawang wharves
 - FTZ
 - transshipment
 - cargo handling (stripping/stuffing)
 - consolidation of product
 - value-added processing
 - covered storage
- IT and related
 - PORTNET
 - KNet
 - CargoD2D
 - GEMS
 - TRAVIS
 - EZShip
 - Allies
- Consulting Services
 - Port management
 - Engineering
- Joint ventures



Some general observations

- Ports can do lots of things to improve logistics operations
- There are a few things that ONLY the ports can do
- A lot of port practice tends to focus on these things (e.g. Aus.)
- This is a low-risk low-pay off strategy
- Maximising the value of ports' contribution requires a broad mandate and more (pro-)active approach
- This comes at a price:
 - A higher risk of monumental stuff-up's
 - A continual tension in the relationship between the port as an honest broker and its supply chain partners

Three ways a port can grow



Thank you

