

## **2<sup>nd</sup> Trans Middle East 2006 UAE Exhibition and Conference** **Mohammed Al Muallem : Opening remarks**

Distinguished guests, ladies and gentlemen, good morning. It gives me great pleasure to welcome you all today to the Second Trans Middle East conference in Dubai. It is an even greater pleasure to see all the different representatives of the transport and logistics industries united here today. This is truly an exciting opportunity to share information and views, explore ways to rise to challenges in our industry and move it forward in new and innovative ways.

As Senior Vice President and Managing Director of the UAE Region for DP World, I would now like to take this opportunity to share my views on the pivotal role of ports logistics within the global supply chains.

Maritime industries are facing extraordinary change with the effects of globalisation. Supply chains are stretching as globally sourced manufacturing grows, and shipping lines are busier than ever. The demands of world trade on global supply chains are increasing and logistics issues are and will continue to be a top priority.

As such, the efficiency of port logistics is becoming an increasingly essential component in the worldwide flow of goods and services and port operators must strive to meet the rapidly expanding needs of customers.

Those that succeed in positively impacting the supply network are those that embrace innovation. Today I would like to briefly highlight some of the issues faced by our industries today and the role of global port operators in tackling these issues.

As some of you may not be entirely familiar with DP World, I would like to first take a moment to tell you a little about our company and where we are today.

### **About DP World**

Who are we? DP World is now the global marine terminal operator with the widest network in the world. We operate 51 container terminals in 24 countries around the world, 4 free zones, and 3 logistics centres. All of our offices are closely connected to our head office in Dubai; however, they have the autonomy to respond quickly to changing customer and commercial needs.

In 2005, our combined throughput was over 37 million TEU and we currently have about 34,000 employees.

DP World's vision centres around our customers and our determination to provide them with top quality services. Our customer focus we believe is unique in our industry. It is what set our flagship operation here in Jebel Ali apart and it is what we have taken to the world as we have grown from a regional to an international player. The focus on customers grows naturally from our values, which in turn are centred around our commitment to investing in our people, in our customers, in quality and global growth.

Our intention is to grow where our customers have told us they will need us the most – this is firstly in the Middle East, and then in the expanding markets of China, India and Europe. DP World currently has nine development projects around the world, they include projects in Ho Chi Minh City, Vietnam, Yarimca in Turkey, Vallarpardam in India and Callao in Peru. All together, the nine developments have the capacity to add 24 million TEU when fully operational.

### **Security**

Let's move forward now and highlight the complexity of the environment in which all our industries operate and the corresponding issues facing global supply chains.

Since 9/11, the specter of terrorism has loomed in the public eye, more so than ever before. In our industry, the threat of terrorism has put a spotlight on the vulnerability of the global supply chain. Just one weak link in the chain will mean repercussions for all. Yet security responses must be balanced with industry practices that meet commercial pressures.

And there is a strong business case to provide excellent security. A shipping line with millions of dollars of assets in their vessels and their customers' cargo is always going to choose a terminal that offers good security over one that does not.

So security and efficiency must work in harmony.

As most of you know, major terminal operators are probably among those in the best position in the industry to ensure we achieve both goals. The rapid consolidation of the terminal sector – of which the DP World takeover of P&O is prime example – actually makes this task easier. Working together, the four major marine terminal operators can co-operate on security measures that cover most of the globe.

So what are we doing? At DP World, we have led the way by being the first global marine terminal operator to adopt ISO 28000, the most stringent supply chain security certification. Our terminal in Djibouti and headquarters in Dubai have become the first in the world to achieve this certification, and Vancouver and Caucedo will follow very shortly. In addition, we are working with our customers, industry partners and, importantly, governments to further develop standards and practices that achieve the levels of efficiency and service that customers expect and need, but with security concerns at the forefront of every consideration.

As such, improving product flow, mitigating risk and increasing supply chain velocity are constant challenges. It is therefore vital that the ports industry embrace innovative approaches and make investments with one eye firmly on the future.

Investing for the future is critical to success. This means investing uniquely – in developing and maintaining industry leading standards and practices, in infrastructure, software, in people, in long term commitments and strategic relationships.

Let me give you an example.

### **Jebel Ali**

Two years ago, DP World embarked on an ambitious expansion program for Jebel Ali Port, DP World's flagship port to address congestion issues perceived then by customers and to build what customers said they would need in the future.

Part of the expansion plan is the construction of Terminal 2 in two phases to allow for growth according to demand.

The first phase will be completed in July 2007 and we expect the remaining to be completed in 2008. Upon completion Jebel Ali Terminal 2 will have 2500 meters of quay length and a draft of 17 meters; and once it's operational, as at Terminal 1 it will be able to accommodate the largest container vessels in the world. The expansion we have begun will see capacity rise from current 9 million TEU up to 14-15 million TEU upon completion of phase 2.

The benefits of DP World investing ahead of the curve to our customers are obvious. The extra capacity will mean increased efficiencies, speed, flexibility and choice.

## **Conclusion**

To conclude, our industries are facing unprecedented change as globalization stretches supply chains in an increasingly complex environment. This trend is set to continue and port operators need to invest for the future, in long-term commitments and establish strategic relationships in efforts to meet the rapidly expanding needs and concerns of our customers.

To tackle inefficiencies, the question is less about the prevention of bottlenecks, and more with how to build operational flexibility that mitigates problems when they occur in the most security conscious way possible.

Even with streamlined networks, there are disruptions that can negatively impact even the most sophisticated operations. The idea is not to move the problem onto the next part of the chain. We must all work together to improve the overall efficiency of your supply chains.

I know this is one of the key topics everyone will be discussing during the conference. It is a matter that requires robust debate and this is a great forum for that. I look forward to hearing the results of your deliberations. Thank you.