

# SHIP2SHORE



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# CEO COMMENT



At the time of the last issue of Ship2shore going to print, there was much excitement about the latest round of alliances within the liner shipping industry with the emergence of the 2M and CKYHE alliances to join the existing G6 Alliance. Shortly afterwards, China Shipping, UASC and CMA CGM announced the new Ocean 3 cooperation; and the Hapag-Lloyd/CSAV merger has moved nearer to reality. The economics of shipping have never been easy and these moves to further consolidate and cooperate are driven by the necessity to drive down slot costs and to fill ever larger vessels. With the arrival of the 19,100 TEU CSCL Globe at Felixstowe in January, the size of the biggest container vessels in the world will have doubled in less than ten years. The order book for Ultra Large Container Ships remains healthy. Reports show that 122 ships of greater than 10,000 TEU are currently on order, most for delivery in the next two years. Given this growth in capacity it is fortunate that the main East-West trade from Asia to Europe has been displaying healthy growth this year. Healthy as it may be, growth has not been sufficient to stop the recent fall in freight rates and sustained growth will still be needed over the next few years if the market is to return to something closer to equilibrium. Although bigger ships deliver economies for shipping lines, the same is not true for ports. Bigger ships require larger and more expensive equipment and greater peaks of traffic make it more difficult to utilise labour and equipment in the most efficient way. All of this pushes up the cost of port operations. The challenges facing the major hub ports have been compounded for most of the year by poor schedule reliability resulting in very many ships arriving outside their contractual berth windows. This situation is, however, improving with the fall in bunker prices and commercial pressure to maintain schedule integrity encouraging more lines to increase speed when off schedule. In response ports have to increase productivity and improve turnaround times and that is something we are keenly focused upon. We recently achieved a new record at the port completing 5,734 exchanges at an average of 203 vessel moves per hour. Container shipping will remain an interesting and challenging market place for some time yet but we are committed to working with our customers to find the right solutions for them and their customers.

**CLEMENCE CHENG**  
Chief Executive Officer

# NEWS UPDATES

## THE PORT OF FELIXSTOWE ACHIEVES FULL AEO STATUS

The Port of Felixstowe has become the first UK port to receive full Authorised Economic Operator (AEO) status. The AEO initiative was introduced by the European Commission through the Union Customs Code to help simplify customs procedures and secure international supply chains.

Commenting on the accreditation, Clemence Cheng, Chief Executive Officer of Hutchison Ports (UK) Limited, said:

“Being the first port in the UK to achieve full AEO status demonstrates our commitment to providing the best possible level of service to our customers.

“It recognises the robustness and consistency of the

port’s procedures, giving customers and UK Customs comfort that the high standards required to achieve accreditation are maintained.

“It is becoming increasingly important to cargo owners that everyone involved in the international supply chain is able to demonstrate the highest standards of customs simplification, safety and security. Ports play a vital role in this regard and this designation gives them that assurance.”

The AEO certificate is an internationally recognised quality mark issued by Her Majesty’s Revenue and Customs giving surety that the holder’s role in the international supply chain is secure, and that their customs controls and procedures are efficient and compliant.



## PORT OF FELIXSTOWE CELEBRATES ANOTHER RAIL RECORD

The Port of Felixstowe has set a new rail record becoming the first UK port to handle over 12,000 containers (18,600 TEUs) by rail in a single week.

The record was first broken in early September 2014. Since then it has been broken again twice with the new record of 12,303 containers being handled in mid-October. The new records were helped by the port’s ability to handle longer trains and by increased levels of train utilisation which has reached record highs of around 91%. Commenting on the new record, Lawrence Yam, Commercial Director at the port, said:

“One of Felixstowe’s great advantages is the range and scale of rail services we can offer

to customers. The port operates three open-access, common-user rail terminals handling 60 intermodal freight train movements every day. Going to 17 destinations throughout the UK, these services allow shippers and receivers to drastically reduce road miles and to strip carbon from their supply chains.”

The latest terminal, the North Terminal, Co-financed by the European Union from the Trans-European Network budget, opened in 2013. It was the first in the UK designed to handle 30+ wagon long freight trains, each capable of carrying 90 TEUs.

Capacity at the new terminal will increase further in 2015 with the delivery of two new Rail-Mounted Gantry cranes (RMGs) from Liebherr, bringing to five the total number at the terminal.





### PORT OF FELIXSTOWE BEACH CLEAN SUPPORTS GROUP'S 'RECYCLING BEGINS & ENDS WITH YOU' INITIATIVE

Port volunteers have cleaned the beach at the John Bradfield Viewing Area adjacent to the port. The annual litter pick was undertaken as part of the Hutchison Port Holdings' (HPH), Recycling Begins & Ends with You campaign and in support of the Marine Conservation Society's Beachwatch campaign.

Commenting on the event, Paul Davey, Head of Corporate Affairs for Hutchison Ports (UK) Limited, said: "We are delighted and proud to be celebrating 10 years of efforts towards

keeping our coasts clean. This initiative reflects our commitment to make a positive contribution to the communities in which we operate and to safeguard the environment which we all share."

Local MP, Therese Coffey, joined port employees for the clean-up and said: "I was delighted to join local volunteers to help clean-up the beach at Landguard Point in Felixstowe. It is essential we keep our shoreline looking good for us all to enjoy."

Hutchison Port Holdings (HPH) has a long history as a green innovator and has recently joined forces with DP World to launch the Waste Reduction Campaign and work together to concentrate

and multiply their individual efforts to combat the effects and causes of global greenhouse emissions.

The Port of Felixstowe has been supporting the Marine Conservation Society's National Beachwatch Weekend initiative to clean the UK's coasts since 2005.

Beachwatch forms part of the Port of Felixstowe's wider sustainable environmental agenda and supports the HPH Group's global strategy to ensure that all their businesses worldwide conduct their operations in an eco-friendly manner.

### 34-WAGONS TO SELBY

Following the opening of the North Rail Terminal at the Port of Felixstowe, Potter Logistics has increased the rail head at its Selby Terminal to accommodate longer trains from the port.

The work allows GB Railfreight (GBRf) to operate longer intermodal freight trains into the terminal. GBRf has already increased to 27-wagon trains on the service with plans to increase to 34-platform trains of 610 metres on the MSC contracted services from the Port of Felixstowe.

These will be a combination of both Ecofret and FEA wagons in response to customer demands for 40ft container services.

John Smith, Managing Director of GB Railfreight said: "We have very clear intentions to expand

services out of the Port of Felixstowe. Once we start using our new Ecofret wagons in late 2014, we will be operating the longest intermodal freight trains on the network."

Mathew Lamb, Potter Logistics' Managing Director explains why Potter Logistics has recently extended its head shunt from 468m to 775m:

"With the improvements in port capabilities, rail infrastructure and upgrades to key road links, a traditional road solution is no longer viable due to the environmental impact this brings. Upgrading our rail terminal allows us to reduce the impact and provide our customers with an economic solution."





### BERTH 9 QUAY EXTENSION

Piling work has been completed on the Berth 9 Quay Extension at the Port of Felixstowe.

The extension will increase the combined lengths of Berths 8&9 to 920 metres, and take the total available container quay at the port to nearly 3,300 metres. The increased quay length will give the port even greater flexibility to berth the world's largest container ships side by side.

The first main quay wall pile was installed on 11 August 2014, with the front wall piling completed on 3 October 2014. The rear wall piling and south return wall piling have been completed in parallel with the 'finger quay' perimeter.

The next stage of development is the second-phase reclamation filling of the newly enclosed area. Aggregate material will be pumped into the area to displace the water. The first 'land' formation within the finger pier should be visible early in the New Year.

The extended quay, which will be accompanied by a further three huge ship-to-shore gantry cranes, making 10 in total on Berths 8&9 is still scheduled for completion in 2015. Felixstowe already handles more ultra-large container ships than any other UK port and is the only UK port to handle 18,000 TEU mega-vessels and will welcome the world's first 19,000 TEU ship in early 2015.

### HARWICH CRUISE SEASON

Harwich International Port has celebrated another successful cruise season. 2014's season closed with Celebrity Cruises' Celebrity Infinity sailing off to Bermuda and the Caribbean.

To mark the end of the season and to thank local volunteers, a brunch reception was held in the cruise terminal on 3 September 2014, the day Costa Cociere's Costa Fortuna made the last transit call of 2014 at Harwich.

Speaking at the reception, Clemence Cheng, Chief Executive Officer of Hutchison Ports (UK) Limited, said:

"The Cruise industry is one of the key sectors for us at Harwich. As well as the port, the cruise visitors we have here are good news for the economy of Harwich and the surrounding district.

It's a great location for passengers to go on trips to London, or to Cambridge, or to Constable Country, but more important than that is that the town itself is, for many, an undiscovered treasure trove of historical interest. This event is to thank the volunteers who have helped make this cruise season such a success."

Councillor Ivan Henderson spoke on behalf of Harwich Town Council to thank the port for the Reception and commend the relationship between the Council and the port, which he said was viewed as a key partnership for the town. Harwich International Port is firmly established as one of the UK's leading cruise ports.

Passengers are drawn from across the country to join cruises around the UK, North-West Europe, the Baltic and the Norwegian Fjords. 2015 is already looking as though it will be another bumper season for cruise calls at Harwich.



## PORT OF FELIXSTOWE SETS NEW PRODUCTIVITY BENCHMARK

The Port of Felixstowe has set a new productivity record for handling containers on a single vessel.

5,734 container moves were completed on the 9,600 TEU CSCL Pusan, operated by China Shipping Container Lines in just over 28 hours, setting a new record average of 203.23 moves per hour.

Commenting on the new record, Stephen Abraham, Chief Operating Officer at the port, said:

“This was a fantastic achievement and was the culmination of some excellent team work across several shifts in preparation and execution of the operational plan. As container ships get larger, speed and reliability of operations becomes ever more important to our customers. “The level of expertise we have at Felixstowe, backed by continual investment in new equipment, means that we are uniquely placed to deliver on the things that matter most to shipping lines, forwarders and importers/exporters.



“The new record was achieved on a regular vessel call in normal operating conditions. It is a testament to the commitment of our workforce and our common determination to drive continuous improvement.”

Felixstowe is the UK’s largest container port and is continuing to expand. Construction of a

190 metre extension to the port’s Berth 9 is on schedule for completion in 2015.

Three new huge ship-to-shore-gantry cranes are on order from ZPMC in Shanghai for the extension. The new cranes will bring the total number of cranes on Berths 8&9 to 10, and the number across the port as a whole to 36.

## LONDON THAMESPORT, PORT OF CHOICE FOR PROJECT CARGO

London Thamesport is playing a key role in the largest plant relocation ever undertaken by UK-based project forwarder, Allseas Global Logistics. The Kent port is increasingly being chosen as the port of choice for project cargo.

The former Ford commercial vehicle body panel pressing plant from Dagenham in Essex will be the largest international movement of a Ford plant acquired by another company. The 80 year old plant has been laboriously disassembled with larger break-bulk pieces of plant transported to London Thamesport to be stored ready to be shipped out to China. Some of the larger items of plant weigh upwards of 125 tonnes.

Commenting on the latest consignment of project cargo, Simon Mullett, Chief Operating Officer of London Thamesport, said:

“With proven experience of safely handling break-bulk and out-of-gauge cargoes, from the largest power station machinery to high value super-yachts, London Thamesport was the clear choice for Allseas Global Logistics. The



first pieces arrived at the port in early August 2014 and we expect the first vessel to call in January to begin transporting the plant to China for reassembly. The whole project should be completed by the end of the first quarter of 2015.”

The disused plant has been acquired by China’s Harbin Goodtime Electronics and will be reconfigured to produce machine parts in a factory about 100 km from the major port city of Dalian.

# MYPORT APP

## THE LATEST VESSEL AND CONTAINER INFORMATION AT YOUR FINGERTIPS

**G**etting accurate and timely information is key to planning and delivering efficient supply chains. It sounds simple, but knowing exactly when the vessel carrying your container will arrive, or what the status is of that container, can often be a real challenge for large and small shippers alike.

That is why the Port of Felixstowe has launched MyPort App: to provide its customers with easy access to the latest information wherever they may be.

The MyPort App is the first of its kind for port users in the UK and reflects the Port of Felixstowe's commitment to delivering for the real needs of its customers. It makes it easier for them to obtain the latest container and shipping information, 24 hours a day, seven days a week.

MyPort benefits importers, receivers, forwarders, hauliers or anyone else with an interest in a consignment passing through the port. It is useful either for a 'hot box' or a regular shipment. The App also works for both import and export containers and tracks information in real time.

Built for iOS (Apple) and Android smartphones, an essential feature of the App is that it allows users to follow a specific vessel or container on its journey and receive alerts both through the App and via status change emails. No longer is it necessary to stand by the 'refresh' button to

see when the status changes or to repeatedly interrogate systems; MyPort notifies you as soon as something changes.

The App itself is divided into four sections and includes the popular Haulier and Shipping Information tools from the Port of Felixstowe website. In addition to allowing users to track containers or specific vessels, the latest 5-day weather forecast for the port and details of freight train arrivals and departures are easily accessible.

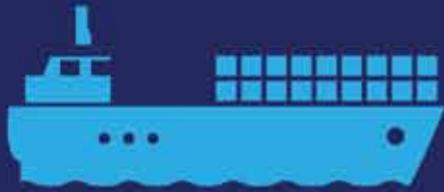
Using a container number, users can track the status of a container through the port in real time in the Haulier Information section. The five-stage tracking progress bar provides information about the status of containers and notifies users when a container is ready for collection. While the Shipping Information section allows users to quickly see the estimated times of arrival and departure of specific vessels plus the closing times for any containers destined for that ship. Users can also opt to receive email notifications for whenever the rail schedule is updated.

MyPort was developed following consultation with the port's customers and key stakeholders. Focus group sessions helped developers to determine stakeholder needs to ensure the App delivers a real improvement in speed, depth and convenience of information.

The MyPort App can be downloaded free of charge from the App Store or Google Play.

MyPort enables you to do the following:

- Track the status of your container on its journey through the Port
- Receive email alerts when your vessel or container status changes
- Monitor arrival, departure and closing times for vessels
- Check the 5-day weather forecast at the Port
- Review the rail schedule



Closing



OK to go



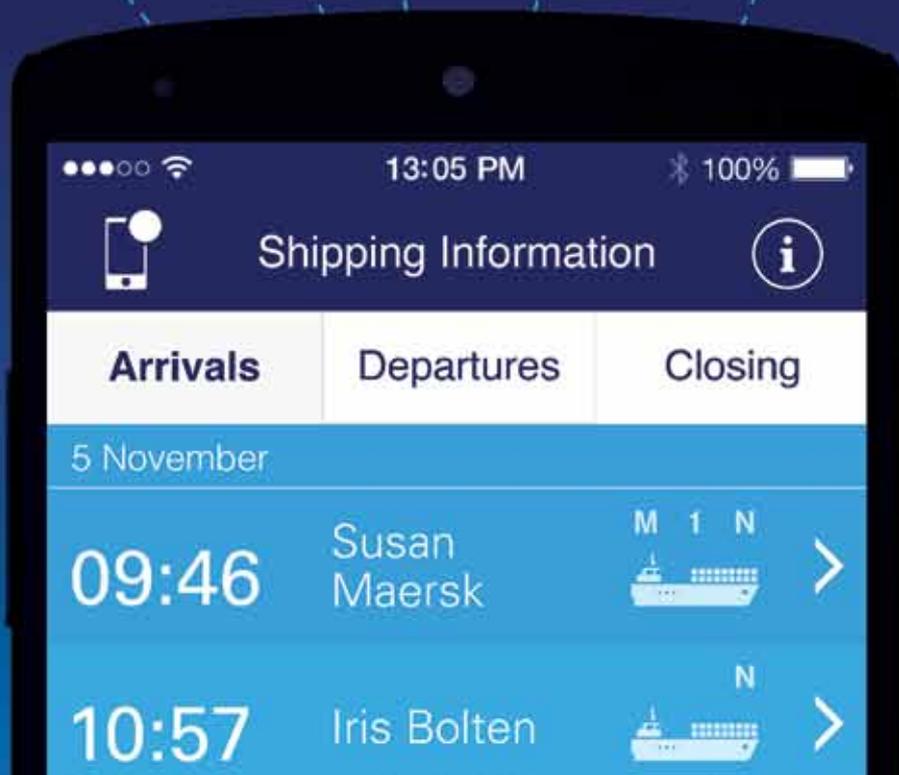
Arriving



Departing



In Port



# SIZE MATTERS

## BIGGER AND BIGGER SHIPS

**W**hat are records for, if not to be broken? The Port of Felixstowe will start 2015 by stepping into the record books once again, with the arrival of the 19,100 TEU CSCL Globe, the largest containership ever built.

Due in Felixstowe in early January, the CSCL Globe will be the first 19,000 TEU vessel to call anywhere in Europe. To give an idea of the scale of things: placed end to end, 19,000 containers would stretch for 116 kilometres – well over halfway across the North Sea to Rotterdam!

“Ever since being the first in the UK to take advantage of containerisation in the 1960s, the Port of Felixstowe has had a reputation for pushing the boundaries and being well ahead of the pack,” says HPUK Commercial Director Lawrence Yam. “We made the headlines in 2006 with the first call by the 15,500 TEU Emma Maersk, the largest containership in the world at that time. In October 2013 we welcomed the 18,000 TEU Majestic Maersk, one of Maersk Line’s new Triple-E class containerships and at that point the largest in the world.

“In the New Year, the arrival of the CSCL Globe will once again underline Felixstowe’s importance as ‘The Port of Britain’, and confirm our facilities, equipment, service and location as unrivalled in the UK.”

The CSCL Globe is the first of four vessels being built for China Shipping Container Lines (CSCL) in South Korea by Hyundai Heavy Industries. Named in November, the 184,000 ton vessel is 400 metres long and 58.6 metres wide. It has a draught of 16 metres and height of 69 metres. Containers will be stacked 11-high in the hold and 10-high on deck. The four CSCL vessels were originally planned to carry 18,400 TEU, but the order was later updated by 700 TEU – and that reflects the seemingly unstoppable trend towards larger and larger containerships.

Classification society Lloyd’s Register recently reported: “Even when the large containerships of the early 1990s broke through the 4,000 TEU barrier, no one could have predicted the degree to which sizes would further increase or the speed with which it would happen. Today we are looking at designs for 20,000 TEU ships – a fivefold increase in little more than 20 years.”

While 22,000 TEU might currently seem to be about the limit, says LR, no one should be surprised if we reach 24,000 TEU and beyond. The logic behind these ever larger ships is clear. Maersk Line’s Triple-E class ships are

named for Economy of scale, Energy efficiency and Environmentally improved. Their increased capacity enables Maersk Line to move the greatest number of containers possible in the most energy-efficient way, and with the smallest CO2 footprint, on the key Asia-Europe route.

The arrival of the CSCL Globe will set the scene for a ‘big’ year at Felixstowe. The reorganisation of Maersk Line’s services means that in 2015, the Triple-E class vessels will be returning to the port on regular services. As for the Emma Maersk which caused such a flurry of publicity in 2006 – these days, 15,500 E-class ships are ‘routine’ callers into the port.

The need for larger containerships, says Lloyd’s Register, ‘is driven by the pursuit of supply chain efficiencies’. Larger ships, slower steaming is the order of the day and there are plenty more ultra-large container ships on the way.

Mediterranean Shipping Co (MSC), United Arab Shipping Company and CMA CGM (which briefly held the top spot with the 16,020 TEU Marco Polo) all have variations of 18,000 TEU designs on order – all for delivery in 2015.

It’s stating the obvious, of course – but the rotations of these giant ships will be based around those ports that have planned ahead and invested in the deepwater quays and towering quay cranes required to handle them.



*Photo courtesy of Vladimir Tonic*

Having opened the deepwater Berths 8 & 9 in September 2011, the Port of Felixstowe is investing again – building a 190-metre quay extension which will effectively open up a second 400-metre berth. This new length of quay, due to open in 2015, will be equipped with three of the world's largest quay cranes. At the same time, bearing in mind the much higher transfer of containers per vessel, greater capacity has been provided in the existing container yard behind the quay.

“Studies have shown that the slot costs of, for example, a 21,000 TEU ship are as much as 10% lower than for a 14,000 TEU ship,” says Lawrence Yam. “All of the shipping lines have big ships on order and all the shipping lines are our customers – and they rely on us to develop to meet their needs. We will continue to invest in infrastructure and equipment to ensure we have sufficient capacity and the right type of capacity to handle these ever-larger containerships.”



**“NO ONE COULD HAVE PREDICTED  
THE DEGREE TO WHICH SIZES WOULD  
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WITH WHICH IT WOULD HAPPEN.”**





# PURPOSE-BUILT AND PORT-CENTRIC:

## THE NEW PORT OF FELIXSTOWE LOGISTICS PARK

**W**hen the Port of Felixstowe pioneered the concept of port-centric logistics more than ten years ago, it was in many ways a case of 'back to the future'. After all, back in the 'olden days' of the ports industry, where was cargo generally unpacked, sorted and stored ready for onward distribution? In quayside warehouses of course!

The port-centric concept of unpacking the container at the port and storing, adding value

and distributing from there can cut supply chain costs, reduce carbon footprints, improve flexibility, increase speed to market and make better use of shipping containers, in terms of maximising loads and availability.

It goes without saying that space is at a premium at a busy container port. But in direct response to demand, the Port of Felixstowe is about to launch a massive new warehousing development – inside the port boundaries, right next door to its deepwater berths and within yards of the new North Rail Terminal.

This will be a dramatic addition to the two million square feet of warehousing already available within the vicinity of the port.

The name of the new development? Simple, really. It's the Port of Felixstowe Logistics Park – and it offers a total of 1,400,000 square feet of build-to-suit distribution warehouses on a total 68-acre site, to be developed in two phases.

"This is the first time we have seen a significant logistics development on the port since the late 1990s," says Dominic Smith, Hutchison Ports UK's Head of Real Estate. "This very substantial area has been created through combining older haulage yards and warehousing along with brownfield land. Phase 1, designed for medium sized warehousing, is closest to the quays. Phase 2, for medium to large developments, adjacent to Dock Gate 1 will follow.







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"This development has been prompted by the very high interest in port-centric and on-dock logistics over the past few years – it will be used by port-related traffic taking advantage of the port's huge choice of shipping services and destinations. It provides an unmatched opportunity, being uniquely placed to serve the entire country through 'The Port of Britain'."

The Port of Felixstowe Logistics Park will be ideal for port-centric activities, he says. "We have excellent road access to the heart of the UK via the A14, our rail network offering is second to none and we also have a substantial feeder network. Anyone landing boxes here has the opportunity to route their goods into the Golden Triangle or elsewhere in the most cost-effective manner."

So, here's the question: some call it 'port-centric', others the 'one-stop-shop', while others refer to it as 'stripping and breaking'. What exactly does port-centric entail?

"Yes, port-centric is a lovely term but it doesn't really tell you very much," says Dominic Smith. "It can actually be a lot of things, from making overweight containers compliant for the road network to unpacking tightly packed garments, steam cleaning them, hanging and sizing them ready for the shops. It can be breaking down boxes and reloading consignments specifically for Doncaster, Glasgow, Manchester, etc. It is an opportunity to add value."

"We don't feel restricted by the 'port-centric' term and we are looking to service the greater logistics community as they need it, rather than get held up by a title."

There are other less obvious benefits to having a warehouse within the port boundaries – think of it as having a back door to the container yard. Because the landed containers are not leaving the port, they can be fast-tracked from quay to warehouse, bypassing VBS (the vehicle booking system) and delivered to the door by the Port of Felixstowe's own shunting services. "Being on the port, you basically get your box straight away and can work on it," he says.

Equally, the entire concept can work in reverse, with operations to consolidate, add value and pack a range of cargoes into containers that can then be exported over the quaysides just yards away.

Increased transport costs, rising road congestion and the challenges of transporting the largest containers inland are all key drivers in making port-centric logistics more attractive in many supply chains.

Felixstowe is connected to the world by 33 shipping lines operating more than 90 services a week – including 24 weekly services to Europe, 38 to Asia, seven to the Middle East, seven to Africa and 17 to the Americas. That represents an unrivalled choice of connections for cargo owners and logistics operators. More than 40% of the UK's containerised trade passes through the port.

There are other advantages too – not only are we talking about 21st century, high-performance buildings, but the scheme will benefit from the port's own stringent security, including Felixstowe's own port police unit. And, of course, people are important. The transport and logistics sector in the

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community."*

Haven Gateway region supports more than 32,000 jobs locally – the area around Felixstowe is one of the UK's leading shipping, transport and logistics clusters, with an experienced and skilled workforce to match.

To develop and market the Port of Felixstowe Logistics Park, HPUK is working in partnership with specialist real estate development company First Industrial, supported by Bidwells and Cushman & Wakefield as agents.

Build-to-suit distribution warehouses up to 800,000 square feet will be accommodated on the logistics park in this exciting new venture.

Dominic Smith says: "The message is clear: we are ready to go!"



FRA

FRAGILE  
HANDLE WITH EXTREME CARE



WITH EXTREME CARE



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**WHY THE  
GOLDEN  
TRIANGLE  
IS STILL  
SPARKLING**

**T**he Port of Felixstowe first coined the phrase 'Port-Centric Distribution' over 10 years ago. Since then, there has been an ongoing debate as to which is the right answer; port-centric or population-centric?

The answer, of course, is both. One shipper's perfect supply chain isn't necessarily the best fit for another. The characteristics of some supply chains will favour the port-centric model but for many a central location remains a must. What is clear is that the Port of Felixstowe offers the services and facilities to support both concepts.

As far as population-centric is concerned, you can't argue with geography. The UK's so-called 'Golden Triangle' for distribution and logistics is jam-packed with companies involved in storage, packing, transport, courier and postal activities. It's a region full of distribution centres and rich in logistics specialists and skills – and with good reason.

"We are within four hours' drive of more than 90% of the population and our position between London and Birmingham is excellent," says Scott McGinley, Commercial Director at Dalepak, which specialises in warehousing, distribution, packing and internet fulfilment.

"I have been working in Northamptonshire since 1999 – and I think the skills in this area are second to none. About 13% of the population ends up working in the logistics sector. Every carrier has a massive presence here. The middle of the country is always going to be ideal for logistics – many retailers now want same-day delivery and when you consider the move towards e-commerce, the Golden Triangle is still a good fit."

Scott is also Chairman of the Northamptonshire Enterprise Partnership's (NEP) logistics steering group, which focuses on the priorities for Northamptonshire in keeping the county at the forefront of logistics. He says that while some transport and logistics professionals can be fixated on London, it's important to remember that only 20% of the UK's population actually

*// // We are within four hours' drive of more than 90% of the population and our position between London and Birmingham is excellent."*

live in the capital. "That means 80% don't live in there. As we say, there are a lot more chimney pots elsewhere. A well-connected, central position is critical for serving the entire population."

Tim Bagshaw, Head of Business and Innovation at NEP, says: "The reason why the Golden ▶▶▶



Triangle grew up here was undoubtedly our geographical position and the fact that it is very easy to distribute widely from here. Of course we are keeping an eye on what is happening in the sector, including companies which choose to do more port-based logistics activity and other supply chain developments. But in 2012 we took a very detailed look at the industry in the county and our analysis showed continued growth.”

The NEP study concluded that about 40,000 people were employed in the logistics and distribution sector in the county, including the logistics operations of retailers and manufacturers – and that figure was projected to rise to 52,000 by 2020. There are some huge investments going on, including at the Daventry International Rail Freight Terminal, where planning permission has recently been granted for a logistics park of unprecedented size.

“There are also warehouses being built on spec again, which hasn’t happened for a long time,” says Scott McGinley. “Every company is investing strongly to keep us ahead of the game.”

That includes Dalepak, which has four depots totalling 420,000 sq ft in Northamptonshire and recently received £1.3m of Regional Growth Fund money towards a major expansion project.

It is no coincidence that the Port of Felixstowe is a proactive member of the NEP logistics steering group. The Golden Triangle, generally accepted to cover the area bordered by the M1, M6 and M42 motorways, also includes a 33-mile stretch of the A14, the direct, dual carriageway link all the way to the gates of the Port of Felixstowe.

“A lot of people say they are in the centre of the country – but we really are,” says Tim Bagshaw. “Our road connections are undoubtedly key. We are at the crossroads of it all and there is the opportunity for companies to develop warehousing and logistics facilities along the M1 through Northamptonshire and along the A14 towards Felixstowe.”

The unrivalled choice of daily train services to and from the Port of Felixstowe is also an important part of the mix, giving shippers a cost-effective and low-carbon option by moving containers to and from the major rail hubs at Daventry and Corby.

There are obvious synergies between Suffolk and Northamptonshire, both recognised as

logistics centres of excellence. When the last analysis was carried out, it was calculated that 32,300 people were employed in the Haven Gateway’s ports and logistics sector – more than 11% of the population. The two counties have issues in common including the need to ensure the right skills are available to serve the sector – and, allied to this, the need to raise the profile of the logistics industry and explain to young people the wealth of career opportunities on offer.

“There is a lot of talk about the shortage of truck drivers but there are also reports of a shortage of warehousing people,” says Scott McGinley. “For us, it is about raising the profile of the industry and attracting in new talent.”

Tim Bagshaw adds: “For the past three years we have focused strongly on getting young people to understand about this rapidly growing industry on their doorstep – explaining how they can get involved, and that they should be taking it more seriously as a career opportunity. We need to get away from this stereotype image of packing boxes and stacking boxes – there is much more to it than that.

“Our steering group sets the direction and priorities for investment in the sector and the Port of Felixstowe’s contribution to this is very important. We have seen significant investment here by the big retailers in the past two to three years, and we are also seeing others coming into Northamptonshire.”

In October, transport minister Baroness Kramer visited Dalepak’s premises to announce £1.3m worth of RGF funding for a £9.5m expansion project which will provide a dedicated electronic picking, packing and postal service.

A shared commitment to innovation also links the Golden Triangle to Felixstowe. Scott McGinley says: “For me, it is all about promoting innovation within the Golden Triangle. We can’t just say we are in a great location and leave it at that. We have to innovate, we have to keep on top of all the new technologies, we have to make sure people still want to use us.”

But having said that – with lower than average land, property and labour costs, an unrivalled ‘hub’ location, easy access to the major road and rail networks and the benefits of an unbroken ‘corridor’ to Felixstowe, the Port of Britain, the Golden Triangle does have just a few things on its side.

**“THERE ARE ALSO WAREHOUSES BEING BUILT ON SPEC AGAIN, WHICH HASN’T HAPPENED FOR A LONG TIME,” SAYS SCOTT MCGINLEY.**



# HUTCHISON PORT HOLDINGS

## A GLOBAL NETWORK

**H**utchison Ports (UK) Limited's ports at Felixstowe, London Thamesport and Harwich International are three of the UK's major gateways for trade with the rest of the world. But they are more than just that: They are part of the world's leading port investor, developer and operator, Hutchison Port Holdings (HPH).

Part of the Hong Kong based multinational conglomerate, Hutchison Whampoa Limited (HWL), HPH's roots stretch back to 1866 when the Hongkong and Whampoa Dock Company was established in Hong Kong as Registered Company Number One.

For over 100 years, it provided ship construction and repair services before diversifying into cargo and container handling operations in 1969 when its flagship operation, Hongkong International Terminals Limited (HIT), was established.

International expansion began in 1991 with the acquisition of the Port of Felixstowe, the group's

first port interest outside Hong Kong. In 1994, HPH was founded to manage the growing international port network and in 1998 London Thamesport and Harwich International Port joined the group.

The extent of the network now spreads well beyond those initial investments as Eric Ip, HPH Group Managing Director, explains:

"The HPH Group's geographical reach, now spans 52 ports in 26 countries. It provides us with experience in nearly every type of cargo handling operation using the whole range of port equipment and technology."

Port operations have changed beyond all recognition since the days of the Hongkong and Whampoa Dock Company. Modern ports rely on a myriad of high-tech systems to track millions of consignments, to ensure that ships are turned around as quickly as possible and that cargo is made available to shippers at the right time every time.

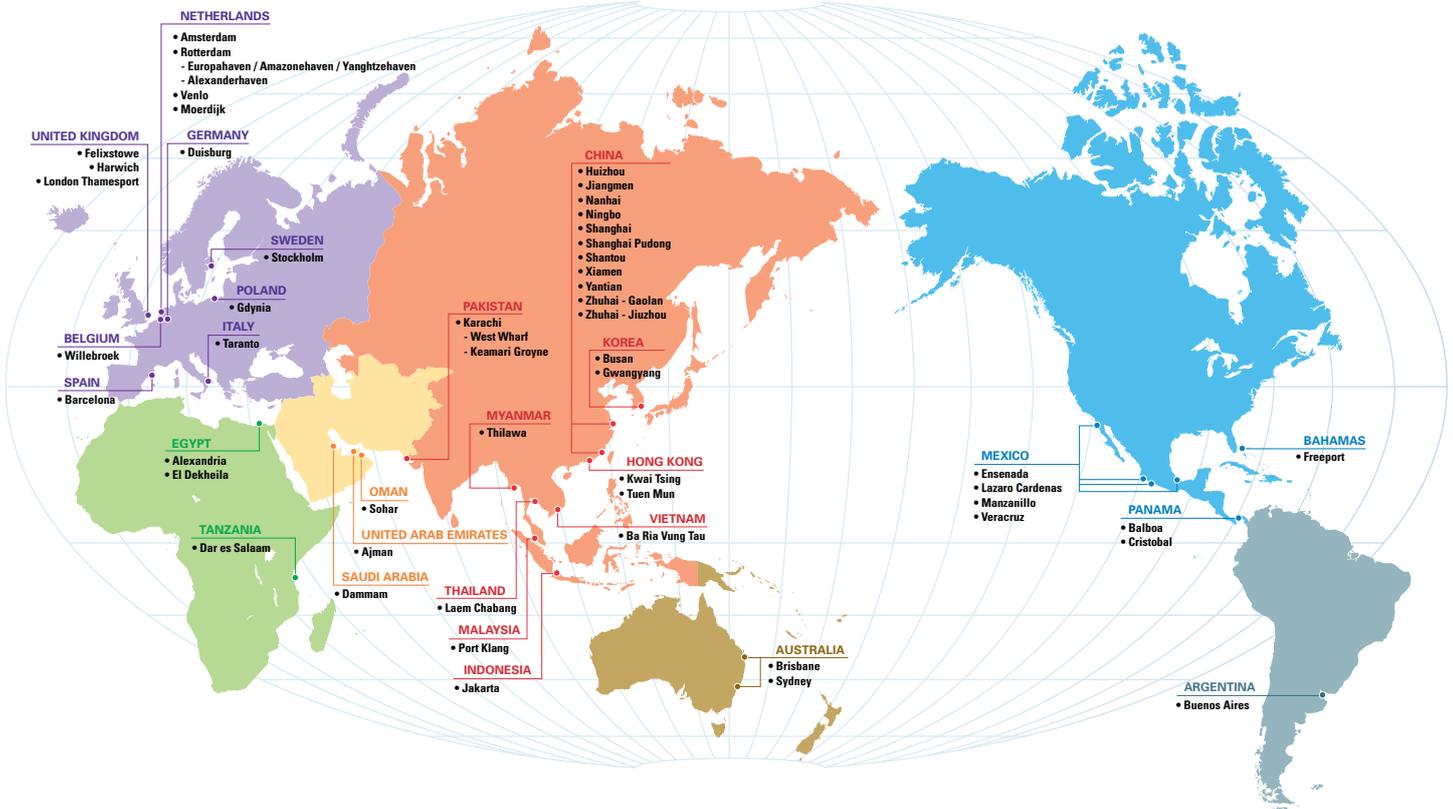
Developing the systems to do that requires specialist knowledge and that is where being part of the HPH group delivers real benefit to its member ports. Eric Ip continues: "Leveraging on the breadth and depth of this

experience ensures that we benefit from best practices and economies of scale across the Group of which there is no better example than our proprietary state-of-the-art terminal management system nGen.

"This system, which we expect to be operational in our UK terminals early 2016, was first deployed in Yantian and Hong Kong in the early 2000s. As an adaptable and scalable system, nGen is suitable for a single berth feeder terminal all the way up to mega terminals as well as semi-automated terminals."

"New modules are constantly introduced as we expand on the scope of operations, for example, rail movement optimisation at the Port of Felixstowe. nGen makes it easy to translate the knowledge gained at one terminal to a different location resulting in some of the most efficient and productive port operations in the industry."

Today, the HPH group operates a total of 319 berths across its 52 ports. It has facilities throughout Asia, Europe, the Middle East, Africa, the Americas and Australia and in 2013 handled 78.3 million TEU worldwide.



## The World of HPH

52 Ports in 26 Countries

**LEGEND**

- AFRICA
- ASIA
- MIDDLE EAST
- NORTH & CENTRAL AMERICA
- AUSTRALASIA
- SOUTH AMERICA
- EUROPE

It is committed to playing a significant role in the development of the economies of the countries in which it operates and the expansion of their international trade opportunities.

The Group directly invests in hubs that serve large hinterlands and that either already support international trade or which have the potential to become key transport centres. HPH develops and

manages all aspects of port operation and trade-related logistics, transferring proven operational practices to ensure an optimum environment for the development of commerce. In future issues we will look in more detail at different HPH terminals around the world.

*Yantian Port – China*

**“THE HPH GROUP’S GEOGRAPHICAL REACH, NOW SPANS 52 PORTS IN 26 COUNTRIES.”**



# INTRA- EUROPEAN MULTIMODAL DOOR-TO-DOOR LOGISTICS

BY GEOFFREY SMITH,  
MANAGING DIRECTOR, MACANDREWS & COMPANY LTD

**M**acAndrews is the Inter European Short Sea subsidiary of CMA CGM. Short sea shipping is an intensely competitive business. Not only do our customers

have other shipping services they could use, they also have alternative land-based solutions with cross-channel services.

That is why, when we commenced calls at London Thamesport in the spring of 2013, we were very clear that our focus would be on both shipside and landside productivity to ensure a fast seamless link in intermodal door-to-door services.

Combining our rail, road and sea products with London Thamesport as the main port of entry into South UK allows us to offer the highest levels of service and attractive transit times to all our customers.

Based in London and part of the CMA CGM Group since 2003, MacAndrews was founded in 1770 and is the oldest European shipping company still in business today.

As a niche operator focusing on perishable goods we understand the precise needs of our market. What they are looking for is a high added-value service to achieve a more cost-effective, reliable, and eco-friendly alternative for their supply chains. And that is what we provide; cost-effective transport solutions with fast transits, saving customers money on procurement, warehousing and distribution.

The MacAndrews intra-European core business is Iberia Centric with 6 sailings per week from Spain and 2 per week from Portugal. With 5 dedicated offices in Spain alone, MacAndrews is the largest Multi-modal user of the Spanish Rail Network.

It is not just about Iberia however, we connect the UK with Ireland, Benelux, France, Scandinavia and the Baltic. The key Baltic trade is Poland with 2 sailings per week to the UK and a third to Russia.

London Thamesport is the key link for all services in the South of the UK. We aim to maximise reefer volumes through Thamesport in the 2015/16 season through increased frequency of our exclusive rail

services in Spain, linking to an improved product through Bilbao to Thamesport.

I am delighted to say that the London Thamesport team is totally focused on the door to door supply chain required of our business. From top-to-bottom the team ensures the fastest transit from the ship's hold to the gate and subsequent delivery to the customer, providing the finest port standards in the South East.

As part of our commitment to environmentally friendly supply chains we are proud to be pioneers of refrigerated block trains. We are pioneering this new project in Spain with two strategic partners; Continental Rail and Grupo Fuentes. The new venture involved investment in installing a modern system of generators on-board the trains to supply the power to operate the reefer boxes, along with a monitoring system to guarantee cold chain reliability. This new structure will reduce further transit times and CO2 emissions.

Starting with one departure per week in Q2/14, the service is focused on becoming a daily reefer rail service.

*MacAndrews was founded in 1770 and, is the oldest European shipping company still in business today."*

Shippers are right to demand predictable, dependable, cost-effective and environmentally friendly supply chains. Companies that cannot meet those standards will not survive in the highly competitive intra-European market. That is why we focus on the real needs of our customers and why we continue to invest in a fleet of high-cube pallet-wide 40 and 45 feet containers and why we remain the undisputed European leader in refrigerated containers of 45 feet (33 euro-pallets).



# LAWRENCE YAM

HUTCHISON PORTS (UK) COMMERCIAL DIRECTOR



- 2011: Key Client Director, APM Terminals – Returning to Hong Kong and back to the container terminal business, fortunate to be joining a healthy industry.
- 2008: Key Client Director, Maersk USA – with overall responsibility for Chinese business (including, the Mainland, Taiwan and Hong Kong). I relocated to New Jersey for this role and I will always miss the customers, friends, colleagues I made there. I also miss the great steaks, burgers and hot dogs, I could never have enough of those. The cities of New York, San Francisco, Miami, South California and Texas were a constant source of interest, never a bored moment there. Customer visits entailed a vast amount of flying and driving across country.
- 2007: Regional Manager, North China and Mongolia, Maersk China – Based at the regional office in Qingdao. Main North China offices are located in Qingdao, whilst also maintaining branch offices in Tianjin, Dalian, Beijing, Xian, Zhengzhou, and Harbin... I travelled a lot in the North, sampling different liquors but I still like the Tsingtao beer.
- 2006: Vessel Co-ordinator Global Liner Operations, Maersk Line, dealing with Asia Europe Services – London.
- 2004: General Manager, Line, Maersk Hong Kong – with overall responsibility for all shipping functions in Hong Kong, also covering South China.
- 1992: Management Trainee, Sealand Service Inc. – fresh from college my first job was in a container terminal, my earliest introduction to the industry.

## A DAY IN THE LIFE...

08:00

First job of the day, check my calendar to remind me of the priorities of the day. Make good use of time (difference) for making / answering phone calls with Asia. Try to catch up with Asia while they are still in.

09:00

To have my first coffee of the day. I then start cracking on with emails. Deal with urgent/particularly important matters of the day.

10:00

Meeting with Executive Team to set the strategic objectives for the next year. Good thoughts were shared and many ideas exchanged.

11:00

Back to my desk to start chasing my priorities of the day, the week and the month. Have a few quick, individual meetings regarding follow up work. Prepare for this evening's meeting with visitors from Asia. Also, try to squeeze in some time to work on an upcoming two weeks business trip to Asia.

13:00

Get take-out from my favourite Landguard Canteen.

14:00

Have a discussion and follow up on a major contract negotiation. Together with the Finance Team, look at scenarios and potential impact resulting from negotiations.

15:00

Meeting with Operations and Commercial team for rail service improvement. Good discussion and arguments were shared. Good team work prevails again! Just enough time to refresh myself with another coffee, followed by a photo shoot for my Ship2shore magazine debut.

16:00

The clock seems to be ticking even quicker. Time to speed up on the remaining priorities! With time for a few more shots at key emails.

18:00

Time to run for a customer dinner. It's another long day ending up with a lot of fun and many happy faces!

# Q&A

**Q** Describe Your Role in the Hutchison Ports?

**A** I am responsible for the commercial function of Hutchison Ports (UK), and coordination of the commercial activities of the Central Europe Region of HPH, which includes Barcelona and Alexandria. I am a salesperson!

**Q** What is the biggest challenge of your job?

**A** With customers facing difficult markets which translate into tighter control on cost to suppliers and us, we have to provide extra resources/investment to accommodate and service the ever larger vessels in order to retain our competitive edge.

**Q** What is most satisfying about your role?

**A** It is full of challenges with never a dull moment. I enjoy meeting and spending time with our customers from all over the world and experiencing many different interesting and stimulating cultures.

**Q** What do you like best in your role?

**A** Hutchison Ports is a very strong and professional organisation, and a fully committed team makes for excellent team work!

**Q** Favourite Film:

**A** Nuovo Cinema Paradiso

**Q** Ideal Dinner Guest:

**A** Anthony Bourdain

**Q** Describe your best day at work:

**A** A day when we have secured new and lucrative business for the Company!

**Q** Favourite Book:

**A** Any book by CHUA, Lam - A Singaporean who lives in Hong Kong.

**Q** Favourite Meal:

**A** A nice hot wonton noodle soup from Hong Kong

**Q** Ideal Holiday Destination:

**A** Sun and Beach - Maldives, Caribbean, Mauritius, Thailand...

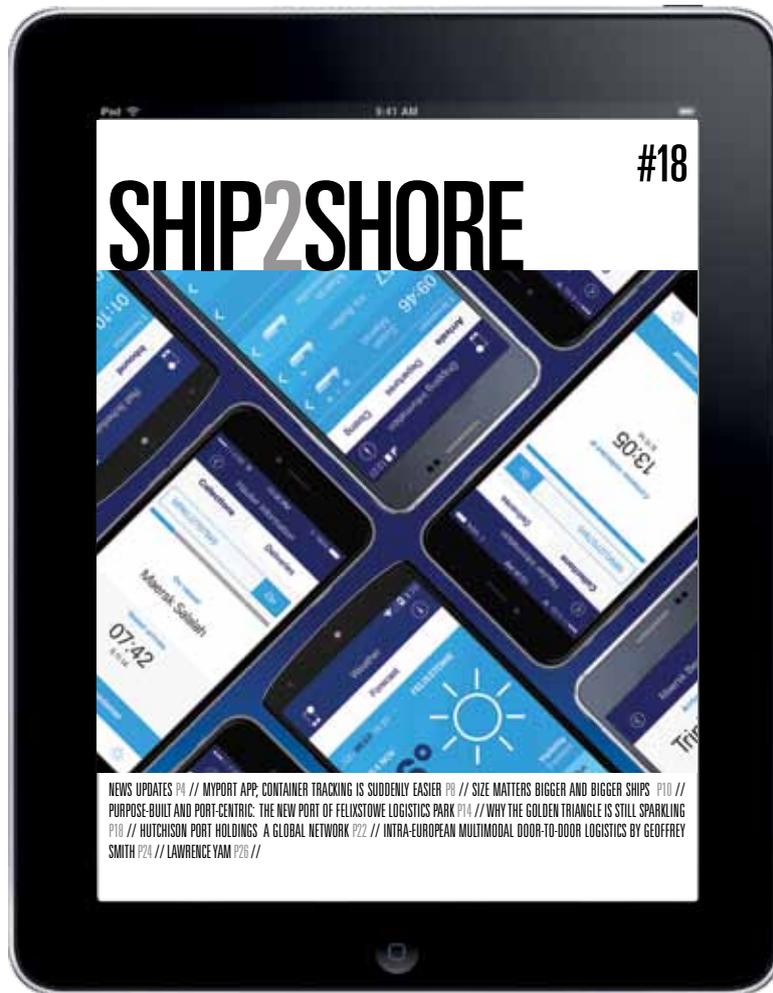
**Q** First Record Bought:

**A** An album by Alan Tam in 1979

**Q** Last CD Bought:

**A** Alicia Keys – Empire State of Mind. I have not bought any records for some years!!!

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