

SHIP2SHORE



ANOTHER DESTINATION BY RAIL FROM PORT OF FELIXSTOWE P4 // ONE CHOOSES PARIS TO REDUCE TRANSPORT COSTS P5 // BEST PREPARED FOR BREXIT P5 // ACTING SWIFTLY P6 // RAIL CAPACITY COMPLETE P6 // PORT OF FELIXSTOWE SIGNS UP TO OPERATION CLEAN SWEEP P7 // HUTCHISON PORTS GROUP ENVIRONMENTAL COMMITTEE P7 // CLEARING THE AIR P8 // LET THE TRAINS TAKE THE STRAIN P12 // CYBER SECURITY P16 // HUTCHISON PORTS SOHAR P20 // OPINION BY NUSRAT GHANI MP, MINISTER FOR MARITIME P24 // A DAY IN THE LIFE... P26 //

NEWS ▶P4 – 7



FEATURE 1 ▶P8



FEATURE 2 ▶P12



FEATURE 3 ▶P16



FEATURE 4 ▶P20



OPINION ▶P24 – PEOPLE ▶P26



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CEO COMMENT

The City of London has long been renowned as one of the world's leading maritime centres and its success is being celebrated once again in the biennial London International Shipping Week (LISW). London, and increasingly the various maritime clusters that exist around the coast, offer a wide range of maritime expertise and services that has few peers, and arguably no better, anywhere in the world.

Hutchison Ports is proud to be an active participant in LISW. As the operators of the world's leading port network we are committed to the highest standards of corporate responsibility and to working to help encourage the adoption of best-practice throughout the industry. To this end, we are holding a seminar as part of LISW, in partnership with the International Maritime Organisation (IMO), to discuss international port regulation.

LISW falls at what is, once again, a challenging time for world shipping. Hyundai has moved from 2M to THE Alliance, freight rates are way below where they need to be to ensure a positive return on capital and there remain trading tensions between some of the largest economies while others are moving into negative economic growth. At the same time, capacity in the market continues to grow with the delivery of ever-larger container ships. The immediate consequence is an increase in blank sailings at what should be the busiest time of the year.

What impact Brexit will have on maritime trade remains to be seen. We have worked closely with our customers and Government to ensure there are no delays at our ports and we are well positioned to provide alternatives in the event of congestion on the shortest crossings. We are also continuing to invest to ensure we can help all port users to take advantage of opportunities arising from new trade deals signed in the wake of the UK leaving the EU.

Reducing the environmental impact of global shipping is a theme that will recur throughout LISW. The IMO has established a 0.5% sulphur limit on marine fuels from 1 January 2020 and has announced a 50% reduction in green-house gas emissions from ships by 2050. Nationally, the UK Government's Clean Maritime Plan, published as part of the Maritime 2050 initiative, provides a route map to clean growth for the maritime sector and a pathway to zero-emission shipping. Maersk Line has already set a target to be carbon-neutral by 2050 and I am sure other lines will follow.

At the Port of Felixstowe we have been working on initiatives to reduce our environmental impact for several years now. These include investments in renewable energy, cleaner plant and machinery, electric vehicles, initiatives to reduce or eliminate plastic waste and investigations into hydrogen powered terminal tractors. We are committed to minimizing the impact we have on the communities in which we operate as well as to playing our part in helping achieve national and international environmental targets.

CLEMENCE CHENG
Chief Executive Officer

NEWS UPDATES

ANOTHER DESTINATION BY RAIL FROM PORT OF FELIXSTOWE

Another new destination has been added to the range of intermodal rail connections available from the Port of Felixstowe.

The new service, operated by GB Railfreight, links the UK's largest container port with iPort Rail in Doncaster, a new multimodal logistics park next to Junction 3 of the M18 motorway in South Yorkshire.

Commenting on the new destination, Clemence Cheng, Chief Executive Officer at the Port of Felixstowe and Executive Director of Hutchison Ports, said:

"More and more companies are looking for sustainable transport options and ways to avoid an increasingly crowded road network. The Port of Felixstowe is uniquely placed to meet those demands and already offers a wide range of intermodal rail freight services to key UK destinations.

"With nearly 1.5 million TEU moving between Felixstowe and locations in the Northern Powerhouse region each year, Felixstowe is already the North's major gateway for global trade. This new connection provides businesses in this vital region with greater choice of ways to get their goods to market."

John Smith, Managing Director of GB Railfreight (GBRf), added:

"I am thrilled to see the beginning of this new service. It is fantastic to be working once again with valued friends and partners. Our growth



in intermodal speaks to GBRf's commitment to innovation, offering flexible and innovative door-to-door solutions that meet our customers' needs, as well as a consistently reliable service. This is why customers work with us again and again, GBRf are the industry's trusted intermodal carrier."

iPort Rail is a new, 30-acre multimodal rail freight facility in Doncaster, South Yorkshire. It is part of the iPort multimodal logistics hub, developed by Verdion and home to occupiers including Amazon, CEVA, Fellowes and Lidl.

ONE CHOOSES PARIS TO REDUCE TRANSPORT COSTS

Major global container shipping company ONE (Ocean Network Express) has signed a deal to use the PARIS Enterprise transport optimisation software.

The market leading PARIS software (parisoptimalplanning.com) offers an enterprise and API solution for optimising full load transport via truck, rail and barge by using advanced algorithms to reduce the number of empty miles. The solution is supplied by the PARIS Optimal Transport Planning division of Hutchison Ports. The division has extensive experience in delivering multi-modal optimisation applications for its clients which include some of the world's largest ocean carriers.



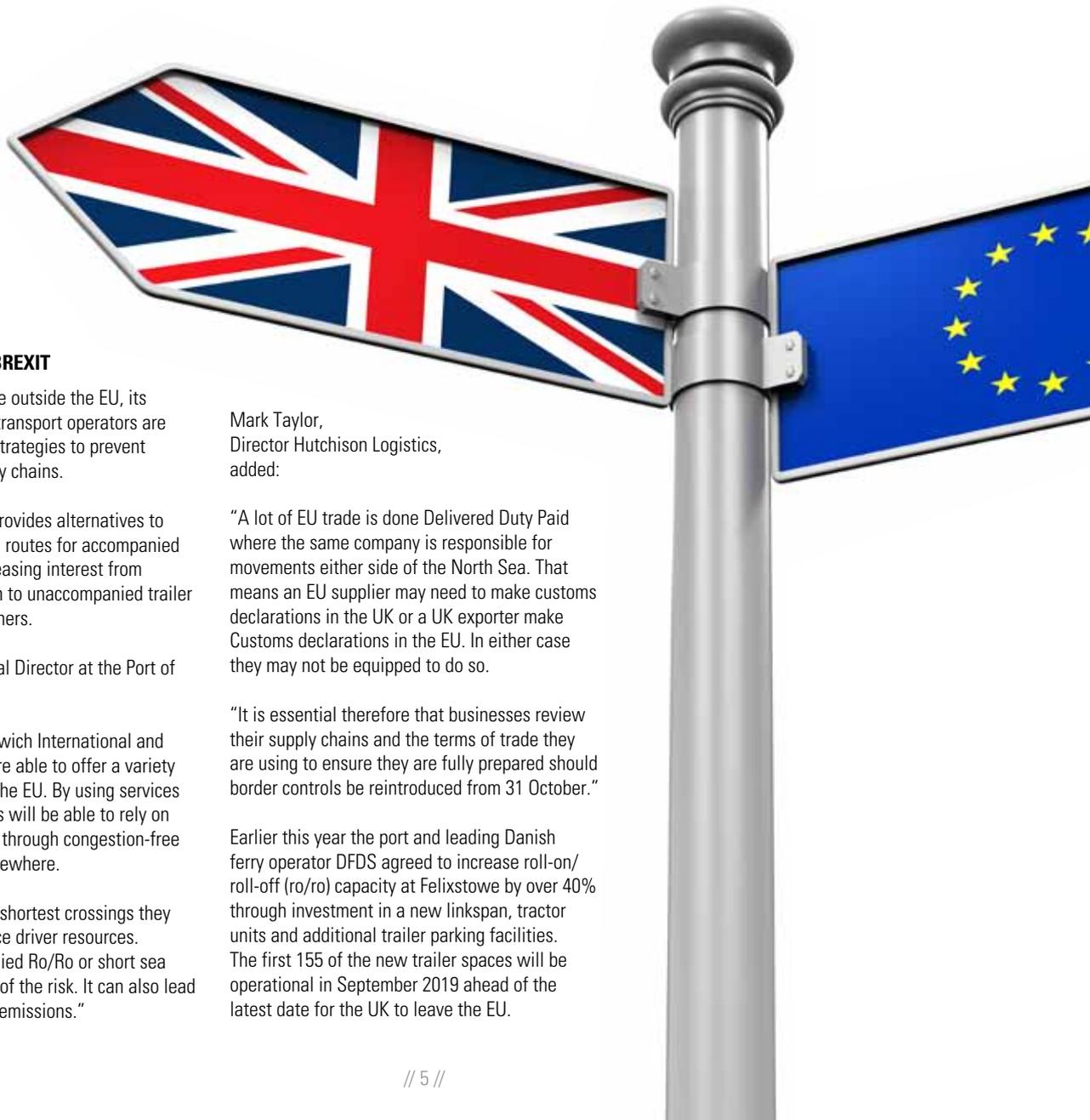
Andy Barker, General Manager, PARIS Optimal Transport Planning, added:

"The PARIS software has been developed and refined to provide shipping lines and logistics providers with an integrated system that can compare millions of possibilities by road, rail or water in seconds to identify the most-efficient,

least-cost option for planning an entire region. And as circumstances change, the plan changes, PARIS constantly updates and refines the transport plan in real-time to ensure it retains the best transport plan if, for example, delivery and collection times change or if there are variations in equipment availability at inland depots."

Robert Jan Brussaard, Head of Inland Operations & Procurement at ONE, added:

"PARIS was the only solution in the market that could fulfil all our optimisation requirements for the coming years across the Europe Africa region. We are really excited about introducing PARIS and the benefits it will bring to our organisation. The software will enable us to reduce our carbon footprint and deliver sustainable solutions for our customers as well as offering efficiency savings through reduced empty mileage."



BEST PREPARED FOR BREXIT

As the UK prepares for life outside the EU, its importers, exporters and transport operators are reviewing their logistics strategies to prevent interruption to their supply chains.

Hutchison Ports already provides alternatives to the busiest cross-Channel routes for accompanied traffic, and is seeing increasing interest from shippers looking to switch to unaccompanied trailer traffic or short sea containers.

As Liang Fang, Commercial Director at the Port of Felixstowe, explained:

"Through Felixstowe, Harwich International and London Thamesport we are able to offer a variety of options for trade with the EU. By using services through our ports shippers will be able to rely on predictable journey times through congestion-free ports whatever occurs elsewhere.

If there are delays on the shortest crossings they risk tying up already scarce driver resources. Switching to unaccompanied Ro/Ro or short sea containers removes most of the risk. It can also lead to lower costs and fewer emissions."

Mark Taylor, Director Hutchison Logistics, added:

"A lot of EU trade is done Delivered Duty Paid where the same company is responsible for movements either side of the North Sea. That means an EU supplier may need to make customs declarations in the UK or a UK exporter make Customs declarations in the EU. In either case they may not be equipped to do so.

"It is essential therefore that businesses review their supply chains and the terms of trade they are using to ensure they are fully prepared should border controls be reintroduced from 31 October."

Earlier this year the port and leading Danish ferry operator DFDS agreed to increase roll-on/roll-off (ro/ro) capacity at Felixstowe by over 40% through investment in a new linkspan, tractor units and additional trailer parking facilities. The first 155 of the new trailer spaces will be operational in September 2019 ahead of the latest date for the UK to leave the EU.

ACTING SWIFTLY

The Port of Felixstowe is fitting four new nest boxes for Swifts on buildings at the port. Swifts undertake some of the most incredible journeys in the animal kingdom but their numbers are declining rapidly.

Clemence Cheng chairs the port's Environment Committee and explained the background to this latest initiative:

"I was contacted by a local resident concerned by the decline in the number of Swifts in the Felixstowe area. Swifts usually nest in buildings, under the eaves or loose roof tiles, and it is believed that the loss of nest sites is at least partly responsible for the declining numbers. We were asked if there was anything we could do to help and, having looked into it, we agreed to acquire the nesting boxes.

"Swifts usually nest in the same places each year and we hope that our own small contribution will help to arrest their decline in number."



As their name suggests, Swifts do not hang around. They arrive in the UK from their wintering grounds in Africa in early May and, having nested, leave again in early August. Swifts are creatures of the

air, they roost on the wing, and are not thought to land between leaving the UK and returning the following year.

RAIL CAPACITY COMPLETE

Work on the £65 million scheme to increase capacity on the rail connections at the Port of Felixstowe has been completed.

The scheme, undertaken by Network Rail, increases the maximum number of services on the Felixstowe Branch Line from 33 to, at least, 45 trains per day.

Commenting on the latest improvements to the ports connectivity, Liang Fang, Commercial Director, said:

"Rail plays an increasingly important role in many supply chains. More and more receivers and shippers are specifying rail for the movement of their goods and we are already able to offer a greater number of services to more destinations than other ports. Working with our train operating partners, this latest upgrade will enable us to provide greater choice and frequency to rail users."

The project, part-funded by Hutchison Ports, includes the dualling of a 1.4 kilometre section of track which will allow the line to operate more effectively, giving the flexibility needed to run more freight trains as well as improve the reliability of existing passenger services.



PORT OF FELIXSTOWE SIGNS UP TO OPERATION CLEAN SWEEP

Hutchison Ports Port of Felixstowe has signed-up as a supporter of Operation Clean Sweep.

Operation Clean Sweep (OCS) is an international programme designed to help keep plastic pellets out of the marine environment, reducing both a litter problem and a threat to sea life.

Commenting on the initiative, Clemence Cheng, Chief Executive Officer at the Port of Felixstowe and Executive Director of Hutchison Ports, said:

“We have an extensive programme to reduce our impact on the environment. Locally, we are progressing with a variety of projects designed to reduce waste, improve air quality and to mitigate the impact we have on local communities.

“We are also pleased to announce a commitment to remove single-use plastics from the Port of Felixstowe. We have already removed plastic bottles from sale in our canteen facilities and we are actively working with suppliers to identify alternatives to plastic packaging and consumables in other areas of the business.”

UK Environment Minister Dr Therese Coffey MP, added:

“We all know about the damage that plastic pollution is causing to our seas and marine life. That’s why it is important that everyone – from individuals to industry and government – takes



urgent action to tackle this problem. This means reducing our reliance on plastic and being more responsible with the plastic we continue to use.

“The Port of Felixstowe, the largest container port in the UK, has signed up to the BPF’s Operation Clean Sweep, reducing the risk of plastic pellets

escaping into the marine environment, and I strongly encourage more ports to follow suit.”

Operation Clean Sweep is an international, industry-led initiative to tackle plastic pellet loss. In the UK, it is administered by the British Plastics Federation.

HUTCHISON PORTS GROUP ENVIRONMENTAL COMMITTEE

Hutchison Ports has established a global Group Environmental Committee (GEC) to coordinate

strategy across its network of ports.

Speaking after the inaugural meeting held in Hong Kong, Clemence Cheng, one of committee’s two co-chairmen and Executive Director of Hutchison Ports, said:



“As the world’s foremost port network we are acutely conscious of the need to operate in a way that recognises and respects the importance of the environment we all share. Ports are frequently located in environmentally sensitive areas. As a group we are proud of the efforts of our individual operations and the way they are improving the environmental performance of their respective businesses.

“The new Group Environment Committee allows us to share the knowledge and expertise we have developed around our 52-port global network and to apply those benefits in each case locally. We recognise the need to protect local habitats, to minimise the impact we have on our local communities and to reduce the impact of shipping and logistics. The new committee will help us achieve those goals.”

At its first meeting the committee created a new Hutchison Ports Global Environmental Policy, agreed the group’s environmental vision and set out the framework for the group-wide implementation of a fresh environmental strategy.



*// // the greater
the
collaboration to
meet common goals,
the greater chance
of success."*



CLEARING THE AIR

// “All I need is the air that I breathe,” sang the Hollies in the 1970s. Four decades later, it’s not that simple.

Across politics, industry and society, the impact of air pollution on our health, our environment and our climate and the urgent need to cut emissions are ever higher on the agenda.

The maritime sector is no exception. Shipping is the most environmentally friendly form of transport – but the industry recognises that’s no reason to sit back and relax.

In January 2020, the International Maritime

Organization’s global sulphur cap finally comes into force, mandating ships to use fuel with a maximum 0.5% sulphur content, or to install scrubbers (exhaust gas cleaning systems).

In the past few years, a great deal has been said, and written, about shipping’s responsibility to reduce emissions. How do ports fit into the picture? IMO maritime ambassador Carleen Lyden-Walker has said: “Ports and ships are inextricably linked – the greater the collaboration to meet common goals, the greater chance of success.”

In July, the UK Government published its Clean Maritime Plan. Part of the UK’s Maritime 2050

strategy, the plan sets ambitious targets to cut shipping emissions. It states that new ships for UK waters ordered from 2025 should be designed with zero-emission capable technologies. The Government is looking at ways to incentivise the transition to zero-emission shipping and the plan also includes a £1 million competition to find innovative ways to reduce maritime emissions.

Maritime Minister Nusrat Ghani said: “Our maritime sector is vital to the success of the UK’s economy but it must do everything it can to reduce emissions, improve air quality and tackle climate change. The Clean Maritime Plan sets an ambitious vision for the sector and opens up exciting opportunities ▶▶▶

*the North
Sea and
Channel approaches
will become an
internationally
designated NO₂
emissions Control
Area for shipping in
2021."*

for innovation. It will help make the UK a global hub for new green technologies in the maritime sector."

Alongside the Clean Maritime Plan, the Government issued guidance to ports to help them to develop Air Quality Strategies. Ports are expected to draw up a 'statement of intent' by December 2019 and to produce a full Air Quality Strategy by July 2020, to include detailed inventories, with a breakdown of associated emissions, and targets for the future management and reduction of emissions.

This is not unexpected, but nor does it mean that ports have never thought about the issues before. The Port of Felixstowe is among the leaders in this respect, monitoring air quality levels and taking a range of measures to reduce emissions.

The actions already taken at Felixstowe show clearly how much can be achieved when parties work together. In 2009, Suffolk Coastal Council imposed an Air Quality Management Area (AQMA) on areas near the port after high levels of NO₂ and SO₂ were detected.

As a result, an air quality action plan was set up, within which air quality in the AQMA was monitored and reported by the council. Both sides worked proactively in partnership, on measures to cut emissions from operations within the port and also from vehicles heading to and from the port.

In 2016, the AQMA was revoked. This was a





remarkable achievement, given that cargo volumes continued to grow during the period involved.

Among the 'headline' actions – converting rubber-tyred gantry cranes from diesel to electric power, switching to smaller, more efficient terminal equipment, adopting smarter technology such as automatic stop-start functions on internal movement vehicles to avoid emissions building up while idling, and some careful traffic management and re-routing outside the port.

The monitoring and measuring has continued ever since, as has investment in green technology and equipment, such as the port's new eco-RTGs which use 40% less fuel. Among the headline figures, the port has achieved a 90% reduction in SO₂ emissions in the past decade.

As the UK's largest container port by far, Felixstowe also demonstrates that financial economies of scale can be matched by carbon economies of scale. It is handling the world's largest container ships – which achieve the lowest carbon footprint per container shipped. Similarly, the scale of Felixstowe's operations supports the movement of significant proportions of containers to and from the port by rail and coastal shipping services rather than by road.

Even the port's Vehicle Booking System (VBS) is important in controlling the flow of trucks and avoiding the free-for-all queuing at the gates which would be the only alternative. Meanwhile, initiatives such as onshore power are being considered. No port is an island (to borrow a phrase) and, as the Government's guidance says, the Air Quality Strategies will support improving air quality across the country, as well as addressing actual port operations.

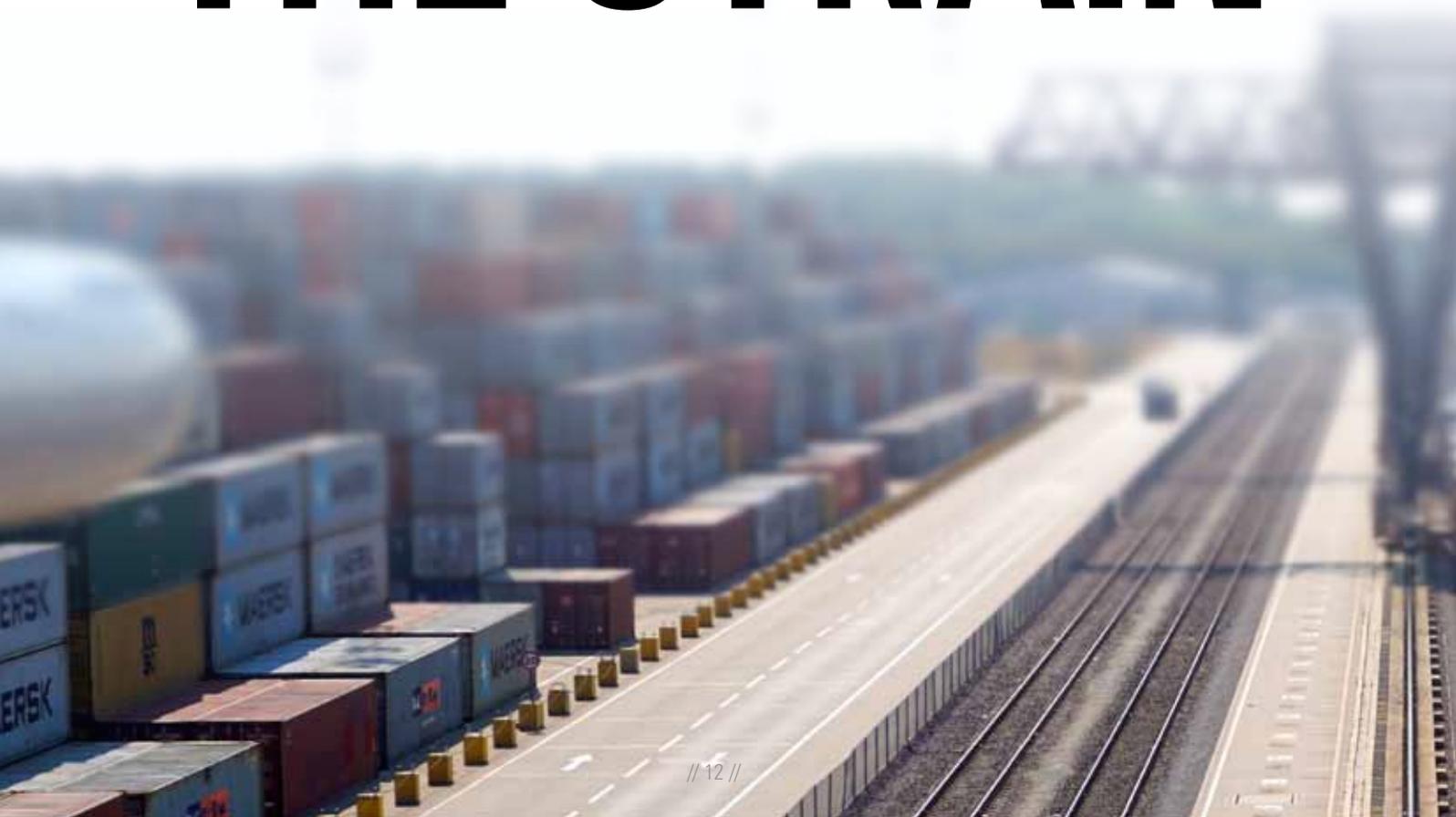
At this point, the Government's Port Air Quality Strategies document applies to English ports handling cargo in excess of 1m tonnes a year. It states: "This work is not happening in isolation as the international shipping industry is transitioning in 2020 to more stringent global limits on the sulphur content of fuel, and the North Sea and Channel approaches will become an internationally designated NO₂ emissions Control Area for shipping in 2021."

Additionally, the Government says it is reviewing the wider use of emissions control areas for shipping in UK waters and will be consulting on options.

"As the Minister for Maritime, I have made clear my commitment to maintaining the UK's position as a world maritime leader," said Nusrat Ghani in her introduction to the Clean Maritime Plan. "Maritime 2050, published in January, was our blueprint for the future of the sector, anticipating the challenges and opportunities that lie ahead and recognising the UK's strengths in facing them. This Clean Maritime Plan is the environment route map of Maritime 2050, outlining the UK's pathway to zero emissions shipping."



LET THE TRAINS TAKE THE STRAIN



Question: what do four level crossing upgrades, a new bridleway bridge, 1.4 km of track and hundreds of missing HGVs have in common? Answer: it's the Felixstowe Branch Line upgrade.

If you think a 'branch line' sounds like a small and only local affair, think again. This project is of local, regional, national and international significance, as it will allow a substantial increase in the number of freight train services heading to and from the Port of Felixstowe, the UK's biggest container port.

Capacity will be increased from 33 trains per day to 45 trains per day (or 90 trains, if you're counting both ways). Every freight train takes an average 76 lorries off the roads, so we are talking about the potential to save thousands and thousands of HGV road miles every week, with all the associated benefits in terms of reduced congestion, pollution, carbon and cost.

Network Rail is investing £65 million in what is formally named the Felixstowe Capacity Enhancement Scheme and the project has also been supported by the Port of Felixstowe. Work started in April 2018 and it is now nearing completion.

What does it involve? Firstly, the installation of a 1.4 km track loop near Trimley station. "This will allow the line to operate more effectively, giving the flexibility needed to run more freight trains as well as improve the reliability of existing passenger services," says Network Rail. "With each additional freight train taking the equivalent of up to 76 lorries off the roads, the upgrade works will help to reduce congestion and pollution for the local community and the wider region."

Four level crossings have been upgraded to make them safer and a new bridleway bridge has been constructed, allowing the closure of six pedestrian level crossings in the Trimley area, also improving safety.

As the project got under way last year, Hannah Briggs, senior communications manager for freight and national passenger operators at Network Rail, said: "The Port of Felixstowe has been a huge success story for UK plc and as part of that we need to increase capacity to meet demand from container traffic. Freight boosts the economy by up to £1.7 billion a year and that's why we are investing in the Felixstowe Capacity Enhancement Scheme."

As well as being great for the UK and regional

economy, an increase in the number of freight trains to and from the port will improve environmental efficiency and means less congestion on roads, she added.

Once the new Trimley loop is completed, there will immediately be capacity for additional trains, says Lindsay Durham, head of rail strategy at Freightliner Group. "Further capacity will be created following planned upgrades at Haughley Junction and around Ely over the next few years. In response to increasing demand from the shipping lines, Freightliner will be looking at the opportunities to utilise the newly created train slots from December 2019."

We are all seeing the effects of climate change and the real focus that is needed to reduce our carbon footprint, she says. "Using diesel trains to replace HGVs uses 76% less carbon per tonne of freight moved – but by using electric trains, and as electricity generation moves to more and more renewable resources, this footprint can be reduced even further."

Freightliner already operates several trains a day with electric locomotives from Ipswich and more electric engines are being added to the ►►►





fleet this autumn, reducing Freightliner’s carbon footprint even further, says Lindsay Durham.

“The branch from Felixstowe is not yet electrified, so we have to use diesel engines as far as Ipswich. We would like to see the Government investing in further electrified rail routes such as the Felixstowe branch in the future, as part of its commitment to reach net carbon zero by 2050.”

One of the most effective ways of reducing carbon is to increase the number of containers moved on every train – Freightliner was the first operator to invest in and introduce 40-ft wagon platforms into its fleet, allowing more containers per train to be moved, and efficient use is made of each train slot on the rail network, she adds.

“Rail services are on average twice as reliable as HGVs operating on the truck route network. According to data published by Network Rail and the Highways Agency, average unplanned delays by rail are 4.4 seconds per mile, compared to average delays on the national strategic road network of 9.4 seconds per mile.”

Felixstowe is far and away the biggest rail port in the UK. More than 1 million teu are moved each

year via the port’s three rail terminals, on 66 train movements a day, to 15 destinations. To put these figures into perspective, if we only counted the containers moved by rail to and from the port, Felixstowe would still be one of the country’s top three container ports.

Brand new services have been introduced this year, with GB Railfreight adding links to Birch Coppice (Tamworth) and iPort Rail (Doncaster).

Rail services also connect Felixstowe with Birmingham, Cardiff, Ditton (Widnes), Doncaster, Glasgow, Hams Hall, Leeds, Liverpool, Manchester, Rotherham, Selby, Teesport and Wakefield.

While the Port of Felixstowe is reaping the ‘outside’ benefits of rail improvements, Hutchison Ports UK has continued to focus on the ‘inside’ benefits. Six years ago, the port’s rail terminal capacity was doubled through the construction of the new North Rail Terminal, the first terminal of its kind in the UK to be built specifically to handle trains of up to 730 metres in length.

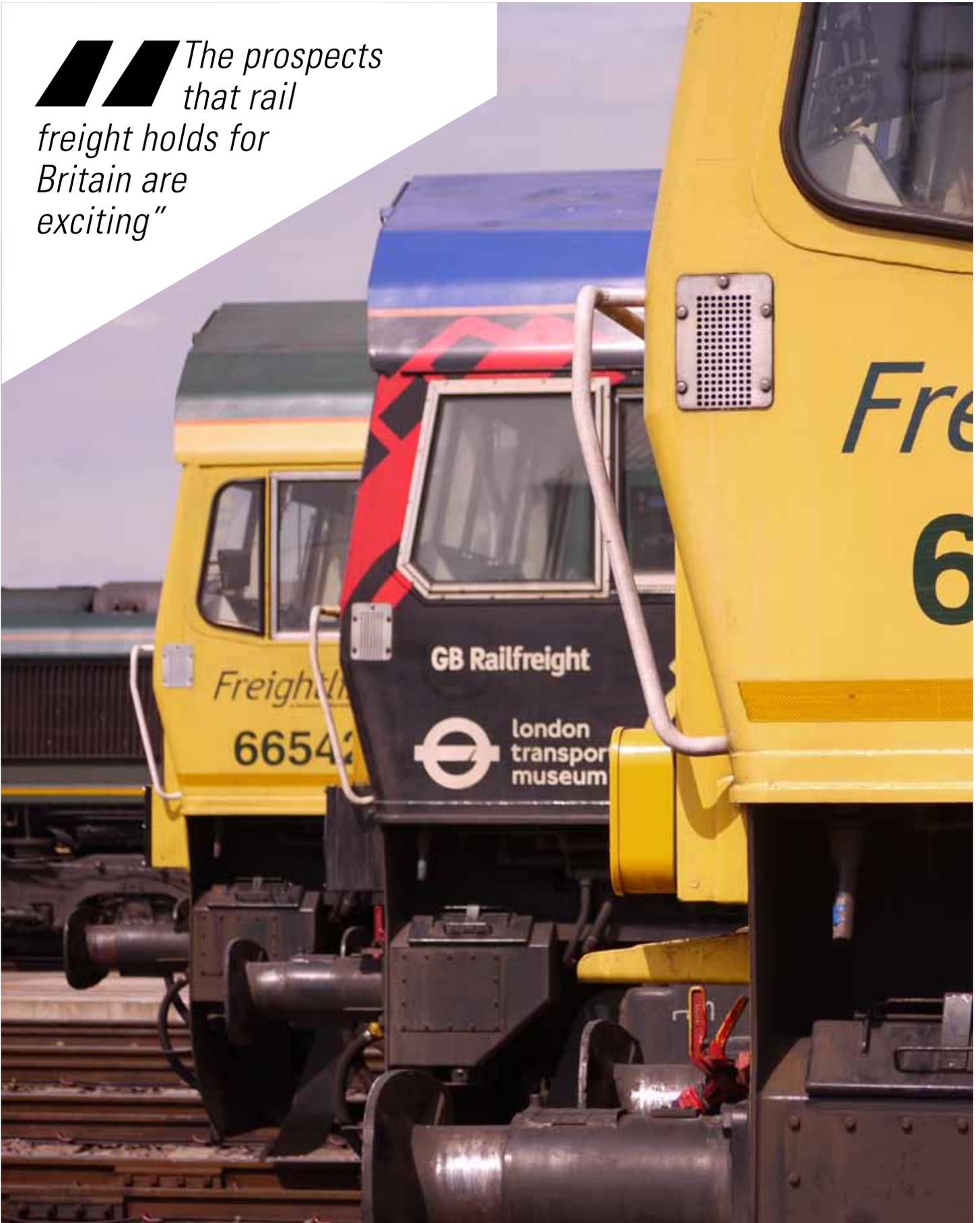
It goes without saying that shippers want efficient, reliable and sustainable transport options. No wonder more and more are opting for rail as a

critical link in their supply chains. For example, Felixstowe is a hub port for the world’s ultra large container ships, carrying more than 20,000 teu. A solid and reliable set of rail services, with increasing frequency, choice and capacity, allows containers to be moved swiftly and smoothly in very short order.

One intermodal train service carrying 540 tonnes of cargo on a 250-km journey will release 3,900 kgs of CO₂ – less than a quarter of the 16,200 kgs of CO₂ generated on the same journey by road. The benefits of rail freight tie in with the UK Government’s environmental targets and with the aspirations of hundreds of companies that are seeking to create greener, lower-carbon supply chains.

Paul Plummer, chief executive of the Rail Delivery Group (RDG), and Hans-Georg Werner, chair of the RDG freight group, have written in the recently published ‘Rail Freight – Working for Britain’ report: “Rail freight is providing solutions for some of our country’s biggest challenges – from decarbonisation and road congestion, to national infrastructure priorities and imbalances in the economy. The prospects that rail freight holds for Britain are exciting.”

// *The prospects
that rail
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CYBER SECURITY

ARE YOU PREPARED?

Whilst managing risk has been a constant in the world of business, as time goes on the nature of those risks changes. A few years ago the majority of companies' crisis management plans – at least amongst those that had them – were predicated upon physical risks; fire, accidents, disasters and so forth. All very old-school.

Speak to a senior manager in just about any industry today and they will tell you that the risk that keeps them awake at night is the prospect of a cyber-attack. And as the better informed will confirm, it's a question of 'when' rather than 'if' a malicious hacker will attempt to breach whatever security you have in place.

There have already been a number of high-profile victims, not least from the NotPetya attacks of June 2017 which began in Ukraine but which very quickly spread across the globe.

For Jan Waas, Chief Information Officer of

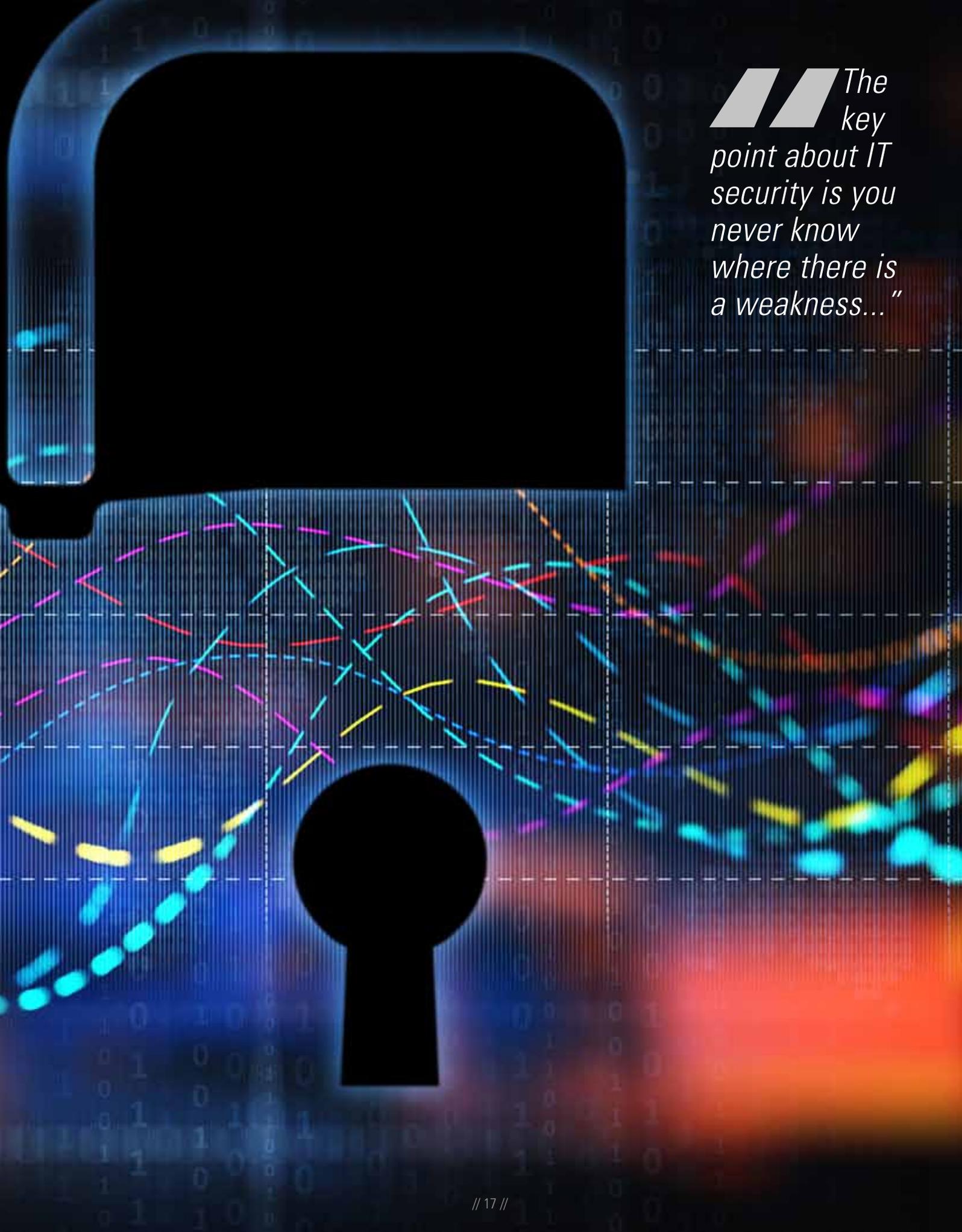
Hutchison Ports, there is no doubt that lessons from these and similar attacks are crystal clear.

He stressed, "What we have learnt from recent attacks is you cannot be sure; you really should accept the fact that security measures won't stop all attacks. Just one mistake out of a million and a hacker is in. Therefore, you must go to operational excellence on all the measures and do a one hundred percent check."

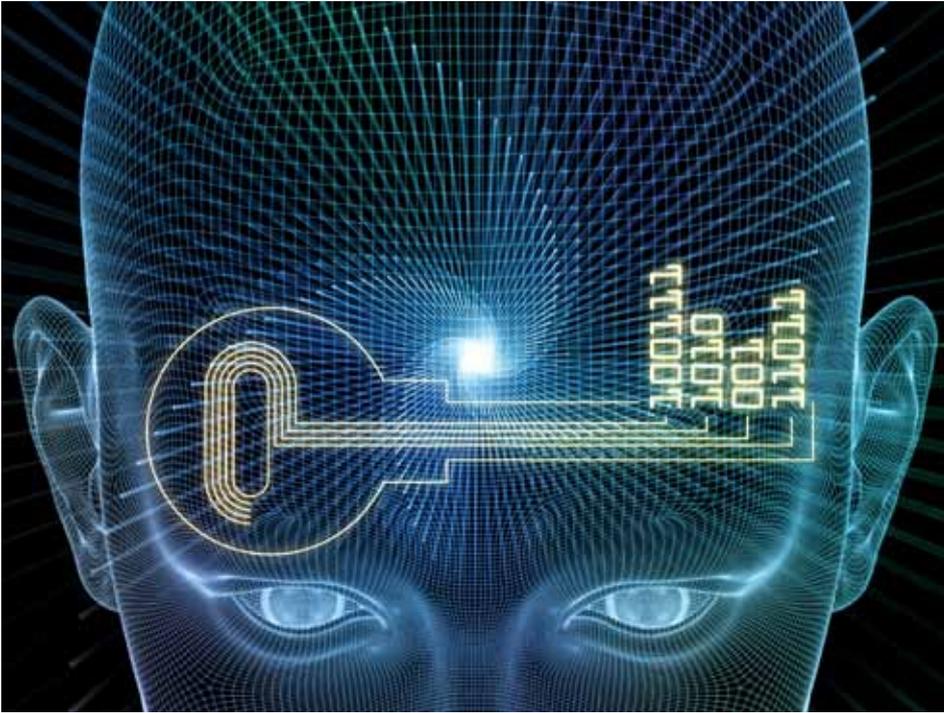
"Even with a one hundred percent check, resourceful hackers may still manage to breach your network," Waas added.

He stressed, "So enterprises should still establish a comprehensive cyber incident response and recovery capability. They should have a regularly tested and trained Business Continuity Plan and a Disaster Recovery Plan in place."

He did not mince his words, "I think with cybersecurity, you must act quick with brute force, like shock and awe, and take it seriously. ▶▶▶



*// // The
key
point about IT
security is you
never know
where there is
a weakness..."*



“The more devices getting connected ramps up possibilities for weaknesses. You cannot prevent attacks. They will happen, it is just a fact of life.”

It is no good knowing about a threat but not acting on it. It is about execution of precautionary measures in a real-time manner.”

Recent developments have heightened the threat level. Most significantly, the onset of computing as the primary means of communication is a double-edged sword. It has brought great benefits in business and personal lives, but this technology has exposed many commercial enterprises to increased security and commercial threats.

The exponential increase in speed, scalability and efficiency of computers over many decades has undoubted advantages, but its increased complexity, with millions of lines of code, means additional risk: one coding error could wreak havoc on an operational system.

Waas explained, “But the positives outweigh the negatives, we embrace these technologies, we cannot live without the Internet anymore, we do not want to get rid of email or online banking. These

things give more prosperity but there are risks; which you must contain.”

This increased prominence of technology in many areas will without question multiply the vulnerability to an attack and increase the opportunity for computer hackers to infiltrate a wider variety of devices, such as smartphones, the Internet of Things (IoT), and even your home camera, according to Waas.

He explained, “These emerging technologies have their inherent risks, so you may want to develop targeted countermeasures when you deploy these new technologies to tackle the technology-specific risks”.

The world of shipping is not immune. Indeed, ships can be particularly vulnerable to an attack. They are increasingly using systems that rely on digitisation, digitalisation, integration, and automation. In addition, multiple stakeholders involved in the chartering of a ship can result in a lack of

accountability for the IT infrastructure.

Waas stressed, “The more devices getting connected ramps up possibilities for weaknesses. You cannot prevent attacks. They will happen, it is just a fact of life.”

Ultimately, this means almost any individual or organisation can be a target. The interconnectedness of computers is the root factor behind its vulnerability and this has profound implications. It means threats such as ransomware need not target mission critical systems.

Ransomware often entices users to unwittingly click on emails with corrupted files to download that can then wreak havoc across an entire system. In these types of attacks hackers create encrypted copies of files before deleting the originals and then asking for payment to de-encrypt the data.

To best protect against cyberattack, Jan Waas insists systems should be designed with security in mind from the outset, and in the light of recent attacks this requirement is even more critical as the risk perspective has moved up several notches.

He explained what action needs to be taken, “It is a thousand things to be honest – especially designing the systems with security in mind. It is called security by design and applying a lot of technology. Encryption, firewalls and so on; every mature or professional company is up to that standard to a certain extent.”

Waas stressed, “Effective firewalls, which establish barriers between different networks, and different layers of protection are needed. The key point about IT security is you never know where there is a weakness and it will never be one hundred percent solved in the technology only.”

He added, “It is about applying a lot of measures across different systems and also creating awareness across the entire organisation.”

This is especially the case since many companies suffer collateral damage from attacks that originally target other companies or even industrial sectors. Pertinently, Waas conceded that every IT measure has a loophole. However, the way the systems are meshed together with organisational and individual awareness should then eliminate these loopholes. It is imperative to have a restoring strategy to restore your systems and data were these loopholes to be breached. However, the threat level has undoubtedly increased over recent years in its intensity and sophistication.

Cyber-attack evolves over time and today the hacking profession has transformed in such a way that hacking has become much easier and accessible. There are now hacker-as-a-service and

hacking tools such as ransomware that are easily downloadable.

In many instances, IT system disruption is not obtained by hacking into a system, but by securing a user account and password, often via phishing emails.

Waas explained, "It is amazing how sophisticated these things are. If you compare it to a house. They don't want to break into your upstairs window they just want to copy your key. They try to get your key by getting your password, and if they have your

password, then they can create mischief."

Waas went on, "So, the whole thing is not only keeping up your systems, keeping up your password security levels, setting up the right defences, which are all standard practice for any organisation. But also the involvement of the users and make them constantly aware of the mostly very sophisticated tactics to get their personal data and passwords."

This raises an issue that needs to be addressed for many companies involved in shipping and logistics: administrative rights or access rights to emails and

the connectivity of all the IT systems.

Moving forward, the two overriding priorities for Waas are execution of best practice and awareness. "The concept of best practice is fine but do you really act on it? Execute it as if it is a standard, the next day you must benchmark it."

"The other key point is creating more awareness of the potential for these incidents. It is psychology of people, the mindset that makes the difference; the psychology that something will never happen to you. But it will!"



HUTCHISON PORTS SOHAR

Serving the Middle East and Beyond, Hutchison Ports Sohar (formerly known as OICT – Oman International Container Terminal) is a joint-venture between Hutchison Ports, the Government of the Sultanate of Oman and a number of well-established Omani investors.

Situated within the Arabian Triangle of economic growth – an area encompassing the regional powerhouses of Abu Dhabi, Dubai and Sohar, Hutchison Ports Sohar is an ultra-modern container-handling facility capable of accommodating the latest generation of mega-vessels. The terminal is located in the Port of Sohar, outside the Straits of Hormuz in the Gulf of Oman, approximately 200 kilometres from Muscat and 160 kilometres from Dubai. Ongoing investment in the Port of Sohar means it is emerging as an engine of economic growth, and a catalyst for further expansion in infrastructure, industry and commerce in the region.

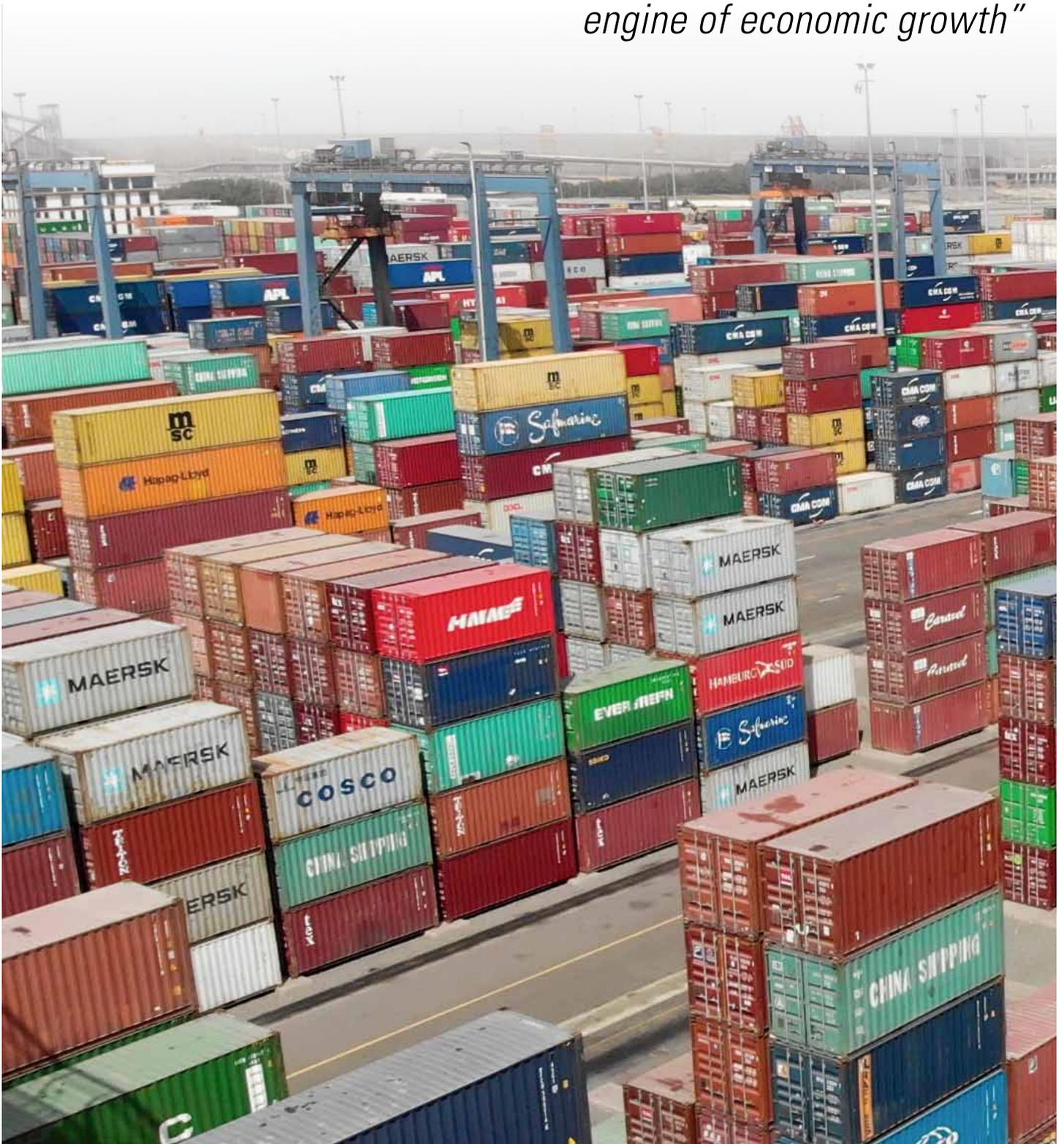
Equally important is its proximity to the hinterland of



this Arabian Triangle, as well as the Batinah region of northern Oman, where industrial and economic investment is currently at record highs. A world-class

network of modern highways ensures seamless connectivity and efficient movement of cargo from Sohar to Muscat, Dubai and Abu Dhabi. ►►►

*Ongoing investment
in the Port of Sohar
means it is emerging as an
engine of economic growth”*



Hutchison Port Sohar's location outside the Strait of Hormuz also saves carriers the higher insurance premiums applied to shipping inside Gulf waters, thereby reducing overall freight costs.

Equipped to handle the latest generation of mega-vessels, the terminal offers mainline carriers a safe, ultra-modern and efficient transshipment alternative to existing ports in the region. Furthermore, its proven track record in efficient container movement and vessel turnaround has strengthened its reputation as the port of choice among the world's top shipping lines. The many advantages of choosing Hutchison Ports Sohar include:

- Guaranteed berth window
- 18-meter draft
- One of the most productive regional Hub ports
- 100% on-dock facility with storage availability at competitive tariffs
- Located on major shipping routes
- Real-time EDI transmission to shipping lines

Investments in multi-modal transport infrastructure include the development of an international airport at Sohar, an express corridor incorporating a four-lane highway, and a planned rail system connecting the Sohar Special Economic Zone with existing and future economic hubs within Oman and abroad.

Hutchison Ports Sohar is committed to providing excellent customer services through the application of leading-edge technology, advanced real-time communications and an award winning terminal operating system. With world-class facilities, excellent geographic location, proximity to energy sources, efficient logistic services, Freezone Sohar, a highly supportive Government, high growth markets and a politically stable country

environment, it aims to stay several notches above industry standards whilst striving to maximise customer satisfaction.

Positioned adjacent to the SOHAR Freezone, Hutchison Ports Sohar is poised to reap significant benefits. The 4,500-hectare zone is managed by Sohar Industrial Port Company (SIPC) and has attracted substantial investments over the past few years. The investments in SOHAR Freezone relate to logistic downstream industries, value-added processing activities, and assembly of advanced products – all of which positively impact business volumes for Hutchison Ports Sohar.

Like Port of Sohar, which has successfully committed almost all of its available acreage to industrial investors, SOHAR Freezone has much international investor appeal. Investors enjoy numerous tax benefits and competitive land lease rates, and have access to world-class logistics services. For its part, SOHAR Port and Freezone is committed to creating a desirable business and living environment where businesses can flourish and prosper with a combination of incentives to set up and operate their projects easily and flexibly.

*// ... the port
of choice
among the world's
top shipping lines."*

Key Strengths / Features

- 100% foreign ownership allowed
- Corporate tax holiday of up to 25 years provided
- One-stop for all relevant clearance
- 0% import or re-export duties
- 0% personal income tax
- Low capital requirements
- Relaxed local labor requirements

Hutchison Port Sohar has adopted Hutchison Ports' award winning Next Generation Terminal Management System (nGen) to streamline port operations. The electronic data interchange facilitates communication with business partners, this significantly reduces the need for paper documentation. The ship planning system optimizes stowage planning, crane deployment and stability calculation, and yard planning enables yard planners to determine the most appropriate locations to ground containers according to designated vessels, weight classes and ports of discharge.

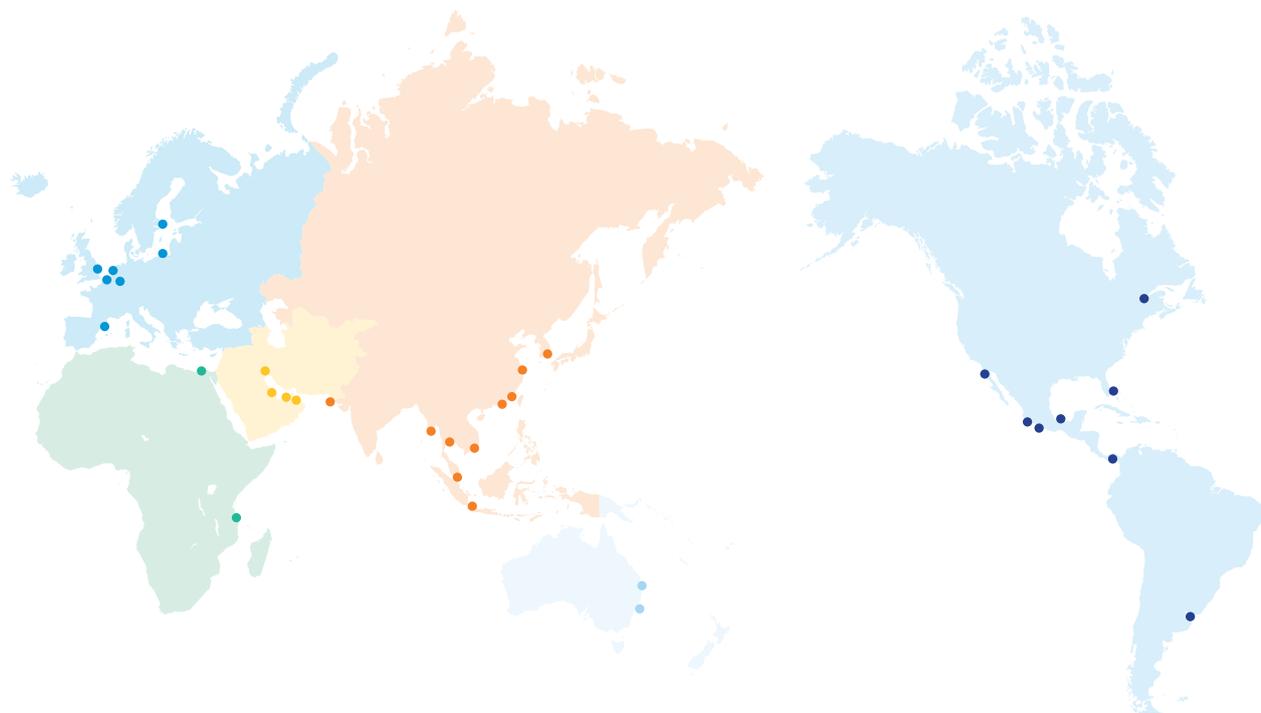
For live updates to the nGen platform, Hutchison Ports Sohar has deployed a Wi-Fi umbrella across the yard, quay and gatehouse. The umbrella is a system of wireless terminals which includes handheld terminals at the quay and gatehouse, vehicle mounted terminals on yard cranes, and vehicle mounted computers on yard trucks. A comprehensive CCTV system monitors terminal operations and enhances resource allocation and management during vessel operations and is operated from the Tower Control Room.

The award winning terminal operating system nGen ensures the highest levels of operational efficiency and is central to Hutchison Ports Sohar's aspirations of becoming the premier terminal in the Gulf region.



THE WORLD OF HUTCHISON PORTS

52 PORTS IN 27 COUNTRIES



EUROPE

BELGIUM

Willebroek

GERMANY

Duisburg

POLAND

Gdynia

SPAIN

Barcelona

SWEDEN

Stockholm

THE NETHERLANDS

Amsterdam¹

Moerdijk

Rotterdam

Venlo

UNITED KINGDOM

Felixstowe

Harwich

London Thamesport

MIDDLE EAST

IRAQ

Basra

OMAN

Sohar

SAUDI ARABIA

Dammam

UNITED ARAB EMIRATES

Ajman

Ras Al Khaimah

Umm Al Quwain

AFRICA

EGYPT

Alexandria

El Dekheila

TANZANIA

Dar es Salaam

ASIA

MAINLAND CHINA

Huizhou

Jiangmen

Nanghai

Ningbo

Shanghai²

Xiamen

Yantian

HONG KONG, CHINA

Kwai Tsing

Tuen Mun

INDONESIA

Jakarta

MALAYSIA

Port Klang

MYANMAR

Thilawa

PAKISTAN

Karachi³

SOUTH KOREA

Busan

Gwangyang

THAILAND

Laem Chabang

VIETNAM

Ba Ria Vung Tau

AUSTRALASIA

AUSTRALIA

Brisbane

Sydney

THE AMERICAS

ARGENTINA

Buenos Aires

BAHAMAS

Freeport

CANADA

Québec

MEXICO

Ensenada

Lazaro Cardenas

Manzanillo

Veracruz

PANAMA

Balboa

Cristobal

¹Ruigoord & Velsen-Noord ²Mingdong & Pudong ³West Wharf & Keamari Groyne

OPINION

LONDON INTERNATIONAL SHIPPING WEEK

By Nusrat Ghani MP, Minister for Maritime

This September the global shipping industry will assemble at London International Shipping Week.

The event is a fantastic opportunity to showcase the incredible achievements of the UK maritime sector to a global audience.

This year's LISW promises to be even bigger and better than ever.

We will welcome over 20,000 guests from around the world and highlight over 140 different UK companies.

This year's event will include talks by experts from every sphere of the maritime industry – covering everything from port infrastructure, trade, green finance to offshore energy.

The event also underlines how the UK is open to the world. And how our trusted legal system, regulatory framework and geographical position make the UK the natural place to do maritime business.

But LISW is not only a fantastic opportunity to demonstrate the very best of today's UK maritime industry.

This is an event that is very much focused on the future too.

This year's theme - *International Trade in a Changing World* – provides an opportunity to discuss the shifts in technology, trade and geopolitics, that will sweep the global industry over the coming decades.

It also provides a space to reflect on the new horizons that will open for the sector, as we embrace the opportunities of leaving the European Union on the 31st of October and forge new relationships around the world.

There can be no doubt that ports are very much at the heart of that future.

As Maritime Minister I've visited numerous ports, including Felixstowe operated by Hutchison.

I've been deeply impressed by the huge economic contribution they make to this country.

Ports handle 95 percent of our imports and exports – including almost half of our food and a quarter of the fuel required by vehicles and the power network.

And alongside the wider maritime sector they provide £14.5 billion to our economy.

Forecasts predict that seaborne freight is set to double over the next 30 years.

It's therefore crucial we ensure that ports have the right tools to seize the opportunities this unprecedented growth presents.

That's why in January I announced our Maritime 2050 Strategy – outlining our vision for ports and the wider maritime sector over the next three decades.

Maritime 2050 examines how we can develop and use technology to grow ports sustainably.

And it looks at how we can make port infrastructure, cleaner, greener and more secure.

Since the launch of the Strategy we have made some major progress.

We have held a Ports Planning Summit – where representatives from industry and government – gathered to discuss how we can build on the strategy.

We are also in the process of creating a virtual freight team to consider cross-modal freight issues.

And are working with industry towards the publication of an Infrastructure Route Map. This will lay out the clear steps that we will take to achieve the infrastructural ambitions of the Maritime 2050 Strategy.

These actions all demonstrate the huge value the Government attaches to ports and the wider maritime sector.

And this year's London International Shipping Week will allow us to further underline this commitment.

So, I urge you to join me at what will be a brilliant week.

And let's take this opportunity to ready our ports for an exciting future.

*// // Forecasts
predict
that seaborne freight
is set to double over
the next 30 years."*



BART VAN 'T HOF

A2B-ONLINE - GROUP SALES DIRECTOR



- 2000-2007: Business Unit Manager, Ireland for Geest North Sea Line / Bottom Line management
- 2007-2012: Co-founder / Sales Director Ge-eX Logistics; start up and develop new company
- 2012-2017: Commercial Director ECS, Sales Manager, internal Sales, account management
- 2018 to present: A2B-Online Group Sales Director

Q&A

Q Describe your Role at A2B-Online:

A I Manage the sales and accounts for the two divisions and products within A2B, these are containers and trailers.

Q What is the Biggest Challenge of your job?

A To match and manage the expectations of our customers versus operational execution.

Q What do you find Most Satisfying about your role?

A Effectively making customers better by adding value in their process through our assets.

Q What do you like Best about working at A2B-Online?

A Complete understanding and empowerment by owner and MD, effectively relying on their employees.

Q Favourite film?
A Interstellar

Q Ideal dinner guest?
A My Chief Financial Officer

Q Favourite book?
A Stephen King "Pet Cemetary"

Q Favourite meal?
A Chicken

Q Ideal holiday destination?
A Ireland

Q Describe your Best Day at work:

A The day begins with attending to a list of overdue debtor payments, followed by consistent new business awards following a complex tender process. Next, a meeting with customer service in which a performance level of 98% is reported on the largest account, after which, I welcome the new sales manager, swiftly followed by a visit to a new customer, to understand them better and be introduced to their day/day contact person.

Q First record bought?
A Jean Michel Jarre

Q Last record bought/downloaded?
A Groj "to know you"

A DAY IN THE LIFE...

08.00:

Coffee, email scan, meeting with fellow Director of Operations to discuss the day's challenges; customer service, shipping department and finance. Look over the Sales Managers' agenda.

09.00:

Daily tender conversation on outstanding deadlines; target input in tenders / feedback on tenders, check for eventual complaints.

10:00:

Phone hour starts - call several partners / suppliers. Calls start to come in from various communication media but also potential suppliers within our network reach. Internal checks with the various disciplines on challenges or special occasions.

11.00:

Meeting with operations to discuss today, the day before and the day after. Discuss new supporter customers who are to be communicated with but need to be prepared internally first; prepare warm bath for new supporters.

13.00:

Customer visit with sales manager; discussing longer term and strategic cooperation instead of day/day, rolling out our long term solutions and potential opportunities, making an action plan for midterm.

14.00:

Preparing for the next QBRs, meetings, presentations for the following week. Also sales meetings, assembling customer data; regions and KPI's. Do legal checks on new contracts; monitor status on ISO, procedures and continuous improvement.

16.00:

More preparation work as above.

18.00:

Play volleyball or squash and family time.

BEST PREPARED FOR BREXIT

Congestion-free routes to and from Europe.
From the world's leading port network.



Find out more about
how we are best
prepared for Brexit:

