PORT ROTATION

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How to win together?

- **Terminal productivity**
- End-to-end port operations
- Running an (air) port
- Winning together
Vessels have grown in size since the start of containerization, and continue to do so.

From 1,530 TEU to 19,000+ TEU, container-carrying capacity has increased by ~1,200% from 1968.

Source: World Shipping Council
...but not berth productivity

Source: Maersk Line terminal productivity statistics
2012-2014
Australian terminals are among the most expensive in the world…

Note: All figures are indexed
… yet performance in terms of Port Moves Per Hour (PMPH) is among the poorest

Note: All figures are indexed
Proactively driving terminal productivity is an opportunity to deliver value.

- Operational reliability: vessel on time
- Performance based pay: share pain/gain
- Open information sharing and joint planning
- Innovation + Infrastructure investments
How to win together?

- Terminal productivity
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Terminal productivity is only 75% of end-to-end port operations

1. Pilot Waiting Time [5-15%] (Arrival at Pilot station to Pilot on board)
2. Steam In [5-10%] (Pilot on board to All line fast)
3. Arrival [1-5%] (All line fast to first box move)
4. Terminal Operations [65-80%] (First box move to last box move)
5. Departure [1-5%] (Last box move to last line loosed)
6. Steam Out [5-10%] (Last line loosed to Pilot drop)

Source: MSPS (port timestamps), RKCO/COMS (production timestamps), NEULOC analysis
Optimizing port operations end-to-end represents an opportunity for differentiation and value creation.

1. **Pilot Waiting Time** [5-15%] (Arrival at Pilot station to Pilot on board)
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Running an (air)port
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Multiple players aligned on common goals

Differentiated customer products

Processes executed in parallel with great transparency
Running an (air) port

Transactional processes and sequential execution – relative low data quality and many changes

Many interaction points between players, little alignment and great interdependency
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How can we make AUS ports more competitive?

Source: MSPS (port timestamps), RKCO/COMS (production timestamps), APALOC analysis

Average time spent (min) | Target (min)
--- | ---
184 | 30
70 | 30

Closing the gap between actual and target can result in bunker savings of $0.7M-$1.3M USD per year.

Causes of Delays
- Shortage of Pilots
- Weather
- Channel traffic
- Poor planning
- Lack of communication
- Port congestion
- Vessel related repairs / port stays

1. Pilot Waiting Time [5-15%]
   (Arrival at Pilot station to Pilot on board)
   Average: 184 min, Target: 30 min

2. Steam In [5-10%]
   (Pilot on board to All line fast)
   Average: 70 min, Target: 30 min

3. Arrival [1-5%]
   (All line fast to first box move)

4. Departure [1-5%]
   (Last box move to last line loosed)
   Average: 70 min, Target: 30 min

5. Steam Out [5-10%]
   (Last line loosed to Pilot drop)
How to win together?

In summary:
• Continuously drive productivity to keep up and benefit from larger vessels and call sizes
• Take the lead to optimize port operations end-to-end
• Think (air) port: improve communication to minimize waiting and lost opportunity
• Partner with the shipping lines