

# Nearly 200 large containerships of 10,000+ TEU on order in next 4 years

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*Keith Nuttall: **Gulftainer** expanding terminals to prevent congestion and cater for large containerships*

Sharjah- In this time of global uncertainty, it is not just the financial sector that has been affected; every industry is feeling the effects of the economic slowdown. However, indications from the ports and shipping industry is that it is not all bad news

Speaking last week at two conferences for the ports and transportation industries, 4th Trans Middle East 2008, held in Dubai from 25 to 26 November, and Ports Management and Shipping Congress 2008, held in Abu Dhabi from 23 to 27 November, Keith Nuttall, Commercial Manager of international port management and logistics company, **Gulftainer**, addressed some of the concerns relating to ports and shipping, and the current global financial crisis.

Mr Nuttall's presentation, entitled 'Terminals, logistics and infrastructure: investing ahead of demand in uncertain times', focused on two of the major issues facing the industry today: the increasing number of large containerships - those of 10,000 TEU or above - and congestion.

According to Mr Nuttall, in the next four years alone, nearly 200 large containerships are on order, and one of the biggest questions faced is where all the new ship capacity will go. Congestion in container traffic worldwide has reached critical proportions, and congestion at terminals in the Middle East region is already a concern for many, particularly since the increasing number of large container ships will put further strain on those ports already struggling to meet demand, in terms of both volume and size of ships being processed.

"We will continue to see import growth to the region, which is due to a number of factors, including rapid economic development and the massive construction activity taking place in many Middle East countries, and as the oil price decreases, so inflation will also decrease, resulting in increased consumer buying power," said Mr Nuttall.

"We believe that the fundamentals of the real economy are sound, and that although the current global economic situation will result in a slowdown of trading, it will not bring it to a complete halt. However, many shipping lines face difficult times with lower volumes and rates, and thus they cannot afford delays in container terminals; fast turnaround times are essential for them right now," he continued.

In light of this, efficient, well-equipped relay terminals that act as hubs for the wider region have become essential. **Gulftainer's** Khorfakkan Container Terminal, which is one of the world's leading container transshipment ports and was named the fastest port in the world in 2007, is a prime example of such a terminal. Both Khorfakkan and **Gulftainer's** Sharjah Container Terminal are currently undergoing expansion to ensure that they will be able to continue providing top-quality, efficient service to ships of all sizes.

"There is no doubt that the UAE will continue to be a dynamic business hub, despite challenges and downturns in other parts of the world," said Mr Nuttall. "We are confident that trade volumes will remain strong, both locally and throughout the region. Changing world trade patterns will mean more, bigger ships in the region's ports, and **Gulftainer's** terminals will allow lines to service the region economically and efficiently."

With terminals on both UAE coasts, **Gulftainer** is ideally located and equipped for coping with tomorrow's ship and volume demands in the region. Through the expansion of its two terminals, as well as its other projects, which include the launch of third-party logistics company Momentum Logistics, **Gulftainer** is investing for the future in order to maintain its high productivity and to continue to provide the fastest transshipment and local cargo container gateway in the UAE.

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