

Terminals must continue to invest for future

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As the effects of the global financial crisis make themselves felt the world over, shipping lines, along with every other industry, are looking at ways to cut costs and increase revenue.

One of solutions is to use fewer, larger ships to transport containers. This, along with the displacement of some of the larger ships from other trades to the more buoyant Gulf region, will have a dramatic impact on the region's ports, says Keith Nuttall, Commercial Manager of international port management and logistics company, Gulftainer.

Speaking at the Seatrade Middle East Maritime conference, held from 14 to 16 December 2008 at the Dubai International Convention and Exhibition Centre, Mr Nuttall explained that the increase in number of large containerships, coupled with the declining trade volumes, has resulted in a surplus of available tonnage. According to Mr Nuttall, around 125 containerships have already been laid up, due to the declining demand arising from the global financial crisis, and industry sources indicate that around 400,000 TEU of capacity will have been withdrawn from service by early next year.

Mr Nuttall said:

'Nobody will be unaffected by the current global crisis. Having said that, we believe that while trade volumes both locally and for the region will be affected, the 'real economy' is fundamentally sound, and this will ensure that volumes remain strong overall, and that the UAE will continue to be a dynamic major business hub despite challenges and downturns in other parts of the world.'

'Looking at the effects on the region's ports, changing world trade patterns will mean more, bigger ships, a fact that is already causing problems, as many terminals in the area are ill-equipped to deal with such large vessels. The increased size of the vessels could also result in longer handling time, which, if not carefully planned for, has the potential to result in costly delays and increased congestion, which is already a major worry at ports worldwide,' he explained.

'In fact, most ports in the region are unable to handle these ships - but Gulftainer's Khorfakkan Container Terminal (KCT) certainly is, and is renowned for handling them faster and more efficiently than anywhere else. If we consider that the changing global trade patterns could result in a significant amount of trade switching to this area as other regions slow down, it is obvious that terminals need to invest for the years ahead, which will bring greater volume and much bigger ships,' he continued.

KCT is fully-equipped to deal with the challenges of handling larger ships, and just last week it received one of the largest ships ever to dock in the region - the 11,000 TEU 'CMA CGM VELA', confirming the terminal's ability to efficiently handle these giants of the sea. Both Gulftainer's KCT and Sharjah Container Terminal(SCT) have also managed to avoid the congestion that has plagued the region.

With nearly 200 large containerships of 10,000 TEU plus currently on order over the next four years, it is becoming increasingly important that ports have the capacity to handle such ships if they want to remain competitive. In order to ensure that they remain able to continue providing top-quality, efficient service to ships of all sizes, both KCT and Sharjah Container Terminal are currently undergoing expansion.

With terminals on both UAE coasts, Gulftainer is ideally located and equipped to cope with increasing ship and volume demands in the region, and to allow lines to service the region economically and efficiently. Gulftainer has been operating since 1976, and through the expansion of its two terminals, as well as its other projects, which include the launch of third-party logistics company Momentum Logistics, the company is investing for the future in order to maintain its high productivity and to continue to provide the fastest transshipment and local cargo container gateways in the UAE.

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