

Port Infrastructure – Key to Competitiveness



Soren S. Jakobsen, Vice President
APM Terminals South- & Central America



Part of the global A.P. Moller - Maersk Group



A.P. Moller – Maersk Group Profile

- **International company listed on Danish Stock Exchange**
- **110,000 employees in over 125 countries**
- **Total market capitalisation of USD 37.8 billion**
- **Business activities in**
 - **Container shipping (Maersk Line, Safmarine)**
 - **Container terminal operations (APM Terminals)**
 - **Tankers, offshore and other shipping**
 - **Exploration and production of oil and gas**
 - **Retail (Northern Europe)**
 - **Shipyards and other industries**



APM Terminals in 2006

- Operating more than 40 terminals
 - 11 terminals currently expanding
 - 13 projects under implementation
 - More than 500 gantry cranes
 - 37 kilometers quay
 - Serving more than 60 shipping lines
- More than 18,000 employees
- Headquarters: The Hague, Netherlands
- Regional offices:
 - Latin America: Panama City
 - North America: Charlotte, USA
 - Greater China: Beijing, China
 - Asia & Oceania: Singapore
 - Africa: Cape Town, South Africa
 - West and Central Asia: Muscat, Oman

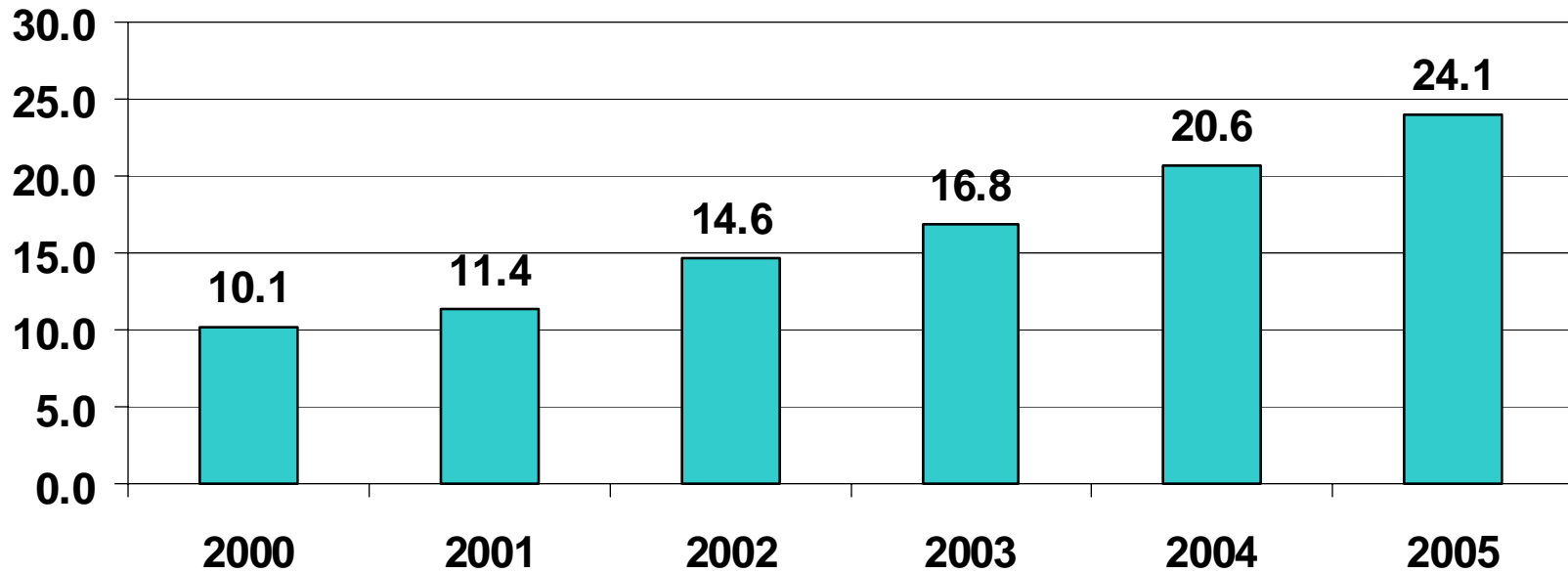


APM Terminals Global Portfolio



Sound Historical Growth

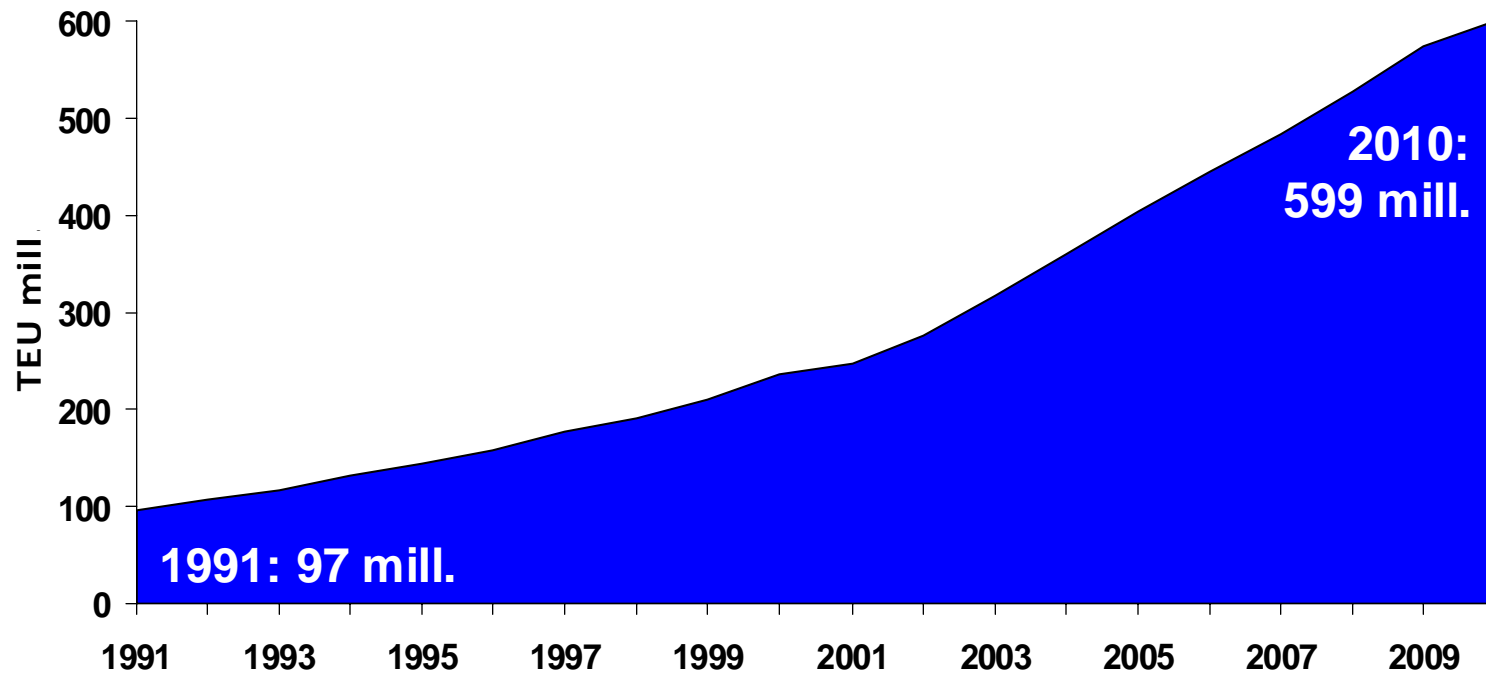
APM Terminals throughput / TEU million



- Throughput based on equity

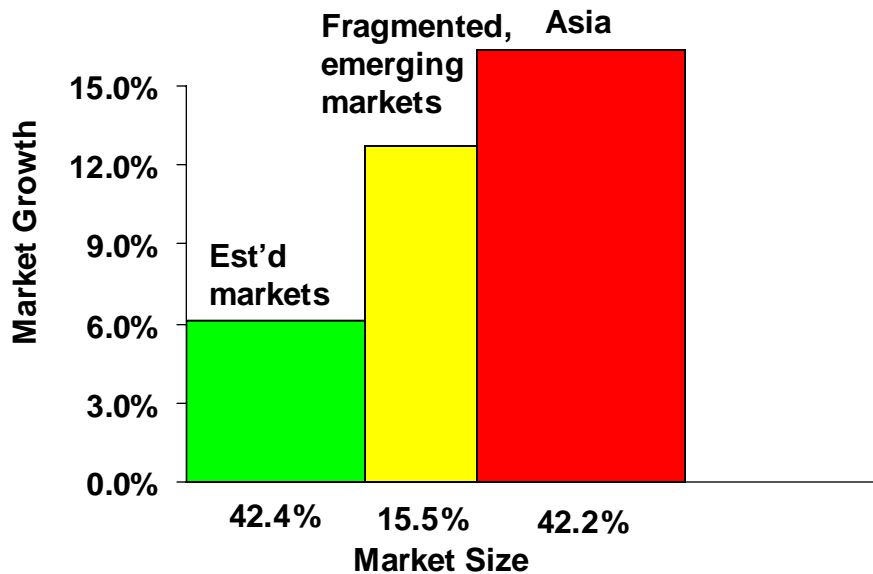


The global container port industry is a high growth business with an expected 8.5% compounded annual growth rate (CAGR) from 2005-2010.

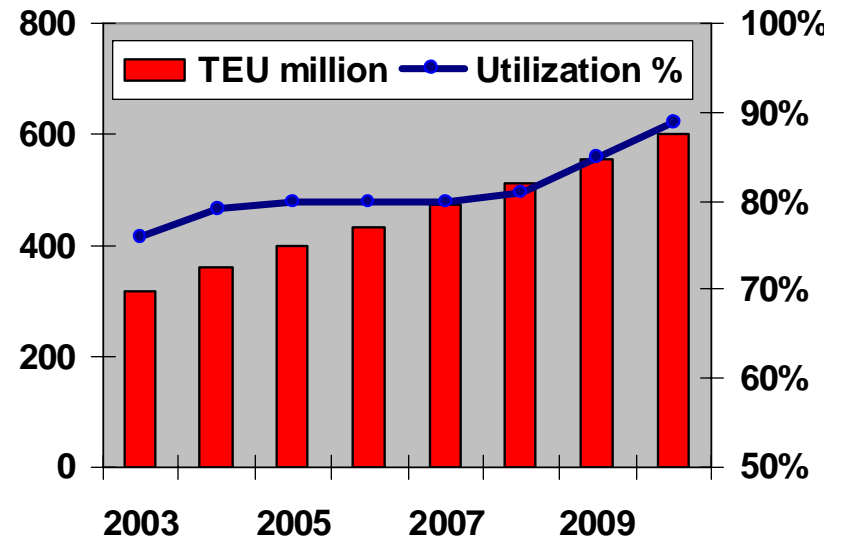


Bottlenecks emerge in key parts of the world, and global utilization increases to 89% in 2010 (from 80% in 2005) unless further capacity beyond known projects is added

Market Size & Growth



Global Utilisation Levels



- Asia:** China, South Asia, South East Asia
- Emerging:** Africa, Central/South America, East Europe, Middle East
- Established:** North America, Europe, Oceania, Japan, Korea



Latin America - Developments

- **Market year 2000:** 20.0 MIO. TEU
- **Market year 2005:** 26.8 MIO. TEU (6.6% of global trade)

- **Growth 2000-2005:** 7.0 % per year
- **Growth 2005-2010:** 9.6 % per year

- **Market year 2010:** 42.4 MIO. TEU

- **Increase 2000-2005:** 1.7 MIO. TEU per year
- **Increase 2005-2010:** 3.1 MIO. TEU per year

- **Estimated utilization:** 80% in 2005
- **Estimated utilization:** 96% in 2010





Is This Really True?

- **Quotes From DynaLiners 16th June 2006:**

“According to Chilean carrier CCNI, the vessels of all lines operating from the Far East to West Coast of South America ports (in Colombia, Ecuador, Peru and Chile) are currently chock-full. Volumes increased by 39% to reach 382,000 TEU in 2005, whereas some 460,000 TEU are expected for the current year. Consequently, carriers are trying to get rates up..”

“Hapag-Lloyd’s CP Ships will add a third (1,100 TEU) ship to its relay service connecting Manzanillo (Mexico west coast) with ports on the west coast of Central and South America, to which Buenaventura (Colombia) is added. Frequency: now every 10 days, instead of fortnightly”



Latin American Port Development

- **With few exceptions investment in additional capacity and new ports/terminals are lacking seriously behind.**
- **Serious congestion is already the order of the day in many ports in Latin America – and more ports will become congested in the coming years.**
- **Congestion and lack of capacity – including to handle the larger ships – adds cost for importers and exporters. Additional transport cost and increased cost in ports can easily double the effective transport cost compared to other areas with effective transport infrastructure.**
- **This hampers trade by lowering competitiveness for exports, add cost for imported products and reduce growth and employment.**



Development New Capacity Cannot Wait!

- Governments and port authorities play a key role in accelerating new developments.
- Privatize existing and new developments – private companies are ready, willing and able to develop capacity.
- Facilitate a quick and competitive process by making the process simple and clean.
- Help with licenses, labor issues etc.
- Invest in supporting infrastructure, dredging etc.
- Do you not try to make every port and terminal a transshipment center. Transshipment is non captive, highly competitive and adds little value.



Thank You For Your Attention

