

PRESS RELEASE

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**‘MARKETING OF CONTAINER TERMINALS’ – OPTIMISING CONTAINER
TERMINAL MANAGEMENT IN A GLOBALISED INDUSTRY**

Ocean Shipping Consultants Ltd have published a major new study. ‘Marketing of Container Terminals’ is the first to take a detailed look at the trends shaping the development of the container terminal business and define the correct marketing response in a rapidly changing industry.

The container port business has expanded by more than 10 per cent annually over the past 15 years. Fuelled by the globalisation of the world economy, this process is set to continue. Even OSC’s cautious forecasts indicate that port demand will at least double to 2015, with around 650m TEUs handled in the world’s ports at that time. This process places great strains not simply on the provision of new and better container terminals, but also underlines the importance of maximised returns on these massive investments.

Within the container port market place there are far-reaching changes underway that will significantly alter its structure in the coming years. This study provides an overview of the major issues that are impacting on container shipping and port demand in order to identify the commercial background against which the marketing of a specific container terminal must be evaluated.

The study then focuses on the background and basic function of the container terminal and analyses in more detail the specific objectives, strategies and systems needed to fully understand the market and develop an appreciation of customer needs and requirements – thus forming the basis of the terminal’s success.

The study brings together two key areas of experience:

- Identification of major trends, market research and feasibility study preparation, and
- Detailed experience on maximising operational and marketing returns.

The focus of the study is on these major areas of interest:

Global Container Terminal Trends

- The scale of the market – identifying regional growth prospects.
- Ship sizes developments (deepsea, regional and feeder) and container handling implications.
- Boosting container terminal productivity – this is now central as a result of both economic and (increasingly) environmental reasons.
- The cost of container terminal transit is a complex issue – how do stevedoring charges impact on the transport chain?
- The stevedore business is global – international players and lines are the dominant forces. The implications for operations are far-reaching.

Marketing Responses for Container Terminals

The analysis provides a detailed review of:

- Commercial policy benchmarks for container ports and terminals – what are the targets and how are these achieved?
- A review of pricing strategies for container terminals is included that highlights optimum approaches in different situations.
- To be successful in the new environment fresh concepts for dedicated services are detailed that are aimed at keeping customers on board.
- It is also a guide for privatising ports in setting up a commercial policy.

STUDY CONTENTS

Part I – Trends impacting on container terminal development

- How big is the market – where is growth centred?
- Increasing vessel size and port implications
- Container terminal productivity and environmental issues
- The true costs of container terminals
- Industry structure – who are the players and what are their strategies?
- Forecast overview – latest OSC regional demand projections

Part II – Developing and marketing container terminals

- Introducing the Container Terminal
- Understanding Container Terminal Marketing
- Market Research
- Customer behaviour in the container terminal industry
- Winning marketing strategies
- Servicing customers
- Capacity planning for optimal use
- Effective pricing for stevedoring services
- Promoting and selling the container terminal
- Organising for maximum effectiveness

Forecast world container port demand

Table 1 summarises the latest core OSC container port demand forecasts for each of the major port regions to generate an aggregate global forecast. Depending on economic conditions, world container port demand is forecast to increase by 60 per cent to 495m TEU in 2010 and by a further 32 per cent 647m TEU in 2015.

Total East Asian container port demand is expected to continue expanding at an above-average rate, with 63 per cent growth predicted over 2003-10 to 240m TEU.

In the Americas, growth of 55 per cent is forecast over the same period to 91m TEU in 2010, with Latin America and the Caribbean continuing to generate above-average expansion.

In Europe and the Mediterranean, a 45 per cent rise is anticipated to 106m TEU in 2010. Both the North Europe and South Europe/Mediterranean regions will experience similar growth rates, with the Baltic markets continuing to generate above-average growth and transshipment demand in North Europe growing strongly.

In other markets sustained growth is also forecast, with the Middle East and Indian subcontinent generating the most rapid expansion.

Table 1
World: Forecast Container Port Demand by Region to 2015
m TEUs

	2003	2004	2010	2015
East Asia				
Northeast Asia	38.25	41.72	64.16	73.44
Chinese port region	63.61	68.29	96.55	117.25
Southeast Asia	45.45	49.07	79.76	112.75
<i>Total</i>	<i>147.31</i>	<i>159.08</i>	<i>240.47</i>	<i>303.44</i>
Americas				
North America	39.37	41.06	56.85	71.55
Other Americas	19.26	21.10	33.81	47.25
<i>Total</i>	<i>58.62</i>	<i>62.16</i>	<i>90.66</i>	<i>118.80</i>
Europe/Mediterranean				
North Europe	36.90	39.47	56.25	73.21
S.Europe/Mediterranean	32.25	34.65	49.55	66.25
<i>Total</i>	<i>69.15</i>	<i>74.13</i>	<i>105.80</i>	<i>139.46</i>
Others				
M. East/Indian subcontinent	21.45	23.60	38.55	58.29
Sub-Saharan Africa	5.91	6.33	9.75	14.11
Australasia/Oceania	6.49	6.87	9.89	13.15
<i>Total</i>	<i>33.85</i>	<i>36.80</i>	<i>58.19</i>	<i>85.55</i>
Total	308.93	332.17	495.12	647.25

Source: Ocean Shipping Consultants Ltd

Marketing Issues

Some major changes are underway with far-reaching implications for marketing. These include:

- An new emphasis on the shipper/cargo owner/consignee – not just in their established role as the final customer, but also with regard to their influence on

the decision process on port/terminal selection. The increase in merchant haulage is considered in this context. As a result, ports and terminals should increase focus on landside activities and develop an active hinterland strategy.

- There is a clear requirement to optimise the logistic chain and the study calls for collaborative strategies between shipping lines and terminal operators. The focus of attention is on the quality of operational data and the resulting potential for joint development of service improvements and cost reductions.
- The study outlines new marketing strategies for terminal operators, with terminals focussing on developing hinterland connections/ventures – especially hinterland terminals and other networks in order to advance value-added strategies.
- The study also questions the trend towards liner terminals. The analysis is based upon a review of port service levels and highlights the threat of less than optimal use of infrastructure. Strategies for more collaborative strategies between shipping lines and terminal operators are outlined.

The time is right for a far-reaching review of the factors influencing the development and marketing of container terminals. This study provides such a review by experts in the field.

‘MARKETING OF CONTAINER TERMINALS’

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