

Still in the running

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Singapore has much to offer global shipping lines, as Michael King discovers

It may have lost its status as the world's largest container port to Shanghai last year, but Singapore remains central to liner shipping strategies, not least as a key hub for the booming intra-Asia trade.

With its strategic geographical location, reputation for efficiency and embrace of the latest technology, Singapore is the key economic and business centre in South East Asia. Central to its historical and projected success has been the innovative methods and forward-thinking investment strategy of PSA Singapore Terminals.

PSA, which also runs a string of terminals worldwide, claims its Singapore flagship operation remains the world's busiest transshipment hub handling about one-sixth of global transshipment volumes. Last year, its gantries lifted 27.7m teu, a 10.1% increase over 2009.

With so much competition from rival ports for container shipping mainline and regional calls in Asia, PSA has invested significantly in port infrastructure and equipment in recent years and also formed alliances with key lines to ensure its hub status.

Joint ventures are in place with COSCO Pacific Ltd, Mediterranean Shipping Company and Pacific International Lines which guarantee the carriers dedicated access to handling capacity. Meanwhile, construction of Pasir Panjang Terminal (PPT) Phases 1 and 2 was completed last year, taking nominal capacity to 35m teu per annum. Further expansion is now on the agenda.

"PSA is working closely with the Maritime and Port Authority of Singapore and other government agencies on the development of PPT Phases 3 and 4," says a corporate spokesman in an exclusive interview with *Port Strategy*. "The Ministry of Transport has announced that the Port of Singapore will be able to handle a total of 50m teu by 2018 with the completion of PPT Phases 3 and 4."

Apart from handling the anticipated arrival of 18,000 teu vessels to be deployed on Asia-Europe strings in the coming years, PSA is also angling to ensure it keeps its hub status for the rapidly expanding intra-Asia trade, and expects to benefit from China's growth through its transshipment value proposition.

"[We are] able to offer high quality port facilities and equipment to handle ships of all sizes, including the mega box ships plying the oceans today," adds the PSA spokesperson.

"Our excellent location connects us to 600 ports - this gives shippers and carriers flexibility in choosing how to get their goods to market fast.

"Given the large number of ports and lanes involved in intra-Asia trade, transshipment remains relevant as a flexible and efficient method of maximising market reach and distribution."

The latter assertion is not questioned by intra-Asia box ship operators contacted by *PS*. They acknowledge Singapore is well-placed both geographically and operationally to remain central to future intra-Asia trade flow growth. Likewise, Truong Bui, a senior consultant at Drewry's Singapore office, believes that "Singapore's leading position will be retained because of its extensive connectivity and network".

Creating an environment conducive to conducting business efficiently has certainly been a calling card both for the Singapore state – which ranks first in the world both overall and in the 'Trading Across Borders' index of the World Bank's latest 'Ease of Doing Business' - and for the port. Attracted by the business-friendly attitude, some 17 of the world's 25 top logistics players now boast a "very substantial" presence in the country, according to one recent survey.

"Singapore is an important integrator of world-class maritime services," says the spokesman.

"A wide variety of high value port and shipping services from global maritime players are based in



PSA. Credit: PSA Corporation

Singapore. All these make Singapore an attractive port of call.”

‘Portnet’, which PSA claims was the world’s first nationwide port community solution and saves users S\$100m (US\$79.6m) every three years, helps PSA’s terminals run smoothly. It links government agencies, lines, forwarders and logistics companies using info-communication technology to simplify and integrate the entire port process. It incorporates everything from moving and tracking cargo to the online submission of manifests to allow container trucks to be identified at the port gate automatically and drivers issued with instructions within 25 seconds. The automated gate system can now handle 8,000 trucks per day and Portnet boasts 8,000 users, 500 functions and 130 million transactions a year.

A recent enhancement to the system is ‘Portnet Mobile’, which allows subscribers to access the Portnet platform through mobile telecommunications devices to offer access to real-time vessel and container information.

“PSA value-adds to Singapore’s status as an international maritime centre with its efficiency in container terminal handling and focus on customers,” concludes the spokesman.

“We work closely with our customers to provide fast, flexible and reliable services as a valuable node in their global supply chain.”

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