



**Mega ships
- the imperative for greater dialogue**

Dinesh Sharma, Senior Manager

www.drewry.co.uk

Mega ships – far reaching impact on ports

... have brought some expected changes...but also exposed deeper issues

- ✓ Rapid pace of ULCV orders despite slowing trade
- ✓ Cascade effect onto all trade lanes
- ✓ Increase in ship dimensions
- ✓ Volume exchange patterns
- **Constraints of existing port design, reduction of port capacity – usable assets pushed into obsolescence**
- **Terminal performance is critical to achieving benefits of largest ships**
- **Substantial capex needed, opex rising; volumes unchanged**

Implications on port assets

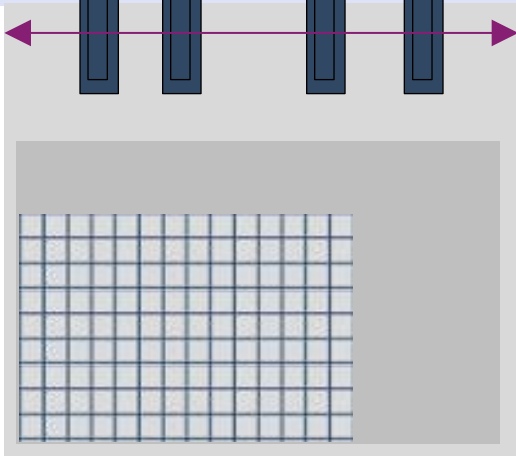
Higher peak manning.....Larger infrastructure and superstructure

10,000 moves per week
4 x 7,500 TEU vessel calls

2,500 moves
per call

330m quay
14m depth

QC x 4
18 rows
38m high



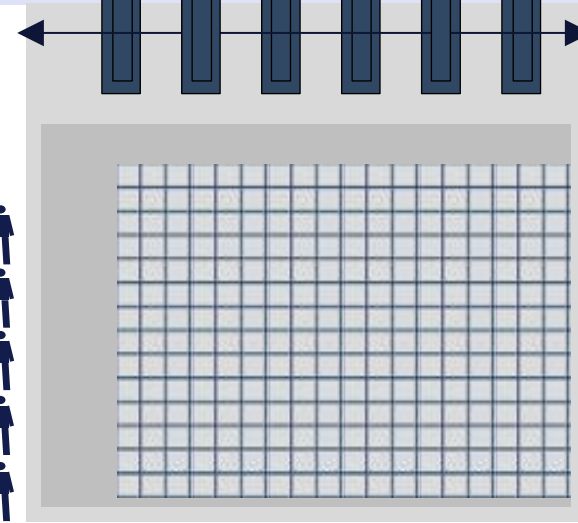
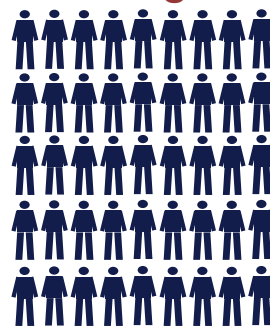
10,000 moves per week
2 x 15,000 TEU vessel calls

5,000 moves
per call

400m quay
16m depth

QC x 6
22 rows
48m high

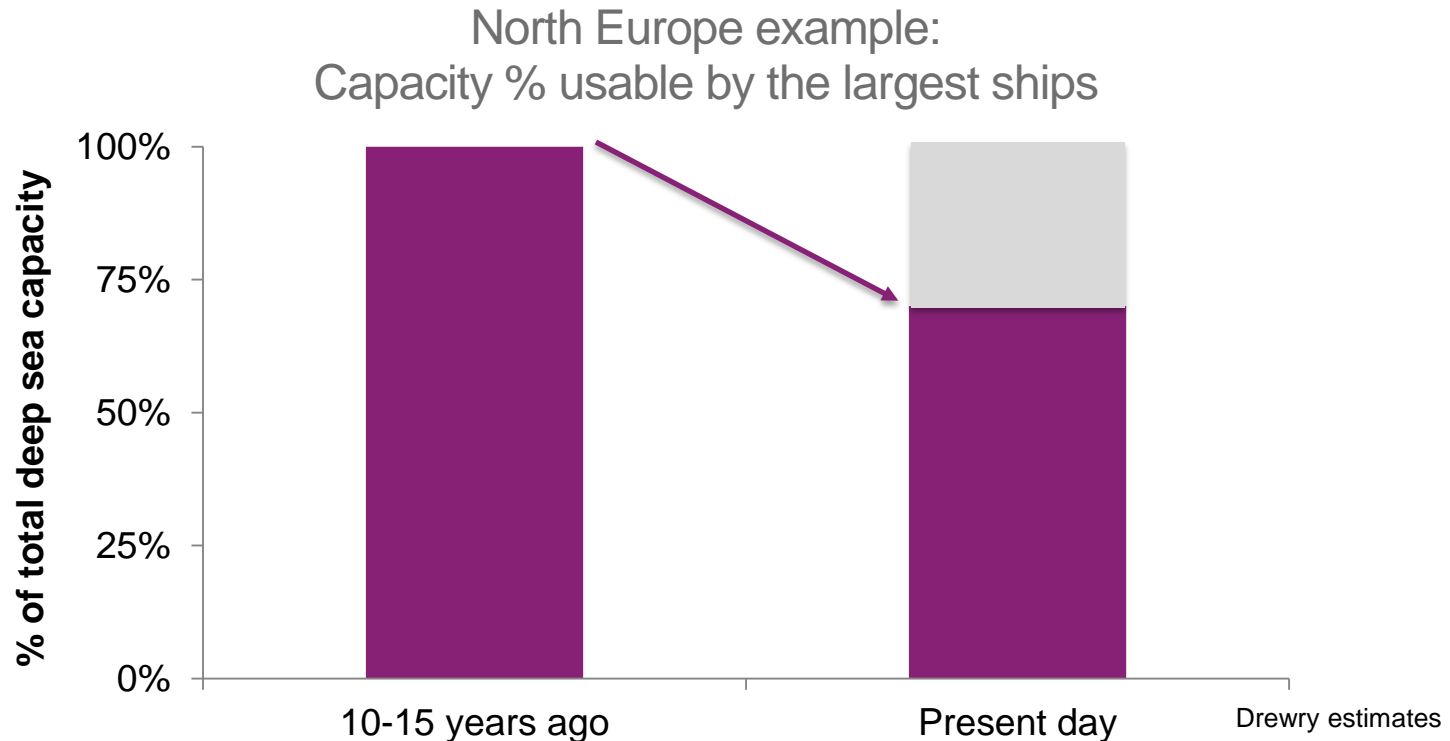
Higher peak
manning



Larger
yard to
handle
peak
loads

Upsizing pace – impact on usable port capacity

Constraints of existing port design– usable assets pushed into obsolescence

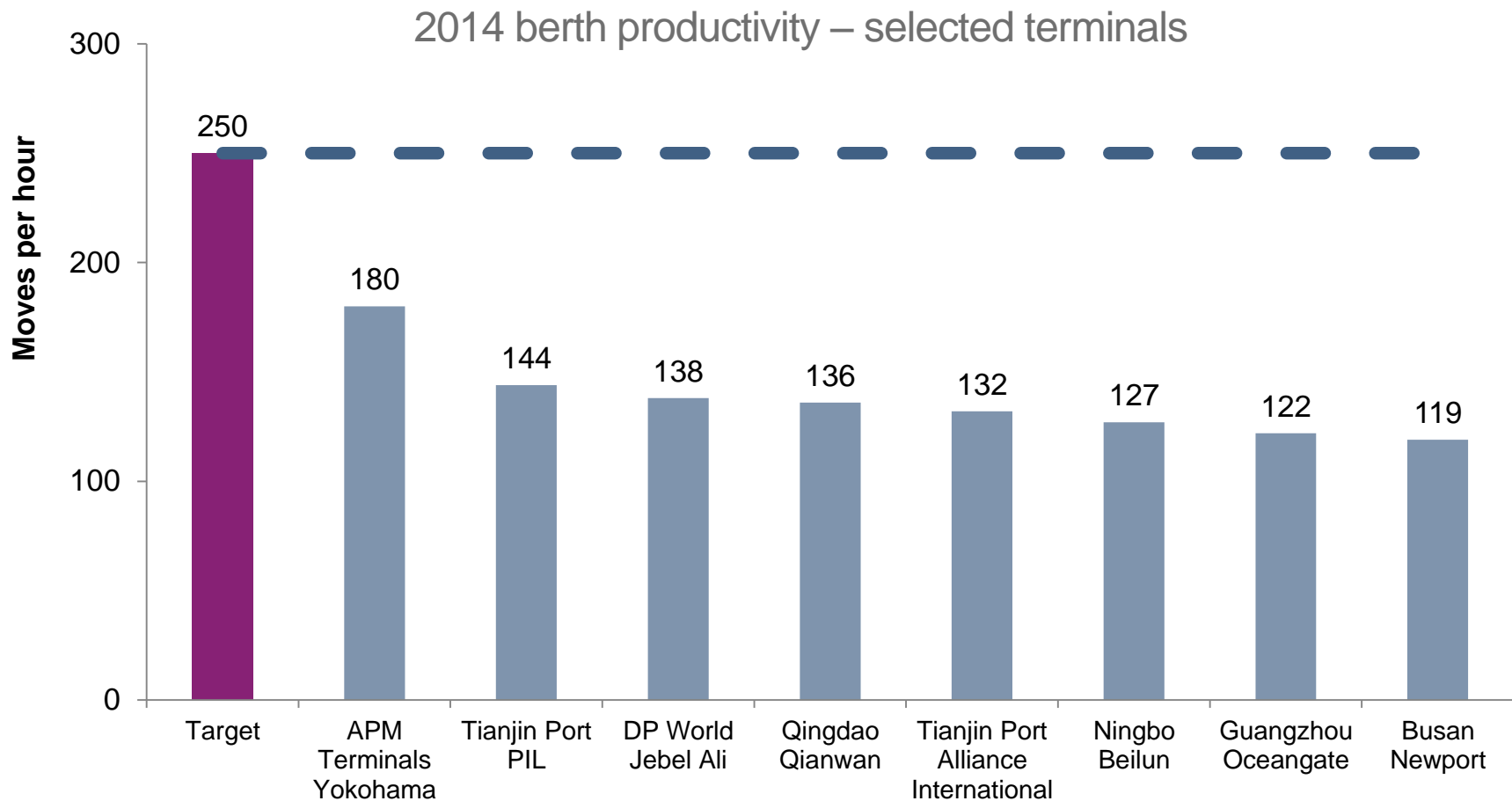


Port renewal & expansion – a complex, multi-year process

- Cascading → large number of ports in need of upgrading
- Multiple stakeholders → complex process
- Resource scarcity → land, coastline, environment

Port productivity – actual vs. ideal

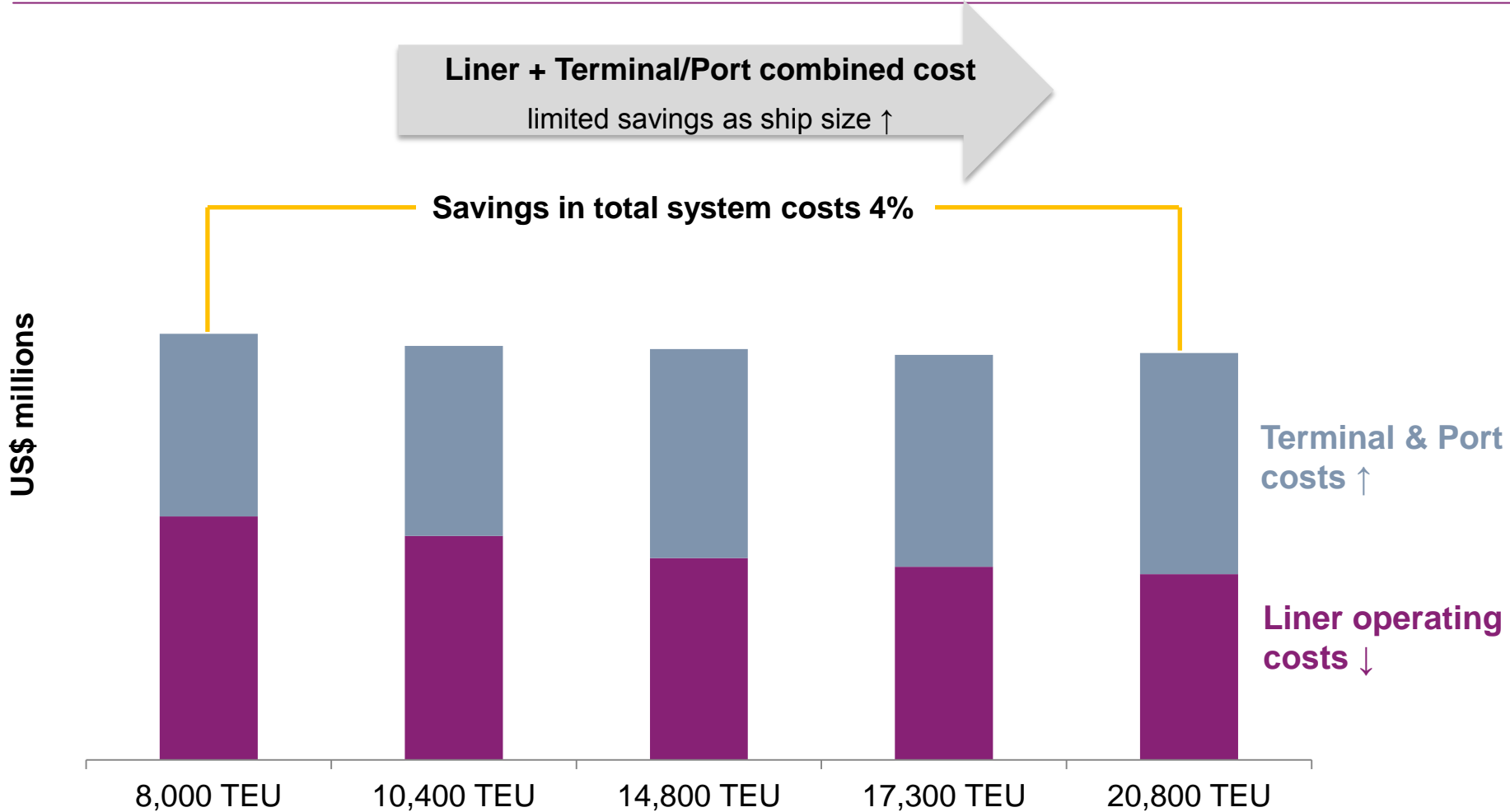
Terminal performance is critical to achieving benefits of largest ships;



Source: JOC Berth Productivity Report

The combined picture

– Substantial increase in terminal costs; limited savings for the ‘total system’



A greater collaboration model is needed

- A.** How can ports achieve the productivity needed, while making best use of existing assets and resources?

- B.** How can liners & ports work together to realise the potential of bigger ships, create value for the supply chain?

- C.** Where is the value for terminal operators in making investment in infrastructure to handle large container ships and global consortia?

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enquiries@drewry.co.uk

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We have advised on container shipping industry investments totalling \$6bn in the last 5 years

UK

15-17 Christopher Street
London
EC2A 2BS
United Kingdom

T +44 20 7538 0191

India

209 Vipul Square
Sushant Lok - 1
Gurgaon 122002
India

T +91 124 497 4979

Singapore

#13-02 Tower Fifteen
15 Hoe Chiang Road
Singapore 089316

T +65 6220 9890

China

Office 555, 4th floor
Standard Chartered Tower
201 Shi Ji Avenue
Pudong District, Shanghai
China, 200120

T +86 (0) 21 6182 6759