



TIPC's vision for Kaohsiung port

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Taiwan International Ports Corporation (TIPC), the state-owned authority that manages all ports in Taiwan, is facing the future with confidence.



The Port of Kaohsiung posted a throughput of 10.45M TEU in 2018, an increase of 1.7% compared to 2017. "Although Kaohsiung was still mired by the year-on-year impact of network restructuring of new alliances, it has walked out of the mud in the second half, especially the transshipment volume, which increased by 3.5%," said a TIPC spokesman.

At the end of 2018, TIPC chairman Chung-rung Wu and Evergreen Marine Corp. chairman Anchor Chang signed a new lease agreement for container wharves S1-S5, which will be the Port of Kaohsiung's 7th Container Terminal.



An impression of the new Terminal 7, which will be occupied by Evergreen Line

A long time in the planning, the terminal development is estimated to cost NT\$42B (US\$1.36B) in public and private funds. "The completed terminal will provide 2,415m of new 18m draught berthing space, capable of servicing up to five 22,000 TEU ultra-large container vessels at a time," stated TIPC. "The handling capacity of the terminal will top 4M TEU a year, aided by the wharves' automated handling systems."

Terminal 7 will also be equipped with shoreside power facilities for vessels to connect to the grid. TIPC currently offers shore power at terminals 4 and 6.

On top

Evergreen Marine first began operating a terminal at the Port of Kaohsiung in 1986, and today operates a total of six wharves (Nos. 79-81 and Nos. 115-117). In 2017, Evergreen brought 3.6M TEU to Kaohsiung, 35% of the port's total container volume for that year, "underscoring Evergreen Marine's position as Kaohsiung's largest container shipping client", the port noted.

TIPC expects Evergreen to continue to grow its business at the port as it replaces older vessels with new ships, and adds 20,000 TEU ULCVs to its fleet. "Evergreen's new 20,000 TEU-class ULCVs are already conducting homeport operations from the Port of Kaohsiung, and the new wharves at the 7th Container Terminal are exceptionally well positioned to carry the company forward into the future," stated TIPC.

Reshuffle

Developing Terminal 7 will create new opportunities at the existing berths, and the port is now exploring several options.

Construction works for the 7th Container Terminal have started and will be completed in two phases in 2022 and 2023, respectively. With the completion of the terminal and the release of Evergreen's current terminals 4 and 5, TIPC plans to relocate the existing terminal operators "per their respective demands based on principles of maximising Kaohsiung's overall throughput, optimising the terminal resources, and integrating leased berths into one terminal to reduce operating costs", said the spokesman.

He added: "It is like playing checkers. Evergreen first moves to Terminal 7, and other operators will consequently move to their 'new' terminals based on the One Terminal Centre, One Operator principle."

The existing six terminals have 26 berths between them, and TIPC has begun discussions that include how to consolidate HMM's business (currently split between terminals 4 and 5), and how to meet Wan Hai's request for additional capacity. TIPC is also looking at possibilities to utilise some of the older container berths or general and bulk cargo facilities. It is expected that the port's throughput will increase by at least 1.5M TEU a year once all the relocations are completed. As it works through the process, Kaohsiung is trying to keep alliance partners together, where possible, but the fact that alliances change every few years makes this difficult for any port authority to manage.

TIPC said that it is focusing on strengthening its relationship with its alliance carriers, Evergreen, CMA CGM (APL) Cosco (OOCL), Yang Ming and HMM, all of whom lease terminals in Kaohsiung. By providing its tenants with "well-located and advanced terminals", TIPC said that it expects these carriers will request their alliance partners to add services to Kaohsiung. TIPC also plans to set up joint-venture companies with some alliance members to operate terminals in Kaohsiung. JV facilities will help reduce rental costs, and support the carriers to grow their business in the port.

Digital support

Ports today are (or should be) conscious of looking beyond water depth and quay structures, and are considering what role digital infrastructure and services will play in attracting carriers, especially those ports that are competing for transshipment traffic.

TIPC's digital strategy is embodied in its Trans-SMART Plan (Transform Sustainable, Modern and Advanced ports with Revolutionary Technology), the goal of which is to "enhance port safety and efficiency through innovative and intelligent technology". Trans-SMART features "measures to prepare for accommodating autonomous ships". These include databases and integration to collect and analyse metrology and navigation data.