

# MAJOR PROGRESS IN KAOHSIUNG

Significant changes have been confirmed in the Port of Kaohsiung as part of a major relocation and reclamation plan at Taiwan's largest container facility, as **AJ Keyes** discovers

The Taiwan International Ports Corporation (TIPC) has confirmed it has completed the construction of infrastructure to create a new large container transshipment terminal. The nation's largest-ever port land reclamation project, costing an estimated US\$3.75 billion, is known as "Port of Kaohsiung Intercontinental Container Terminal (ICT) Phase II" represents the cornerstone of Taiwanese government plans to meet the long-term needs of global shipping at the port.

The construction includes a 6.810m outer breakwater, 6.721m of new quay length, 422.5ha of reclaimed land, with the new land having space for 19 new deep-water wharves and adjacent yard/support land. These include a total 2.415m of quay length set to accommodate five, 18m deep-water berths, able to service the latest mega-container vessels. In addition will be petrochemical and bulk cargo berths.

## TERMINAL RESHUFFLE

At the same time, TIPC has confirmed that Wanhai will take over from Evergreen in operating Kaohsiung's Terminal 5 facility, in what TIPC stated is "major progress" in the terminal reshuffle at the port. In 2018, a lease agreement with Evergreen Marine Corp. (EMC) for wharves S1-S5 was signed for the Port of Kaohsiung's Container Terminal No.7.

Upon completion of the Terminal No.7 in 2022 and 2023, EMC will then return its current Terminal No.5 (berth No. 79-81) and Terminal No.4 (berth No. 115-117), respectively, and shift to the new reclaimed terminal which represents a facility that has twice as much available land.

The second step of the process has now been unveiled, with another Taiwanese national carrier Wanhai, move from its current Terminal No.2 to the current EMC's Terminal No.5 in 2022. When this occurs, the company will return its existing Terminal 2 (Berth No. 63-64) to TIPC. A lease agreement will be signed shortly.

Figure 1 provides a good visual summary of these activities, as supplied by TIPC.

"The Container Terminal No.7 project gave the Port of Kaohsiung an unprecedented opportunity of terminals relocation. It also brought carriers opportunity of terminal expansion," confirmed Shao Liang Chen, President of TIPC.

## INTERESTED CARRIERS

TIPC has also confirmed that there are currently ongoing negotiations with a number of interested carriers looking to take over operations of Wanhai's current Terminal No.2 facility.

Wanhai first leased a terminal of Port of Kaohsiung in 1987. Its current facility at Terminal 2 covers a total of 21 ha, comprises two 2 berths with a quay length overall of 520m and a water depth of 14.5m of water depth. In comparison, the three-berth No. 5 terminal has a 41-hectare yard area, so provides an increase almost double the size of the existing facility.

TIPC has confirmed that Terminal 2 has a throughput of 1 million TEU per year and this could increase to 1.8 million TEU per annum when it takes over the Terminal 5, so the relocation will offer Wanhai the opportunity to significantly increase its activity in the port and for the longer-term.

By comparison, EMC is currently the 7th largest container shipping line operating, based on annualised TEU slots



deployed, with a vessel capacity of 1.2 million TEU at the end of Q1 2020. The company has an existing fleet of 192 ships, which will be complemented by an orderbook for a further 65 vessels comprising almost 542,000 TEU slots.

As part of this large orderbook there will be more larger vessels coming on-stream, with deliveries of two 24,000TEU vessels and twenty-eight 12,000TEU ships between 2020 and 2021.

Consequently, EMC moving its container handling activities within Kaohsiung to the new, bigger Terminal 7 facility is also consistent with the company's overall strategy to operate a higher number of larger vessels.

Chen added that TIPC is examining how Kaohsiung port can be further reconfigured to improve its operations.

Reconfiguration of existing infrastructure to maximise existing infrastructure and a major reclamation project clearly show that Kaohsiung Port is ensuring that it can meet longer-term container cargo potential.

■ Kaohsiung Port is investing heavily in its future

■ Figure 1: Terminal Changes in Kaohsiung Port

