

9th Philippine Ports and Shipping 2017 Conference
23 February 2017
The Peninsula Manila

DANIEL VENTANILLA



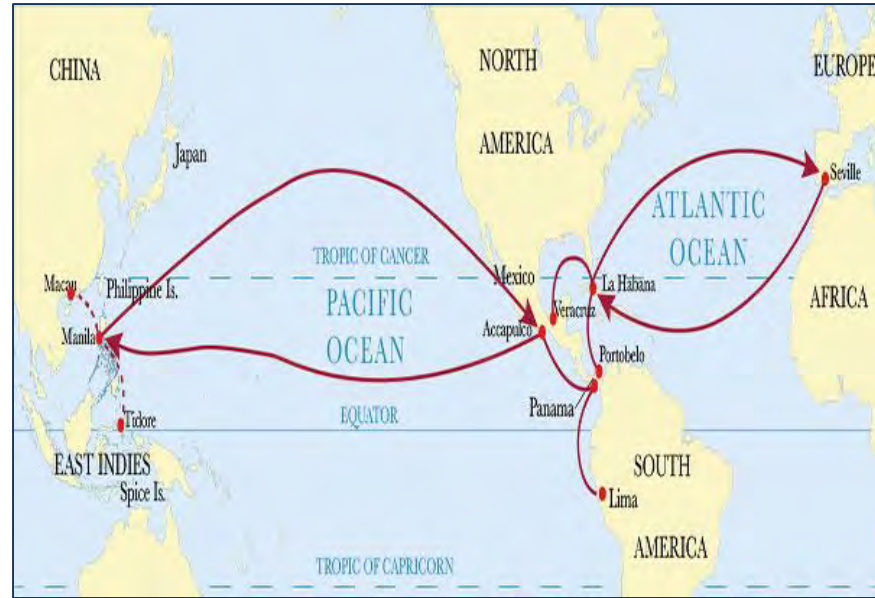
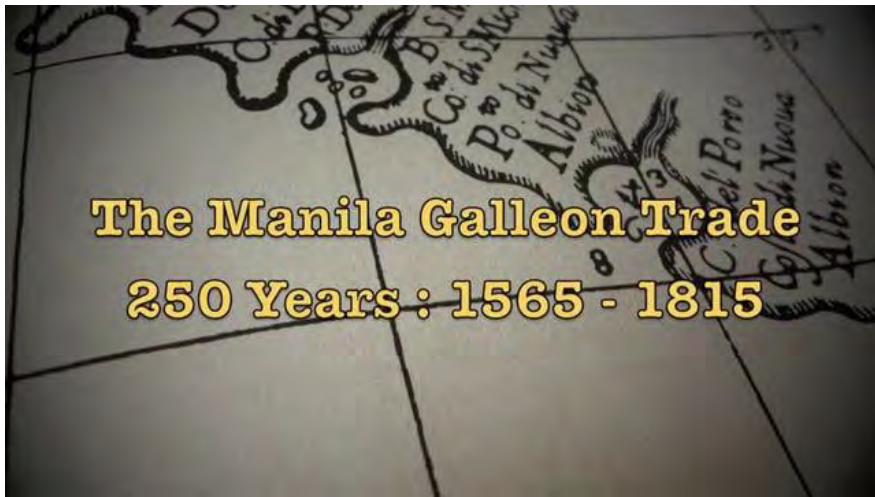
Strategies to Reduce Port Congestion : *Shipping Lines' Perspective*



TRANSNATIONAL
DIVERSIFIED GROUP

NYK
FIJIPAN

Philippine History and Shipping



- 1. Philippine Economy and Its Overall Landscape in Container Volume**
- 2. The Manila Port Congestion of 2014**
- 3. Stakeholders' Initiatives (Working Together) :**
 - Government**
 - Terminal Operators**
 - Shipping Lines**
 - Exporters / Importers**
- 4. Transparency and Continuous Dialogue**
- 5. Similar Solutions Work for Other Modes of Ships**
- 6. Sustainability : Technology and Education**

PH Economy and Container Volume

PH GDP GROWS 6.8 PCT IN 2016 vs 5.9 PCT IN 2015

ECONOMIC PERFORMANCE

GROSS DOMESTIC PRODUCT (GDP)

IN USD MILLION VALUE



14.2%
Imports



6.6%
Exports



Business Process Outsourcing (BPO)

IT Services
Call Centers
Data Processing
KPO - Analytics

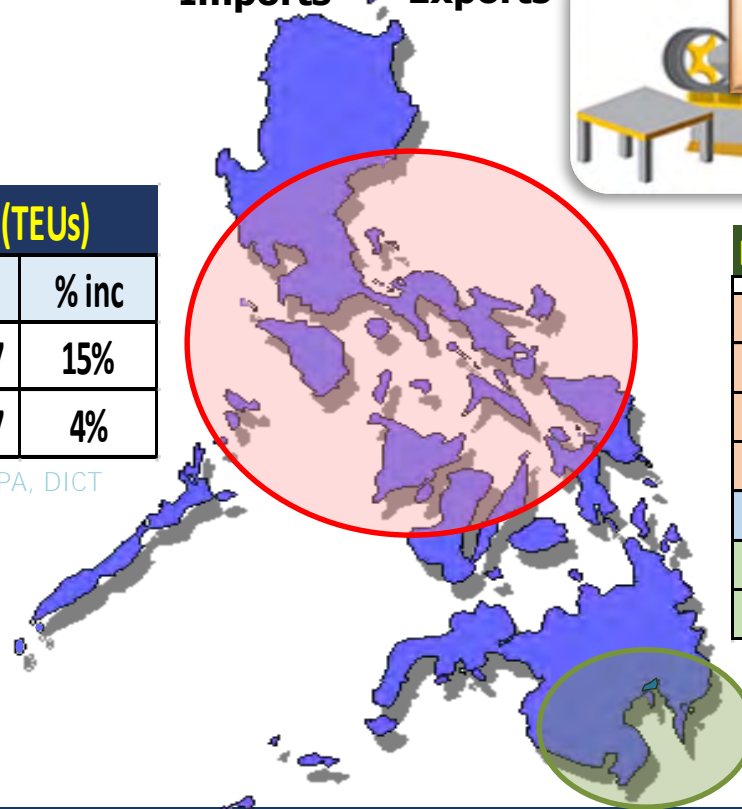


Source/s: NEDA

FORECAST 2017 @ 6.5-7.0 PCT

population

100.98 M
1.54% increase



Total Philippine Container Volume (TEUs)

	2016	2015	% inc
IMPORT	2,109,785	1,841,117	15%
EXPORT	837,660	803,157	4%

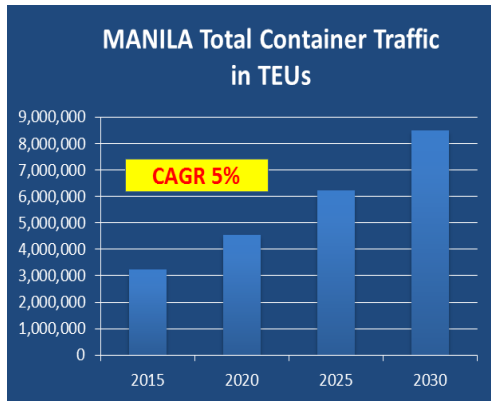
Source/s: PPA, ICTSI, ATI, CPA, DICT

PHL PORT MIX : RATIO IMP vs EXP

MANILA	72%	3.24	1.00
SUBIC	3%	2.33	1.00
BTGS	4%	4.14	1.00
CEBU	8%	2.81	1.00
CGY	3%	1.30	1.00
GES	2%	1.00	2.33
DAVAO	8%	1.00	1.47

The Manila Port Congestion 2014

ROOT CAUSE




MANILA TRUCK BAN

Manila to implement ordinance on truck ban on Monday

February 5, 2014 10:53pm

After implementing a bus ban last year which reaped both praise and criticism, the city of Manila is poised to implement a truck ban on Monday, February 10.

Growing Economy


Road Infrastructure

Domestic Law

RESULT

	Jan 2014	Jul 2014	Sep 2014
DWELL TIME	Import : 5 days Export : 3-4 days	Import : 9-10 days Export : 6-11 days	Import : 17-18 days Export : 7-11 days
CRANE PRODUCTIVITY	20-25 moves/hour	15-18 moves/hour On certain weekends 10-15 moves/hour	15-18 moves/hour On certain weekends 10-11 moves/hour Single crane operations
BERTH	Waiting Time : 12-20 hours Port Stay : 24 hours	Waiting Time : 1-4 days Port Stay : 1-3 days	Waiting Time : 4-7 days *More than 7 days Port Stay : 1.5-3 days

- ❖ Containers stayed longer at the port
- ❖ Port utilization increased significantly
- ❖ Lower productivity : Slower operations on the vessel
- ❖ As more vessels arrived port of Manila : Vessels had to line up and wait for berth
- ❖ Some lines OMIT Manila call



IMPACT

	IMPORT	%	EXPORT	%
1Q 2014	338,871	7%	129,797	9%
2Q 2014	338,551	-1%	123,936	0%
3Q 2014	336,714	-5%	126,763	-8%
4Q 2014	402,436	8%	143,847	7%
1Q 2015	339,775	0%	114,594	-13%

Note that MANILA volume is 75% of Total Philippine Market

Port Congestion eases from March 2015

GOVERNMENT INITIATIVES :



CAO 01-2015

- ✓ Reduce Empty Container Dwell Time in Philippines to 90-days
- ✓ "Forced" empty evacuation to decongest the Port and CYs
- ✓ Efficient container inventory management



CO-LOADING LAW



Allow Foreign containers for Export and Import be loaded on Foreign Ships to be moved within Philippines Ports.

" REVIEW TERMINAL TARIFF ON TRANSSHIPMENT "

CUSTOMS MODERNIZATION AND TARIFF ACT

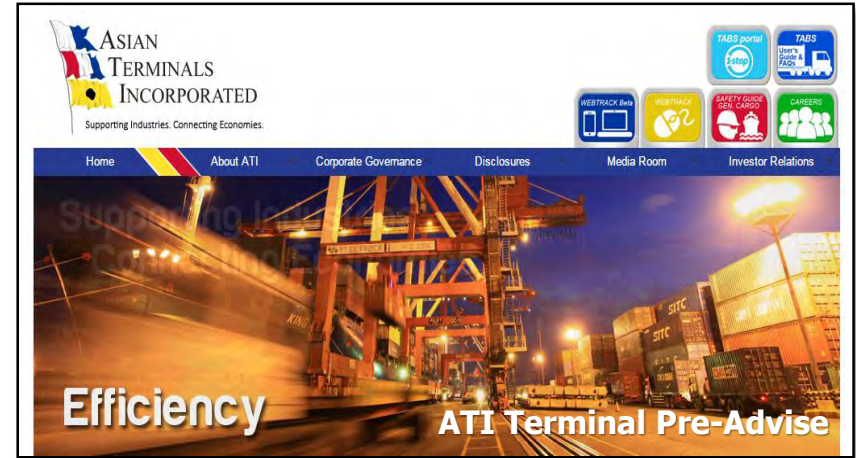
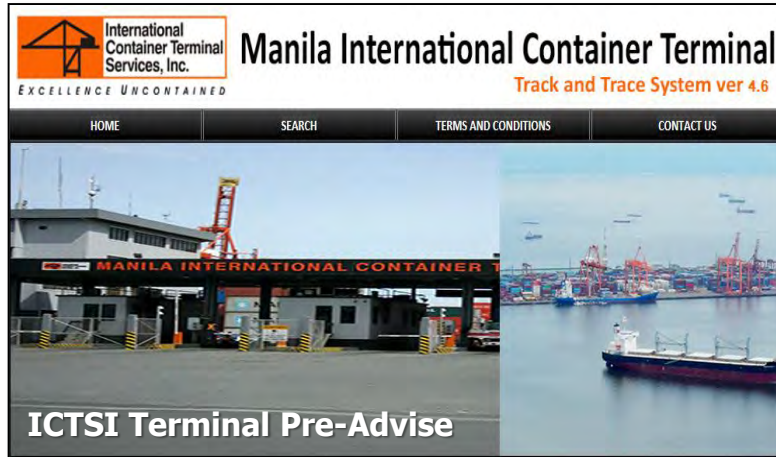


- To comply with the legal requirement of Revised Kyoto Convention

IRR Completion - 2017

- ✓ Improved system & procedures in compliance with International Standards
- ✓ Stamping out Smuggling
- ✓ Modernization of processes to intensify PHL Trade, to cut red tape & corruption
- ✓ **Collection of Demurrage Charges in the Proceeds of Auction Sale**

TERMINAL OPERATOR INITIATIVES :



Helps
decongest the
Port



TERMINAL APPOINTMENT BOOKING SYSTEM

Developed by:


An innovative web-based platform
sustaining supply-chain efficiency



**TRUCK SCHEDULE SYSTEM
TO SHARE LIMITED ROAD**



Terminal Operator
as the official
weigh taker of
laden boxes as
mandated by the
government

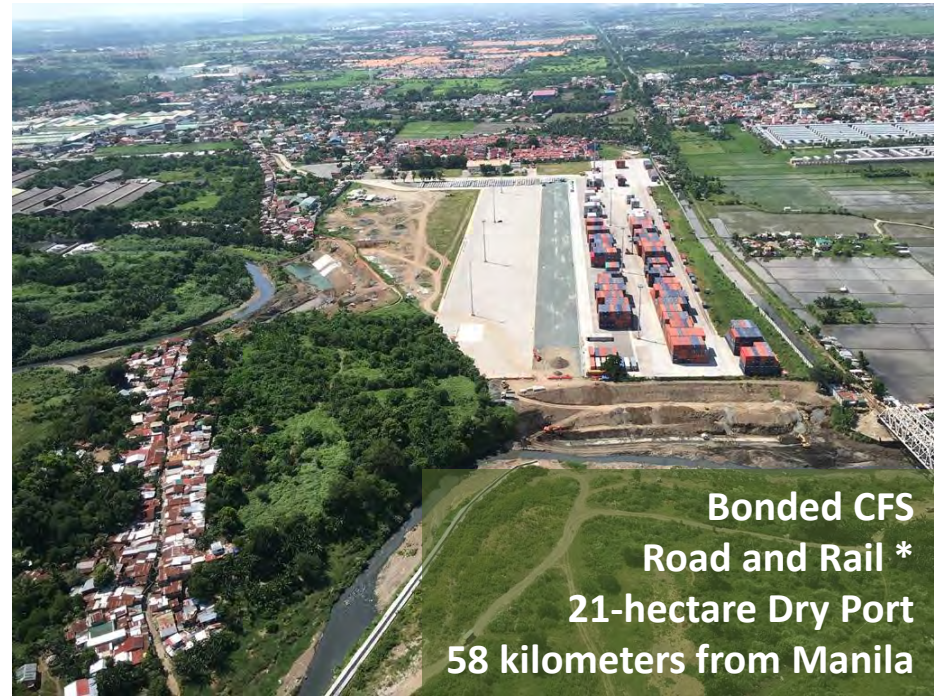
- OBJECTIVES:**
- ✓ To ensure the safety of both crew and vessel.
 - ✓ Safe storage plan and Vessel planning

TERMINAL OPERATOR INITIATIVES :

INLAND CONTAINER TERMINALS



An ICTSI Group Company



**Bonded CFS
Road and Rail *
21-hectare Dry Port
58 kilometers from Manila**



**MANILA
TO
CALAMBA
RAIL LINK**



Future : Double Stack Trains e.g. India

SHIPPING LINES INITIATIVES :

LARGER TONNAGE VESSELS IN MANILA
(just the right size)

NYK Line introduced Feeder Max Vessel
3000-teu in Manila last April 2010



- Cost Efficient
- More Container Capacity thus Port Productivity Increases
- Fuel Efficient Ships
- **Draft Concerns**

4,330-TEU capacity APL Bahrain
3,614-TEU capacity MOL Thames

3 Gantry Cranes working on Calicanto Bridge



Stakeholders' Working Together

SHIPPING LINES INITIATIVES :

LINKING ALTERNATIVE GATEWAYS
BEYOND MANILA



SUBIC

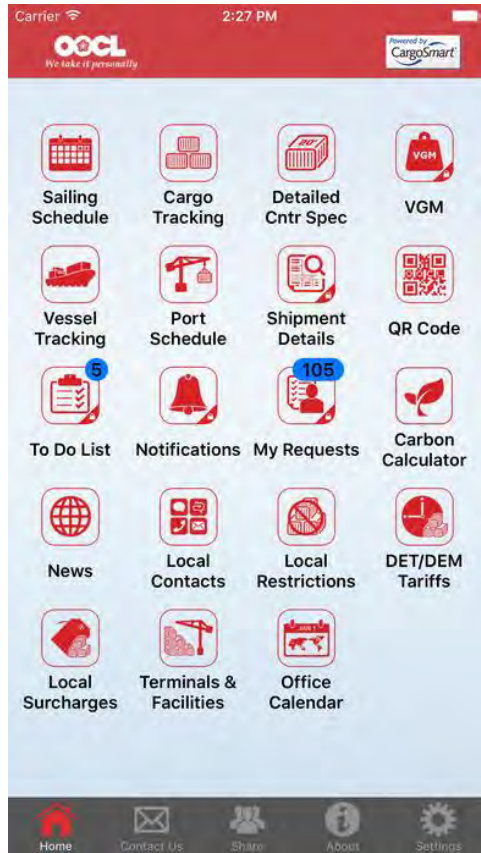


BATANGAS

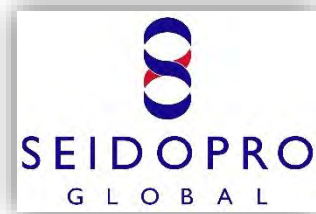


SHIPPING LINES INITIATIVES :

PROVIDING REAL TIME CONNECTIVITY
THRU TECHNOLOGY



MOBILE TECHNOLOGY



GLOBAL DOCUMENTATION CENTER IN MANILA



CONNECTIVITY THRU SOCIAL MEDIA



Transparency & Continuous Dialogue



TRUCKERS

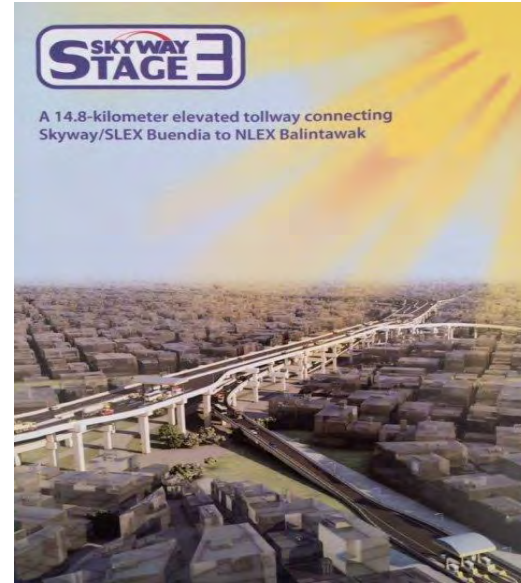
CUSTOMERS

TERMINALS

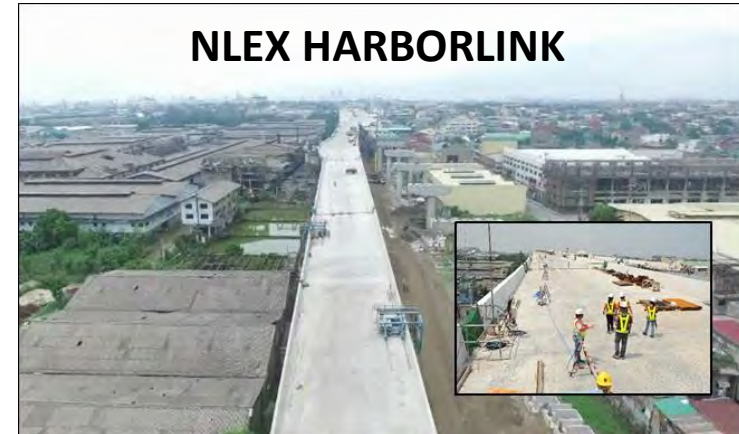
GOVERNMENT

CARRIERS

FUTURE PROJECTS TO ENSURE PORT CONGESTION IS AVOIDED



NLEX SLEX CONNECTOR



Similar Solutions for Car Carriers

PARTNERSHIPS

- ✦ First Car Terminal in Bauan BTG (2003)
- ✦ First PDI (Pre Delivery Inspection) Facility for Automotive (2004).
- ✦ Biggest PDI operator today
5 PDI's, 30.8 hectares,
14,800 CBU's
- ✦ First Inland AutoLogistics Center (2017)

AUTO LOGISTICS



TRANSNATIONAL DIVERSIFIED GROUP

We are part of a local
Philippine conglomerate of
over 18,000 employees



NYK LINE
Forerunner of the Mitsubishi
Group since 1885

**Business
Process
Outsourcing**

Logistics

Shipping

Ship Management

Academy



An ICTSI Group Company



NYK TDG MARITIME ACADEMY



ENHANCING MARITIME EDUCATION FOR OFFICERS



Thank You !
Mabuhay !