

OPPORTUNITY. 機匯

NEW PORTS
BRING VISION TO
LIFE

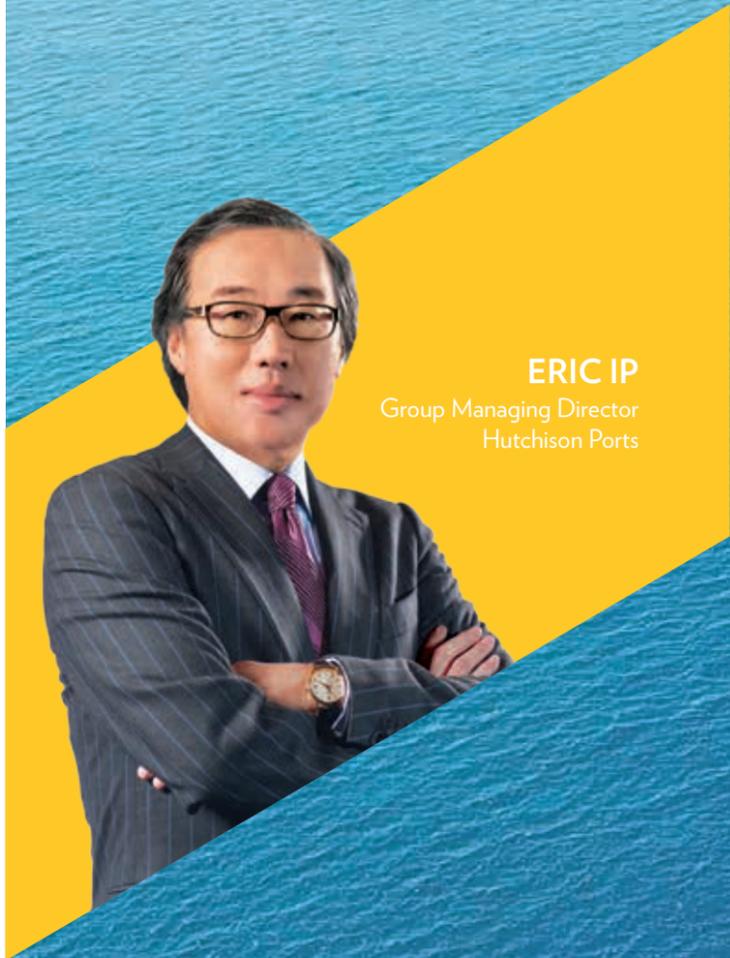


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ERIC IP
Group Managing Director
Hutchison Ports

TECHNOLOGY AND RESOURCES INNOVATION IN ASIA

In this latest edition, you will read about our efforts in rolling out remote-control quay cranes and rubber-tyred gantry cranes in our Asian ports to support growth in volumes. We believe it will provide many benefits and advantages in terms of reliability, safety and operational efficiency.

Now we will refocus our efforts on cost reduction by working smart and finding ways to do things more effectively and efficiently.

By leveraging new technology and new thinking, we are able to stay competitive and maintain our market leading position.

Recruitment and retention of crane drivers will be improved as the remote-control centres are in air-conditioned offices that provide greatly improved working environment.

We will be expanding the remote-control operations to other business units throughout our global network. We are also pleased to announce that our first Regional Operations Centre (ROC) in Pakistan is scheduled to open by the end of the year. From there, all shipping operations across Asia will be monitored and managed by our specialist team.

Ultimately these latest initiatives are aimed at making our operations more efficient and cost competitive, which will be a focus for the Group moving forward.

There are things we can learn from our customers, the shipping lines, who have been implemented rationalisation programmes for many years, focusing on optimising vessel size and speed. Container terminals by contrast have focused on investment to improve productivity and reliability.



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NEW PORTS BRING VISION TO LIFE



New flagship terminals opening in Thailand and Pakistan will provide the template for the future of Hutchison Ports worldwide operations. New technology, remote control equipment and streamlined operations will transform terminal operations at the hub ports and beyond.

As volumes increase around Asia, demand is growing for ports to offer more efficient and cost-effective container handling services. In order to meet this demand, Hutchison Ports is also leveraging its experience from operating hub ports around the world and transferring technology, knowledge and expertise to emerging ports in Asia.

PORT MARKS GLOBAL FIRST TO OPERATE REMOTE CONTROL QUAY AND GANTRY CRANES

At Hutchison Ports Thailand, Laem Chabang Terminal D is the first port facility in the world to operate both remote-control Quay Cranes (QC) and Rubber-Tyred Gantry Cranes (RTGC).

The terminal handles approximately one-third of Thailand's annual throughput and has increased sixteen percent in volume last year. With the high demand of volume coming up, the completion of the first phase of Terminal D, which is expected to be completed by 2019, will add volume to some 600,000 TEU to its current 2.8 million TEU. By 2024, another 3.5 million TEU will be added upon completion of Phase D2 & D3.



“On full completion of all phases to Terminal D, the facility will offer a total of 1,700 metres of berth length with 17 QCs and 43 RTGCs. It will be one of the largest remote-control operated terminals in the world and the first terminal of its type in the group,” according to Stephen Ashworth, Managing Director – South East Asia of Hutchison Ports.

Although remote-control RTGCs have been implemented in Japan and Hong Kong before, the most noticeable difference between these existing RTGCs and the remote-control RTGCs at Hutchison Ports Thailand is the automatic gantry movement.

IMPROVED SAFETY AND EFFICIENCY

At the ultra-modern Laem Chabang Terminal D, all operations have been specifically designed to streamline the flow of containers from the gatehouse to yard storage and the quayside. New technologies have been installed to enable the efficient movement of boxes throughout the terminal, including automating RTGC in-stack and gantry movements and remote control for last metre truck handling.

Remote control operations and its associated technology will lead to safer and more accurate container handling together with higher levels of productivity for shipping lines and other port users.

The terminal will also focus on truck lane operations in which internal and external trucks and drivers are in close proximity to the equipment. The driver certification scheme was put in place long before the opening of Terminal D in order to ensure all road users understand and follow the safety regulations within the terminal.

“It’s certainly more appealing to staff at the terminal as well; at the core of it, our crane operators can work in a much more comfortable environment and it also helps to keep productivity high,” Ashworth added.



Hutchison Ports Thailand

ECONOMIC BENEFITS

Terminal D will be the group's flagship gateway terminal for the South East Asia region, it will be used as a platform for training operators in remote control operations and inviting Hutchison Ports staff to Thailand from all over the world to train.

The flagship terminal will also be able to accommodate the world's largest container vessels in the future.

"The plan with Terminal D is to make it so the largest of vessels can come to Laem Chabang Port. These larger vessels may take some time before they cascade to Thailand, but we are thinking ahead of the curve," said Ashworth.

The bigger picture is that the \$600 million terminal is an integral part of Thailand's Eastern Economic Corridor (EEC), a special economic zone which focuses on improvements to infrastructure in order to boost economic activity.

"The EEC project aims to position Thailand as a hub for ASEAN. The successful implementation of the EEC concept ensures Thailand's economy continues to grow. This will help to sustain export and container growth, with Hutchison Ports clearly an integral part of this," Ashworth told *The Loadstar*.

Some shipping lines are already showing interest in deploying 14,000 TEU class vessels on port rotations that include Terminal D. The current average vessel size at Laem Chabang is around 3,000 TEU, with the biggest at 10,000 TEU.

In July, Hutchison Ports Thailand welcomed the *M.V. MOL GLOBE* to Terminal D at Laem Chabang Port. The vessel was among the first to call at the new terminal and was operated under remote-controlled QCs and RTGCs.

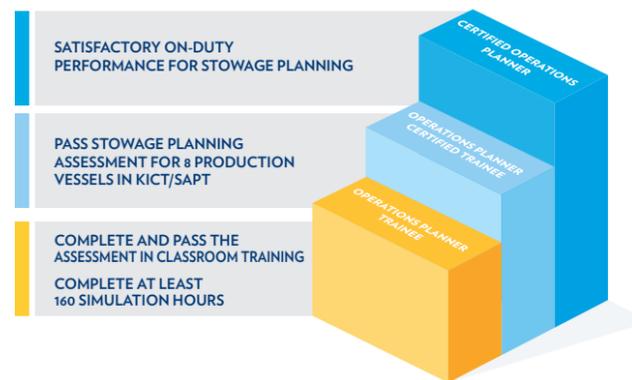
As of March 2018, Hutchison Ports operates a total of eighteen remote control QCs in the Netherlands, Saudi Arabia, Pakistan and Oman which surpassed one million accumulated lifts. (*The number of accumulated QC lifts includes all moves counted between May 2015 and March 2018; excluding Thailand*)

REGIONAL OPERATIONS CENTRE LAUNCHED IN PAKISTAN

Hutchison Ports Pakistan is equipped with state-of-the-art technology to facilitate seamless operations. The terminal is also equipped with the sophisticated in-house terminal management operating system nGen, which provides yard and quay operations, on par with the world's most efficient container terminals.

Andy Tsoi, Managing Director – Middle East & Africa of Hutchison Ports, said the group is committed to the continued development of Pakistan and aims to provide local industries with a unique and well-equipped gateway towards world markets. He added that these terminals are being operated to the highest international standards with the highest level of expertise and technology at its terminal operations.

OPERATIONS PLANNER CERTIFICATION PROCESS



The new terminal in Karachi, Hutchison Ports Pakistan, is striving to become a market leader and successfully grow into one of Hutchison Ports strongest performers in the region. As equally important, Hutchison Ports KICT is carefully adjusting its strategic plan to maintain its volume in a quickly shifting market.

Aligning with the strategies in Hutchison Operations with regards to standardization and shared services, the idea of developing the very first in-house Regional Operation Centre (ROC) was launched at Karachi in October 2017. The aim of ROC is to centralise stowage planning delivery for both terminals in Pakistan and extend to other Asia terminals within the group's network.



Hutchison Ports Pakistan issue first Remote Control QC Operator license to two female management trainees.

WHY PAKISTAN?

There are a few factors that favour Pakistan to the development of ROC in Karachi.

- Reasonable operating cost
- Ample supply of young talent and an educated workforce
- Less restrictive regulations and high-quality telecommunication services
- Strong economic ties with China as part of the One Belt, One Road initiative

The commissioning of ROC in Karachi started in the second quarter of 2018 to Hutchison Ports Pakistan and followed by Hutchison Ports KICT in the third quarter. Trial runs will begin for other Asia terminals after the successful implementation to both terminals in Pakistan.

NEW ERA FOR HUTCHISON PORTS

The new ports will transform Hutchison Ports' vision into a reality. In both terminals, working closely with Thailand and Pakistan Governments, Hutchison Ports has been able to deliver state-of-the-art facilities that directly benefit local, regional and national economies. Close collaboration with supply chain partners has ensured that we have tailored our equipment and technology at both terminals to meet local needs. We are also focused on developing an eco-friendly environment leveraging energy saving equipment and technology.

This is first phase of development at both terminals as we develop the facilities into centres of excellence, leveraging our international experience and local expertise to deliver world-class services to our customers.

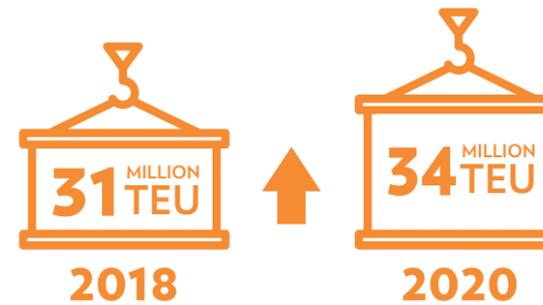
GROWING PAINS HIT INTRA ASIA PORT PRODUCTIVITY



Some ports serving Intra-Asia trades have become victims of their own success as growing volumes have led to congestion and delays.

The Intra-Asia market is forecast to grow in the range of four to six percent in 2018 when compared to last year, according to research by Seabury & IHS Markit. Growth areas include countries such as Vietnam, Malaysia and the Philippines. Ports that are well-positioned to serve the Intra-Asia trade are those with sources of cargo and a well-established network. Flexibility and capability to cater to the Intra-Asia trade would carry more weight than infrastructure and equipment, although having the appropriate infrastructure and equipment would be a prerequisite.

In total, Intra-Asia container volumes are set to rise from around 31 million TEU this year, climbing to around 34 million in 2020, according to IHS Markit forecasts.



“The signs of growth in the region are encouraging,” said Changyong Rhee, Director of Asia and Pacific Department at the IMF. “The challenge now is to strengthen and sustain this momentum,” he told [JOC.com](#).

Certain commodities are seeing particularly strong growth, for instance a twenty percent increase in waste products, partly as a consequence of recent waste import restrictions into China, resulting in demand for new locations within Asia for waste handling. Raw materials and industrial consumables are also expected to grow strongly at about five percent, reflecting Asia’s continued importance in manufacturing and production.

“The Intra-Asia trade is a complex and fast-moving trade with particular characteristics,” said Helen Li, Head of Research and Analysis, Group Commercial at Hutchison Ports. These trade characteristics include:

- high service frequency
- requirements for quick vessel turnaround time (less buffer in network schedules)
- transshipment connectivity requirements
- late instructions or last-minute changes

“Because of the nature of the Intra-Asia trade, the requirements it places on ports and terminals is the need for flexibility and efficiency. This creates challenges to terminal operations in yard shuffling needs, as well as transshipment and operational complexity,” Li added.

Port congestion at some smaller Asian ports is delaying cargo and has resulted in delays of up to seven days earlier this year.

Some Intra-Asia carriers have said Bangkok, Chittagong, Kolkata, and Shanghai are among the worst affected ports, with berthing delays of almost a week. While part of the problem has been caused by growing container volumes, carriers also point to inefficient operations and inadequate infrastructure exacerbated by bad and unstable weather conditions, particularly in eastern China.

Port congestion at smaller Asian ports resulted in delays of up to seven days, earlier this year.

However, handling smaller vessels also restricts the number of cranes that can be deployed.

“Vessels catering specifically to the Intra-Asia trade are relatively smaller than those deployed on the main trades. The smaller vessel sizes and shorter vessel lengths of Intra-Asia vessels (approximately 1,500 TEU) makes it more difficult for terminals to achieve higher productivity, because operators would not be able to deploy as many cranes to service these smaller vessels,” Li said.

“In addition, these Intra-Asia vessels may not necessarily require as many crane moves, which affects operational efficiency as the time required for berthing and unberthing would still be similar despite the relatively lower volume of moves.”

Unlike most ports, Chittagong and Bangkok ports operate berths on a ‘first come, first served’ basis rather than allowing carriers to pre-book a berthing window. There is a total of fifty-seven geared (with on-board cranes) and seven gearless ships registered to call with the Chittagong Port Authority (CPA) at Chittagong.

An evaluation of live ship data in June seems to support this, particularly at Chittagong, where seven of the fifteen container ships at anchor waiting to berth at the port had been anchored for four days or more. Five have been waiting for three days or more, and three have been waiting for two days or more, according to AISLive.

Chittagong has also ordered additional cranes, but they have yet to be commissioned, and while geared vessels can also use the general cargo berth and the new container terminal at Chittagong, there are still delays. The CPA has announced ambitious plans to develop new container terminals plus a deep-sea mega-terminal.

As both Chittagong and Bangkok are river ports, there are draft restrictions, which adds to the difficulties. So-called Chittagong max vessels are limited to a draft of between 6.5 metres and 7 metres, while Bangkok can handle larger ships up to about 9 metres draft.

Bad and unstable weather conditions in China have recently caused carriers significant problems at Shanghai and Ningbo, but weather conditions around Shanghai have improved recently. Intense fog and strong winds affected port operations and vessel services earlier this year in Shanghai, Ningbo, and

Qingdao, causing disruptions to normal port operations and resulting in vessel service delays. Port operations at Waigaoqiao and Yangshan (Shanghai) were being delayed by up to three days with limited opening hours for container yards.

To mitigate the time carriers lose to delays caused by congestion, bad weather and the knock-on effect of extended waiting time on other Asian ports, Hutchison Ports works closely with carriers towards improvement in operations planning, handling efficiency and fine-tuning the capabilities required to cater to the needs of customers.

“Our terminals co-ordinate with shipping line customers to make adjustments to the berth plan to spread out the workload as much as possible. We will alert shipping lines in advance to changes in our berthing situation so that they can make the required adjustments to their sailing schedules and port calls accordingly,” said Li.

“We also continue to work with carriers to encourage optimal stowage which would allow shorter vessel turnaround times,” added Li.

Because of the fast-moving nature of the Intra-Asia trade and the requirement from ports to maintain flexibility and efficiency, it is essential for terminal operators to work closely and collaborate with carriers to mitigate delays and to help maintain schedule integrity.

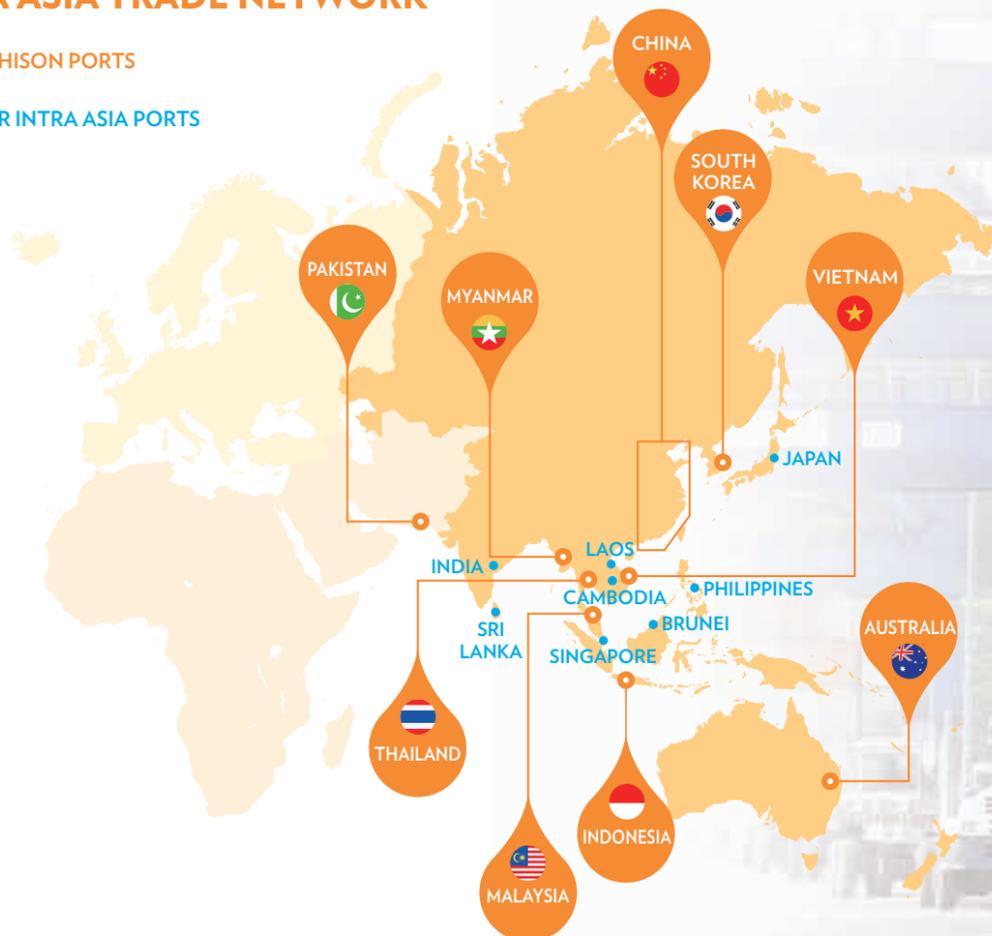
Hutchison Ports is responding to this demand for improved services by expanding its network of state-of-the-art ports and services across Asia to better meet the needs of its regional customers.

“Hutchison Ports has a strong presence in Asia serving the Intra-Asia trade. We are enhancing the capabilities of our facilities across the region, such as the development of Terminal D in Laem Chabang (Thailand), to serve growing volumes,” concluded Li.

INTRA ASIA TRADE NETWORK

● HUTCHISON PORTS

● OTHER INTRA ASIA PORTS



NEW VISION TO TACKLE EMPTY CONTAINER CHALLENGE

One of the major recurring costs for shipping is finding and repositioning empty containers. The problem has been exacerbated by more complex supply chains and the increased containerisation of traditional bulk cargo.

To give an idea of the scale of the problem The Boston Consulting Group (BCG) estimated that repositioning empty boxes costs the industry US\$15-20 billion a year, equivalent to up to eight percent of a carrier's operating costs at the time of the estimate.

Empty containers made up a quarter of all the box movements in China, twenty-nine percent in Europe and fifteen percent in the United States, BCG said. It added that thirty-three percent of the cost was due to carriers' operational inefficiencies. In an earlier survey, maritime consultant *Drewry* said repositioning an empty container costs a shipping line US\$400 per box.

The International Cargo Handling Association (ICHCA) is a nerve centre for all aspects of containers shipping and the message is that there are fundamental reasons for the number of empty container such as the imbalance in trade between East and West.

Richard Brough, ICHCA Technical Advisor said, "If you look at China-UK trade we have twenty foot containers inbound and forty foot containers on the outbound leg, immediately you have an imbalance and spare container capacity heading for Asia."

"The other more recent development is that many waste products such as brick, rubble, paper, metal and plastic used to be sent in containers from Europe to China and other Asian countries for recycling and landfill. Now China has banned the import of these products and other Asian countries are following suit, there has been an increase in empty containers heading back to Asia."

Given the empty container problem is likely to increase, there is a need to get ahead of the problem. From a 'hardware' perspective containers need to be positioned where they are going to be needed and after use they are deposited somewhere else.

Asparuh Koev, CEO of Transmetrics, a Bulgaria-based technology company with a catchy slogan 'Stop Shipping Air' which encapsulates the endemic problem facing the industry.

"The problem is really to understand where the containers will be needed next in order to ensure the most efficient way to relocate them. And this is obviously a predictive problem, because the time horizon in which customers are booking their shipping orders is shorter than the time horizon needed to reposition containers, so you need to reposition containers before you have a customer order and obviously it's a difficult problem to solve," said Koev.

There are some practical solutions to the problem, such as reducing the 'working stock' or safety stock that carriers holds at major ports.

"This safety stock can be significantly reduced based on proper demand modelling if you treat it as a statistical prediction problem. As a result, companies could sell off extra containers that they don't need, they would reduce the congestion of storage space in ports, reduce the amortization costs and so on," added Koev.

Hutchison Ports for its part works very closely with its customers around the world to find solutions for storage and timely despatch of containers at Hutchison Ports ICAVE terminal in Veracruz, Mexico.



The terminal has invested in a new special facility for container logistics, storage, maintenance and repair services requested by carriers for empty containers. The yard is located at the Logistics Activity Zone (ZAL) which is close to ICAVE terminal and the new port of Veracruz, scheduled to open in late 2019.

“We offer a relocation service for shipping lines moving empty containers from the ZAL to ICAVE terminal based on demand from our customers. There is also space allocated at the terminal for empties arriving by rail or container freight station which helps speed up the process and turnaround time,” said Susana Diaz, General Manager of Hutchison Ports ICAVE.

ICAVE was the first port operator in Mexico to designate a specific area for customers at its terminal for empties which is segregated by shipping line, type and conditions of container.

Technology is also playing an important role at ICAVE, Electronic Data Interchange (EDI) is available to inform customers of different events for empty containers such as ‘gate in’ and ‘gate out’ movements.

“For shippers, we have developed an app named mobilePort which is used by shippers to track the container process, vessels operations and more, to

So, if poor data is so widespread in the industry what can be done to ‘clean’ it up and make it fit for purpose?



Accessing the historical data of shipping companies and applying data cleansing with business rules.



Applying data cleansing with AI technologies, where the computer algorithms learn how to clean the data.



Working with customers to improve their front-end processes so that they generate better data.

give visibility that make it easier and more efficient for shippers to release containers from the terminal to be returned to the final destination indicated by shipping Line,” said Ms. Diaz.

DIGITISATION REVOLUTION DRIVING SOLUTIONS

Inevitably most of the answers are found in the digitisation of the shipping industry, as data can flow more efficiently through the supply chain and more timely decisions can be made and action taken to reduce the ‘down time’ of empty containers.

The digitisation of the supply chain will improve by having better data input. Optimisation of empty containers should be treated both as a predictive problem and part of business process management, so the better and precise the data you can have, the better you can optimise, according to Koev.

But the ‘magic bullet’ is to ensure the quality and accuracy of the data generated is good and from there the industry can move forward.

“The problem with the data is not so much with the transport companies themselves, such as shipping lines who typically generate quite good data, but the problem is with the lower quality data that comes from the shippers. It is sent via various EDI devices, protocols, it is maintained by different systems, so much data is still received by fax and so on. All of these factors negatively affect the data quality and accuracy.”

“And we are talking here about the minimum set of data that you absolutely require in order for the shipping line to accept your order. That is why another big impact for the shipping industry will come from the digitalisation of the freight forwarders that is happening at the moment,” said Koev.

While finding the physical space to store empty containers and using predictive technology to reduce the number of unused boxes, there is also the ‘matchmaking’ model which looks to ‘hook up’ empty containers with shippers.

With this concept in mind INTTRA, the electronic container shipping platform, has now entered the fray to help rebalance the mismatch between boxes and cargo by expanding the coverage of Avantida, which INTTRA acquired in 2017. Avantida is aimed at truckers, matching empty containers with shippers with products to export.

The system, which saves repositioning costs, time and reduces emissions and port congestion, has been rolled out in eleven European countries and Mexico and is expected to expand to cover North America and Asia later this year.

WHAT THE FUTURE HOLDS

Longer-term blockchain technology could also offer solutions to track and find wayward boxes while cutting repositioning costs.

However, while trials of blockchain technology have focused on improving the processes involved in shipping goods in containers, there is yet to be a comprehensive blockchain solution for the container shipping industry. Many trials are underway at present and there are positive signs the technology will be a major driver improving efficiency in the empty container sector.

IBM and Maersk have been leading the way in the shipping sector, conducting trials and stress-testing

blockchain for shipments of flowers and electrical parts and supermarket giant Walmart has followed suit with pork and fresh produce trials.

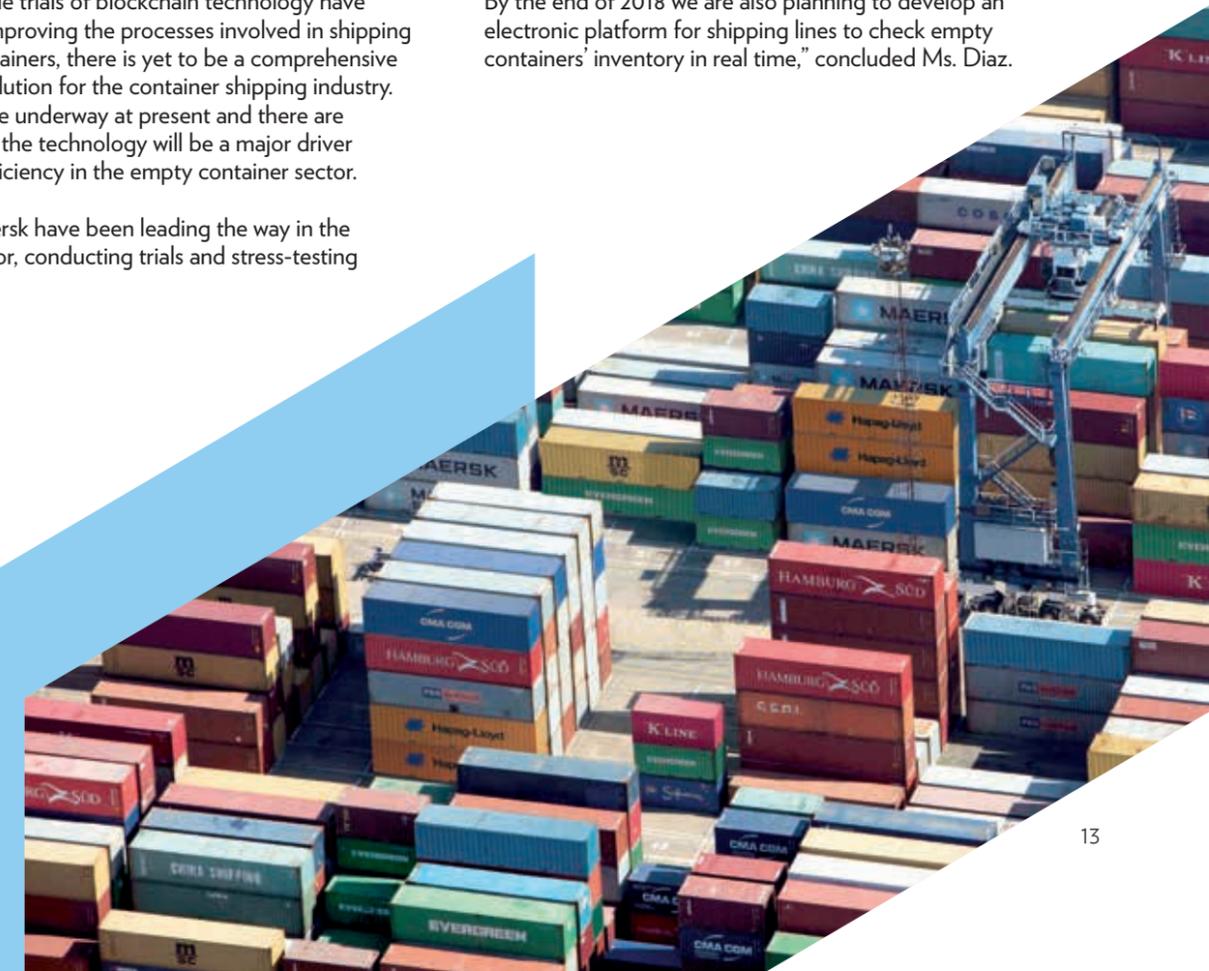
Australia Post is working with Alibaba to test the provenance and traceability of food to reduce the incidence of fraud in China and BHP Billiton is using blockchain to securely record and track key sample data in its mining processes.

COLLABORATION THE KEY

At the heart of all the potential solutions to reducing the number of empty containers and improving utilisation, is the need for great collaboration between shippers, freight forwarders, shipping lines, ports and government agencies.

For Hutchison Ports, the initiative starts at a local level, such as ICAVE is working together with the Port Community to improve the process.

“We have invited trucking associations, companies and external yards to operate more efficiently to reduce the delays of empty deliveries into the logistics chain. By the end of 2018 we are also planning to develop an electronic platform for shipping lines to check empty containers’ inventory in real time,” concluded Ms. Diaz.



HUTCHISON PORTS ROLLS OUT CYBER-SECURITY RECOVERY PROGRAMME

Following a number of unprecedented cyber-attacks on the shipping sector during the last few years, Hutchison Ports has introduced its own Cyber Security Recovery Programme, to improve the group's overall readiness and protection from cybercrimes.

These cyber-attacks exposed the vulnerability of the shipping industry to cyber criminals and also highlighted the inadequate protection in place to combat future threats.

"Following Wannacry and Notpetya, ransomware outbreaks are now very widespread in the shipping sector with one major player suffering a crippling shut down for days, with losses reported up to US\$300 million," said Epsilon Ip, General Manager-Enterprise Architecture & IT Security, Information Technology at Hutchison Ports.

More recently COSCO Americas IT network was compromised by a ransomware attack that affected some aspects of its business, such as project cargo, in a number of countries across Latin America and the United States.

IT leaders from around the world began developing plans to protect valuable data and IT resources by equipping themselves with adequate defenses, such as proper incident response programmes and recovery capabilities in the event of a cyber breach.

Hutchison Ports for its part, is launching its own cyber-security programme to improve the group's overall security preparedness.

The programme is designed on two levels, for the Corporate Centre there will be improved corporate governance and awareness as well as visibility in key security metrics such as vulnerabilities that may affect the group's network of ports.

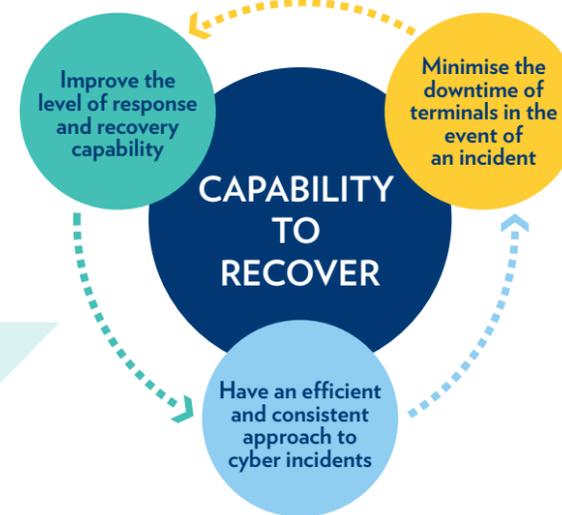


"For individual business units essential security controls will be introduced such as network segregation and protection, backup solutions, endpoint security as well as incident response and recovery capabilities," said Ip.

Other ports and governments around the world have responded to the threat including the Port of Rotterdam. Since 11 June 2018, 170 companies that fall under the Port Security Act in the Netherlands or have a port security certificate have a mandatory duty to report cyber incidents. In the future, these companies are obliged to report large-scale IT disruptions to the Port Cyber Hotline.

The Port of Rotterdam is highly dependent on information technology for the secure and smooth handling of shipping traffic, road traffic and other modalities. IT incidents in the port area can result in risks for business operation continuity and security in the Port of Rotterdam.

"The establishment of the Port Cyber Hotline is one of the measures that contributes to strengthening the Port of Rotterdam's digital defence and security. Early reporting of IT malfunctions enables the Port Authority



to determine whether measures are required to support security in the port area. That is why, starting from June, companies located along the port area must report large-scale IT incidents to this hotline," stated René de Vries, Harbour Master and Port Security Officer.

Such is the concern about data security breaches that Canada is the latest country to introduce federal private-sector data breach reporting regulations which will take effect in November 2018.

Following recent amendments to Canada's Personal Information Protection and Electronic Documents Act (PIPEDA), private-sector organizations or companies in Canada must report the breach to the Privacy Commissioner and, generally, notify customers if there is a risk of significant harm resulting from a data security breach. Additionally, most states in the United States also have breach notification laws on the books.

One of the drivers behind the cyber breach legislation is that many companies do not disclose cyber threats or attacks in the past for fear of alarming customers and potentially damaging their own business and reputation. This opens the way for cyber-attacks to spread to customers, business partners and associates.

Back at Hutchison Ports, the company is also heavily reliant on digital technology to run its critical business processes according to Herman Chiu, General Manager-Terminal Development, Group Operations at Hutchison Ports.

"During the last decade, efficiency enhancements have been our primary focus to meet increasing market demand and improve customers services. However, the use of advanced technologies has inevitably introduced new opportunities that malicious users can exploit," said Chiu.

The cyber-attack recovery programme aims to strengthen Hutchison Ports digital resilience and recovery capabilities against harmful cyber-attacks and other technology related risks.

"The programme assists business units within the group to understand their critical processes, identify potential digital vulnerabilities and develop their own 'Incident Response Playbook', which will be updated and revised regularly to maintain its effectiveness against the latest cyber-security threats," added Chiu.

The first phase of the Cyber Security Recovery Programme will be rolled out to twenty-two selected business units and the rest will follow.

In today's cyber world, information is power, and part of the cyber security programme is to raise awareness among Hutchison Ports business unit managers and IT staff. To this aim the group has organised a series of workshops around the world, explaining the importance of the programme.

"The Cyber Recovery Training will focus on disaster recovery and business continuity. Our Information Security team will also launch general cyber security awareness including training and drills to all business units," said Chiu.

The key to mitigating cyber-attacks is being vigilant to future threats and every department in the supply chain has to prepare for the worst by introducing their own cyber security response programme, which includes regular training and updates.



SYNERGY TO EXTEND INTERMODAL AND LOGISTICS SERVICES THROUGHOUT SPAIN.



Synergy, a new brand launched by Hutchison Ports was first announced in Barcelona at the International Logistics & Maintenance Exhibition in June this year. The new company will build an integrated intermodal and logistics service connecting BEST terminal in Barcelona to all major cities in Spain and Southern Europe.

The Synergy brand was launched to reinforce the objective of developing BEST's hinterland, focusing not only on shipping lines but also on freight forwarders and shippers, according Guillermo Belcastro, CEO of Hutchison Ports BEST.

BEST is located in a unique logistics node in the Mediterranean where the port, logistics activities, the airport and distribution centres are in the same area which allows it to generate many alternatives to develop logistics solutions.

"For several years we have been working in BEST to expand the port of Barcelona's hinterland; with that objective in mind, we have not only invested in Noain terminal in northern Spain and Zaragoza terminal in the centre of the peninsula, but we have also developed rail services creating new corridors and logistics solutions that add value to the market," he said.

The new company will provide complementary services to Hutchison Logistics which has a network of operations and services across Europe. Synergy primarily will act as a provider of land transport and rail terminal services for Hutchison Logistics.

Synergy has been developed to enhance traditional logistics services by offering bespoke solutions that provide maximum flexibility to customers. "Both BEST and Synergy are members of Hutchison Ports business and their mission is to foster loyalty so that goods pass through Hutchison Ports' facilities generating a unique offer to the market," said Ignasi Pinart, General Manager of Synergy.

Defining the differences, Pinart explained that Synergy is a 3PL with shipping lines, freight forwarders and shippers as customers. Hutchison Logistics by comparison is a 4PL, light in assets, its customers are exclusively shippers. The company provides a range of services including logistics operations, freight forwarding, port and customs services and land transportation.

"Although Synergy works independently, the service is in collaboration with Hutchison Ports and Hutchison Logistics to foster traffic loyalty; leveraging the Hutchison Ports' network to create and develop new volume for the group," said Pinart.

There are complex international services and connections with France and Europe from BEST and shipping lines are looking to unify processes for stock management and customs.

"As a result, carriers are changing their approach to focus on a region rather than a country, which will help generate cross-border traffic between Spain and Southern Europe," added Mr. Belcastro.

"Synergy is a neutral provider; we do not belong to a shipping company such as APMT railway (Maersk) or Medway (MSC). We offer services which aim to combine efforts to create synergies with collaborators. We create new services together which add value to their current services and help our clients to differentiate themselves and gain competitiveness through us."

"Synergy's services follow the values of the brand; with a strong commitment to the environment, transparency and neutrality, we are proactive in the search for new logistics solutions through innovation and collaboration with our customers," said Pinart.

Synergy intends to change the traditional customer-supplier relationship in transport with a relationship based on trust and the search for differentiation and creation of synergies that enable the development of new traffic and client loyalty.

The launch of Synergy, is part of the strategy to extend Hutchison Ports reach beyond the container terminal, creating logistics networks inland. Last year the company entered into a joint venture with TMA Logistics in Amsterdam, providing a comprehensive range of services for customers to access networks across Europe.

WHY THE NAME SYNERGY?

synergy.

Synergy stands for Synchronodal Network Global Services and develops synchronodal or intermodal services.

The values of the brand are synthesized in the word MOVE:

M

MOTIVATION

Our goal is to engage new volume through Hutchison Ports BEST by developing full-service logistics solutions.

O

OUT OF THE BOX

We add value through the continuous search of new paths for innovation and our strong knowledge of the market.

V

VERSATILITY

We constantly adapt to the times, providing companies with integrated connectivity solutions.

E

EFFICIENCY

We work hand-in-hand with our clients, always searching for the best solutions to their business requirements.

**the shortest
distance
between two
points is
called:**

synergy.



At Synergy we know that the shortest distance between two points is not always the straight line. That is why we offer you wide range of integral logistics services anywhere in the world which allows you to obtain maximum efficiency throughout the process with our great experience in ports and terminal operations.

synergy.com.es

hello@synergy.com.es

Synchromodal Network Global Services.

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