

# What makes a port attractive to a shipping line?

**Hapag-Lloyd**, Hamburg, Germany

As one of the leading carriers in the world, Hapag-Lloyd continuously observes and analyses both current and future developments in the ports and terminals field. This is not only true for Hapag-Lloyd's 160+ ports of call internationally, which are connected by a network of almost 80 services. Other ports, expansion projects and planned new terminals around the world are also continuously evaluated and compared to existing facilities.

## Commercial and technical considerations for ships

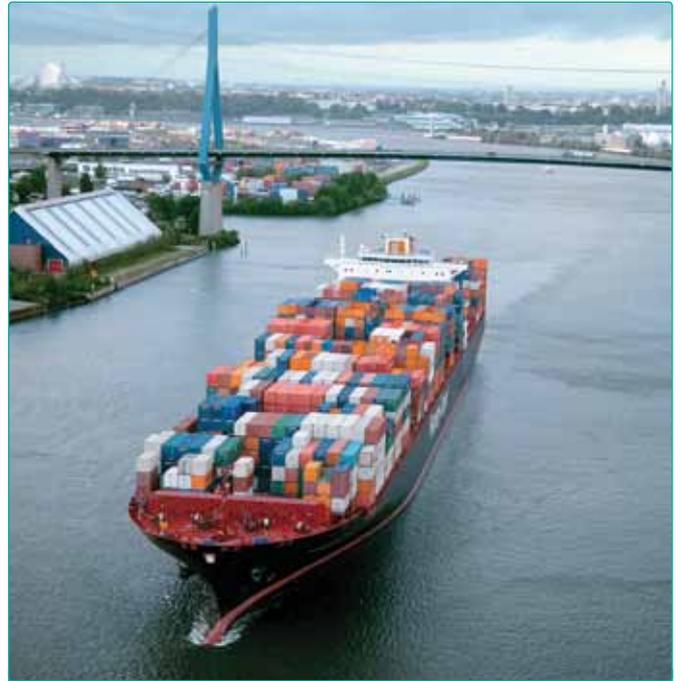
When choosing a port, first of all, purely commercial and technical considerations are the main focus: Is there an attractive market in the catchment area with customers and sufficient volumes? Is transport infrastructure available for pre- and on-carriage by rail, truck or inland waterway vessel? Do draft and terminal equipment meet the necessary requirements? Subsequently other factors are evaluated, such as performance; available capacity (berths and gantry cranes); sufficient, trained personnel; maintenance and repair of terminal equipment; possible expansion opportunities, as well as port dues and cost of lay time, handling and other services.

Smooth cooperation with a port or terminal also means, for example, that when a ship is delayed, faster handling can compensate for the delay. Here the age of the equipment, the personnel available, sufficient capacity and perhaps likelihood of strikes all play a role. Generally, the more modern the equipment in a terminal, the more seldom interruptions for repairs are to be expected, and the more likely it is that short-term peak handling can be carried out flexibly.

## How ports can prepare themselves for the future

Ports and terminals must be focussed on long-term development, if they do not want to lose customers. To achieve this, apart from attractive volumes, above all accessibility from both land and sea are important. Also important is to anticipate trends in ship size, to promote intermodal connections to the hinterland and to come to terms with safety, security and environmental issues. In this context, it is important that high environmental and safety standards pay off for exemplary carriers, for example, in pricing, or other advantages such as preferred handling when the port is running at high capacity.

In spite of the current halt to growth in world trade and container transportation, ports should not underestimate the speed of long-term trends if they want to remain competitive. This is especially true for existing handling facilities. Because of time-consuming planning and building phases, new terminals must be created at the right time and with enough capacity.



Terminals and carriers can both profit when they work together to prepare for the future.

Ports should not only be prepared waterside for bigger ships and increasing volumes, but also landside to fulfil the requirements for faster transportation of higher volumes of containers. In the future, inland hubs could provide the solution, especially when available space for logistics in particular ports is very limited. Handling of import containers will be moved to inland hubs, extended gateways, reducing storage time in the terminal and relieving pressure on the seaports. Shipping lines and terminals should generally make sure that discharged containers stay a shorter time in the port and are quickly transported on to their destinations.

## Conclusions

The decision for a port or terminal also depends as a rule not on one single factor, but rather on evaluation of a complex matrix with many parameters. The example of extended gateways makes clear that cooperation between terminals and carriers makes sense when innovative solutions for the challenges of the future are to be found and established, from which both sides can profit. Hapag-Lloyd has traditionally great interest in collaboration and long-term cooperation with partners in the ports and terminals field.

### ABOUT THE COMPANY

**Hapag-Lloyd** is one of the world's largest container carriers. Based in Hamburg, the company has a fleet of about 115 vessels with a total capacity of more than 470,000 TEU, and over 320 sales offices in more than 130 countries. A key objective of Hapag-Lloyd's corporate strategy is to safeguard natural resources as far as possible in the interests of future generations, by cutting shipping emissions and energy consumption, and providing better transport links for cargo at ports.

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