



# GULFTAINER'S WILMINGTON STRATEGY

## PORT-CENTRIC LOGISTICS & COLLABORATION

Peter Richards, Chief Executive Officer, Gulftainer Group

Gulftainer is the world's largest privately-owned terminal operations company, and we're functioning in a tough market full of technological change and new developments. This is why we've embarked on a new strategy focused on operational capability and port-centric logistics, as we believe this area represents a space of natural growth. Gulftainer's (GT USA) award of a 50-year concession to fully manage and operate the Port of Wilmington in the US is forcing us to lead in a creative manner. We have to ensure we change the economic dynamic for the local community, region, State of Delaware, and the US East Coast, in order to show we can do the best job possible.

We also have to be an excellent place for companies to do business, ensuring we're moving trade through exceptionally quickly.

### FROM LANDLORD TO OPERATION MODEL

The transition from a landlord port to an operational model is providing challenges and opportunities for GT USA. One area of

focus is the continued development of the supply chain for the Port of Wilmington, embracing both economic opportunity for the state as well as increased service and efficiencies for existing and new clients. Historically, the Port of Wilmington was established as a landlord port, with several corporate entities leasing space at the port for their operations. This resulted in the less-than-optimal use of space and flow of goods throughout the terminal. The inherent lack of operational synergies among various tenants negatively affected increases in revenue, throughput, and growth.

In order to rectify this, GT USA met with current and potential new clients to find a better way to service the end consumer the products arriving at the port, while developing a model to reduce frictions and increase velocity across the spectrum of port functions.

GT USA reviewed the diverse portfolio of containerized, refrigerated, bulk, breakbulk and RO/RO cargoes that currently call on the Port of Wilmington, and is in the first

stages of reshaping the port footprint to meet varied client needs. We also realized we need new equipment along with specifically planned civil works, which will maximize the use of the footprint and enable the port to handle all types of cargo with a minimum of movement.

In addition, GT USA has worked in conjunction with the International Longshoremen's Association (ILA), using their cargo-handling experience and their expertise in the local environment to strengthen our plan for optimizing port centric logistics in Wilmington. Our agreement with the ILA has been the bedrock of our ability to support increased volume, technological advancement, and drive towards improved productivity. This mission will in turn drive new business to existing customers and ideally entice new enterprise – including the vital warehouse developers – to the region. Without the full support of the labour unions, the effort to grow the business would fall far short of their potential.



The Port of Wilmington is the largest importer of juice concentrate in the US

**PORT LOGISTICS IMPROVEMENTS**

Since taking over port operations, GT USA Wilmington has begun work on the improvement and extension of the dock and crane rail which should be completed in Q3 2019 at a cost of US\$17 million. While providing that key extra space, this will also harmonize flows within the port. Also, another development we have in process is enhanced warehouse storage. This has been developed to increase racking for palletized cargo and produce upgrades to the roof for improved safety and security. We expect that in the coming months we'll also upgrade the cargo throughput from 350,000 TEU to 600,00 TEU and add capacity for roll-on roll-off cargo too.

**PORT-CENTRIC LOGISTICS**

Having logistics and distribution services at or near the port reduces costs, minimizes transition, and speeds products to market. It is a core element of the GT service offering to customers. One key example of this is how the Port of Wilmington offers stripping and stuffing capabilities through our cold storage warehouses. We conduct full trans-loading and climate-controlled storage for our partners. Further still, on-site fumigation, rapid chill capability, and our inspection partnership with the U.S. Customs and Border Patrol and the Department of Agriculture minimize delay and ensure timely delivery to market. Having all of these capabilities on site also improves food safety and offers supply chain decision makers complete transparency in the execution of cargo transshipment to premier produce global clients.

In addition, the port has agreements with external partners to store bulk products just outside the terminal gate. This offers

easy operational management and quick order fulfillment, along with minimizing costs caused by excessive dray of materials and commodities. The collaboration with partners, which we call "Partnering Progress", allows us to meet emergent market demands. It gives GT USA the ability to continually adjust cargo handling capability to improve efficiency, reduce shrinkage and improve safety.

The port also has a dedicated auto-gate and berth with 42 acres available for auto receiving and storage. This allows for on-site customs clearance for exports and quick transfer to market for imports. Along with this on-site service, the port has a cooperative agreement with a leading automobile handling service to maintain another 57 acres just outside the auto-gate for ease of movement to dealer networks. The proximity for expansion as required ensures that, as auto on-load-offload requirements expand, the port is prepared to meet volume requirements.

GT USA is working with partners and the State of Delaware to improve transition from the port to key transport nodes. Our uniquely cooperative relationship with the state has afforded the port the ability to plan for new transportation initiatives that will improve access both on and off the port, bypassing potential congestion and ensuring residential areas are unaffected by increased port traffic. It also enables the port to support the state's initiatives to attract business such as warehouse and distribution centre development, transload capable business space, and new wholesale and retail customers to the State of Delaware, with its specific incentives and advantages for economic growth.

**CONCLUSION**

GT USA is looking to the future by designing port-centric logistics attributes into a new, state-of-the-art 1.2M TEU terminal located just two miles from the existing Port of Wilmington. The new terminal will be able to handle the largest ships that call on the Delaware River, and will have rapid transition from berth to out-gate to better move goods to market. As with the current terminal, it will include on-site transload, strip/stuff and ease of flow for both rail and truck transport onto and off the terminal.

Port-centric logistics significantly and positively impacts the economy of the local area of Wilmington, the State of Delaware, and the Eastern United States through GT USA's development and expansion of the Port of Wilmington. With our continued partnership with the state, customers and clients, and especially our favorable relationship with the experienced workforce at Wilmington, the future is bright for GT USA and the State of Delaware.

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**ABOUT THE AUTHOR**

With over 12 years of seagoing experience and 31 years of expertise in the operation and management of ports and container terminals, Peter Richards joined Gulfainer's headquarters in the UAE in 1987. He has served as General Manager, Operations Manager, Terminal Manager and Operations Superintendent with the company. Mr Richards currently serves as CEO of the Gulfainer group, an Executive Board Member of Gulfainer, CEO of the Gulfainer Group and CEO of Gulfainer's US arm, GT USA.

**ABOUT THE ORGANIZATION**

The Port of Wilmington, Delaware is a full-service deep water port and marine terminal handling approximately 400 ship-calls annually with an annual import/export cargo tonnage of more than 6.8 million tons. Delaware's port is the busiest terminal on the Delaware River. It is the number one gateway in North America for imports of fresh fruit and juice concentrate, North America's largest banana port, and the largest dock-side refrigerated complex.

**ENQUIRIES**

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