



A FRESH STRATEGY FOR GROWTH AT GULFTAINER

Interview with Charles Menkhorst, CEO, Gultainer

Appointed the new CEO of Gultainer in July 2020, Charles Menkhorst has been tasked with growing one of the largest privately owned, independent, port operators in the industry.

No small task but Menkhorst has a clear path forward already set out which he explained to the Port Technology International in a recent, exclusive, interview.

"First, I see Gultainer as a port development and port management company," he explained, "We are a captive gateway to the immediate hinterland and have established ourselves in strategic locations. We are making sure we establish ourselves in strategic locations in ports that have great access to the immediate hinterland and access that can be from the water, by rail and by road."

Gultainer manages numerous port terminals from its home base in the UAE as well as internationally across Iraq, Lebanon, Saudi Arabia and the US.

Going forward the company plans to put a lot of emphasis on its connection with

gateway ports that serve a strong captive hinterland.

Another area of growth will be to move up more within the supply chain, Menkhorst explained.

"Our ambition is not only to be a port operator and a port manager but really taking our clients by the hand and providing them with a seamless supply chain and maritime supply chain solutions. I always like to mention the word maritime supply chain solution because to us it means a solution that involves one of our ports."

He added however, one thing the company is not pursuing is the idea of opening warehousing in areas where it does not have any port activity.

Menkhorst said that the idea of a seamless supply chain solution had already been explored domestically by the company in the UAE with Gultainer's collaboration with its subsidiary Momentum Logistics which offers a suite of supply chain management solution including transportation, freight forwarding, warehousing,

logistics cities and container services.

The idea is now to roll this concept out internationally and to develop supply chain forwarding capabilities that are closely linked to our port infrastructure, according to Menkhorst.

ORGANIC GROWTH

To achieve this expansion into the supply chain Menkhorst said the company would be focusing on organic growth rather than the acquisition of companies.

"There is tremendous growth potential within Gultainer, for example if you look to the UAE we have our ports, we have our forwarding business, we are developing our free zone logistics park and with Momentum we have a great logistics partner across the GCC [Gulf Cooperation Council]," Menkhorst said.

"So rather than going out and buying companies left and right we would like to work ourselves to implement this to our own satisfaction. We want to demonstrate to our clients that we can provide these

value-added solutions and that is what we want to develop in-house.”

The next stage of development and acceleration could consider an acquisition path however this is not something that the company is exploring just yet, Menkhorst explained.

With the strategic growth that is being planned for the company there will be the implementation of various technologies that will enable the development that Menkhorst has described.

“I have been very impressed in the way that GulfTainer is organised in its IT. We really have our act together both in the terminals and the head office, all the processes you can imagine from the financials to the HR to your commercial and operations is all very well integrated and automated. I was very impressed.”

The company’s administrative and transactional processes are well automated and the next step is to do it more proactively. Menkhorst highlighted exploring the artificial intelligence path the company needs to take through supply chain management and optimization.

“Managing the day-to-day operations is one thing but really developing tools and functionalities to proactively manage and optimize operations is now the direction we are taking,” he said.

“There are companies around us that have unlimited pockets and budgets but that is unfortunately not, but maybe also fortunately, not the reality for us and it forces us to pick our battles and think it through very carefully.

“We are doing it in a different way and instead of throwing huge amounts of money



and trying to re-invent the wheel we are doing the opposite and we are opening the door and inviting companies to join us.”

FUTURE OF THE PORTS

One of the projects Menkhorst will be leading on is the Future of Ports Startup Challenge 2020 which was launched in July.

GulfTainer has partnered with the Global Silicon Valley labs (GSVlabs) to engage startups in five unique areas of opportunity where GulfTainer is pursuing new solutions: The Internet of Things and Robo-Doctors; Artificial Intelligence and Autonomous Drones; Big Data and Advanced Analytics; Blockchain and Bring Your Own Idea.

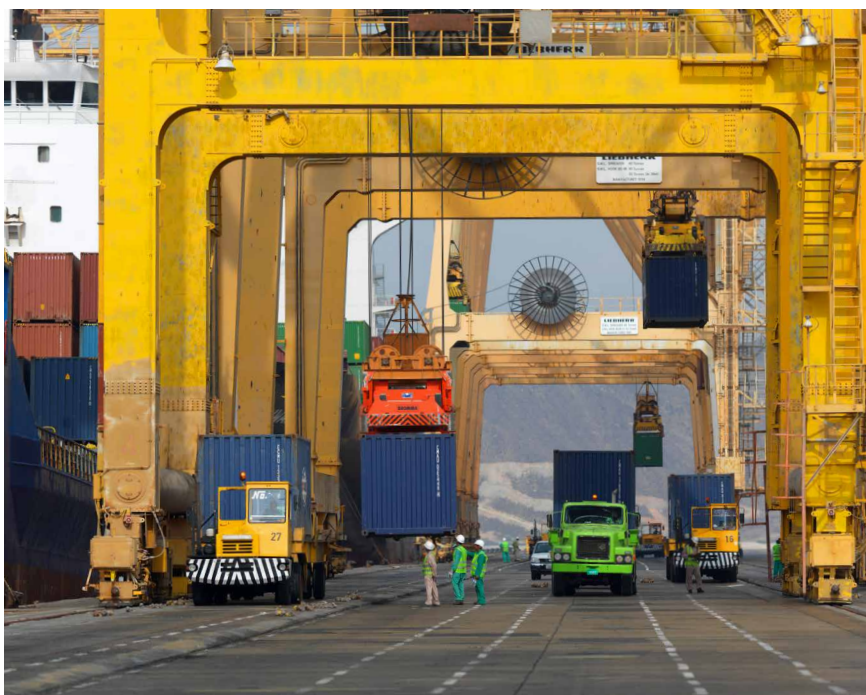
This initiative now sits under the GulfTainer Innovation Board.

The Startup Challenge is exploring hundreds of initiatives that are currently on the market and companies have submitted these within the five unique areas.

“Those initiatives are now being reviewed, we have created a shortlist and in the end for each of those five categories we will invest in one initiative and invite them to help us improve our performance going forward.”

As of October 2020, the Challenge was in the third round of review and the awarding of investment is expected from January 2021.

GulfTainer is also looking to invest in people as it wants to bring in two industry experts to its team which will help it optimize its best practices, these individuals are expected to be brought in in early 2021.



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LOCATIONS AND PORTFOLIO EXPANSION

As mentioned Gulftainer has multiple locations across the Middle East and North America. One location is in the port of Tripoli, Lebanon, which saw the neighboring Port of Beirut experience an explosion on 4 August 2020, which destroyed much of the Port area.

Menkhurst said that immediately after the impact of the explosion the Port of Tripoli did indeed experience an increase in container traffic as many carriers diverted cargo but now things have settled back to normal. While the grain silos and other warehousing at the Port of Beirut was largely destroyed, the container terminal was with limited damage.

However, Menkhurst argued that Tripoli continues to be an attractive alternative to the Port of Beirut because unlike the Beirut location, which is locked in by the city, Tripoli has the option for expansion. While unable to mention any current investment plans at the Tripoli site he said that it does have development and growth potential.

In 2012 the company was awarded the concession in the Port of Tripoli to oper-

ate and develop the container terminal under a 25 year agreement and began with an initial investment of over \$60 million in new equipment and machinery, including three ship-to-shore gantry cranes, nine yard cranes and the latest technology in other container handlers and yard management systems.

Meanwhile, in the US the company operates two locations, Canaveral Cargo Terminal in Florida and the Port of Wilmington in Delaware.

“Our business model is focusing on those midsize captive ports, well located and towards the hinterland. Therefore, we become a great company for access to and from the hinterland both for import and export.

“We have these two ports in the US and there is defiantly the ambition to increase our presence in the US and North America further,” he confirmed. “But we are being very selective, and we know where we can add value, I think we are great operators and can be great partners to those in the hinterland.”

“We are a partner that is in there for the long term,” Menkhurst concluded.

ABOUT THE ORGANIZATION

Gulftainer is the world’s largest privately owned independent port operator. Established in the emirate of Sharjah in 1976, the rapidly expanding ports and logistics company has built up a strong presence in various parts of the world.

In the UAE, the company operates two main ports on behalf of the Sharjah Port Authority – Sharjah Container Terminal (SCT) and Khorfakkan Container Terminal (KCT).

Outside the UAE, the Gulftainer Group operates and manages ports and logistics businesses in several countries including Iraq (Iraq Container Terminal, Iraq Project Terminal and Umm Qasr Logistics Centre) and Lebanon (Tripoli Container Terminal). In Saudi Arabia Gulftainer operates the Jubail Industrial Port and Jubail Commercial Port. The company’s latest facility, Canaveral Cargo Terminal in Florida, USA, opened in June 2015 following the signing of a 35-year agreement that made Gulftainer the first port management company from the Middle East to operate in the United States. In September 2018, GT was granted exclusive rights to operate and develop the Port of Wilmington for 50 years.

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