Future Development and Construction of Taiwan International Commercial Port

The Executive Yuan approved the “Plan for future development and construction of Taiwan International Commercial Ports (Year 2012~2016)”, submitted by Taiwan International Ports Corp. (TIPC) on Sept.5, 2012. The plan is aimed at expanding individual port capacity and developing each port’s hinterland, as well as bolstering port competitiveness and creating an environment of permanent excellence.

Ongoing plans for the Port of Kaohsiung include the second phase of Kaohsiung Intercontinental Container Terminal, the Nansing land development project, the construction of an access road overpass and the renovation of Wharf No.’s 115~117. Future projects will include the enlargement of storage areas to the rear of Terminal No.’s Two & Four, new warehouses to be built in both Chungtao and Chienchen Commercial Harbors and the Narsing Project Zone, and an artificial island designed to improve protection by reducing wave intrusion into the new port. A brand-new multi-functional wharf is also scheduled to be built in Anping Harbor, providing a huge fillip to the economy of the Tainan area.

Benefits expected to flow from full implementation of the plan include the following:

1. Enlargement of the Kaohsiung Free Trade Zone, together with greater synchronization of shipping networks and industrial supply chains, will facilitate the transformation of Kaohsiung Port into a comprehensive value-added logistics port.

2. Improved transportation access and streamlined port operations in the context of greater environmental awareness, and closer city-port cooperation, will transform Kaohsiung Port into a model for marine/urban development.

The Port of Kaohsiung and Anping Harbor projects have been costed at NT$42.87 billion (of which new construction accounts for NT$5.558 billion). It will be financed through the national budget, Port Construction Fund and the Port Corp. Business Fund. An additional NT$40 billion of private sector funds will be invested in wharf facilities and a breakwater, warehouses, and land development.
Wharf construction in the 2nd Phase of KICT scheduled to commence

Wharf construction in the 2nd Phase of the Kaohsiung Intercontinental Container Terminal (KICT) is scheduled to begin in January, 2013. Construction will include a petrochemical storage complex and reclaimed land development with fourteen berths, and is expected to be completed by the end of 2017.

Ten berths belonging to the petrochemical storage complex will be to the south and west of the planned area. Berthing depths will run to -16 to -18 meters, capable of accommodating 100,000 DWT petrochemical cargos.

Berths S16~S19, on reclaimed land to the west of the planned area, with berthing depths of -16 meters, will cater to 80,000 DWT general cargos.

To better cater for present and future demands of the shipping market, five private-investment wharfs have been designated for use by large container vessels of over 18,000 TEU to the east of the planned area.
In the interests of greater efficiency receiving containers in container yards and reducing idling time for container trucks, the Port of Kaohsiung has introduced a “Reporting System for container trucks”, co-ordinating the gate systems of both shippers and port authorities. Based on reports by container truck companies of their vehicles’ scheduled arrival time in port, shippers will be encouraged to prepare container-handling dispatch work in advance. In the early stages of the project, Evergreen Marine Corporation and OOCL - as well as other interested container truck operators – have been invited to participate in a pilot project restricted to “receiving” containers. “ Delivering” containers will be the focus of a future project.

The first stage of the new Reporting System is being handled by Chunghwa Telecom, and its focus is on improving the efficiency of container vehicles passing in and out of the Container Yard (CY) Gate. The Port of Kaohsiung is also drafting regulations to encourage shippers and container truck operators to report container and container truck information in advance. In future, even more value-added services will be added, such as vehicle dispatch, and precise GPS data.
In order to expand business in the Kaohsiung Free Trade Zone (KFTZ), new warehouses are due to be built in Chungtao, Chienchen, and Nansing. Operations in the KFTZ at present include transhipment, international logistics distribution, inspection and maintenance services, multi-national value-added cargo consolidation, and an exhibition center. Business activity in the KFTZ covers nineteen diverse categories, such as trading, warehousing, assembling, packing, modeling, processing, and manufacturing.

Chungtao Commercial Harbor is a general cargo operation center. Of its thirty-two wharves, No.31~No.41 wharfs specialize in handling iron, steel, and aluminium, etc. There will be two floors available for use in the new Warehouse No.36, totaling 13,000 square meters. The first floor will be provided for use by stevedoring operators, and the second floor for logistics operators.

The new Chienchen warehouse, measuring 10,000 square meters, is located in the Free Trade Zone Area to the rear of Terminal No.2, which is divided into five sites and totals 12.55 hectares. The overpass access under construction will connect Chungtao Area, the Second, Third, and Fifth Container Terminals, and National Freeway No.1, which will relieve city traffic congestion. Chienchen warehouse will be used for Multinational Container Consolidation (MCC). Without the need for customs escorts, import, export, and transhipment operations will be centralized in the MCC, thereby greatly reducing operating costs for all.

The new Nansing warehouse, totaling 20,000 square meters, will be built in a reserved area in the Nansing Free Trade Zone Area, which is itself separated into nine sites, totaling 86.05 hectares. The Nansing Area and the first phase of the Kaohsiung Intercontinental Container Terminal will be part of a larger, more integrated Free Trade Zone. In addition to new public facilities in Nansing, new roads in this zone will link National Highway No.17 and the planned National Freeway No.7, creating a comprehensive and convenient traffic net. Nansing warehouse has been designated for use by the London Metal Exchange (LME) for its transactions. The Port of Kaohsiung is confident it will soon be recognized as an LME certified port, and the new Nansing warehouse holds obvious appeal to LME logistics operators.
To maintain its status as the pre-eminent transhipment hub in the Asia-Pacific region, the Port of Kaohsiung has encouraged shipping firms to expand their direct-shipping routes with second-tier ports in China by extending for another year preferential port fees for dockage and towage.

Largely as a result of the extremely attractive dockage and towage charges implemented on July 1, 2011, direct-shipping container volume between China’s second-tier ports and the Port of Kaohsiung has increased substantially. The Port of Kaohsiung has therefore decided to continue with the discounted charges for another year and to add two more ports to those already eligible: Fuzhou Port and Lianyun Port.

Any container vessels belonging to Taiwanese or Chinese shipping firms and approved to operate on “Direct-Shipping fixed routes via China’s second-tier ports”, and whose first port-of-call out of the Chinese second-tier ports is Taiwan, are eligible for these preferential charges. The ports currently eligible are: Taicang, Jiangyin, Quanzhou, Zhangzhou, Shantou, Humen, Wenzhou, Chaozhou, Huizhou, Nantong, Qinzhou, Fangcheng, Fuzhou and Lianyun. A 10,000-ton container ship can typically expect its port fees to be cut by some 20%, a substantial saving for the shipping firms concerned.
Letters of Intent signed with Tianjin Port, Wenzhou Port and Guangxi

For the purpose of promoting port-related business with Tianjin Port, Wenzhou Port and Guangxi, the Port of Kaohsiung recently signed Letters of Intent with the first two ports and with Guangxi Beibu Gulf.

On July 9, 2012, a Letter of Intent was signed by President Hsiao of Taiwan International Ports Corp and President Yu of Tianjin Port Group. Tianjin Port is situated at the convergence of Tianjing City and Bohai Sea Economic Zone, and as such is a gateway to Beijing and the north of China. In Tianjin Port there are a total of 99 berths capable of handling vessels up to 10,000 tonnes. With its 453 million tons of commodity volume in 2011, Tianjin is ranked fourth globally, and eleventh for her container volume of 11,590,000 TEU. The Port of Kaohsiung is also dedicated to the growth of port logistic services, and has gone a long way toward satisfying logistics operators by establishing its own Free Trade Zone. The signing of a Letter of Intent is yet another boost for port development and business on both sides of the Taiwan Strait.

On July 6, 2012, Manager Li of Taiwan International Ports Corp. (TIPC) and Manager Li of Wenzhou Ports Group signed a Letter of Intent at a signing ceremony in the offices of the TIPC. Facing the Pacific Ocean, Japan, Korea and Southeast Asia, Wenzhou Port is a key gateway to western Zhejiang, southern Anhui, northern Fujian, and eastern Hunan. As well as vigorously expanding its direct shipping and transshipment business, the Port of Kaohsiung has provided second-tier ports in China with preferential port fee incentives, designed to encourage more shippers to take advantage of the Port of Kaohsiung as their operations base.
On July 27, 2012, Business Vice-Manager Tsai of TIPC and Vice-Manager Chen of Guangxi Beibu Gulf Group signed a Letter of Intent. The contents of the Letter are focused on strengthening trade and cooperation in the shipping and logistics business between Guangxi and the Port of Kaohsiung. The result is expected to be a win-win situation for both sides, as Business Vice-Manager Tsai of TIPC made clear when he predicted an inevitable increase in shipping routes and ports of call between the Port of Kaohsiung and China.

Chi Mei Storage Tanks in Anping Harbor

In March of 2008 Chi Mei requested permission to construct five additional petrochemical storage tanks so as to shift handling of imported acrylonitrile to Anping Harbor from the Port of Kaohsiung. The project was originally scheduled to be finished by the end of July, 2010, but was suspended due to the global financial crisis.

The third phase of construction of Chi Mei petrochemical storage tanks in partnership with Anping Harbor has now been completed. At a cost of NT$230 million for three petrochemical storage tanks and other supporting infrastructure in Anping Harbor, Chi Mei has received a free ten-year tenure lease, and an estimated 60,000 ton increase in capacity. In an attempt to reduce the distance required for logistics delivery, decrease the risk of chemical tank trucks on the national freeway, and improve the flexibility of material supply, Chi Mei has invested a total of NT$ 764 million over the last ten years in building two deep-water petrochemical wharfs (Wharf No.s 22 & 23), sixteen storage tanks and other related infrastructure in Anping Harbor.
The **M/V Spring Breeze**, registered in Panama, represented by Ocean Pioneer Shipping Co., made her first voyage to the Port of Kaohsiung on July 11, 2012, docking at Wharf No.39. Built in 2010, she has a total weight of 21,699 TW, a length of 169.35 meters, and a beam of 28.8 meters. Serving as a general cargo vessel, she will head to Singapore - Brazil after her departure from Kaohsiung.

The **M/V Wan Hai 101**, belonging to Wan Hai Lines Ltd, made her maiden voyage to the Port of Kaohsiung on July 13, 2012, docking at Wharf No.63. Constructed in June, 2012, with a gross tonnage of 9,834 tons, a length of 144.1 meters, a beam of 22.5 meters, and a draft of 8.2 meters, she is capable of carrying 1,040 TEU. The route she is serving is the Japan/ Taiwan / Vietnam (JSH) route: Kaohsiung – Hong Kong - Hai Phong- Zhanjiang- Yantian- Hong Kong – Osaka –Hirashima – Kobe – Moji- Mojiko- Ulsan-Kaohsiung.

The **Csav Moeral**, registered in Liberia, and represented by OOCL Taiwan, made her first call at the Port of Kaohsiung on July 25, docking at Wharf No.65. Constructed in 2008, she has a total weight of 36,087 TW, a length of 32.2 meters, and a carrying capacity of 3,400 TEU. She will serve on the North American route: Singapore – Shedou – Hong Kong – Kaohsiung – Vancouver.

The **M/V Msc Madeleine**, a Panama-registered container vessel, represented by Hyde Shipping Agency Corp, made her first voyage to the Port of Kaohsiung on July 31, 2012, docking at Wharf No.78. With a gross tonnage of 107.551 MT, a length of 337 meters, and a beam of 42.8 meters, she is capable of carrying 9,122 TEU. She will serve the Asia-African shipping route: Shanghai – Qingdao – Kaohsiung – Chiwan – Singapore – Louis - Durban - Fuzhou.

The **M/V Blue Arrow**, a Marshall Islands–registered chemical vessel, represented by Allegro Shipping Agency Corp, made her first call at the Port of Kaohsiung on Aug.6, 2012, docking at Wharf No.25. Built in 2012, she has a gross tonnage of 4,724 MT, a length of 103.28 meters, and a beam of 17.4 meters.