



**YICT HONOURED AS STANDARD BEARER IN GLOBAL CONTAINER
PORT OPERATION**

The Global Institute of Logistics



**Yantian International
Container Terminals**
Best Global Container Port of the Year
2005-2006

**Yantian International Container Terminals has been awarded by the
Global Institute of Logistics as the 'Best Global Container Port of
the Year 2005-06'**

Following an ongoing and detailed research study into how ports can influence logistics provision and the way in which third party logistics providers organise themselves the Institute is recognizing the work of Yantian International Container Terminals (YICT), a division of Hutchison Port Holdings as the Global leader in port technology and containerisation.

The announcement comes as a result of the Institute's ongoing analysis of the efficiency with which container terminals are operated. The research has been targeted at revealing which port most readily integrates themselves into a seamless supply chain and continually search for efficiencies in the logistics process. The research sought to identify the ports, which set the standards of excellence in the way terminals are operated.

In recognising YICT, the Institute is underlying the importance of the continuing and expanding co-operation between 3PLs and port operators to make the process more efficient. Time consuming bureaucracy and inefficiency can have no part in the global supply chain.

The philosophy behind YICT and its attitude towards its operations is that it is part of the logistics process, where there must be due regard for both the inbound and outbound mechanisms that surround port movement. The Institute believes that this innovative approach, the port paying due respect to the smooth operation of the supply chain, should be mirrored across the globe.



The 'Spirit of MCT' is such that both its management and operations staff have a commitment to finding further efficiencies on a daily basis.

YICT is a joint venture established by Hutchison Port Holdings and the Shenzhen Yantian Port Group. The JV commenced operations in mid-1994. The Company is responsible for operating and managing the first 3 Phases of Yantian Port, where it has nine container berths. Total investment now reaches HK\$ 13.8 billion. The past eleven years have seen exponential growth at the port in large part due to the rapid expansion of the Chinese economy.

The natural deepwater Port at Yantian has led to it attracting the major international shipping line. There are currently 74 weekly shipping services calling at Yantian, which include 41 US bound and 22 bound for Europe, making it one of the busiest ports in Southern China.

The port is surrounded by a sophisticated road network, which ensures a smooth flow of cargo between the port and the manufacturing bases. It also enables Yantian to have frequent and accessible contact with southern China. As a result of the rapid development of Yantian Port and Eastern Shenzhen, YICT has co-operated with the municipal and district governments, traffic management and planning departments on several initiatives which have included both financial support and material resources to upgrade the local road network. As part of continuing infrastructure development in the area 7 major road improvement projects are due for completion in 2007.

Pingyan Railway, which starts at Yantian in the south, is a dedicated railway with a total length of 23 kilometres. It provides YICT with distribution, consolidation and multi-modal transportation services.

The port company is continually striving to minimise bureaucracy and recently signed a memorandum of understanding with Shenzhen Entry-Exit Inspection and Quarantine Bureau to increase inspection and quarantine efficiency. These improvements to business procedures and increased speed with cargo declarations have enabled customers to save time and money. The continued strive to innovate and respond to customers' requirements in both managements and operations are all contributing to the standard that has Yantian in a 'class of its own'. As a demonstration of its own efficiency Yantian holds the world record for Container Movements.

Commenting on the award Kieran Ring, CEO of the Global Institute of Logistics said:

"Velocity is the hallmark of effective logistics. The global supply chain is as strong as its weakest link and as fast as its slowest one. Much like a relay race the effectiveness of the process is all about the handover or interchange between the athletes in the team or in the case of logistics the modes of transport employed. If executed correctly and diligently no speed is lost in the hand over, however if the receiving team member is not alive to the imminent transaction and constantly in a state of expectancy the process breaks down and worse, continues through to the next relay in the race.



Logisticians have traditionally seen the port piece in the global supply chain equation as the weakest link or if you like the team member cast as the poor receiver/ deliverer. Ports have long enjoyed the enviable position of being indispensable in the creation of and execution of international and global supply chains and as such tended to set the transport agenda in their space as opposed to accommodating it. If the global logistics revolution was to succeed then a new modern type of port had to emerge, our objective was to identify and accredit it.

In bestowing the Institutes inaugural 'Best Global Container Port of the Year 2005-06" accreditation on YICT, we are confident that we have identified the benchmark port in global containerization. Since its inception in 1994, YICT has set itself apart by approaching its task differently. YICT, as a result of its enormous responsibility to provide a quality service that supports China's emergence as the world's leading trading nation and also because of competition from other port operators in the region, adopted a very open flexible approach.

Right from the outset YICT made efforts to understand and reach out to those businesses that would use their port, working with what it clearly views as its partners, to provide a competitive, efficient solution for its clients. In an effort to communicate this enthusiasm YICT has invested in next generation technology and materials handling in anticipation rather than in reaction to market changes. As we all know putting your money where your mouth is, is still the greatest talking that any organization can do.

YICT's management and executives have become available to the global logistics community in a way that we haven't witnessed before and have done much to herald in a new dawn in the history of port operator/shipper relations, We are delighted to honor them in this way and encourage port operators worldwide to look no further than Yantian when choosing the operation to emulate.

I would like, on behalf of the Institute's council and members, to congratulate all at the port on this wonderful achievement and to encourage them to continue to innovate, they have the global third party logistics industry's support."

**Speaking at the announcement of the award, Mr. Kenneth Tse,
Director and General Manager of YICT said:**

"I'm very honoured to accept this award on behalf of Yantian International Container Terminals. It shows that YICT's past efforts have been well recognised by industry's leaders – carriers, end users and logistics experts.

"In today's global economy, international businesses are seeking further opportunities in sourcing globally. To survive, YICT has to be an integral part of the supply chain. We must support the logistics community to stay competitive"



About Yantian International Container Terminals

Located in Shenzhen, Yantian International Container Terminals (YICT) is a natural deepwater port in southern China. YICT occupies an area of 208 hectares with nine container berths. The terminal is not only equipped with state-of-the-art operational equipment and computer systems, but also well connected to the road and rail networks within the region. Yantian has become a priority port of call for mega- vessels. YICT is currently developing its Phase III expansion project, which consists of six container berths and is due for completion by 2010.

YICT is a member of the Hutchison Port Holdings (HPH) Group, a wholly-owned subsidiary of the multinational conglomerate Hutchison Whampoa Limited (HWL). HPH is the world's leading port investor, developer and operator with interests in 19 countries throughout Asia, the Middle East, Africa, Europe and the Americas. Today, HPH operates in a total of 40 ports together with a number of transportation related service companies.

About Global Institute of Logistics

Institute acts as an advocacy body for the third party logistics industry globally and to that end works with shippers to assist them in understanding the challenges faced in outsourcing the logistics process. Through its Gifty program the Institute researches standards in key verticals and territories to establish the world's leading 3PLs and uses case studies drawn from these 'Best in Class' recipients to support this process and its advocacy work.

The Institute serves its members by providing the platform for discussion and debate on the issues affecting the third party logistics industry, both regionally and globally. Membership is drawn from the world's 3rd party logistics community and is by invitation.

The Institute acts as an intelligence-gathering agency and disseminates this information in the form of daily news reports and briefings via the website www.globeinst.org. The Institute is also a learning centre for a growing community of third party logistics providers who wish to contribute to, and participate in forums and discussion groups on aspects of running a best in class organization.