

Capacity to be raised to 2m TEUs

\$b expansion plan for Kwai Chung

By Ernie Pereira

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THE Kwai Chung Container Port has embarked on a massive multi-billion dollar development plan which will increase its cargo-handling capacity from the present two million TEUs to three million TEUs.

Spurred by growing demand for our exports and the need to import raw material needed to make goods for global markets, the three terminal port operators — Hongkong International Terminals (HIT), Modern Terminals (MTL) and Sea-Land Orient — are involved in this integrated development scheme which calls for:

- The building of a new terminal.
 - The filling up of a nullah or creek.
 - The construction of a multi-purpose cargo handling complex that will be the largest container freight station (CFS) in the world.
- These operators say "there is no turning back for Kwai Chung" and are determined to go forward with this development to cope with the anticipated growth in the container business in the next decade.

They also say Hongkong's re-export trade with China shows signs of growing further, as supported by facts. They pointed out that Hongkong's re-export trade with China for the first seven months of this year amounted to

\$28,575 million as compared with the January-July 1984 figure of \$12,510 million. The 128% increase is simply staggering.

Mr John Meredith, HIT managing director whose company will build the new Terminal Six

that Hongkong's booming re-export trade with China was significant as it has helped the port's business and encouraged operators to forge ahead with their expansion plans.

"In HIT's case," he said, "Chinese feeder ships belonging to the China Ocean Shipping Co (COSCO), use our facilities to load and unload cargo and the Chinese are satisfied with this arrangement."

Mr Meredith, Mr Mark Leese, MTL's managing director, and Mr Ronald Reighter, Sea-Land's marketing services manager for Asia, said they were confident of Hongkong's future, in the run-up to 1997 and after 1997, because the key to the Kwai Chung expansion is contained in the Sino-British joint agreement which states that "private container terminals in Hongkong may continue to operate freely."

"We're in business and without this assurance in the joint agreement we wouldn't expand," they said stressing that the development of Kwai Chung's port was essential to the economy of Hongkong and the port's round-the-clock operations enable Hongkong to keep its No 3 position in the world, trailing only Rotterdam and New York.

Even the Hongkong Government, who the

terminal operators were initially unable to convince the port need additional facilities, has now changed its mind by agreeing to provide the extra land by reclaiming the sea and filling in the nullah in support of Kwai Chung's expansion plans.

As known, the premium for the land for Terminal 6 is still being negotiated with the government, Mr Meredith said.

He pointed out that HIT has sold Terminal 2 to MTL for an undisclosed sum which will be used to help pay for the cost of building HIT's new Terminal 6.

MTL will eventually have adjoining berths 5, 1 and 2 encompassing 110 acres.

HIT, when it completes building Terminal 6, which will have three berths and cover an area of 71 acres, will have a total area of 141 acres, making it the largest terminal operator.

Terminal 6 will be completed in late 1989.

HIT has also won its fight with the government who had wanted it to use fill from a mountain in the Sham Tseng area. But HIT will be using marine sand for most of the reclamation.

Only Sea-Land and HIT are involved in the filling of the nullah which will be completed in March 1987.

Sea-Land's newly-arrived country manager, Mr Rodney W. Miller, and port manager, Mr Richard Pat, said the new six-storey CFS will give the company an additional 9½ acres of space for its cargo-handling facilities.

It will boost Sea-Land's cargo-handling capacity to well over 3,200 TEUs (40-ft containers) or a 30% increase over what it is now doing.

The CFS is a joint venture with Asia Terminals with Sea-Land having 51% of the stake and ATL 49%. Originally, Sea-Land was involved in the deal with Far East Consortium but they parted company and Sea-Land is now building the huge warehousing complex with ATL.

Sea-Land operates its own fleet of 61 ships and has feeder service arrangements with Chinese ships from the China Merchants Steamship Navigation whose vessels load cargo at Sea-Land's berth No 3 for incoming cargo for China and unload Chinese cargo for world markets.

This re-export trade is helping Hongkong's economy, Sea-Land officials say.

Sea-Land's new CFS will have 180 support pillars that will rest on a podium and the CFS will be 50 feet above ground.