Thank you, Patrick, for your generous introduction.

Secretary General, Presidents, your excellency, Ladies and Gentlemen,

May I start by congratulating you on undertaking this initiative, in putting together such an interesting programme, and in bringing together such a wide array of experts to consider how our sector can better fit with the very important work undertaken by the IMO. I would like to take this opportunity to thank the International Association of Ports and Harbours and the IMO for inviting me to speak.

Today’s event builds on the IMO’s World Maritime Day themes from the last two years: “Connecting Ships, Ports and People” which was launched at the Port of Felixstowe in 2017, and this year’s theme of “IMO 70: Our Heritage - Better Shipping for a Better Future”.

Both ports and shipping are parts of, often very complex, international supply chains. The success and continued growth of the global economy is largely reliant on our industries. Globalisation could not have happened without the invention of the container. This simple steel box, which standardised the way we move vast amount of cargo around the world, has generated immeasurable wealth for literally billions of people.

The volume of trade made possible by the container has lifted large parts of the world, and billions of people, out of poverty and continues to help developing economies to grow and developed economies to prosper. A world without the container is unimaginable.

Although there is a lot of good that has come from the development of our industries, we also need to be mindful of the fact that shipping – and ports – bring with them other, less desirable unintended consequences.
We are significant users of fossil fuels, we produce large quantities of Green House Gases, our activities produce noise, light, emissions and large volumes of traffic. If not managed correctly, these factors can impact negatively upon both the environment and our local communities.

Within our industry we are very much focussed on operational efficiency. Coordination of activities and cooperation between the various parts of the supply chain help efficiency but it is also necessary to manage the other impacts our industry has, and to mitigate their effects. This is why I welcome IMO’s ambitious target on reducing Green House Gases emission and its 2020 0.5% low sulphur regulation.

Pretty much anywhere you go in the world these days, you will find a highly competitive ports sector. Competition is good for ports and good for ports’ users. I don’t think there is much doubt about that.

But ports also vary massively between one another. There are big ports, small ports, public ports, private ports, landlord ports, integrated ports and everything else in-between. The governance of ports also differs. Some have more statutory obligations than others. Some are used as tools to promote public policy objectives, others are much more economically focussed.

There are also a number of large international port groups around the world, all competing vigorously with each other. Hutchison Ports was the first, and remains the largest, international port network, handling 85 million TEUs in 52 ports spanning 26 countries throughout Asia, the Middle East, Africa, Europe, the Americas and Australasia.

So it can be a mistake to think of ports as a single, homogeneous, group of entities. What works well in one port may not even be possible in another.

All ports are complex entities. As they get bigger they just get more complex. They are made up of many users, operators, agencies, regulatory and Government functions. Bringing these together in a single port can be challenging. Bringing multiple ports together, some of which will be competing with each other, introduces a whole new dimension of challenges.
It is however possible. We have numerous experiences of coordination and cooperation across our network and I'd like to share a few examples with you today.

We heard a little earlier today about Port Community Systems. They were one of the first, and remain one of the most important, forms of intra-port coordination.

In the U.K. we had one of the first, if not the first, port community systems in the world. Originally known as FCP80, it was developed in the early 1980s in the Port of Felixstowe to connect the port, terminal operators, shipping lines, hauliers, shipping and forwarding agents, as well as Customs and other Government agencies, to improve operational efficiency and reduce the costs involved in the trading and transportation of cargo through Felixstowe.

It removed the vast majority of paper from the system and has continued to be developed. Today, through the cooperation with Customs and other statutory agencies that the community system, Destin8 - as it is called today, facilitates, over 95% of all goods arriving at the port are cleared by Customs immediately upon arrival.

At BEST, our terminal in Barcelona, we have a port community system known as Portic. Portic simplifies and automates the documentary procedures linked to the cargo, unifying communication standards, and allowing the connection between the different systems of users of the port. By doing this it provides complete traceability and streamlines the control of operations.

Since the advent of the first port community systems, cooperation and coordination in ports has continued to focus primarily on landside issues.

In many ports the daily peaks in truck arrival times present operational challenges for port management but can also result in congestion on the roads around the port. To help dealing with this, many ports introduced some form of traffic management systems to organise trucks arrival time.

Booking systems reduce waiting times for trucks and gives hauliers much greater certainty about the service they will receive. You might
have imagined then that their introduction would be a fairly straightforward process.

That's not usually the case. Our industry is very resistant to change. This is an issue we need to address if we are going to accelerate the level of cooperation and coordination within it.

The introduction of the vehicle booking system in Felixstowe – VBS – took months of liaison with hauliers, a huge communications exercise, and many, many meetings. Even then, the system faced a lot of opposition from companies that were reluctant to change the way they had always worked.

Port Community Systems and Vehicle Booking Systems were two of the earlier examples of ports harnessing information technologies to better connect the actors in the supply chain and to coordinate activities between them.

As advances in IT continue, and as we have a more tech-savvy population, other solutions will emerge. It is difficult to open a newspaper – does anyone still get their news from a newspaper? – without reading how blockchain will revolutionise the world. But even without blockchain we are seeing lots of new developments and new examples of coordination in the ports where we operate.

The most appropriate form of coordination will vary according to local circumstances. In large ports the greatest benefit may be derived from coordinating the different services within the port. At smaller ports with fewer resources there may be a stronger case for sharing services with other ports in a similar position.

The Port of Rotterdam provides a good example of some of the challenges - and opportunities - that exist in larger ports. Coordinating barge calls at multiple terminals, sometimes it can be as many as ten terminals, in a single port visit can and will lead to inefficiencies. The operators, terminals and port authority are addressing this issue together through the development of a digital port-wide barge planning service called Nextlogic.

A new marine based optimisation application called Pronto has also been launched by the port authority to plan, execute and monitor the
services supplied to vessels during arrival at and while in port. Not just from the cargo-handling terminals but bunker suppliers and other maritime and logistical service providers. It combines public data, data retrieved directly from participating companies and forecasts from artificial intelligence applications to generate the most accurate real-time information about a port call. The progress and status of the events is continuously updated to give suppliers the information they need to deliver their services in a timely and efficient manner.

At smaller ports the nature of the challenges are likely to be different. They are also unlikely to have the resources to address them in the same way as the largest ports. In these circumstances it may be better to pool resources and to share them between a number of ports. The ports in the Hutchison network vary in size and this is precisely what we are doing at some of our smaller locations.

Our first Regional Operations Centre will open later this year in Asia. Serving several ports in the region, and starting with a shared vessel planning resource, the ROC, as we call it, will also be linked to our operations at Hong Kong and Yantian. By coordinating activities with other terminals, it will allow each to access to a resource and level of expertise that would not be possible as stand-alone operations.

This level of coordination has only been possible because we have standardised the operating systems at many of our terminals. Our own proprietary Terminal Operating System, nGen, has been installed at 25 of our operations with more to follow. Without standardisation, coordination will not be easy.

Many of the challenges faced by ports in coordinating activities are being compounded by the increasing size of the vessels and the ever-growing number of mega-ships we are having to accommodate.

As ships get bigger, and tidal windows smaller, a greater degree of coordination is needed between shipping lines, terminals, pilots, tugs, transport operators and other service providers to choreograph vessel movements to ensure delays are ideally eliminated or – if that’s not possible – at least kept to the minimum.
From these big container ships we are currently seeing average container exchanges of 8,000 or more boxes, or 13,000 TEU, and that places greater pressure on ports' storage facilities, as well as the landside logistics providers. For the shipping lines or forwarders, coordinating truck, train, feeder and possibly barge resources with the demands of customers, each of which are understandably only interested in their container being at their premises at the precise time they want it, is increasingly challenging.

To help solve this enormous puzzle, at Hutchison Ports we have a Cambridge based team which develops some very clever transport optimisation software called PARIS. PARIS has been designed to significantly reduce the costs, and Green House Gases emission that come with it, associated with moving containers inland from the port. It plans and coordinates the best transport mode for imports and exports by scheduling transport on available space of rail, barge and coastal feeder services combined with truck transport planning. PARIS is already optimising several million of TEU in the U.K. and Europe for our customers each year.

Technology may not be just an enabler of better coordination but might, in itself, be a driver of it.

Opinions may vary about the likely timescales, but it is increasingly obvious that autonomous vessels will form part of the future landscape of shipping.

Most ports have their own vessel management systems; their own form of air traffic control. Shipping lines also have their own vessel control centres. With the advent of autonomous ships, will we see the emergence of much larger, regional, common user vessel control centres? That will require coordination on a scale beyond anything that exists today.

We are already seeing an increase in international coordination in our sector. Led by the port of Hamburg and supported by many other ports including Hutchison Ports, Chainport was launched as one of the first cross-continent forums to exchange best practice and harness technology to make ports smarter, more efficient and more environmentally sustainable by sharing data.
Coordination hopefully results in cooperation but it's difficult to cooperate if you don't speak the same language. That goes for both people and systems. Interoperability and standardisation of systems will be a prerequisite for developing greater coordination between operators. But we mustn't forget the human element.

People who don't know each other don't cooperate with each other. The personal networks that support cooperation and coordination do not create themselves. Initiatives such as Chainport help, but we will need to think about how we can build and maintain those networks.

The shared use of intelligent systems and data between ports can help deliver sustainable growth and we look forward to our future cooperation to develop that initiative further. However, we also need shipping lines to coordinate and cooperate. There is no point in building super-efficient ships that ports cannot handle. Over lunch just now with Kitack and Santiago we discussed the idea of having a forum to get together policy makers, shipping lines, shippers, forwarders, port authorities and terminal operators to discuss common issues facing all of us. This idea certainly has our support.

The world is an increasingly inter-connected place. As the global economy continues to grow, as ships continue to get bigger and – eventually – more autonomous, and as the digital world disrupts more and more of the old way of doing things, the shipping and ports industries are going to have to change with it.

That change is going to need greater coordination and cooperation with all stakeholders of our industries. One of the challenges we all face, and why today's event is both appropriate and timely, is how we change our attitudes, put our differences aside, to increase coordination and cooperation so that we can build Better Shipping for a Better Future.

Thank you!