

A photograph of a long pier extending into a body of water at sunset. The sky is filled with warm orange and yellow light, and the water reflects the colors. In the distance, there are dark mountains. A person is standing on the pier in the middle ground.

The rise of Chinese global terminal operators

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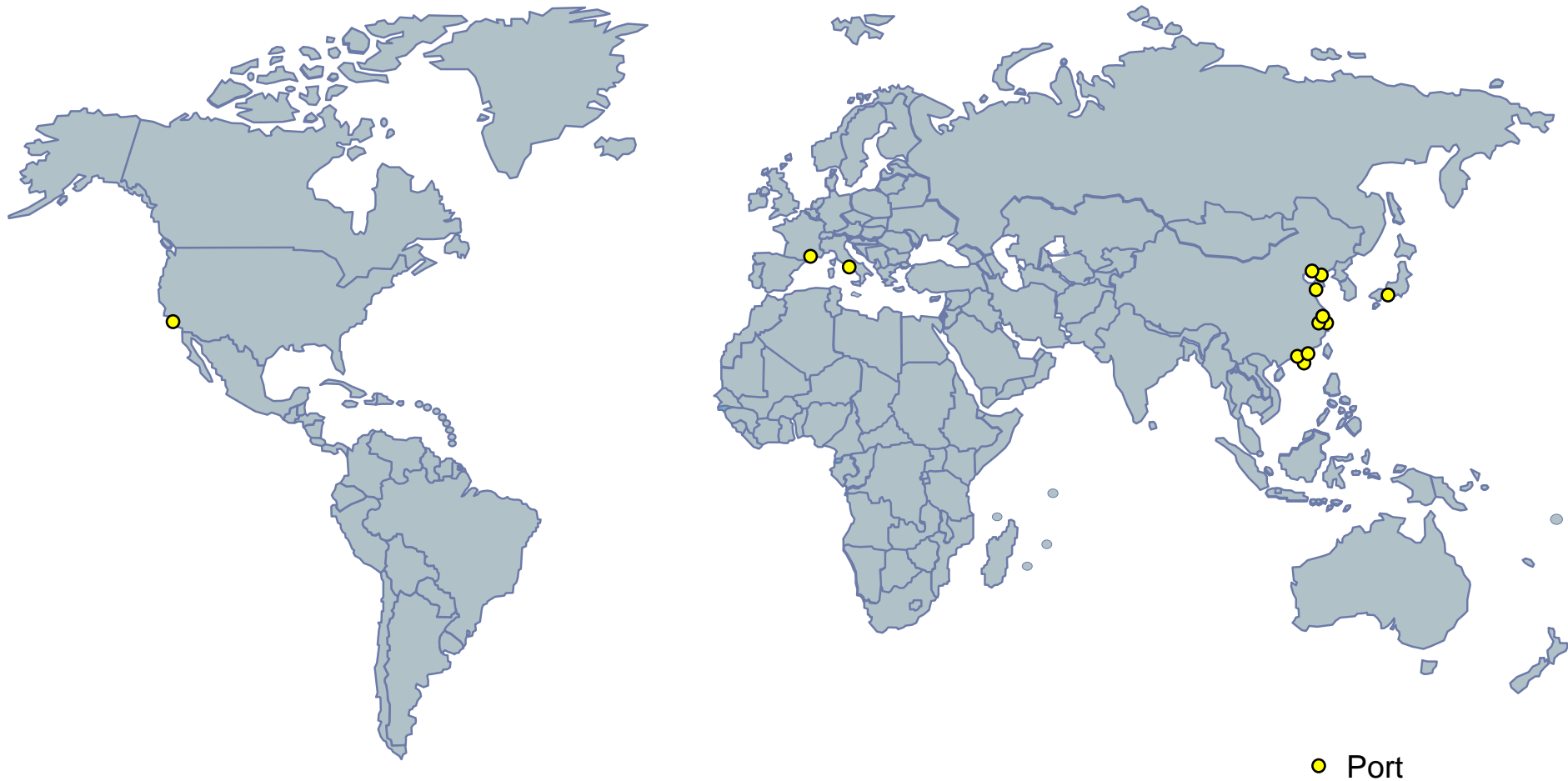
Agenda

- Historical overseas development of Chinese Global Terminal Operators
- Chinese GTO growth path
- OBOR and beyond
- View from overseas
- What's next

Historical development

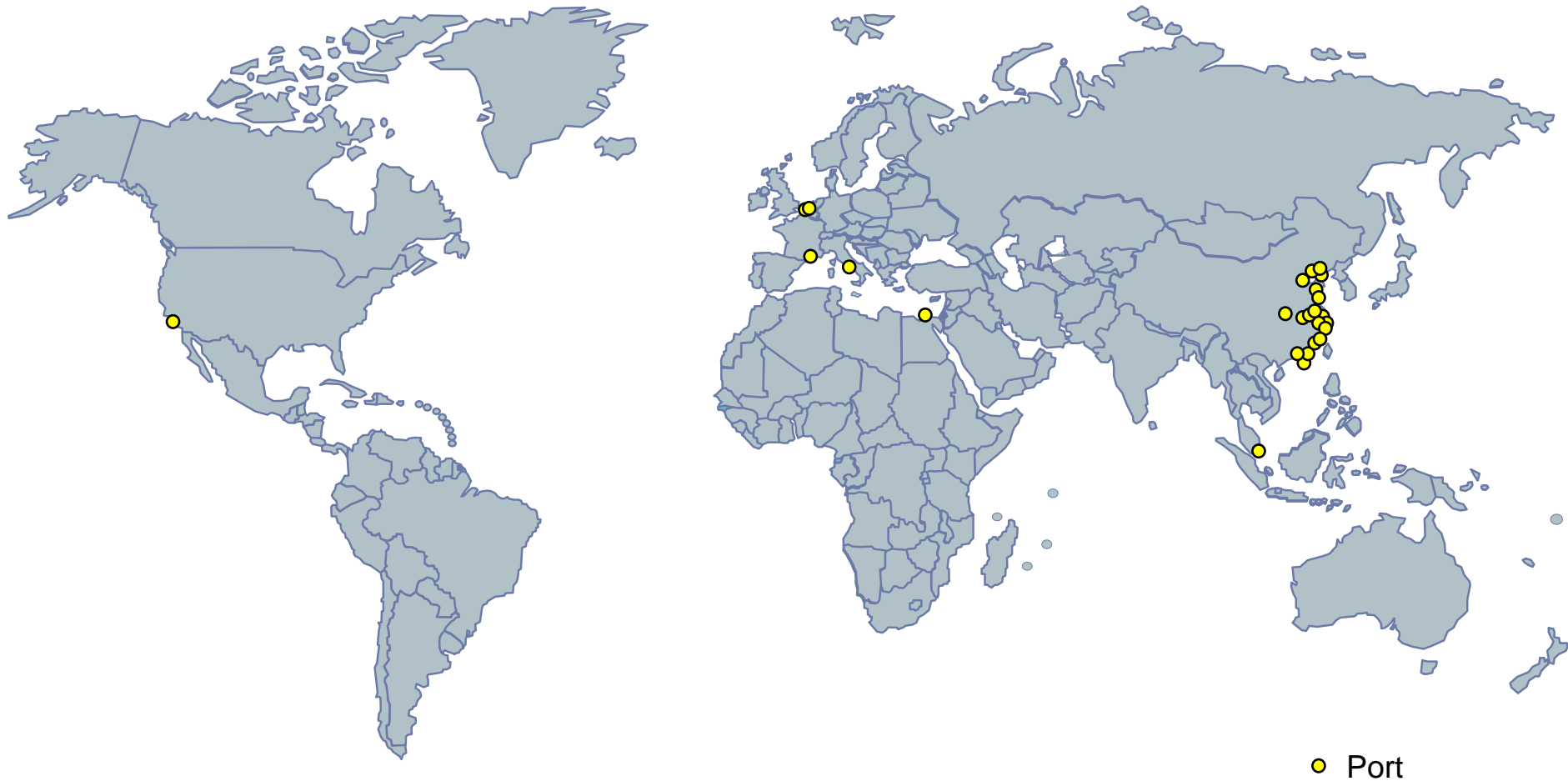
Chinese Port Terminal Operations: 2002

Very limited overseas presence. Shipping line driven



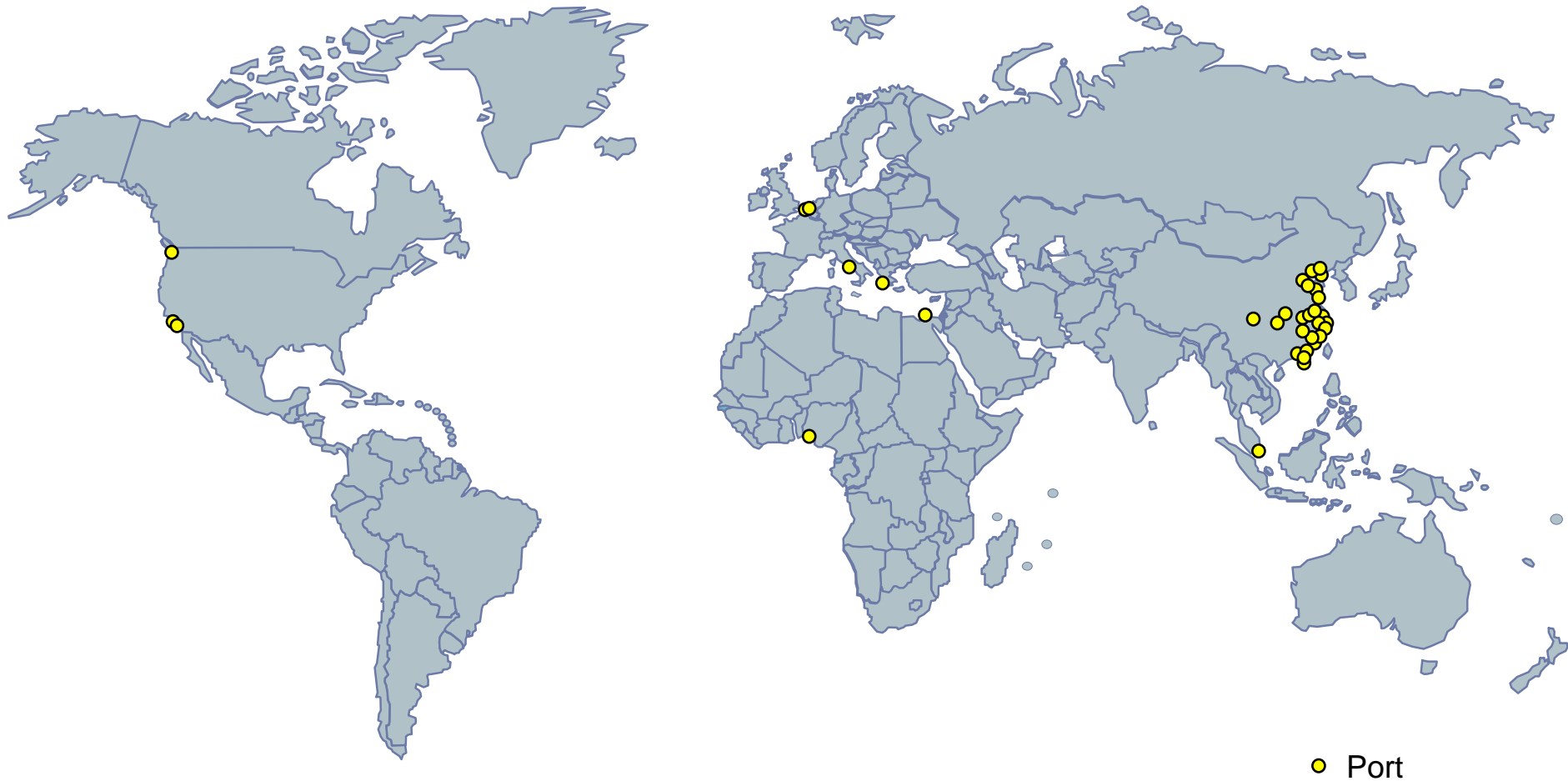
Chinese Port Terminal Operations: 2007

Tentative steps overseas. Shipping line interests remain key driver.



Chinese Port Terminal Operations: 2012

Increased geographical scope. Continued expansion in China.

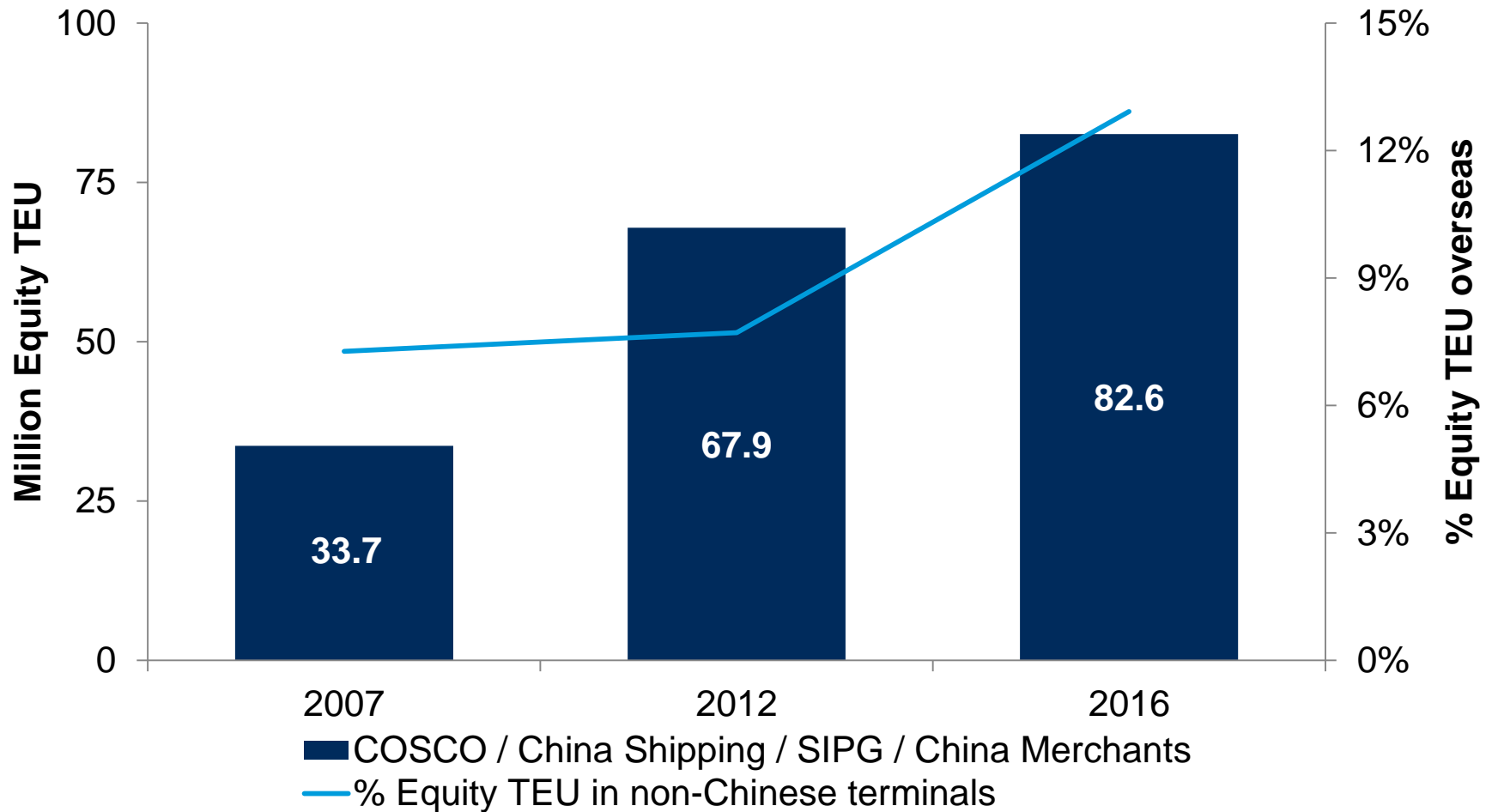


Chinese Port Terminal Operations: Today

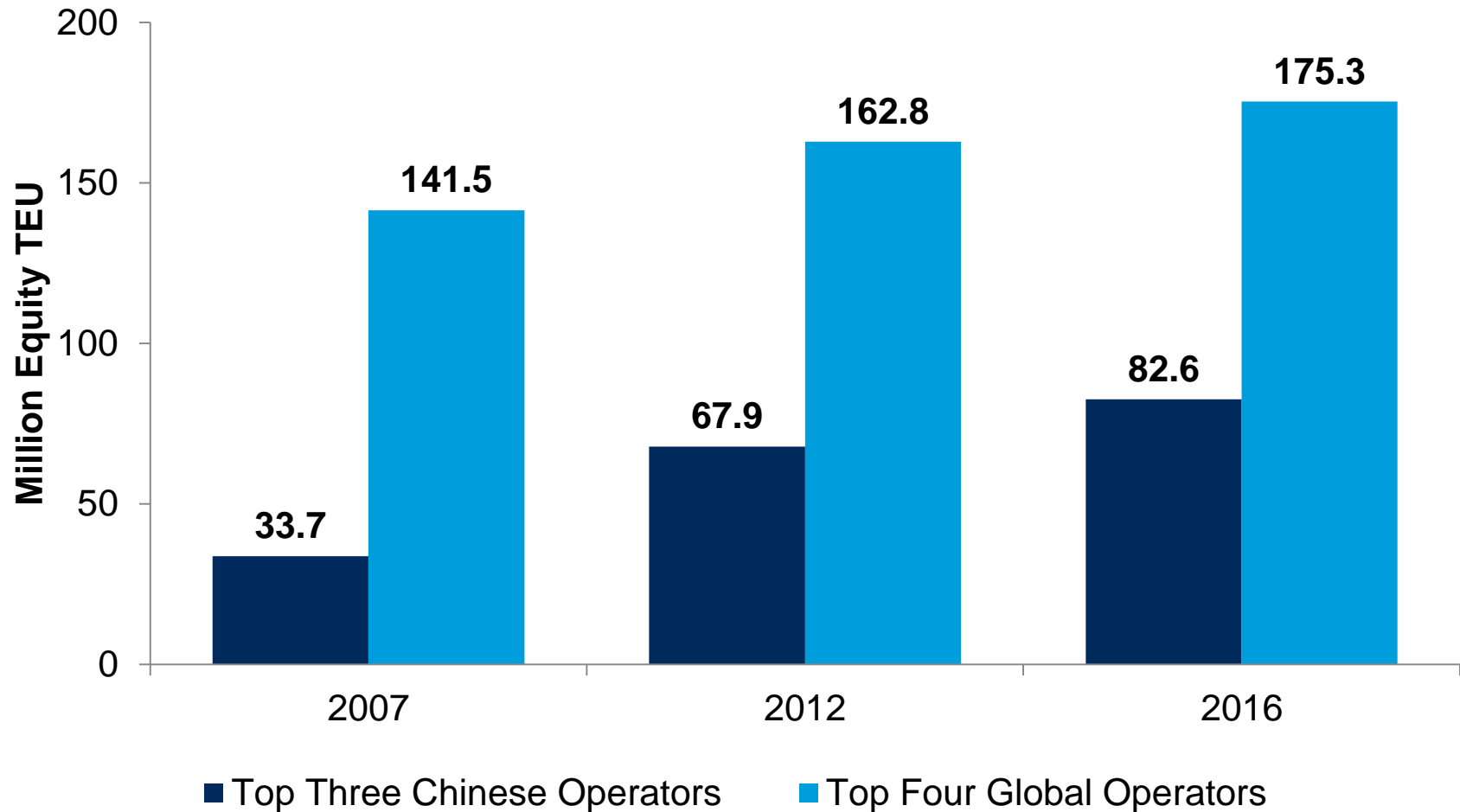
Broad geographical scope. Wider range of players. Growth through acquisition



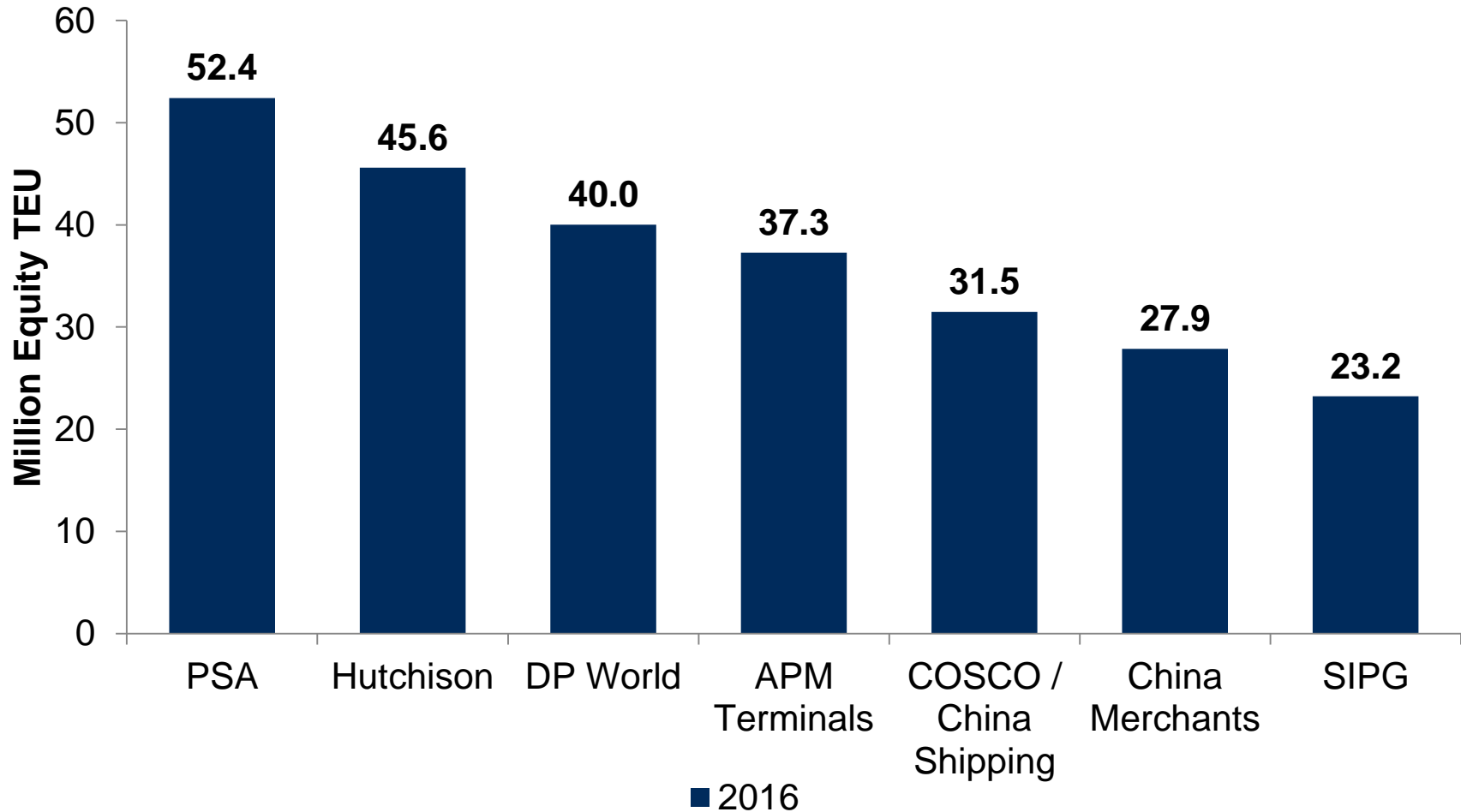
Evolution of Chinese Terminal Operators Throughput Equity TEU, selected years



Comparison with 'Big Four' Terminal Operators Equity TEU, selected years



Comparison with 'Big Four' Terminal Operators Equity TEU, 2016

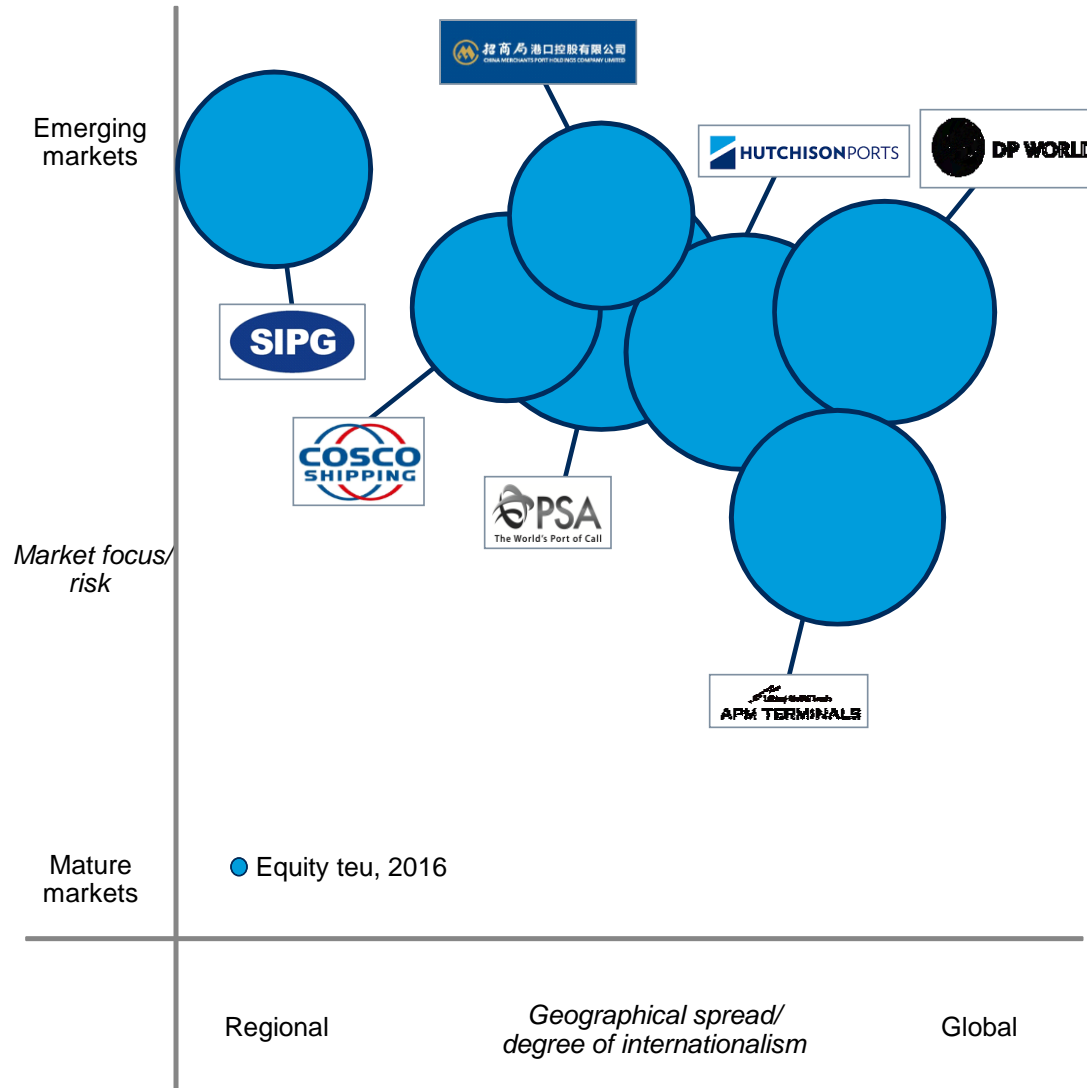


Growth path

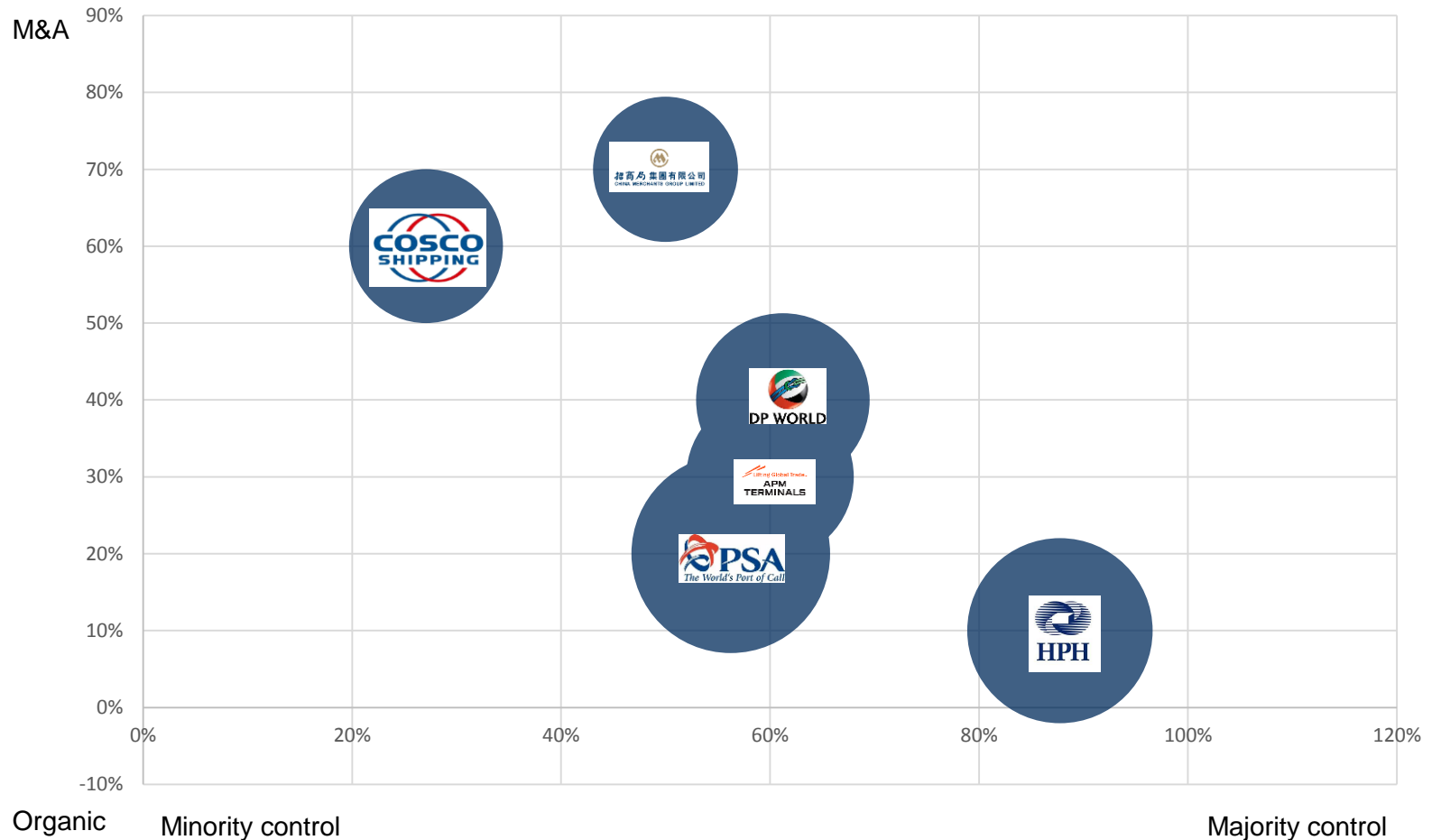
Chinese port companies: categories

- Liner origin (CPL, CSTD): similar to APMT, TIL
- Port companies with strong home base (e.g. SIPG): similar to HPH, DP World, PSA
- Developer companies: CMPorts
- Other players: construction companies, manufacturers

Growth path: geographical scope broadening; emerging markets focus



Growth path: high M&A



OBOR and beyond

OBOR and beyond

Significant investment in port assets along the maritime highway; but geographical scope is far wider



View from overseas



Chinese GTOs are good business partners

Chinese GTOs bring investment

Land will not be sold

Port authority (state) remains the landlord

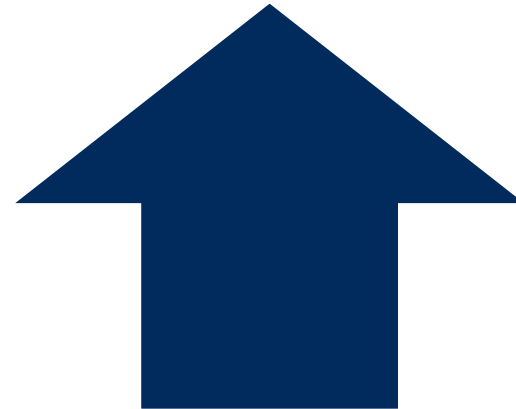


Ports are strategic national assets

Should favour domestic player supply chains

Limit overseas investor stakes

Require reciprocity



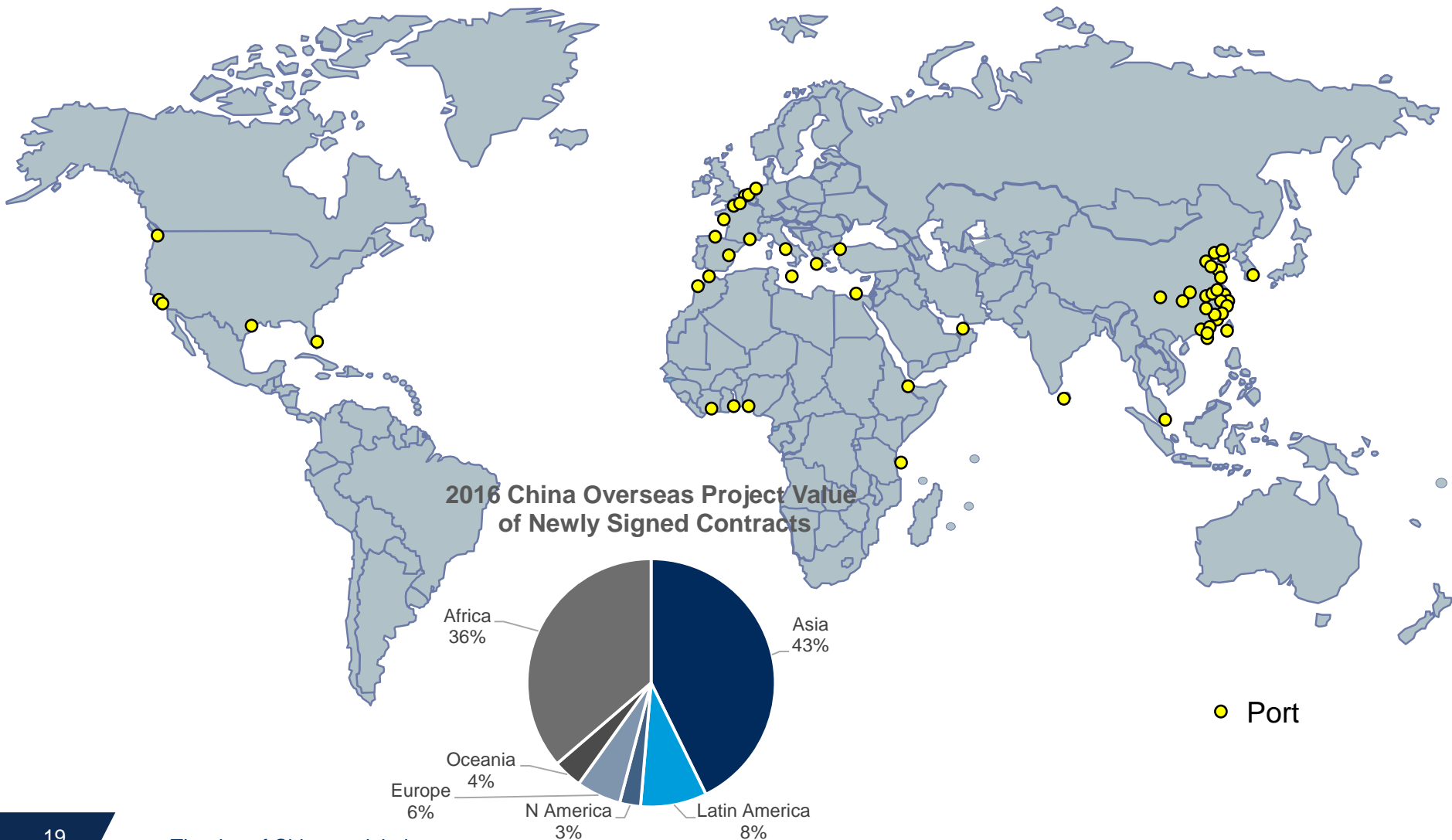
What's next?

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Fill in the gaps

Latin America market entry; Africa expansion; Asia expansion



Acquisitions?



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