

Barcelona Europe South Terminal **BEST**

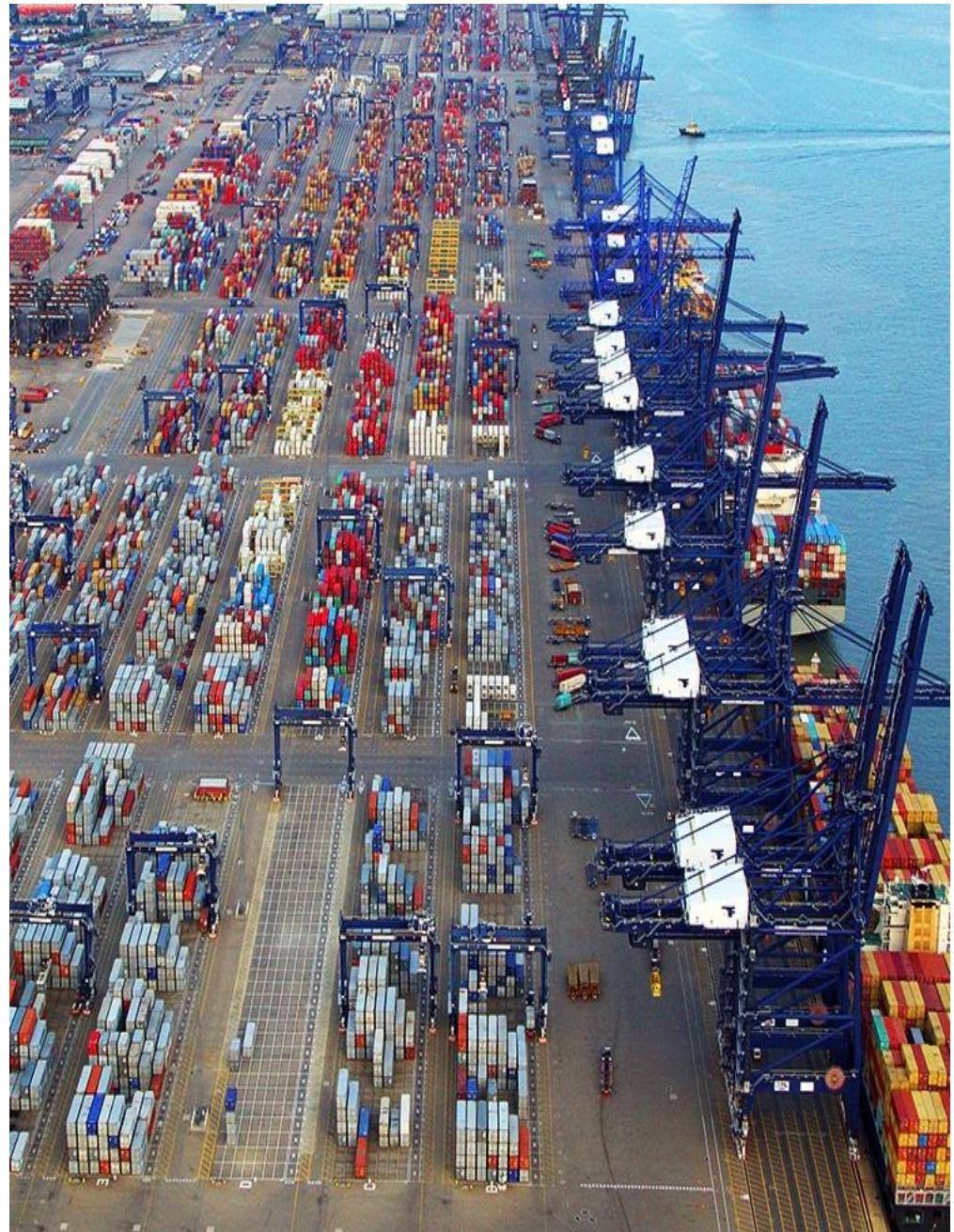
BREAKING PARADIGMS

GUILLERMO BELCASTRO
CEO
BARCELONA, NOVEMBER 24 2017

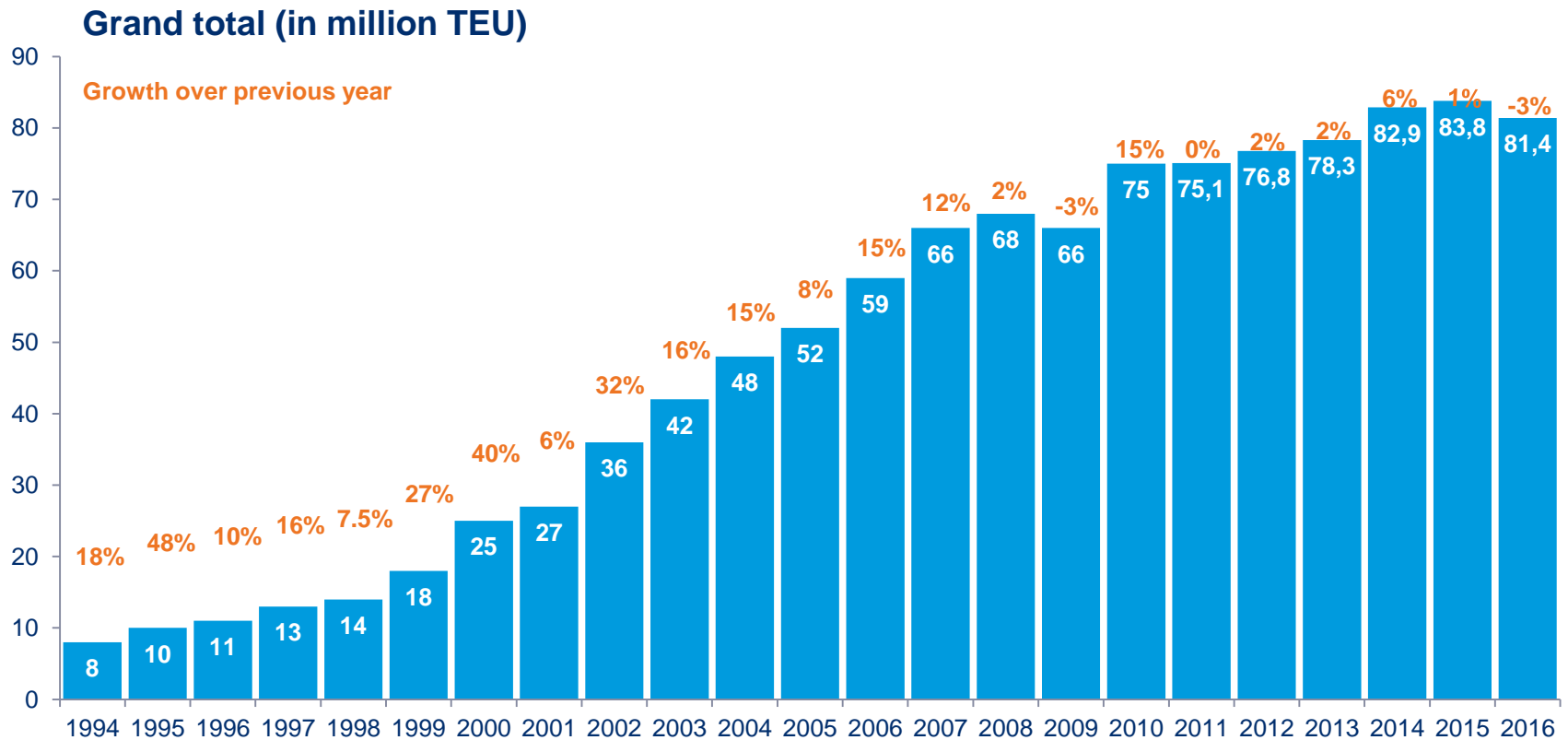
OUR BUSINESS DIVISIONS PORTS AND RELATED SERVICES

Hutchison Ports

- 49 ports, 26 countries
- 81.4 million TEU throughput in 2016



Our growth



The world of Hutchison Ports

49 Ports in 26 Countries



DEFINITION OF PARADIGM

A framework containing the basic **assumptions, ways of thinking, and methodology** that are **commonly accepted** by members of any discipline or group.

BREAKING PARADIGMS

1. *There is not enough infrastructure in Southern Europe.*
2. *80% of the cargo that passes through the MED is being handled by North European Ports.*
3. *Rail is not an option in Spain.*
4. *The Mediterranean corridor is not crossing the French border.*

*THERE IS NOT ENOUGH
INFRASTRUCTURE IN
SOUTHERN EUROPE*

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PORT DE BARCELONA





NIPPON EXPRESS

Global Logistics Provider



RHENUS LOGISTICS



SCHENKER



KUEHNE+NAGEL



SEUR

BOFILL & ARNAN
LOGISTICA INTERNACIONAL



Yusen Logistics



TRANSCOMA logistics



GLOBAL LOGISTICS FOR MANUFACTURERS

WORLD DUTY FREE GROUP



Carrefour



DECATHLON



Damm

amazon



INDUKERN

DēLonghi Group

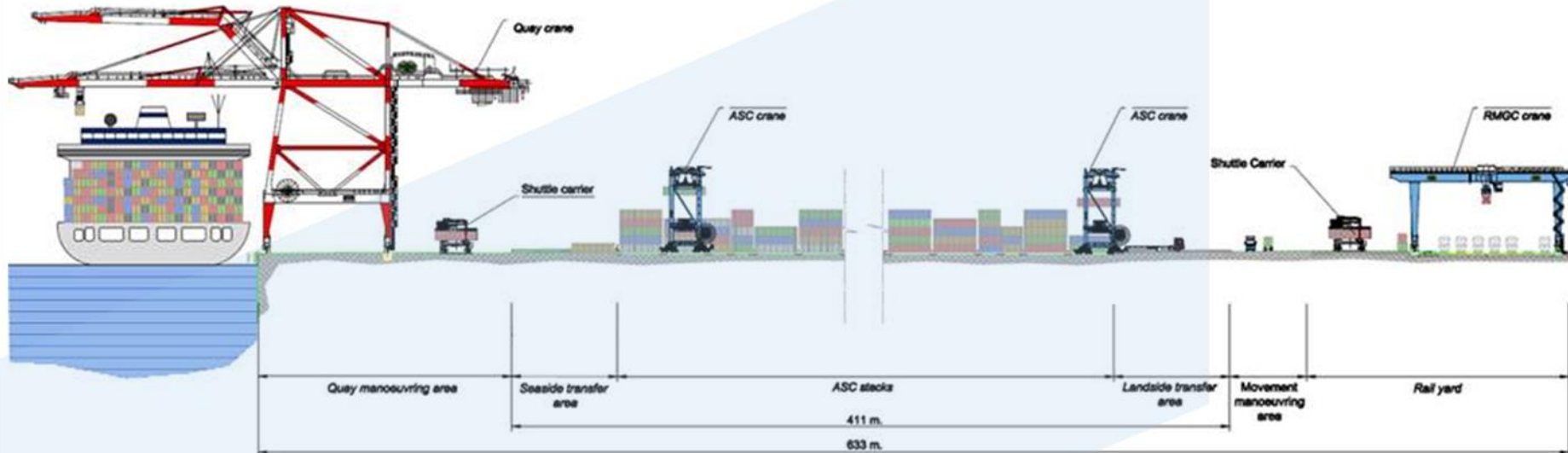


Polar
FRESH GROUP

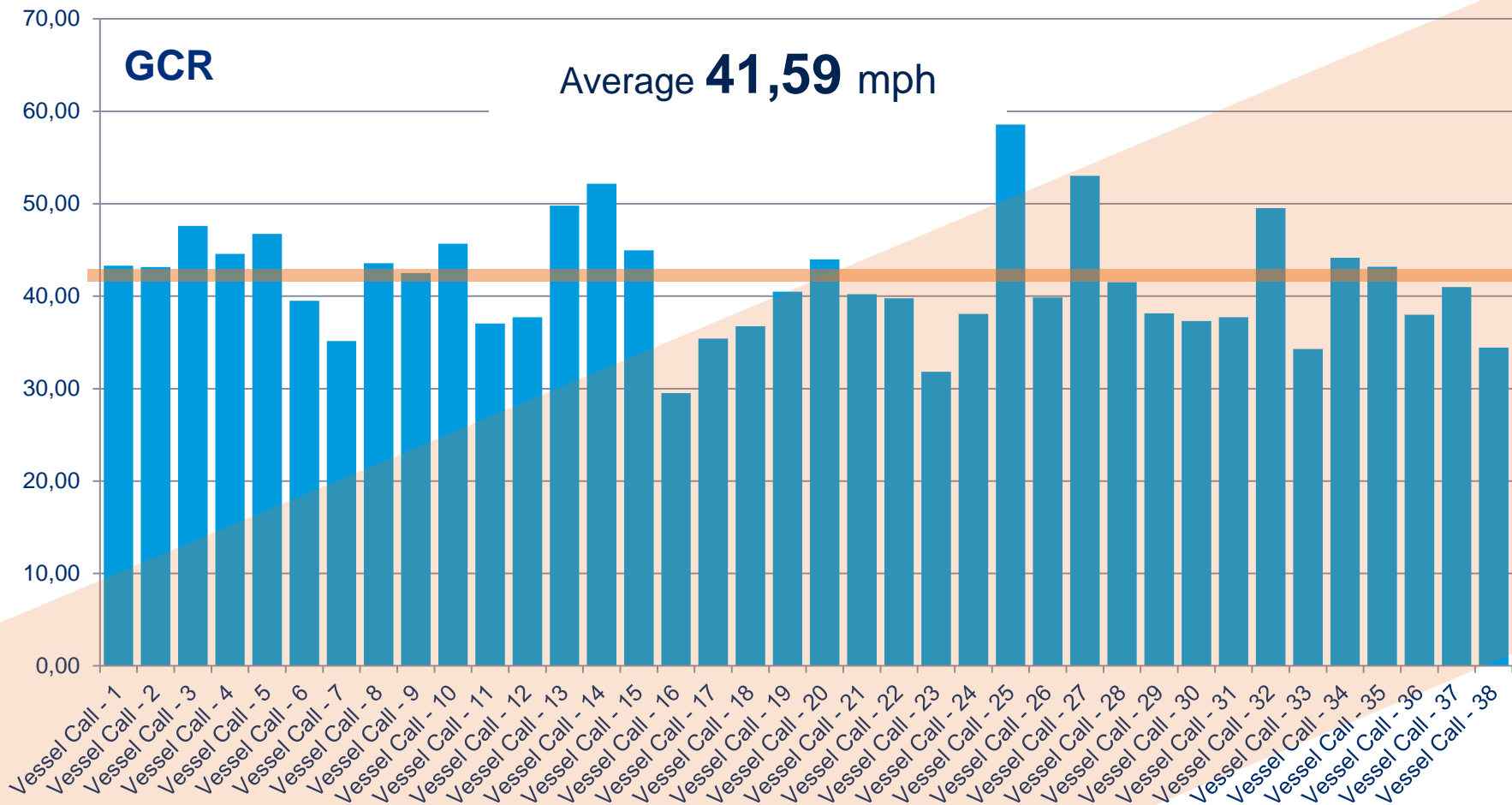


Alfil.be
OFFICE PRODUCTS

OPERATIONAL MODEL



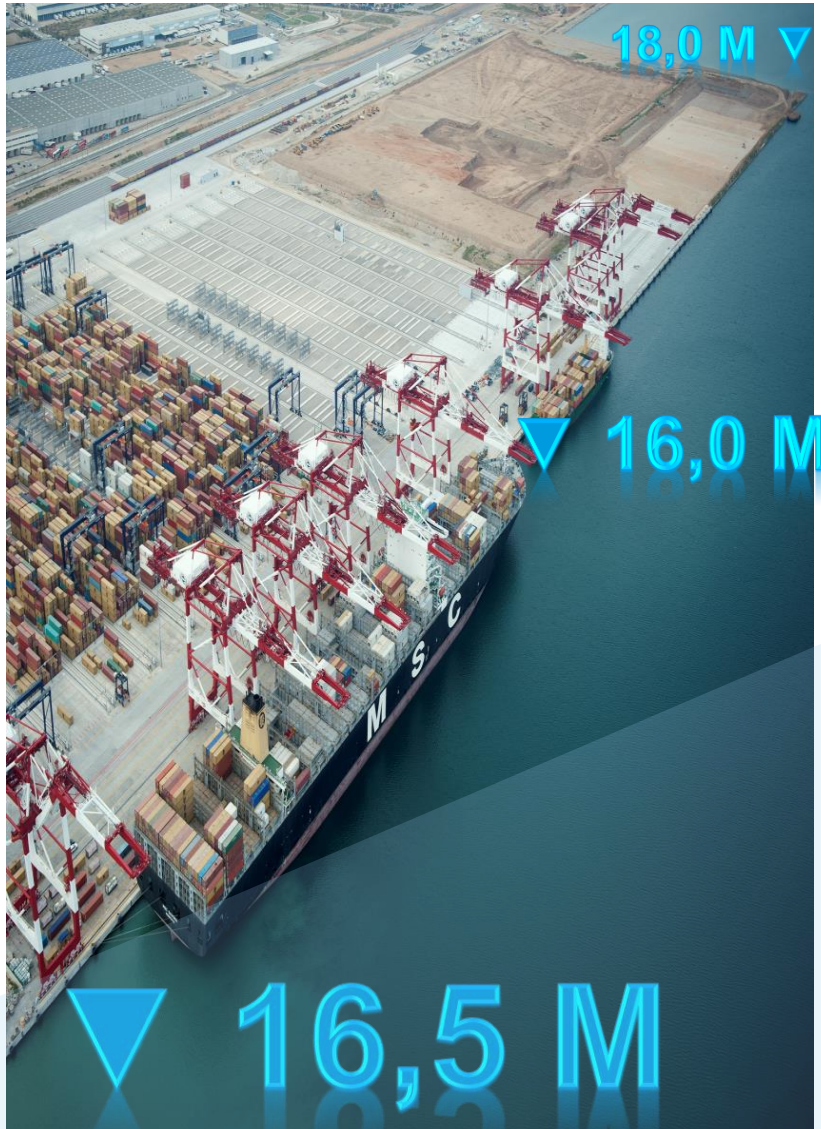
UNRIVALED PERFORMANCE



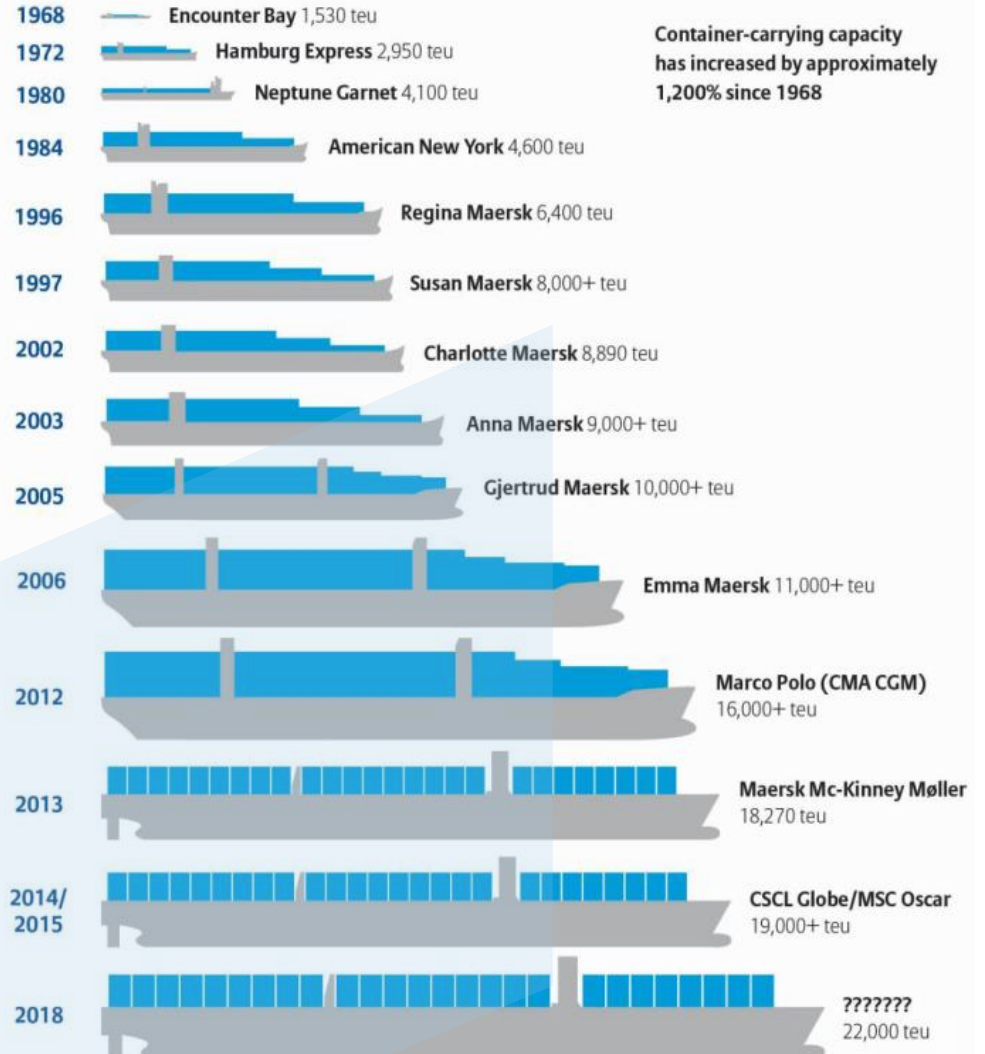
Europe	25 mph
Asia	27 mph
Africa & Middle East	21 mph
America	28 mph

* Real Data of the Last 15 days of April 2017

BERTH DESIGN

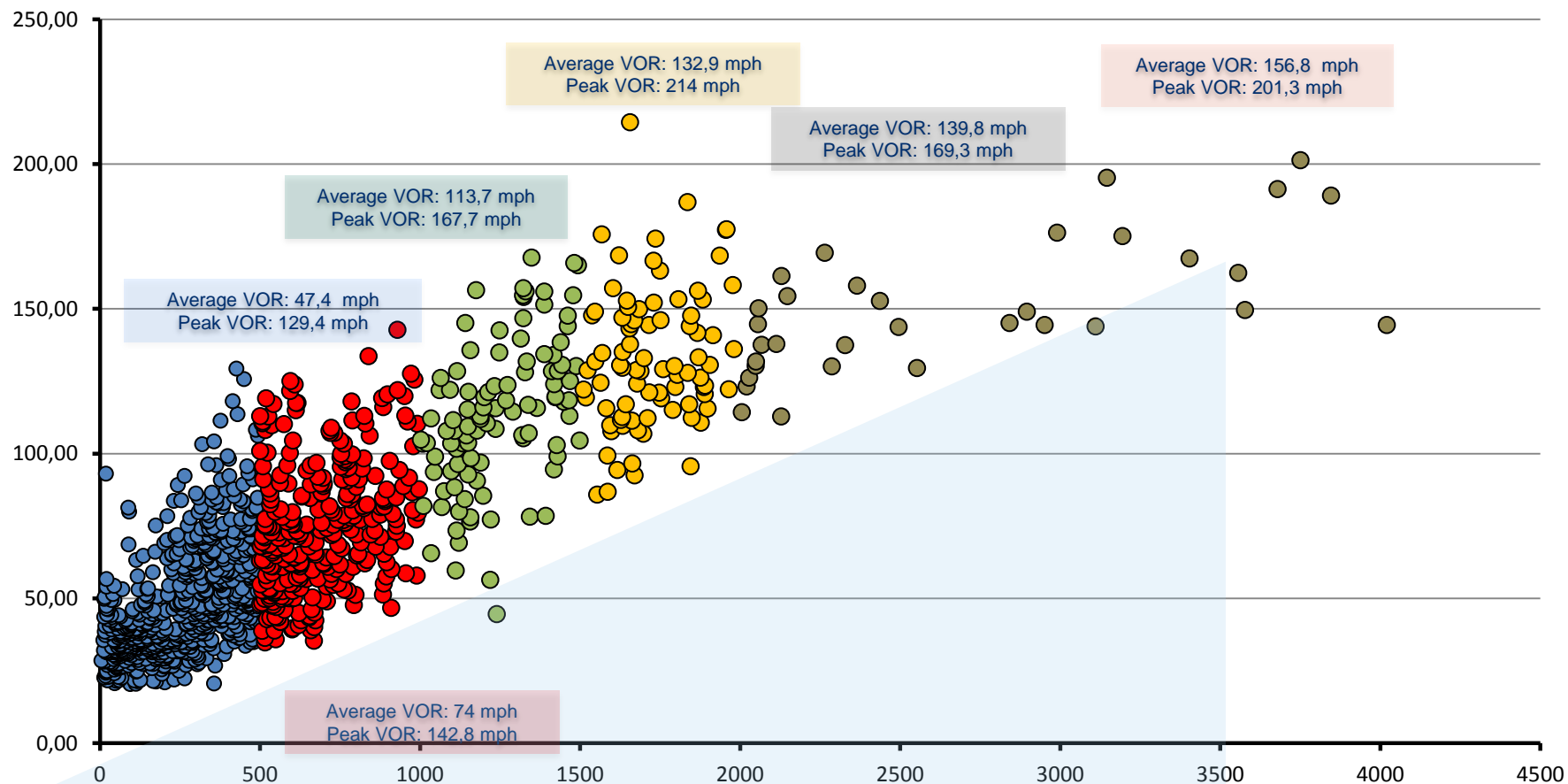


50 years of Container Ship Growth



SERVICE LEVEL ACHIEVED

VOR

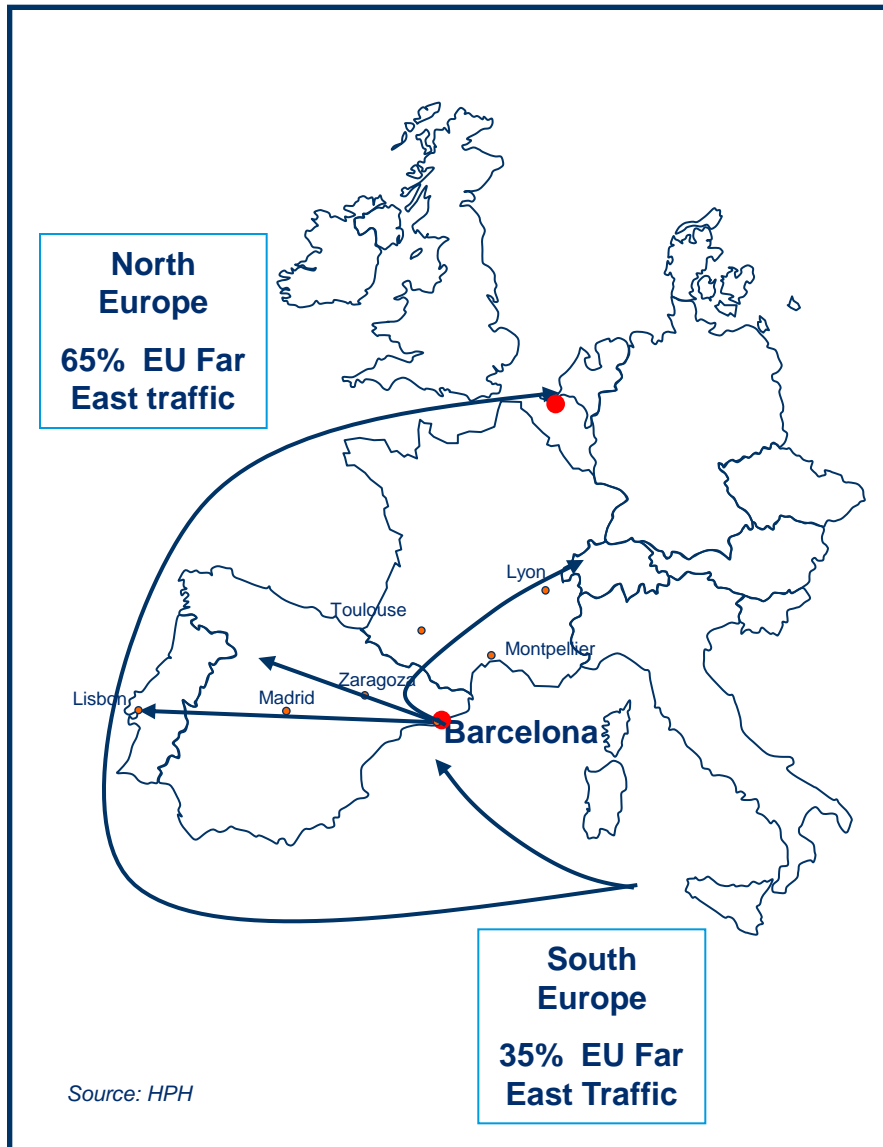


* Real Data of 2015 and 2016

*80% OF THE CARGO THAT
PASSES THROUGH THE
MED IS BEING HANDLED
BY NORTHERN EUROPEAN
PORTS*

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BARCELONA AS A GATEWAY TO SOUTHERN EUROPE



Advantages of BCN vs North Europe

- **Transit Time reduction** (in days)

Shanghai – Barcelona → 26

Shanghai – Hamburg → 31 -5 Days

Shanghai – Antwerp → 34 -8 Days

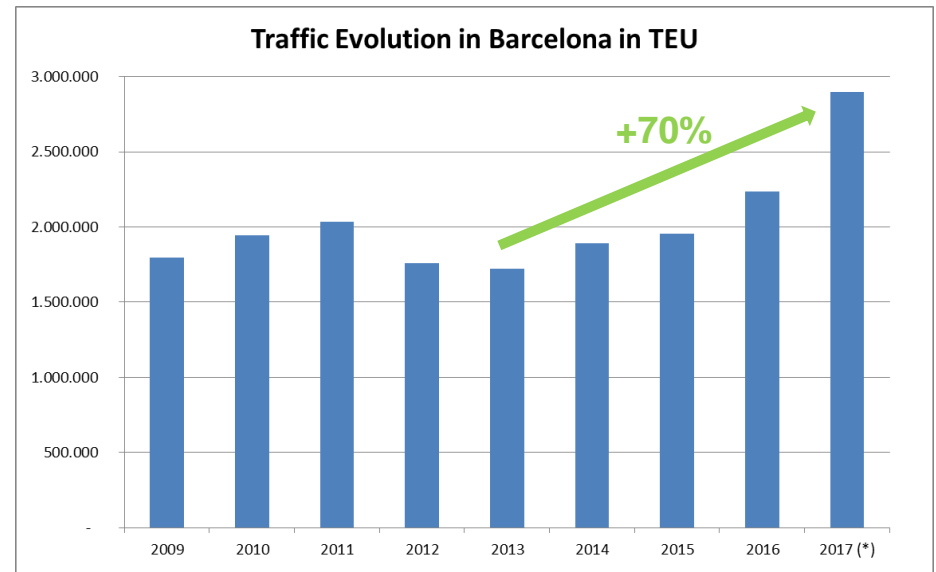
Shanghai – Rotterdam → 35 -9 Days

- **Lower CO2 emissions**

- **Fuel savings**

THE TREND IS ALREADY CHANGING

- Imports from Asia to Spain **+30%** in 4 years.
- The growth rate of Maritime Transport in the Mediterranean in 2017 is 5,7%; one of the fastest actual and projected growth in Europe.
- Spain is in the **Top 5** in Europe of the Liner Shipping Connectivity Index (LSCI), with a significant increase since 2004 (+50%),
- Barcelona currently receives 5 weekly services from Far East and the vessels deployed are larger than in the past years with lower transit times.
- Barcelona port volume increased **+70%** in 5 years.



*RAIL IS NOT AN OPTION
IN SPAIN*

3



8 RAIL TRACKS
750 EFFECTIVE LENGTH
2 GAUGE SYSTEM
2 RAIL CRANES
OCR SYSTEM
750.000 TEU



+135,000 TEU IN 2016
+ 3,000 TRAINS IN 2016
15% OVER LOCAL VOLUME



HINTERLAND CONNECTIVITY

Transit Time reduction BCN vs. North of Spain

Shanghai – Barcelona → 26 days

Shanghai – Pamplona (Noain) → 27 days

(by rail from BCN)

Shanghai – Bilbao → 36 days



 BEST has interest in 3 different inland terminals: TMZ (Zaragoza), TIN (Noain) and Miranda de Ebro.

From	To	Frequency	Transit Time
BEST	Pamplona (Noain)	3 / Week	AB
BEST	Zaragoza	15 / Week	AB
BEST	Madrid	5 / Week	AB
BEST	Tarragona	4 / Week	AB
BEST	Miranda de Ebro	2 / Week	AB
BEST	Burgos (Villafria)	2 / Week	AB
BEST	Selgua	2 / Week	AB

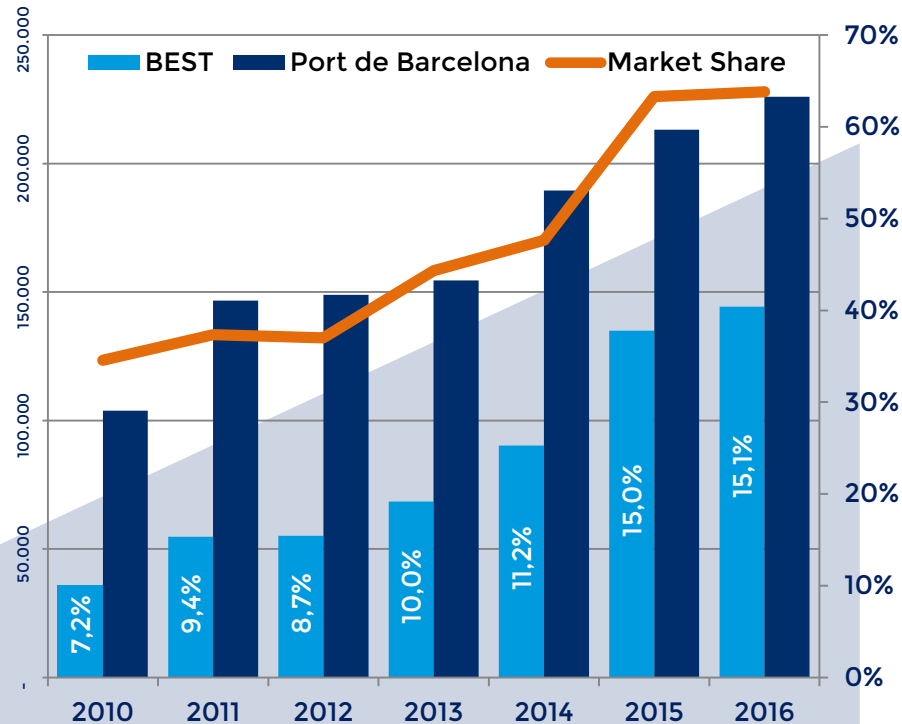


(*)

BEST	Perpignan	3/ Week	AB
BEST	Bayonne	3/ Week	AB
BEST	Bordeaux	3/ Week	AB
BEST	Lyon	3/ Week	AB
BEST	Toulouse	3/ Week	AB
BEST	Paris	3/ Week	AC
BEST	Lille	3/ Week	AC

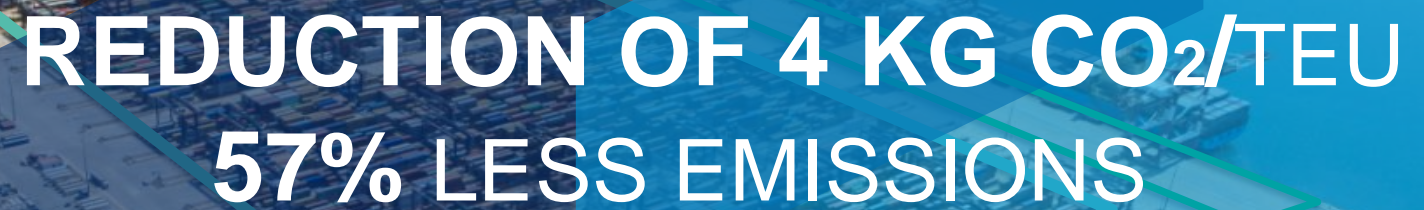
BEST has set up a rail operator that offers connections with Bayonne and Bordeaux from Noain (Pamplona).

RAIL TEU Evolution



15% LOCAL TRAFFIC BY RAIL

65% CONTAINER RAIL MARKET SHARE

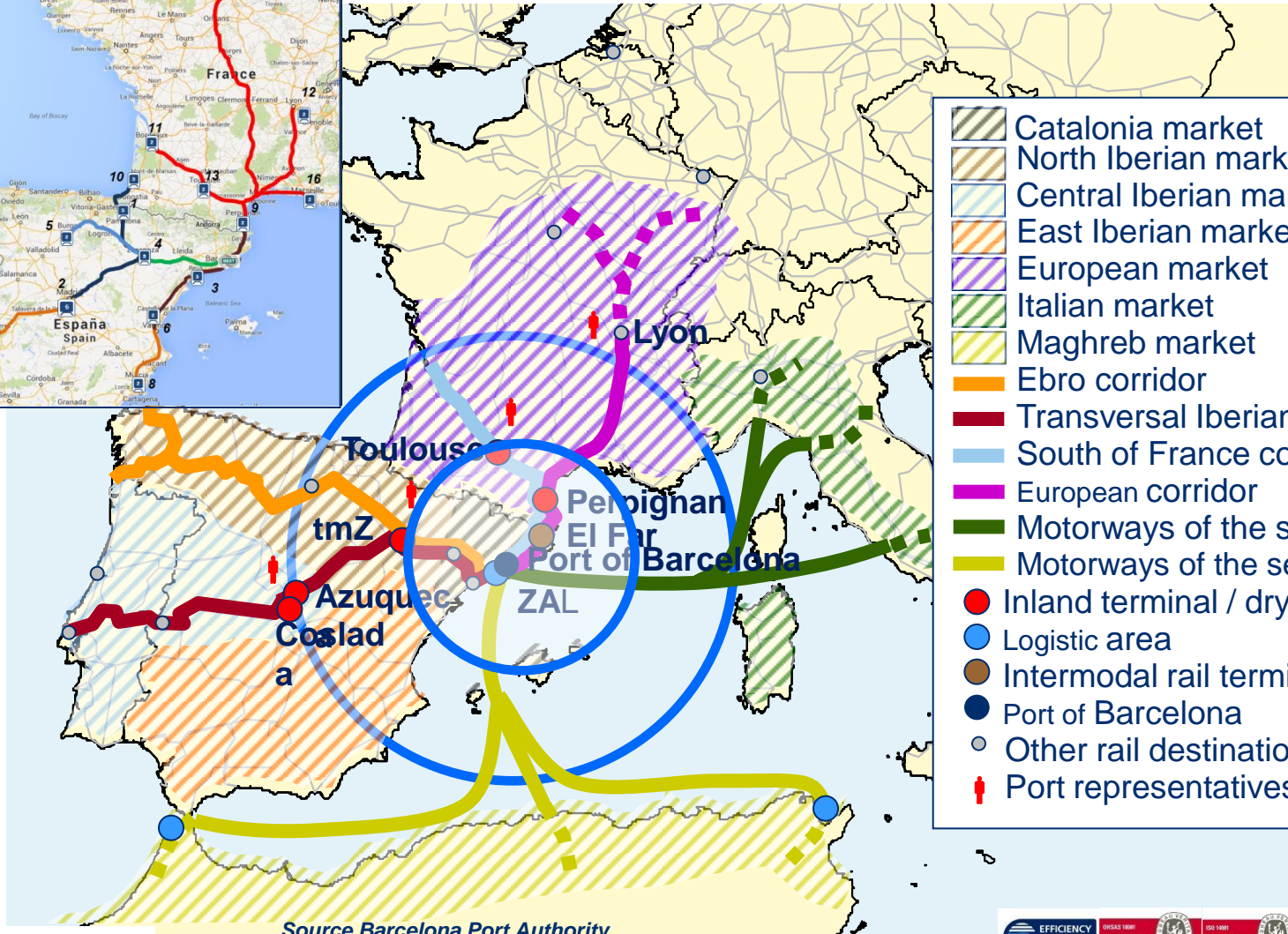


REDUCTION OF 4 KG CO₂/TEU
57% LESS EMISSIONS

*THE MEDITERRANEAN
CORRIDOR IS NOT
CROSSING THE FRENCH
BORDER*

4

Our Hinterland, Your Attractive Inland Market



- Catalonia market
- North Iberian market
- Central Iberian market
- East Iberian market
- European market
- Italian market
- Maghreb market
- Ebro corridor
- Transversal Iberian corridor
- South of France corridor
- European corridor
- Motorways of the sea with Italy
- Motorways of the sea with Maghreb
- Inland terminal / dry port
- Logistic area
- Intermodal rail terminal
- Port of Barcelona
- Other rail destinations
- Port representatives

The Barcelona Advantage. A New Market Trend

- Most of the Infrastructure ready for intermodal maritime cargo / double gauge from Barcelona through the border completed.
- Hutchison Ports set up a rail operator to expand the hinterland of Barcelona Port.
- 10,000 trucks crossing the border every day.

Main Bottlenecks

- Lack of rail players/competition is delaying the development of this corridor.
- Regulatory issues (electrical power systems, safety, etc,)
- Intermodal trains with Maritime containers: shipping line agencies are not promoting cross-border traffic due to the current BU/country structures.
- Customs/Phytosanitary: Differences in procedures and flexibility among countries. Not the same level playing field.

The Barcelona Advantage. A New Market Trend

- **Shorter Transit Times:** new services saving up to 9 days. Fuel savings and lower CO2 emissions on routes to/from Far East compared with North European Ports.
- Potential **hinterland** of more than 7 million TEU within a radius of 1,000 km. International rail operators are interested.
- **Multimodal corridors** connecting the port with major industrial and consumer areas in Europe.
- Cross border issues: we need the **same playing field level as the ports of Northern Europe**.
- Spanish **Customs** are improving by implementing some initiatives such as the **One-Stop-Shop Procedure**, but speeding-up Customs processes is still necessary in order to significantly reduce logistic costs.
- Shipping lines are addressing this opportunity by switching from a country by country operations to a regional view.

We encourage EU legislators to keep supporting this new trend



HUTCHISON PORTS
BEST

CLOSER, FASTER AND GREENER

THE WORLD'S LEADING PORT NETWORK

THANK YOU