

# PSA puts ports on hold

**SHANGHAI** — Singapore's PSA International and Wharf Holdings' container terminal unit have put on hold their multi-million dollar investment plans in container terminal projects in eastern China as the financial crisis hurls global trade, a Chinese port official said on Wednesday.

Modern Terminals, 64-percent owned by Hong Kong's Wharf Holdings, had initially agreed to build 9 container terminals as part of the Ningbo-Zhoushan Port expansion, an official with the port's administrative commission, told Reuters.

Separately, PSA had also expressed an interest to seek government approval earlier this year to build 7 terminals, said the official, who declined to be identified due to the sensitivity of the issue.

"Both have put their projects on hold till the global economic downturn eases," said the official. The terminals cost roughly 800 million yuan (\$117.3 million) each, he added.

Other potential investors that had expressed an interest to join Ningbo-Zhoushan Port's expansion scheme included APM Terminals, the port arm of Danish oil and shipping giant A.P. Moller-Maersk, he added.

China's exports and imports fell in March from year-earlier levels for the fifth month in a row as the global financial crisis struck home, hurting the bottom lines of its shippers and port operators.

Shanghai International Port (Group) Co, the country's biggest,

posted a 17.5 percent drop in fourth-quarter net profit from a year earlier and warned about a difficult year ahead.

In 2008, its container throughput rose 7.1 percent to 28.01 million twenty-foot equivalent units (TEUs), short of its target of 30 million. Total cargo handling reached 369 million tonnes, less than its target of 385 million tonnes.

Still, Ningbo-Zhoushan port, near Shanghai, remains committed to its expansion scheme which will increase its container throughput to 30 million TEUs by 2020, up from 10.93 million TEUs in 2006. Total cargo volume is set to rise to 890 million tonnes, up from 520 million tonnes last year, the port official said.

"Our container and cargo throughput fell year-on-year in the first quarter due to weak trade volume. But we are seeing signs of recovery as our container volume stabilised in March," he said.

Also, the port, with a designed annual container capacity of 7.38 million TEUs and a cargo capacity of 360 million tonnes, is already operating far above its capacity currently, he said.

To help bankroll the expansion, Ningbo Port Group, major operator of Ningbo-Zhoushan port may seek a share listing in the foreseeable future, he added, without providing further details.

"We are open to all kinds of options. Domestic rivals such as Shanghai International Port is also welcome to join our expansion as an investor," he added.

China's weak enforcement of rules in areas ranging from product safety to copyrights and trademarks to labor, he said.

Both officials spoke on the condition on anonymity.

The frank comments followed a phone call between US President Barack Obama and Chinese President Hu Jintao on Wednesday to discuss ways to enhance cooperation on the global economy and health issues, as well as regional security.

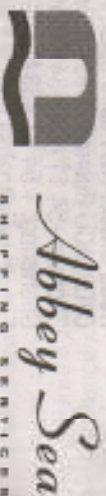
Obama and Hu met for the first time last month at a summit meeting in London of developed and developing countries lead-

## Dutch trade mission in town

**Between today and tomorrow a 20-strong Dutch trade mission will be meeting up with local businessmen in a bid to sustain the momentum of the previous mission two autumns ago. Both missions were organized by the Rotterdam Chamber of Commerce on the initiative of the Dutch Economy Ministry. Today's mission further enjoyed the assistance of TRANSPER export consultants and Latin Business Consultants as well as the Dutch Embassy here in making the preparations.**

Despite the current global crisis this mission has aroused huge interest on both sides of the Atlantic. The visiting companies cover a wide range of sectors — agriculture, the environment, chemicals, transport and construction — and are active world-wide. MS

request. foreign companies increased access to its huge public works market by joining the WTO's government procurement pact, he said.



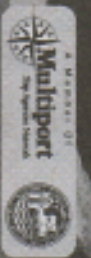
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