

# PORTFOLIO

New BGT terminal  
open for business





- Mexico**  
Tuxpan Maritime Terminal, Veracruz
- Mexico**  
Specialized Container Terminal 2, Manzanillo
- Honduras**  
Specialized Container and General Cargo Terminal, Puerto Cortes
- Colombia**  
Aguadulce Multi-User Container Terminal, Buenaventura
- Ecuador**  
Guayaquil Container & Multipurpose Terminals
- Brazil**  
Suape Container Terminal, Pernambuco
- Argentina**  
La Plata Container Terminal, Buenos Aires



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Container Terminal, Adjara

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Yantai International  
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Shandong

**Iraq**  
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Umm Qasr

**Pakistan**  
Pakistan International  
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Karachi

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Sasa Wharf, Davao City  
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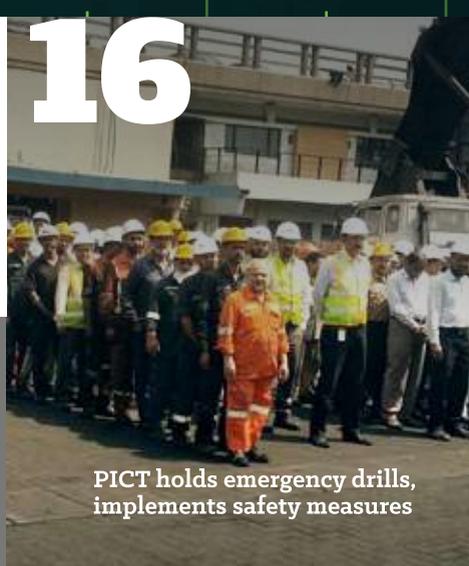
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## COVER STORY

# New BGT terminal open for business

By Sheeba Khan

## Exciting times.

The arrival of M.V. Neapolis at the new terminal signals the start of greater economic activity at the Port of Umm Qasr.



## Basra Gateway Terminal (BGT) has welcomed the first boxship to call its newly built terminal, Berth 27.

The two post-Panamax quay cranes serviced the 1,259 TEU capacity M.V. Neapolis. With a capacity of 300,000 TEUs, this new terminal complements BGT's existing Berth 19 and Berth 20 to provide customers with unrivalled access to the Port of Umm Qasr.

"This is a proud moment for us all at BGT to be able to see the first container ship at the new berth. This new facility further establishes BGT's reputation as Iraq's main gateway to the global market by bringing new operational capabilities, enabling us to handle larger ships," said Phillip Marsham, BGT Chief Executive Officer.

Berth 27, the first fully foreign-funded port infrastructure in Iraq, represents the first phase of the USD130 million Greenfield development project, which includes

a 600-meter quay and 50-hectare yard space facility. With a 320-meter berth and 12-meter controlling depth, the new terminal is designed for optimal efficiency and productivity when handling larger container vessels that access the Iraq market. Over the past four months, management has trained new equipment operators using advanced simulator technology to ensure efficiency during actual operation.

"Having a modern and reliable infrastructure, equipped with state-of-the-art quayside and landside handling systems, is critical for sustainable growth," explained Mr. Marsham, adding that, "We are confident that the new terminal area will boost BGT's efficiency and speed up the movement of import and export cargo, supporting Iraq's rapid economic growth."

The new terminal was inaugurated in October 2016. Upon its completion, the terminal will increase BGT's annual capacity by 900,000 TEUs.

*International Container Terminal Services, Inc. (ICTSI), in partnership with the Department of Transportation (DOTr), recently launched the development of the country's first roll-on, roll-off container barge terminal in Tanza, Cavite, Philippines.*

The planned Cavite Gateway Terminal (CGT), which will be built on a six-hectare property, is expected to facilitate off-the-road seaborne transport of containers between the Manila International Container Terminal (MICT) and the province of Cavite.

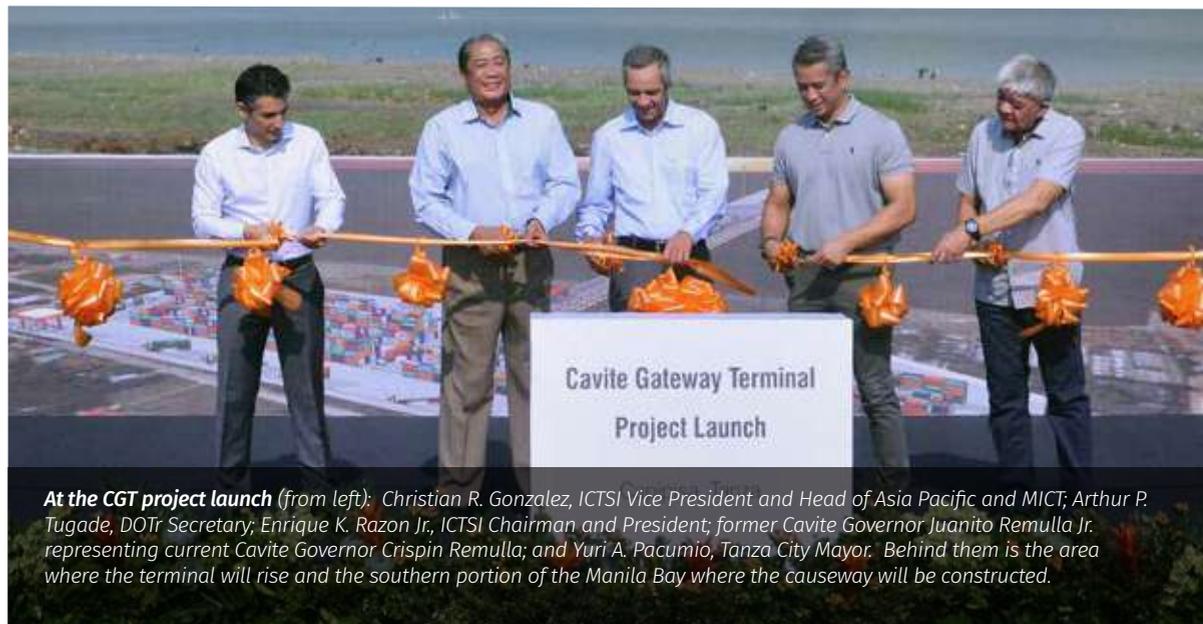
With an estimated cost of USD30 million (PhP1.5 billion), the first phase of the project will feature an annual capacity of 115,000 20-foot equivalent units (TEUs), which is roughly equivalent to 140,000 fewer truck trips on city roads each year.

## NEWSBREAK

# ICTSI, DOTr LAUNCH THE PHILIPPINES' FIRST CONTAINER BARGE TERMINAL



An artist's perspective of the Cavite Gateway Terminal in Tanza, Cavite, Philippines



At the CGT project launch (from left): Christian R. Gonzalez, ICTSI Vice President and Head of Asia Pacific and MICT; Arthur P. Tugade, DOTr Secretary; Enrique K. Razon Jr., ICTSI Chairman and President; former Cavite Governor Juanito Remulla Jr. representing current Cavite Governor Crispin Remulla; and Yuri A. Pacumio, Tanza City Mayor. Behind them is the area where the terminal will rise and the southern portion of the Manila Bay where the causeway will be constructed.

CGT will be integrated with other major port facilities in Luzon for more cost-effective and time-bound access to the Cavite market.

“Cavite was identified as the prime location for this particular project because of its high economic density,” said Christian R. Gonzalez, ICTSI Senior Vice President and Head of Asia-Pacific and MICT.

CGT will be located about 14 kilometers from the Cavite Export Processing Zone (CEPZ), which houses around 400 actively operating companies.

ICTSI sent its proposal to the DOTr to build CGT last December. The project is in line with the government agency's proposed national transport plan to utilize nautical highways in moving trade. Aside from the advantages it brings to cargo owners, the terminal also presents sustainable environmental and social benefits for the nearby communities. The project's remaining phases will add significant capacity based on the projected regional demand.

## NEWSBREAK

# The Chairman's 2016 Report

## (Delivered at the 2017 Annual Stockholders' Meeting)

Overall, 2016 was a very good year for the Company. It was a year when we saw some of the large investments that we made over the last five years have started to pay off.

It was also the year when we completed most of our greenfield projects, such as Berth 27 in Umm Qasr in Iraq, Matadi in the Democratic Republic of Congo or DRC, and the near completion of two large greenfields in Buenaventura, Colombia (which we recently inaugurated) and in Melbourne, Australia (which we are about to inaugurate). These terminals will be the principal drivers of growth for the Company over the next several years.

Likewise, 2016 was a year that brought with it many far-reaching global political events, such as the Brexit vote and the presidential elections in the Philippines and the United States. These brought with them uncertainties in the global trade structure and the long-term status of the European Union, both of which played a large role

in world trade. The new trade policies of the Trump Administration will have the largest impact on whether the free trade era and globalization will take a turn on a different direction.

So there are possibilities that headwinds for global trade, which could be gathering just over the horizon, although it is still too early to tell. The free trade policies of the last two decades have certainly been beneficial for Asia and Latin America.

We also witnessed the acceleration of consolidation in the shipping business, where we now have fewer but much larger shipping line customers with constantly shifting alliances. In spite of low fuel prices, the shipping industry is still struggling with over-capacity and low growth.

strictly speaking, crossed a threshold as possibly the most successful port developer in the industry. I cannot name any among the major players who can claim this track record, particularly in the difficult environments where we have accomplished this.

First, the Sociedad Puerto Industrial Aguadulce or SPIA, our joint venture container terminal development project with PSA in Buenaventura, Colombia. We delivered it on budget—with the development work valued at USD \$54.6 million—albeit seven months behind schedule. We grappled with a multitude of issues involving over 20 different contractors, and an extremely difficult site, among other challenges, but eventually, delivered all the infrastructure, including a 21-kilometer road through a jungle.

### Consolidated Volumes (TEU)

2016	+12%	8,689,363
2015		7,775,993

### Gross Revenues (USD)

2016	+7%	1,128,394,951
2015		1,051,324,893

### EBITDA (USD)

2016	+17%	525,078,344
2015		450,022,183

### Net Income (USD)

2016	+180%	193,470,378
2015		68,979,445

### Recurring Net Income (USD)

2016	+18%	203,447,771
2015		172,782,929

### Earnings Per Share (Diluted) (USD)

2016	+491%	0.065
2015		0.011

### Total Assets (USD)

2016	+9%	4,182,126,414
2015		3,830,799,058

### Total Equity (USD)

2016	-3%	1,766,079,998
2015		1,826,047,875

### Cash and Cash Equivalent (USD)

2016	-8%	325,058,592
2015		354,481,813

Even with all these uncertainties, we have areas where we have a strong presence and have experienced very good growth. For ICTSI, the sheer strategic diversity of our portfolio of terminals served us in good stead once again.

### An extraordinary season for business development

ICTSI is known as a solid performer in the ports development, management, and operations sector. We were not known for flash or hype. Whenever we make a claim, we have the facts and the numbers to back us up. Today, please allow me, therefore, to bring to your attention an extraordinary season that we have just had in our global operations.

Specifically, we delivered four mega port infrastructure projects within the same year. More so, we have delivered all but one on time, or ahead of time, and just as important, on or below budget. We have,

In Africa, the Matadi Gateway Terminal or MGT is a state-of-the-art port -- the first of its scale and standard for DR Congo. With an auspicious start four months ahead of schedule, we had our work cut out for us: a remote location, limited materials, a hard and rocky soil condition. Yet, the USD \$95 million investment is soundly based on the solid prospects offered by the strategic location. With this infrastructure comes a primary gateway for DRC's mining and agricultural exports and all imports as revenue drivers.

In Iraq, where we have two existing terminals, we have completed the construction of Berth 27. This is the third project that we have delivered on time and below budget.

In Australia, our Victoria International Container Terminal (VICT) at the Port of Melbourne was completed below budget and four months ahead of schedule. This has never been achieved in the port industry for a 100 percent automated terminal. It is especially noteworthy when considering the unprecedented complexity of the civil work requirements, along with the level of pioneering automation built right into the design.

**Strong 2016.** Enrique K. Razon, Jr., Chairman and President International Container Terminal Services, Inc. (ICTSI), recalls 2016 as a "very good year for the Company" during a recent stockholders meeting. The highlights of his speech include: ICTSI's handling of a consolidated volume of 8,689,363 TEUs in 2016, up by 12 percent over 2015; seven percent increase in gross revenues from port operations to USD1.128 billion, from USD1.051 billion; and the full automation of Victoria International Container Terminal (VICT), now the world's most modern terminal in Melbourne, Australia.



VICT was designed, and is now fully equipped, to be totally automated, and the most advanced container terminal in the world. A large portion of the USD450 million investment went into VICT's cutting-edge technology, automation, and the highest systems for port safety. VICT is the very first terminal in Australia that can accommodate the largest Neo-Panamax container ships. For the time being, we can rightly claim that our Melbourne terminal is the most automated and modern terminal in the world.

#### **Across our operations**

Despite generally sluggish trade, ICTSI handled consolidated volume of 8,689,363 twenty-foot equivalent units (TEUs), up by 12 percent over 2015. The increase in volume was driven by continuing volume ramp-up in Iraq, Mexico, and Indonesia and organic trade growth in Pakistan, Madagascar, Croatia, Ecuador, and the Philippines.

#### **Financial performance**

For the year in review, gross revenues from port operations increased seven percent in 2016 to USD1.128 billion, from USD1.051 billion the previous year.

ICTSI's Net Income more than tripled to USD180 million as compared to 2015, up 207 percent over the USD58.5 million in 2015. This includes a non-recurring charge of USD23.4 million for the pre-termination of the lease agreement in Portland, Oregon, as against non-re-

curring charges of \$114.6 million in 2015. Without these non-recurring items, recurring net income would have increased 18 percent to USD203.4 million, from USD172.8 million.

Consolidated EBITDA increased 17 percent to USD525.1 million in 2016, from USD450.0 million the previous year mainly due to the continuing ramp-up and further improvement in operating efficiencies at the terminals in Iraq and Mexico; and strong operating results from the company's terminals in Madagascar, Honduras, Pakistan, Indonesia and the Philippines. Consolidated EBITDA margin continued to improve to 47 percent in 2016, from 43 percent the year earlier.

Total cash operating expenses of the Group decreased by three percent, from USD432.3 million in 2015 to USD419.6 million in 2016 due to a continuing cost

cutting program, and favorable translation impact of local currency expenses. The decrease was tapered by higher cost contributions of new terminals in Argentina, DRC and Australia.

#### **Fund management**

Capital expenditures for 2016 amounted to USD391.9 million. Excluding capitalized borrowing costs and other expens-

es, capital expenditures amounted to USD353.5 million, 84 percent of the USD420.0 million capital expenditure budget for the full year 2016.

The Group's capital expenditure provision for 2017 is approximately USD240.0 million allocated for continuing development of Puerto Cortes, Honduras, Mexico and the Manila terminal.

Before I move on, I would like to reiterate the unprecedented level of efficiency we have achieved in delivering our infrastructure projects, in terms of time, and of budget.

#### **A note of cautious hope**

As we continue our strategy of expanding our global footprint, we will also single-mindedly execute our cost cutting program, which we developed

ICTSI's net income more than tripled to USD180 million as compared to 2015, up 207 percent.

over a year ago, and streamline our entire organization from the ground up, thereby gaining more efficiency, and increasing our operating leverage.

The Company is well underway with our liability management and debt reduction program, and we are constantly strengthening our balance sheet. Given potential looming uncertainties, we look to the future as a much stronger Company.

## NEWSBREAK

# ICTSI 1Q 2017 profits up 23% to USD51.7M

**The Company is off to a good start for the year with volume handled up 11% to 2.3 M TEUs, revenues up 12% to USD297.2 million, and EBITDA improved 21% to USD147.0 million.**

The International Container Terminal Services, Inc. (ICTSI) has reported unaudited consolidated financial results for the quarter ended 31 March 2017, posting

revenue from port operations of USD297.2 million, an increase of 12 percent over the USD266.5 million reported for the same period last year.

It also posted Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) of USD147.0 million, 21 percent higher than the USD121.9 million generated in the first quarter of 2016.

The Company's net income attributable to equity holders of USD51.7 million, 23 percent more than the USD42.2 million earned in the same period last year due to strong operating income tapered by higher depreciation charges, higher interest and financing charges, and an increase in the Company's share in the net loss at Sociedad Puerto Industrial Aguadulce

## ICTSI and Subsidiaries

### Financial Highlights Year-on-Year Comparison

For the quarter  
ended March 31

S.A. (Puerto Aguadulce). The port is a joint venture container terminal project with PSA International Pte Ltd. (PSA) in Buenaventura, Colombia, which increased from USD2.1 million in the first quarter of 2016 to USD7.4 million for the same period in 2017 as the Company started full commercial operations.

ICTSI handled consolidated volume of 2,272,647 twenty-foot equivalent units (TEUs) in the first quarter of 2017, 11 percent more than the 2,053,639 TEUs handled in the same period in 2016. The increase in volume was primarily due to continuous improvement in global trade activities, particularly in the emerging markets, continuing ramp-up at ICTSI Iraq, and the contribution of ICTSI Democratic Republic of Congo (IDRC), the Company's new terminal in Matadi, DRC. Excluding the new terminal in DRC, consolidated volume increased by 10 percent.

Gross revenues from port operations for the quarter ended 31 March 2017 increased 12 percent to USD297.2 million, from the USD266.5 million reported in the same period in 2016. The increase in revenues was mainly due to volume growth, tariff rate adjustments at certain terminals, new contracts with shipping lines and services, and the contribution from the Company's new terminal in Matadi, DRC. Excluding the new terminal in DRC, consolidated gross revenues increased by eight percent.

Consolidated cash operating expenses for the first three months of 2017 was two percent higher at USD103.9 million compared to USD101.5 million in the same period in 2016. The increase in cash operating expenses was mainly driven by the increase in variable manpower costs and higher fuel consumption as a result of the increase in throughput; higher fuel prices and power rate adjustments at certain terminals; unfavorable translation impact of the BRL appreciation at Suape, Brazil; and cost contribution of the new terminals in Matadi, DRC and

Melbourne, Australia. The increase was tapered by the additional benefits of the on-going group-wide cost optimization initiatives and the favorable translation impact of Philippine Peso and Mexican Peso expenses at the various terminals in the Philippines and in Manzanillo, Mexico, respectively.

Consolidated EBITDA in the first quarter of 2017 increased 21 percent to USD147.0 million, from USD121.9 million in 2016 mainly due strong volume and revenue growth combined with the additional benefits of the on-going group-wide cost optimization initiatives and positive contribution of the new terminal in Matadi, DRC. Consequently, EBITDA margin improved to 49 percent in the first quarter of 2017 from 46 percent in the same period in 2016.

Consolidated financing charges and other expenses for the quarter increased 25 percent, from USD20.9 million in 2016 to USD26.2 million in 2017 primarily due to higher average loan balance tapered by the higher capitalized borrowing cost.

Capital expenditure in the first quarter of 2017 amounted to USD33.0 million, approximately 14 percent of the US\$240.0 million capital expenditure budget for the full year 2017. The established budget is mainly allocated for the completion of the initial stage development of the Company's greenfield projects in Democratic Republic of Congo and Iraq; the second stage development of the Company's project in Australia; continuing development of the Company's container terminals in Mexico and Honduras; and capacity expansion in its terminal operations in Manila. In addition, ICTSI invested USD9.1 million in Puerto Aguadulce in Buenaventura, Colombia. The Company allocated approximately USD25.0 million for its share in 2017 to complete the initial phase of its joint venture container terminal project with PSA International.

(In million USD, except Earnings per share data)	1Q2016	1Q2017	% change
<b>Gross Revenues</b>	USD266.5	USD297.2	12%
<b>EBITDA</b>	USD121.9	USD147.0	21%
<b>Net Income</b>	USD45.1	USD57.6	28%
<b>Net Income Attributable to Equity Holders</b>	USD42.2	USD51.7	23%
<b>Earnings per share</b>			
<b>Basic</b>	0.014	0.020	43%
<b>Diluted</b>	0.014	0.020	43%



SHIP AHOY

# PICT services its largest ship

By **Arif Raza**

**Pakistan International Container Terminal (PICT) has achieved another milestone when it recently serviced the KMTC Adrian Schulte, the largest container ship to call at the terminal.**

Built in 2009, the 304.17-meter long, 7,241 20-foot equivalent units (TEU) capacity container vessel is part of the Asia-Indian Subcontinent (AIS) service, which is operated by Korea Maritime Transport Co. Ltd. (KMTC), COSCO, and TSL Line. Emirates Shipping is also part of the service as a slot-sharing partner.

The AIS service, which started in 2016, connects Pakistan to India and Asia via the following port rotation: Qingdao, China; Kwangyang, South Korea; Pusan, South Korea; Ningbo, China; Shekou, China; Singapore; Port Klang, Malaysia; Nhava Sheva, India; Mundra, India; Karachi, Pakistan; Port Klang, Malaysia; and Hong Kong.

PICT handled a total of 3,784 moves during the vessel call.

## SPOTLIGHT

# MICTSL stands out in Indian ports exhibit

By **Michael Ratrimo**

**Madagascar International Container Terminal Ltd. (MICTSL) was among the participants at the 11th Indian Ocean Ports and Logistics Exhibition and Conference held at Hotel Carlton in Antananarivo on 22-23 March 2017.**

One of the conference speakers, Rachid Baho, MICTSL Chief Executive Officer and General Manager, talked about the key strategies implemented by the company to increase its container handling capacity.

MICTSL is now the best performing container terminal in the Indian Ocean Islands region. Recently, the Toamasina Port Authority (SPAT) secured financing from the Japanese International Cooperation Agency (JICA) for the quay extension project of MICTSL. The development will increase the quay length by 470 and control its depth to 16 meters. The extension will also add 345 meters to the breakwater and up to 26 hectares of container yard. These developments are expected to double the terminal capacity upon completion.



The MICTSL exhibit (left)

## MEET AND GREET

# PH envoys visit ICTSI's Africa, Australia units

By **Michael Ratrimo and Claire Jordan-Whillans**

**Philippine ambassadors to Africa and Australia recently visited International Container Terminal Services, Inc.'s (ICTSI) Madagascar and Melbourne terminals.**

From March 19 to 20, Philippine Ambassador to South Africa Joseph Angeles visited the Port of Toamasina. The diplomat also visited the Filipino community working for the mining company Ambatovy and paid a courtesy call to Toamasina Port Authority (SPAT) General Manager Christian Eddy Avellin.

Commenting on the cooperation between Philippine-owned company Madagascar International Container Terminal (MICTSL) and the Malagasy Government through SPAT, Ambassador Angeles and Mr. Avellin highlighted the value of establishing "people to people" relations apart from business relations – one of the major reasons for the success of the public-private partnership between ICTSI and the Malagasy Government.

On March 20, Ambassador Angeles visited MICTSL together with Hans-Ole Madsen, ICTSI Senior Vice President and Head of Europe, Middle East and Africa, and Rachid Baho, MICTSL Chief Executive Officer and General Manager.

According to Mr. Angeles, it was with great pride that he was able to witness the growth of a Filipino company



**PH ambassador at MICTSL** (from left): Mr. Baho, Mr. Madsen, Ambassador Angeles, and Mr. Ratrimo, Terminal Administration and Development Director



**Philippine Ambassador to Australia Minda Calaguian-Cruz** shares a light moment with VICT Chief Executive Officer Anders Dømmestrup.



**Envoys at VICT** (from left to right): Philippine Department of Tourism Attaché Norjamin Delos Reyes, Philippine Vice Consul to Australia Nicole De Castro, VICT Legal & Corporate Affairs Head Olivia Jones, Ambassador Nicole Calaguian-Cruz, Philippine Consul Ad Honorem to Australia Felix J. Pintado

overseas like MICTSL, which has been running the Toamasina port terminal for the past 10 years.

Also in March, Philippine officials visited ICTSI's newly opened container terminal in Melbourne, Australia. Honorable Minda Calaguian-Cruz, Philippine Ambassador to Australia, met with officials of Victoria International Container Terminal (VICT) at the Port of Melbourne. Philippine embassy officials Norjamin Delos Reyes, Philippine Department of Tourism Attaché – Australia and New Zealand Office, Nicole de Castro, Philippine Vice Consul to Australia, and Felix J. Pintado, Philippine Consul Ad Honorem to Australia, joined the Ambassador during the visit.



Delegates of the Pakistan Railway Academy learn from the experts in the container transport industry as they take part in the PICT educational tour.

## Pakistan Railway Academy educational tour held

By **Arif Raza**

**Pakistan International Container Terminal (PICT) recently hosted an educational tour for the delegates of the Pakistan Railway Academy (PRA).**

S.M. Imran Moosa, Commercial and Marketing Manager, welcomed the guests and delivered a presentation about PICT and its operations. Junaid Qureshi, Operations Manager, on the other hand, led the port tour.

The PRA is the central training institution of Pakistan Railways. Established in 1925, the PRA is attended by more than 1,700 individuals from over 40 countries worldwide.

## NEWSBREAK

# PIER 6 TO BOOST PUERTO CORTÉS' OPERATIONS

By Evelyn Leiva



*His Excellency Juan Orlando Hernández, President of the Republic of Honduras*



*A new pier for Puerto Cortés (from left): Leo Castello, Honduras Port Authority General Manager; Mr. Turnes, and President Hernández unveil the marker of Pier 6 during the project launch.*

**His Excellency, Juan Orlando Hernández, President of the Republic of Honduras, and Mariano Turnes, Chief Executive Officer of Operadura Portuaria Centroamericana (OPC), recently announced the start of construction of Pier 6 in the Port of Puerto Cortés.**

OPC has partnered with China Harbour Engineering Company and a local company for the construction of the new facility. Majority of the construction materials will be sourced locally.

The new facility will reinforce Puerto Cortés' status as the region's main gateway to the Atlantic and Central America. It also positions Puerto Cortés as one of the major ports in the region capable of handling large ships.

OPC is set to carry out all infrastructure-related operations that will establish Puerto Cortés as a truly world-class port. It will further ensure that the recognized standards in port operations of International Container Terminal Services, Inc. (ICTSI) as well as best international practices are fully implemented.

OPC strengthens Honduras' position in both the regional and international logistics supply chains. Three years since the OPC signed the concession to build, operate and maintain the Specialized Container and Cargo Terminal, the Port of Puerto Cortés has seen positive developments in infrastructure, processes, technologies, and quality of operations.

The container terminals managed and operated by International Container Terminal Services, Inc. (ICTSI) in Subic Bay Freeport now facilitates trade between Korea, Taiwan and the Philippines as Evergreen Marine Corp. launches a new direct service in key ports at the three trading economies.

Evergreen, Taiwan's largest shipping company, has launched its Korea-Taiwan-Philippines (KTP) service in Subic, adding New Container Terminals 1 and 2 to its port rotation. The inclusion of Subic in the rotation is expected to boost the growing markets in northern and central Luzon, which stand to benefit from the direct trade link to Korea and Taiwan. Aside from exports and imports, the service also offers transshipment for overseas cargo.

"It is our pleasure to have this new service in Subic due to market demand and requests

## NEWSBREAK

# Subic

from our current clients in the Philippines," said Paul Huang (Huang, Pao-jen), Evergreen Executive Vice President.

"We have no doubt that Evergreen can provide the best service to our customers with our good partner, SBITC terminal in Subic Bay," he added.

"We congratulate Evergreen for the launch of the new service. We also thank Evergreen for recognizing Subic as a key gateway in the Philippines. Our inclusion in the KTP service is a clear indication that the markets of central and northern Luzon are growing, and will benefit from another large global carrier participating in this growth," said Roberto R. Locsin, General Manager of ICTSI subsidiary Subic Bay International Terminal Corp.

The KTP weekly service follows this port rotation: Incheon and Kwangyang, South Korea; Kaohsiung, Taiwan; Batangas, Manila; Subic, Philippines; and back to Kaohsiung, Taiwan.

## Attracting more shipping lines, port users to Subic

ICTSI continues to make a strong case for the Freeport as a key international trading gateway of the Philippines after achieving productivity levels at par with that of the Manila International Container Terminal (MICT) during the call of Evergreen Marine

Corp.'s 1,440 20-foot equivalent unit (TEU) boxship Cape Fulmar.

Two Panamax quay cranes at the New Container Terminal (NCT) 1 recently handled close to 400 TEUs with each crane averaging 40 and 33 moves per hour, respectively. Cape Faro is the other vessel chartered in the KTP service.

Mr. Locsin explained: "As a national port operator, ICTSI ensures that each Philippine marine terminal under its helm remains competitive. Subic, in particular, was developed not only for the industrial locators of the Freeport but for the local markets in Luzon north of Metro Manila."

MICT, ICTSI's flagship terminal, primarily serves the Metro Manila market and its adjacent markets, where most of the economic activities of the country happen being the country's capital.

plan's second phase, another ICTSI subsidiary, ICTSI Subic, Inc., was awarded the concession to operate NCT 2.

Increasing volumes in Subic enabled ICTSI to streamline and interface the operations of NCT 1 and 2. The merged operation has been serving the growing markets of the region, alongside the continued support to facilitate the box market of Metro Manila.

In December 2016, the Taiwan Maritime and Port Bureau (TMPB) expressed interest to partner with the SBMA to increase container transshipment traffic between the ports of Taiwan and Subic. TMPB raised the possibility of partnership during a recent port visit to Subic, which stemmed from SBMA's participation in the 22nd Philippines-Taiwan Joint Economic Conference last October 2016 in Taipei.

Taiwan is the Philippines' sixth biggest trading partner, facilitating around USD 7.85 billion worth of bilateral trade recorded in 2015. Currently, the Subic Bay Freeport Zone hosts 52 Taiwanese companies with USD 500 million worth of investments and over 12,000 jobs generated.

Meanwhile, South Korea is the Philippines' fifth largest trading partner as shown by 2015 statistics. In 2014, bilateral trade between the two countries reached USD 13.4 billion, a number that is expected to reach USD 20 billion over the next five years. This projection has triggered the increase of Korean investments in the Philippines in the recent years, with construction, cosmetics and food companies looking to invest.

# opens direct trade to Korea, Taiwan

**New growth momentum for Subic.** Cape Fulmar, vessel of Taiwan's largest shipping company Evergreen Marine Corp., docked at the new container terminal 1. The Taiwanese company has recently launched its Korea-Taiwan-Philippines (KTP) service in Subic as it added new container terminals 1 and 2 to its port rotation.



"Metro Manila as a market will continue to grow. But, as the northern and central Luzon countryside develops driven by industrial centers like Subic, Clark, Bataan and Tarlac are also continuing to grow. The Subic Bay Freeport is that gateway ready to link its products to global markets. We have the equipment and facilities. We carry ICTSI's brand of service and efficiency," he added.

ICTSI has positioned itself in Subic in anticipation of growing local markets north of Metro Manila. In 2007, under the Subic Port Development Plan, the Subic Bay Metropolitan Authority (SBMA) awarded SBITC the concession for NCT 1. In 2011, under the

The Philippines is capitalizing on Taiwan's "Southbound Policy," which aims to strengthen trade and investment relationship between Taiwan and countries south of the latter's territory. This "paradigm shift" opens the doors for the Philippines to capture businesses in Taiwan's high-value manufacturing, innovation, logistics and transshipment, renewable energy, e-commerce, and financing sectors.

The SBMA has asked the TMPB to encourage industries in Taichung to utilize Subic as the regional gateway.

Recently, SBMA urged local government units around the Freeport to start developing industrial parks to accommodate the growing number of investors.

"All of these developments are inter-connected. We're now seeing the results of our campaign to promote Subic. We are doubling our efforts to sustain the current momentum to ensure we don't lose on the gains we have achieved in putting Subic at the center of economic growth in central and northern Luzon. We are ready for more port activities and a vibrant Freeport," said Mr. Locsin.

## ICTSI CARES

# ICTSI FOUNDATION HOLDS TEAMBUILDING FOR ECOPATROLS

By **Marie Bernadette C. de Guzman**

**ICTSI Foundation – Parola Solid Waste Management Team and Parola EcoPatrols held their annual team building activity last March with the theme “Improving Mindfulness and Wellness” at the Bayleaf Hotel in Intramuros, Manila.**

EcoPatrols learned different stress management techniques that they can apply in their everyday lives to improve their physical wellness.

According to Joy E. Lapuz, Foundation Program Operations Manager, “The annual teambuilding event is a response to the request of the ecopatrols, who are champions of the Parola Solid Waste Management Program. This year’s event teaches them to reduce everyday stress and take better care of themselves.”

“In a way, this is also a way for us to reward them for their unwavering support for the second expansion phase of the Parola Solid Waste Management Project,” she added.

A total of 75 ecopatrols took part in the workshops facilitated by clinical counselors from E-Care Compassion Ministries, whose mission is to create a holistic ministry for individuals to achieve healthy and wholesome lives.



## ICTSI Foundation renews support for ALS Program in Davao

By **Eloida K. Arcena**

**ICTSI Foundation, in coordination with Davao Integrated Port and Stevedoring Services, Inc. (DIPSSCOR), has renewed its support for the Department of Education’s (DepEd) Alternative Learning System Program (ALS) through a signing of a memorandum of agreement at the Francisco Bangoy Elementary School, Davao City.**

The recent signing marks six consecutive years of progressive partnership between the Foundation and the DepEd. ALS provides educational opportunities for out-of-school youth, industry-based workers and other members of the community who cannot afford formal schooling.

In 2016, 233 students took the Accreditation and Equivalency Secondary Course along with various technical and vocational courses like basic electrical, welding, computer servicing, beauty culture and plumbing.



**Marking six years of support for ALS** (from left): Filipina C. Laurena, ICTSI Foundation Deputy Executive Director; Narlene A. Soriano, ICTSI Public Relations Director and Foundation Executive Director; Julien C. Domingo, DIPSSCOR General Manager; Narmela Espedido, DepEd District Supervisor; Jimmy Malazarte, Barangay Sasa Senior Officer-in-Charge; and Richelle Michael Roberts, F. Bangoy Elementary School Parents and Teachers Association Vice President.

ICTSI CARES

# ICTSI Foundation holds Disaster Risk Reduction seminars for Parola constituents

By Dr. Patricia M. Licup

ICTSI Foundation launched a series of seminars titled “Disaster Preparedness Orientation Course” for residents of the Parola community last 7 March as part of the Foundation's disaster risk reduction and management efforts.

Officials of Barangays 20 and 275, together with Foundation representatives and Sally Inonog, ICTSI Head of Employee Services and Information Management, attended the first session.

Identifying the two highly congested barangays as very vulnerable to both natural and man-made disasters, the Foundation, through its Training and Capacity Development Team, coordinated with the Metropolitan Manila Development Authority's (MMDA) Public Safety Division (PSD) to equip community leaders and residents with the awareness, knowledge and crisis management skills, which will prove useful particularly during times of disaster.

The succeeding sessions will be dedicated to the parents of ICTSI Foundation scholars, Parola eco patrols, designated disaster reduction groups, and residents living near the 30 community gates of the two barangays. More than 2,000 are expected to attend the seminar series, which will run until the second week of May.





## TERMINAL SAFETY

# PICT HOLDS EMERGENCY DRILLS, IMPLEMENTS SAFETY MEASURES



*Eyes at the back.* Rear-facing cameras for reach stackers

By **Arif Raza**

**The management of Pakistan International Container Terminal (PICT) organized emergency drills last March to evaluate its emergency response system, enlisting members of the Emergency Response Team (ERT) who showcased their skills in responding to fire outbreak inside the terminal facilities.**

Occupants of the terminal's three major buildings were asked to participate in a building evacuation drill. A total of 299 employees, contractors and customs clearing agents took part in the exercise.

During the drills, the ERT called the Port Fire Service using the KPT Call Point, a wireless based system. In addition, the response team also demonstrated the proper use of emergency response equipment and standard operating procedures when dealing with certain types of emergencies.

### Establishing "safe zones" and installing reach stacker cameras

The management also placed safe zone signs at the extreme ends of the quay cranes as safety precaution for dockworkers and safety employees in the area.

To assist operators in operating the equipment in reverse, the PICT Management retrofitted reach stackers with cameras. The cameras provide operators with a clear sight of the blind spots like the rear of the equipment, reducing the likelihood of accidents.

## PORTFOLIO

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