

**BRIEF FOR MOST HONOURABLE PRIME MINISTER
ON THE OCCASION OF
THE OFFICIAL SIGNING OF CONTRACT BETWEEN THE
PORT AUTHORITY OF JAMAICA AND MAERSK LINE FOR
USE OF THE KINGSTON CONTAINER TRANSHIPMENT
TERMINAL
ON 2005 NOVEMBER 17**

Honourable Ministers of Government, representatives of Maersk Line, Chairman, Members of the Board and Staff of The Port Authority of Jamaica, representatives of our local maritime sector and business community, distinguished guests, ladies and gentlemen ...

Firstly, let me join my Minister of Transport & Works and the President of The Port Authority, in extending a warm welcome to everyone in attendance at this important milestone in the history of our shipping industry.

This morning, we will be signing a contract between The Port Authority of Jamaica and Maersk Line, to provide service at the Kingston Container Terminal, with emphasis on transshipment operations. The Maersk Line, whose parent company is A.P. Moller, is the largest container shipping line in the world.

The signing of this new contract speaks directly to the vast strides that have been made in the development of the Port of Kingston and the soundness of the vision of the Government in facilitating that development.

More than three decades ago, the Government of Jamaica had a profound appreciation of the natural resources with which the country is blessed, specifically in terms of the Kingston Harbour, which is the seventh largest natural harbour in the world.

The Government recognized the importance of developing our Port and the potential benefit to be gained from our meaningful participation in international shipping.

In 1975, the Government established the Kingston Container Terminal to facilitate such participation, and today's signing ceremony is in no small measure due to that recognition of the importance of the maritime and shipping sector to national development.

The value of this five-year contract is estimated at US\$210 Million or J\$13.3 Billion, and during that period Maersk will be one of the largest users of the Port of Kingston.

The contract includes stringent obligations for both parties. Very importantly, a major obligation of The Port Authority is to urgently provide appropriate capacity and facilities to satisfactorily accommodate the arrival of the first vessels to the Terminal in April 2006. These will include mainly berthing, equipment and container storage yard.

With that accord, ladies and gentlemen, I wish to assure the representatives of Maersk Line that The Port Authority will confidently meet all contractual obligations. Our Terminal has a record of professional service to its clients. However, we are not resting on any laurels.

The Government is committed to providing significant support to The Port Authority in putting in place the physical and administrative programmes required, to ensure that we meet our responsibilities. *There will be no slippage of schedules.*

Over the years, we have pursued a policy of ongoing expansion and upgrading of capacity, in order to meet market demand, remain abreast of industry trends, and ensure the continuing development of a highly technological, world-class port facility.

I have had a close relationship with The Port Authority from the early 1970's when the North Terminal was being developed. I have also had the pleasure to participate in the formal opening of two expansion phases in the 1990's, which saw the establishment of the new South Terminal.

A fourth expansion phase, commenced in 2003, which involved the extending and upgrading of the North and South Terminals, has now been completed at a cost of nearly US\$80M. This has increased total throughput capacity to 1.5 million TEU's (Twenty-Foot Equivalent Units).

Recently, the Cabinet granted approval for a fifth expansion phase, which will double TEU capacity at the Terminal, taking it to 3.2 million TEU's. This expansion programme will be done in two phases:

Phase I

- **475 m of Berth with depth of 15 m**
- **143 hectares of Apron**
- **21 hectares of Container Yard**
- **6 Super Post-Panamax Ship-to-shore Gantry Cranes**
- **24 Straddle Carriers (4 high)**
- **6 Empty Container Handlers (8 high)**
- **10 Trailer Trains**
- **6 Terminal Tractors**
- **1 6,000HP Harbour Tug**
- **Fifty-five (55) High-Mast Lights**
- **CCTV Systems**

Phase II

- **42 hectares of Container Yard**

Equipment has already been ordered, design work is being done, and preparation for expansion of the container yard is in progress. When completed, Phase 5 is expected to cost some US\$200M.

It is intended in the long-term expansion plans, to connect the Fort Augusta development to the existing Container Terminal complex. Preliminary work has already been started on this development, which on completion will provide additional capacity of approximately 5 million TEU's. At that point, we will achieve status as a World Mega-Transshipment Hub, which is our long-term goal for the Port of Kingston.

We wish also to inform Maersk Line that our association far exceeds client status. We regard you as partners, not only in the expansion of our maritime sector, but also Jamaica's economic growth.

We look forward to mutual benefits accruing from this partnership between The Port Authority of Jamaica and Maersk Line.

THE PORT AUTHORITY OF JAMAICA

2005 November 10

NAH/gp



Equipment Acquisitions

Equipment	Current	Projected Acquisitions for KCT5	Total	Cost of Acquisitions for KCT5 (US\$m)
cranes	13	6 (August 2007)	19	45.00
straddle carriers	50	24 (July 2006)	74	22.77
multi-trailer trucks	4	6 (November 2006)	10	2.16
multi-trailers	6	10 (November 2006)	16	1.12
empty container handlers	8	6 (April 2006)	14	1.81
			Total	72.86



Infrastructure Development

Infrastructure	Current	Projected Development for KCT5	Total	Estimated Cost of Infrastructure for KCT5 (US\$m)
reefer plugs	694	976	1,670	158.55
north terminal berth - metres	535	-	535	
west terminal berth - metres	-	475	475	
south terminal berth - metres	1,300	-	1,300	
north terminal yard space - hectares (acres)	50 (123)	-	50 (123)	
west terminal yard space - hectares (acres)	-	65 (161)	65	
south terminal yard space - hectares (acres)	41 (101)	-	41 (101)	
throughput capacity - teus	1,500,000	1,700,000	3,200,000	