



KINGSTON WHARVES LIMITED

DOING BUSINESS IN LOGISTICS: THE KWL CASE STUDY

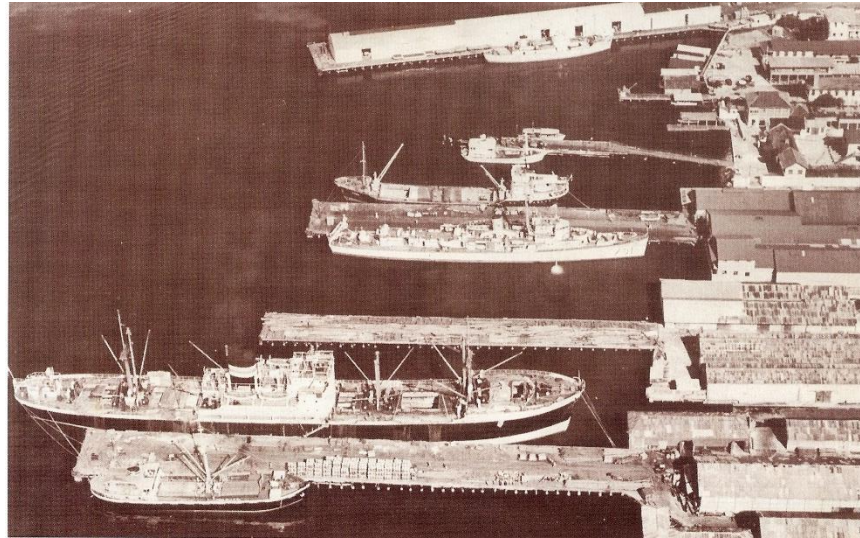
|| Presenter: Grantley STEPHENSON, Chief Executive Officer

- Panama Canal Expansion
- New Nicaragua Canal
- Reopening of Port Mariel – Cuba
- Port Infrastructure Development in the Caribbean & US East Coast



KWL Transformation

1975: 4 Finger Piers



KWL Transformation

2014: The Leading Multipurpose Port in the Caribbean



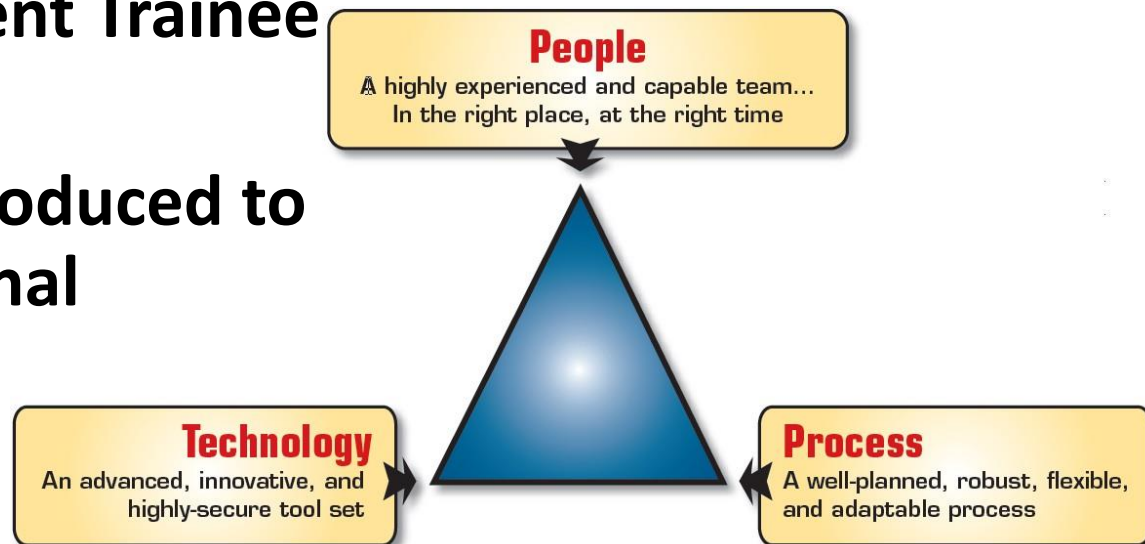
KWL Success Factors



- **Investments in People, Processes & Technology**
- **Service Diversification/Product Line Expansion**
- **Structural Cost Reduction**
- **Long Term Planning (Port Centric Logistics)**

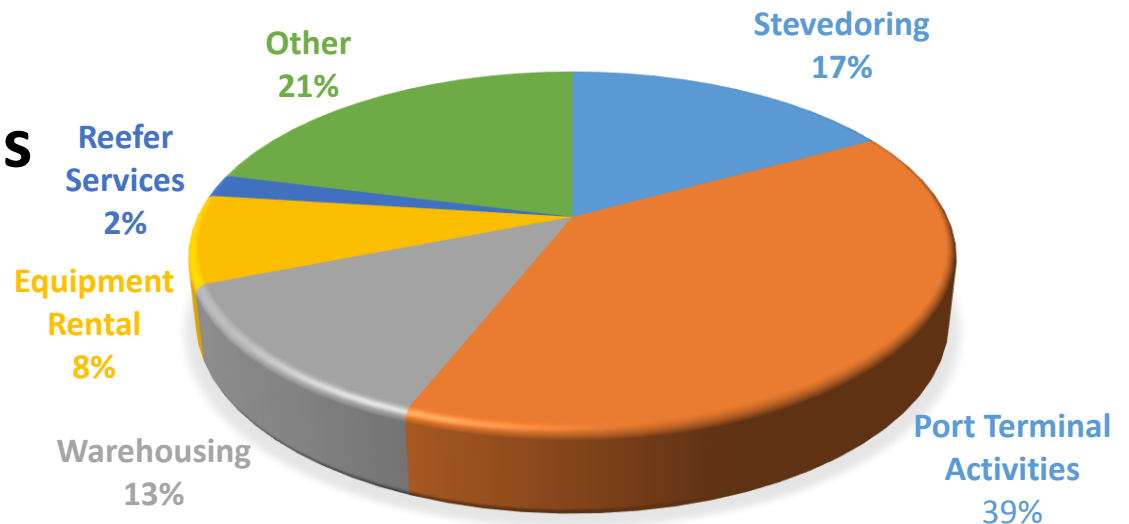
People | Process | Technology

- More than J\$340 Million investment in infrastructure and equipment in 2013
- KWL Team Members exposed to training at international ports
- Strong Management Trainee Programme
- Best practices introduced to enhance operational efficiencies



Service Diversification

- Port terminal Management
 - Transshipment
 - Warehousing
 - Equipment Rental
 - Stevedoring
 - Reefer Services

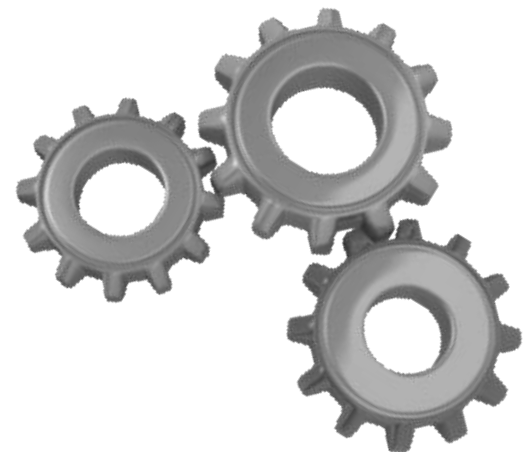


Industry Threats

- High Crime Perception
- Conflict of Interest with Port Regulator & Operator
- Archaic Customs Legislation

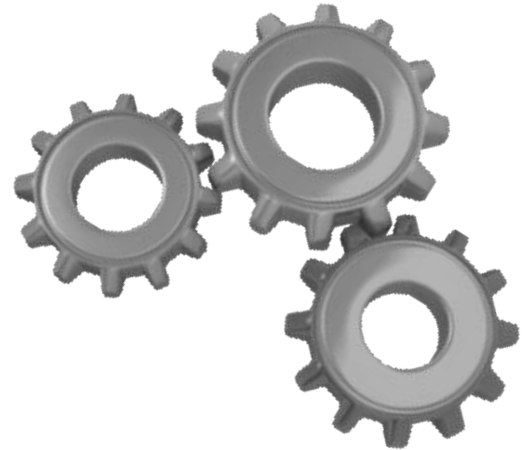
Structural Cost Reduction

- **Ocean Carriers are getting larger as Shipping Lines seek economies of scale**
 - Mitsui OSK has ordered a new 20,000 TEU Vessel
 - China Shipping currently holds the record for the largest vessel with its 19,000 TEU CSCL Globe
 - **In 2005 the largest container vessel was the 9,500 TEU Gudrun Marsk**



Structural Cost Reduction

- **Reducing energy consumption**
- **Enforcing disciplined productivity standards matched with resource utilization**
- **Lower communication costs**
- **Renewable energy**



Long Term Planning

*If you don't know where
you are going, any road
will get you there.*

-Lewis Carroll





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Imperatives for Logistics Hub

- Implement the Port Community System
- Modernize Customs Legislation
- Fast-track SEZ Legislation
- Designate Port of Kingston as a homogenous Trade Zone
- Improve trade facilitation processes





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