

Current and future state

Port operators are shifting their focus from traditional landside operations to being part of a larger ecosystem of global trade.

Current state of ports and logistics

Over the past few decades, port operators have shifted their strategies from traditionally being confined to landside operations to a broader concept of port-centric logistics where ports are not seen merely as a thoroughfare for goods but as part of a larger and integrated ecosystem of global trade. DP World, for example, identifies itself as the leading global trade solutions enabler which views ports as central to its global integrated operations, encompassing a broad spectrum of supply chain segments- from maritime and overland terminals to marine, logistics and ancillary services, as well as technology-driven commercial solutions. With this strategic focus, it has developed a range of other services for its customers, providing end-to-end services from intermodal handling and management of containers and cargoes, to storage and warehousing. It has also ventured into non-port businesses such as the feeder and inland logistic services through the acquisition

of Unifeeder, Feedertech and Transworld to further boost its logistics and trade connectivity.

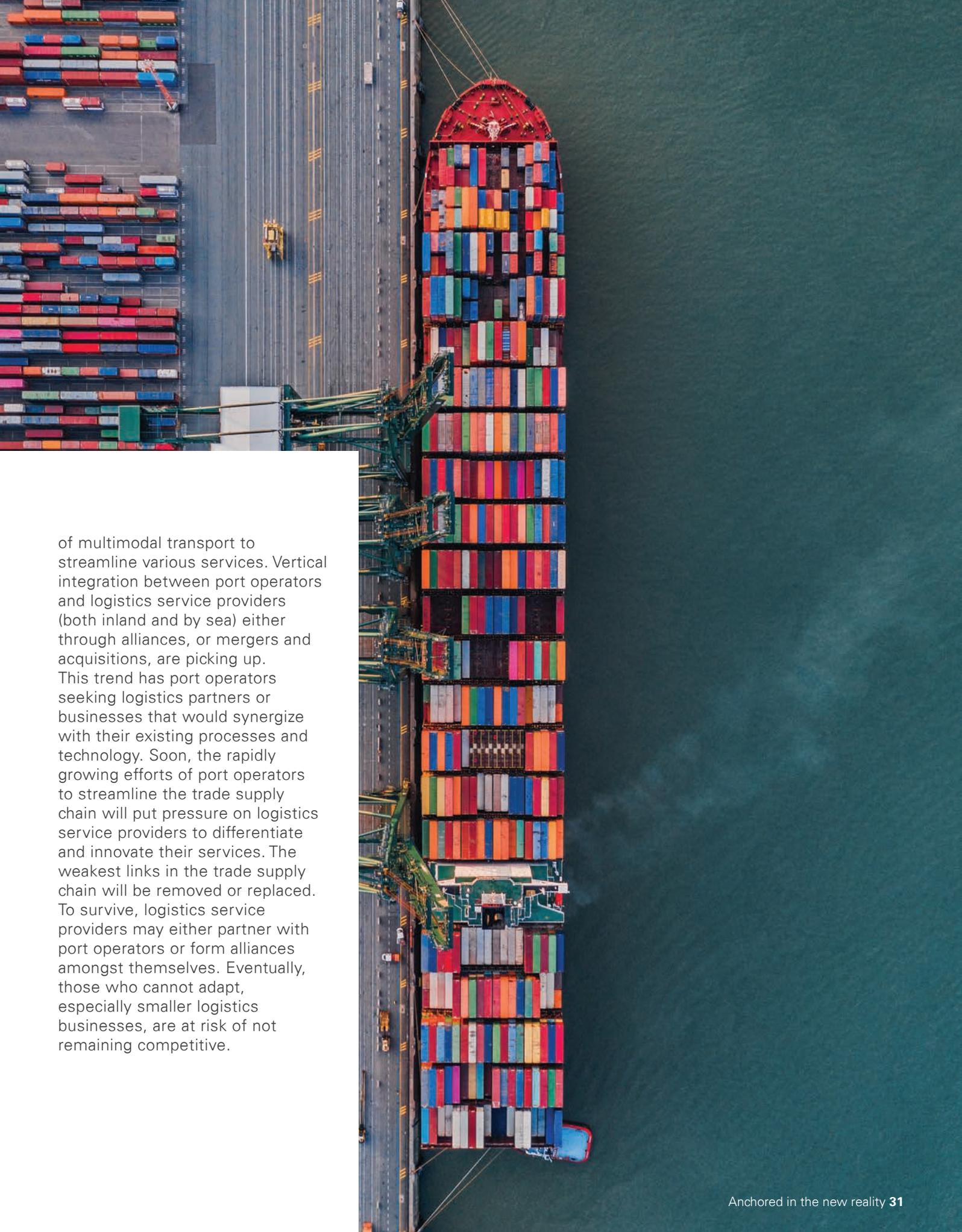
Recently, ADQ-owned Abu Dhabi Ports announced its acquisition of MICCO Logistics, a local freight management firm, expanding its logistics portfolio with the aim of providing a fully integrated and holistic logistics solutions in the UAE and beyond. This acquisition will enable Abu Dhabi Ports to manage all customer touch points from contract sourcing and purchase order management to order fulfilment and handling solutions via its strategically located network of distribution centers. Furthermore, Abu Dhabi Ports has partnered with one of the world's largest maritime and energy consultant to undergo a massive digital transformation using blockchain technology, with a focus on decarbonization.

Virgin Hyperloop, the first initiative of its kind, was created through a partnership between DP World and Virgin to provide cargo systems that will enable fast, sustainable and efficient delivery of palletized cargo around the world. Hyperloop

is a futuristic mode of vacuum tube-based transport, resembling a train but traveling at the speed of a jet aircraft. The projects are already in progress in the UAE, India and the USA. If the project is realized, it can deliver freight and move people from point to point at a top speed of 1,200 kmph – giving rise to greater productivity and efficiency in the logistics ecosystem. Systems are electric and can be powered by renewable energy, creating a more sustainable solution for transport. In November 2020, Virgin Hyperloop successfully completed its first ever human transportation journey, bringing the technology a step closer to commercial use.

Future state of ports and logistics

Port operators and logistics service providers are integral to the global ecosystem of trade. They are part of an integrated supply chain where the action of one potentially affects the other, whether favorably or not. Port operators increasingly see themselves as enablers of global trade, and are venturing towards non-port businesses, including logistics and adoption



of multimodal transport to streamline various services. Vertical integration between port operators and logistics service providers (both inland and by sea) either through alliances, or mergers and acquisitions, are picking up. This trend has port operators seeking logistics partners or businesses that would synergize with their existing processes and technology. Soon, the rapidly growing efforts of port operators to streamline the trade supply chain will put pressure on logistics service providers to differentiate and innovate their services. The weakest links in the trade supply chain will be removed or replaced. To survive, logistics service providers may either partner with port operators or form alliances amongst themselves. Eventually, those who cannot adapt, especially smaller logistics businesses, are at risk of not remaining competitive.

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