Building a Transshipment Port That Links East Asia and the Rest of the World

Naha Port is located quite close to Shanghai and is almost at the halfway point between Busan and Keelung. And because of this, the port is geographically ideal for the redirecting of traffic from China to U.S.A. and Europe. Nowadays, the privatization of ports is a global trend. In January 2006, a wholly private corporation run by a global operator began operating the international container terminal of Naha Port for the first time in Japan's history.

Naha Port will play a major role in the international logistics of East Asia.
Naha Port International Container Terminal

Naha Port is located quite close to Shanghai and is almost at the halfway point between Busan and Kaohsiung, and because of this, the port is geographically ideal for the redirecting of traffic from China to U.S.A. and Europe. The international container terminal with maximum depth of 15m, berth of 600m, and 21ha in total area - was privatized through International public offering, and as a result a wholly private terminal operator was selected for the first time in Japan’s history, in January 2006, a private corporation run by a global operator began operating the international container terminal, declaring its birth as an international logistics hub of East Asia.

History of Naha Port and Its Geographical Advantages

Trading Hub of East Asia

Naha Port is the logistical center of Okinawa, Japan’s southernmost prefecture. It originated in 1864 when the then King of Chuzan, who governed the interior region of mainland Okinawa, built an official mansion (Tomari Golon) and temple (Seigend) at Tomari Port (present Tomari Wharf).

Trade with China began in the 15th Century, and after Shobashi – the King of Chuzan – unified the Ryukyus to establish the Ryukyu Kingdom, trade with Japan, China, Korea, and other countries in Southeast Asia began to really prosper. The port has continued to develop as an important trading hub of East Asia ever since.

Keystone

Naha Port International Container Terminal is located approximately 320km from Shanghai - China's largest mercantile city whose economy is growing at a rapid rate - and is almost at the mid - point between Seoul's Busan Port and Taipei’s Kaohsiung Port. Economic growth in the East Asian region is directly linked to the massive traffic of container cargoes, and it is only expected to increase in the future.

What this means is that Naha Port is ideally located to function as a transshipment port, especially for cargoes from East Asia, primarily China, to North America and Europe.
### Present State of Naha Port

With shipping routes, including 6 international container routes, Naha Port has served as the gateway to Okinawa Prefecture, supporting the economic activities of over 40 Okinawan islands. In 2007, the Port handled a total of 10.40 million tons of cargo — 1.15 million tons (international) and 9.25 million tons (domestic). Of this total, international and domestic container cargoes accounted for 69 thousand TEUs and 352 thousand TEUs respectively.

### Viability of Naha Port Container Transshipment Port

In order to consider a transshipment container terminal at Naha Port as a viable option, it must produce economic benefits in terms of container logistics. China's economic growth is directly linked to the massive traffic of container cargoes in the East Asian region, and it is only expected to increase in the future.

Targeting this ever-increasing cargo traffic, Naha Port will have to promote itself as a transshipment port and encourage existing direct routes from Chinese coastal ports to North America and Europe to transit through Naha. This way, shipping companies can minimize the number of days in operation per route of expensive mother ships on U.S. and Europe routes, and even reduce the number of such ships in operation. We believe that the cost of transshipment through Naha Port is highly competitive compared with direct transport methods, even after taking account the effect of feeder transport by small vessels.

The demand is expected to increase from a total of nearly 69 thousand TEUs handled in 2007 up to 600 thousand TEUs, including 90 thousand TEUs of transshipment volume, by the late 2010s.

### Transshipment to Kyushu and Honsyu Islands of Japan

As the first step to achieving the transshipment initiative, we aim to develop businesses to transship cargo traffic through the southeast regions of China, south of Shanghai, and to the Kyushu and Honsyu islands at Naha Port by making use of numerous shipping routes listed below.

Furthermore, as recommended by the Okinawa International Logistics Strategic Team, we are pursuing implementation of a social experiment to place new shipping routes between Naha and overseas in service in collaboration with related organizations in order to realize such a transport system to connect Overseas, Naha and Mainland Japan.
Terminal Operation by a Wholly Private Corporation

In accordance with the Law on the Special Zones for Structural Reform, we privatized terminal operations to be run by a wholly private corporation. Naha Port International Container Terminal is being operated by Naha International Container Terminal, Inc. (NICTI) since January 2006, and will be for the next 10 years.

NICTI is an international company where 60% is capitalized by International Container Terminal Services, Inc. (ICTSI), a Philippines-based global terminal operator, and the other 40% is by six local harbor transportation companies.

ICTSI has been growing steadily since its establishment in 1997, penetrating markets in the Philippines, Brazil, Poland, and Madagascar, and has ventured into Argentina, Mexico, and Saudi Arabia. In the past, all the while accumulating a wealth of international experience.

The company is expected to bring efficiency and quality management to Naha Port, by fully utilizing its international network and sophisticated management knowhow. NICTI’s operating target will include:

1. Productivity of vessel operations;
2. Absence of berthing delays;
3. Quick turn around time for trucks;
4. Timeliness of data exchange between the Terminal and the Line;
5. Elimination of data errors;
6. Elimination of damage or loss to cargo, containers and ships equipment; and
7. Fail-safe system for the control, receipt, and release of cargo and containers.

Naha International Container Terminal, Inc. and Naha Port will together take off into the sky of success.

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Facility Overview of International Container Terminal

Naha Port International Container Terminal is comprised of 21ha of yard facilities including Wharf No. 9 (14m depth) and Wharf No. 10 (15m depth) that stretch 660m long in the Shinko Wharf region. 2 gantry cranes, and 60 reefer plug slots, etc., and is capable of handling 400,000TEU per year.

A plan is also in the works to build Wharf No. 11, 950m long and more than 15m deep - at the north side of Wharf No. 10 when the increasing cargo volume reaches a certain point. With this new wharf, the terminal’s container handling ability will rise to 600,000TEU.

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Development of International Logistics Capabilities at Naha Port

With solid sea/air transport networks with mainland Japan, and Japan having the world’s second largest economy, Naha Port has excellent geographical conditions as an international logistics hub in Japan and East Asia. In addition to the transshipment of international container cargos, the one-stop logistics intermodal support of cargos from East Asia to Japan that includes carry-in and handling, distributive processing, and customs clearing, enables reduced distribution costs.

Naha Port International Logistics Hub Development Project

Hinterland Development by Public Offering

(Naha Port International Logistics Facilities Improvement and Management Project)

The Naha Port Authority will take advantage of Naha Port’s geographical advantages to develop it as an international logistics hub and a node of international logistics, drawing traffic from various locations. Naha Port already boasts 25 domestic routes to major Japanese cities including Tokyo, Nagoya, Osaka, and Hakata, Naha International Airport, located next to the port, is the gateway to Okinawa - Japan’s largest marine resort destination - for visitors arriving by air. More than six million tourists visit the prefecture every year. The rich network features 20 flights per day to Tokyo, and connection to 20 other cities in Japan as well as 4 major foreign cities (Taipei, Shanghai, Seoul, and Hong Kong).

Behind the international container terminal is a 7.7ha port-owned land, which is adjacent to the wharf for domestic cargos, located on the east side. The Naha Port Authority is going to lease the land to private corporations through public offering, to improve Naha Port’s International logistics capabilities and benefit from its synergistic effects with the Naha Port International Container Terminal.

Undersea Tunnel Linking Sea and Sky

An underwater tunnel is currently under construction that will link Naha Port and Naha International Airport. The tunnel should significantly improve the synergy between the port and the airport (expected to open in 2015). Also, to accommodate the increasing number of tourists, an airport expansion plan that includes a second runway is being deliberated, which should enhance the airport’s logistics capabilities dramatically.

Airline’s Naha Airport Cargo Hub Initiative

As an initiative to build an international air logistics network capable of competing on a global level that enables point-to-point connections between Japan and other Asian countries, a Japanese air carrier has proposed a plan to establish an air cargo hub linking major cities of Asia and Japan at Naha Airport. It is expected that efficient transport services (scheduled to launch in 2009) will be readily available.
Promotion of Cruise Tourism

Naha Port is located about 650km away from Kyushu, the southernmost region of mainland Japan, 620km from Taiwan, and 820km from Shanghai - ideal for an island hopping tour on cruise ships. Okinawa's vast sea area stretches for 1,000km east to west, and for 400km north to south, is replete with coral reefs and stocked with a cornucopia of natural wonders. Numerous islands large and small with unique cultures are scattered in the area, Naha Port, as a gateway to this magnificent place, is grabbing worldwide attention as an international cruise tourism base of East Asia.

Cruise Ships and Resort Concept

Exclusive Berth for Cruise Ships

Generating nearly 60 regular and occasional international cruise ship visits a year, Naha Port is one of Japan's most popular cruise ship stops, and the number is expected to continuously increase in coming years.

The port is currently not equipped with a special quay to accommodate large cruise ships and necessitates the use of the general cargo quay. It was consequently decided to build a new cruise ship berth in the Tomari Wharf area (Wakasa green park site) located near the city center. The construction started in November 2007, with service launch scheduled for 2009.

From the new cruise ship berth, it is only a 15-minute stroll to downtown Naha and Kokusai Main Street. How about relaxing on Naminoue beach of dazzling white sand or at Fukushuen Chinese Garden? We aspire to become the international exchange hub of southern Japan and to develop our facilities as an international cruise hub.
Japan’s Largest Marine Resort

Resort Okinawa

Some of the most popular resort destinations like Tahiti, the northern Hawaiian islands, the California Peninsula, Miami, and the Bahamas are all located on the same latitude as Okinawa.

About 1.3 million people live on the total land area of 5,300km², comprised of 68 odd islands large and small. The main four islands, however, are mainland Okinawa, where Naha Port is located, Miyako Island, Ishigaki Island, and Hirahara Island, Yanaguni Island, famously known for its “mysterious underwater ruins,” is situated just by the border and is only 19km away from Tahiti. One could see the island shadow of Tahiti in the western horizon on a fine day.

Average temperature is 27.4°C, and annual mean precipitation is 3,000mm. It is the only prefecture in Japan that has a subtropical oceanic climate, and because of the warm current (Kuroshio) on the equator, winters in Okinawa are warm and the temperature rarely ever slips below 10°C. In the summer Okinawa turns into a marine resort for mainly families and young adults who come to enjoy diving and fun on the beach, and in the winter it welcomes senior adults who fly in to escape the bitter weather in mainland Japan. Professional baseball teams and other sports teams hold their spring training in Okinawa also. All the makes Okinawa one of Japan’s best resort destinations, with more than six million visitors each year and events throughout the year.

This is Okinawa - the island where time freezes.

Culture of the Ryukyu Kingdom and Tourism

World Heritage

Okinawa is not only about coral reefs and nature. In the 15th Century, the Ryukyu Kingdom prospered through tribute trade with China, and it reached its pinnacle through “intermediary trade,” linking Korea, Southeastern countries, and Japan.

Through the trade with Asian countries, various techniques and cultures such as pottery, textile weaving, and lacquerware were imported and disseminated among Okinawa people, and by integrating them, a distinct and unique culture unseen in mainland Japan was born.

In December 2000, nine sites - Gushiku Shikinaen and Related Properties of the Kingdom of Ryukyu - were registered as World Heritage, which included Shuri Castle and its thickly lined ramparts, Shikina-cho, which was a second house of the royal family, and the Royal Mausoleum, which demonstrates the brilliant stonework techniques of the Kingdom era.

Tourist Spots

Okinawa Churaumi Aquarium is famous for the world’s largest acrylic glass panel on its main water tank, and getting a panoramic view of a 7m-long whale shark swim about is truly an overwhelming experience.

Okinawa also boasts Japan’s best limestone cave, with more than 900,000 stalactites, and a theme park where visitors can experience traditional craftwork like pottery and glass art, as well as traditional performing arts. There is also an outlet shopping mall that mainly features European luxury brands, having 50 shops and 70 brands in total, and golf courses with fine grass even in the winter. Restaurants come in all cuisine styles, where visitors can indulge in various delicacies of the world, including Japanese beef steak, which has become a worldfamous luxury brand in itself.

Accommodation facilities are abundant as well and come in all sizes and forms, from luxurious resort hotels where Asian millionaires are known to stay in anonymity, to hostels for backpackers.