2.6 Recent Topics in Japanese Ports and Harbours

2.6.1. “Super-hub Port” Initiative

In the wake of soaring container handling volumes in other East Asian ports, Japanese ports have been moving down on the world ranking in the last decade. The lowering in the ranking is unavoidable considering the relatively moderate cargo growth in Japan, but falling competitiveness of Japanese ports can be a serious concern for Japanese shippers. There are growing concerns that the decrease in the frequency of trunk line services to Japanese ports might undercut the competitiveness of Japanese economy and industry.

To maintain and recover trunk line container services to major Japanese container ports, MLIT-Japan has launched “Super-hub Port Initiative” aiming at strengthening international competitiveness of major Japanese ports comparable with those of other Asian ports. MLIT set the target that “Super-hub Port” should realize, 1) cutting port cost more than 30% and 2) shortening container discharging lead time from 3 - 4 days to less than 1 day. To achieve such targets, following measures are to be taken.

1) Formulation of “Mega - Container Terminals”

To reduce handling costs through economies of scale, a “Super-hub Port” should have “Mega Container Terminals” to enable integrated and flexible terminal operation.

2) Encouraging consolidation of terminal operators

Encouraging private operators to participate in the terminal business through financing supports and long-term lease arrangements of public assets (public wharf)

2) Introduction of cutting-edge IT

Introduction of cutting-edge IT system and fully automated cargo handling equipment to enable 24 hours operation

3) Improve connection with domestic feeder services

Promote the development of domestic feeder services to increase the domestic feeder cargo

To facilitate the above measures, MLIT submitted a bill to the Diet to revise the Ports and Harbours Law and it was enacted on May 2005. In July 2005, with the enforcement of the revision, Minister for Land, Infrastructure and Transport designated three ports as “Super-hub Ports.” Upon the consolidation of operators, each port management body is expected to approve the operators of Mega Container Terminal.

1) Keihin Port (Alliances of Port of Tokyo and Port of Yokohama)

2) Alliances of Port of Nagoya and Port of Yokkaichi

3) Hanshin Port (Alliances of Port of Kobe and Port of Osaka)
Urban Redevelopment/Renaissance Headquarters

Current Terminal

- Individual facility and system operation
- Merging terminal operation system
- 330 ~ 400m

Mega-Terminal

- Independent terminals
- Subsidy (1/3)
- Common use depot
- Automated yard facilities
- Non stop gate
- 24-hours full open utilities (CIQ inspections and multi-purpose space)
- More than 500 m
- Over ~15m
- Smooth connection with coastal shipping
- Deep water quay
- Collaboration with port community
- Direct construction
- More than 1,000 m

Soft loan (80% interest free)