

## YILPORT'S GLOBAL PORTFOLIO











































## Connection Magazine 2019-Q3

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YILDIRIM
Group of
Companies
President &
CEO
Robert
Yuksel
YILDIRIM



insider

insider: YILPORT Holding CMO **Erhan CILOGLU** 

### connection MASTHEAD

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# insider: YILPORT Holding CMO Erhan CILOGLU



#### How do you see the industry in 2019?

I think 2019 has been an important year for the shipping industry in which each and every player worked hard to adapt themselves to the new rules and changing trends in the industry. By new rules and trends, what I mean is not only the effect of changing fuel consumption regulation in the industry which seems will have a deep impact in the first half of 2020 but also changes on the trade rules applied in the last few years mainly due to the global trade war in between U.S. and China. This changes the balance in between the trade routes generating a new way of doing businesses.

Seemingly, 2019 is a year in which everybody closely watches the sector trends to logically observe what is happening in the sector by postponing aggressive moves to 2020 or further. Regarding this reality, even though we heard so many gossips in the market, we haven't had any merger and acquisitions in the liner companies' side. Besides forecasted mergers and acquisitions, on the alliances' services we haven't heard anything while there was no major change on the service routes and new services deployed in 2019 too. Rather than these huge M&As and alliance structures, we see more investment in inland solutions as part of the liners service range. CMA CGM made a huge step by investing in CEVA Logistics while Maersk decided to restructure the logistic services in Maersk Line's commercial structure. For liners 2019 was a year with full focus on customer demands and customer loyalty.

As for port operators' side, what I see is the increase in the number of ongoing investments done in 2019. Few of them were finalized and most of them are still going on. Compared to the deep sea, short sea competition was high in 2019 and we see many changes on the short sea service structures. Shipping Lines' focus is on short sea solutions and the way they manage their feeder network. Alliances are in place and services are set, it seems that this trend will go as it is in the upcoming

2-3 years. Based on the main deepsea services, all the liners are working hard on the feeder network. One of the immediate impacts on port operations is we started to discuss more on berth on arrival mainly on feeder services. During the last 4-5 years, the discussion was more on the berthing windows. It seems terminals are almost adapted themselves to the new big alliance services periods both on capacity and productivity side. On the liner companies' side, we didn't see any change but the regression of ongoing trend which heavily affected the way.

As for YILPORT, we've passed a hardworking 2019 until now and always tried to find alternative ways to satisfy our customers by focusing on adding new values to our services. From the day one by having a direct relationship with the local shippers in the one-stop-shop service scope, we keep talking to local shippers, we listen to them and we try to adapt our services to provide best class services to our customers. With huge stress on the trade and competition, while we are focusing on productivity and capacity, we do focus on efficiency and flexibility.

# What was the most challenging topic in 2019 and how do you manage these challenges?

Great guestion. In 2019, there have been several challenging topics on our agenda. We have faced different types of country-based economic problems which had direct impacts on our business along with our customers. Besides, when I look in the mid-term, the main challenge we face as YILPORT is our never-ending endeavors to achieve customer focused synergies across terminals in our global portfolio. This is where we see a great value for our business and define areas to be improved. Our customer-focus is structured in three main levels; local, regional and global. So to speak, the structure is divided into three levels; terminal, regional and headquarter-based levels. What we realize that most of our local problems in different terminals is somehow integrated in

the similar trade lanes such as which country does not have import from Far East, which ones do not have perishable good flow through LATAM, or petrochemicals through Middle East or automotive, steel through North Europe. The answer is basic; none of them. So, we define our hinterlands and make visible the main industries and trades in those hinterlands which somehow linked to global trade lanes at the end. Like Vestas on windmills. we have three different customers in three different countries; Sweden, Portugal and Turkey. They all manage the Vestas wind mills. And when we step in Taranto, we see a customer there for Vestas windmills. A lot of examples can be given like this. We have started to think how to transfer our experience and knowledge while transferring our network and customer relations at the same time. Hence, we turned this challenge into an opportunity. To always try to find a way to convert challenges into opportunities is an approach we adopted from our mother company "Yildirim", We worked on a project called "360+ Customer View". We decided to invest in technology and mobility.

As our main solution partner in ERP, we decided to configure the C4C CRM product of SAP with the integration on other systems of YILPORT's where we ease reaching our customer. So far with the help of Sap Consultant team, the project is going successfully, and we will go live with the major modules in October. In the second phase, which will be in place in the first quarter of 2020, we will have 80% of the project finalized. With this project, we will have a customer platform with a full-functioned on mobility and we will start sharing our customer experiences in-time / real-time.

# During all this fast-growing path of YILPORT, we know you are one of the key members of the team so far. How do you define the company and yourselves in this journey?

This question makes me feel old. You are right, during the last 9 years period of time, we do have had a very busy schedule and still have been working hard to improve YILPORT's presence and service level. One of the primary drivers of these efforts and successes is our leader Mr. Robert Yuksel YILDIRIM and his vision. He is the main motivator for our efforts... YILPORT has changed a lot during this project and turned out to be a global player in the industry rather than being a local port operator. Meanwhile, our company took powerful decisions not as a follower but as one of the game changers and main players in the industry. I think the main skill we have and need to improve more and more is adapting ourselves fast and flexible strategies that are targeted to the main goal which is becoming one of the top 10 port operators by 2025. Besides our multi-purpose port operating model, we add logistics services that extend our range and defines the one-stopshop concept of YILPORT's. We also have a big focus on terminal and inland logistics services which allows us to focus on local shippers and industries. So, we work hard to get satisfaction and loyalty of each and every customer that has a footprint on our ports in their supply chain even though we don't have a commercial

link to some of them. Our services are designed on the main principle of world-class services powered by productivity, efficiency, and flexibility.

Creating a business synergy with customers requires meticulousness. Thus, we should always have focus on value generation to never stop improving our service. During this fast-growing path, we have implemented and improved several processes and technologies at the same time. Back to your question, regarding how I define YILPORT; it is a great company to work in and has a great vision supported by necessary sources where change and development becomes a daily task. When it comes to defining myself, I can easily say that I am now much more flexible and multi-cultural communicator who focuses more on value and the YILPORT brand.

### How do you see 2020 for YILPORT and shipping industry?

We still have challenges and opportunities in 2020 where we should work and get the maximum benefit out of these for our customers

and ourselves. As the following trend, I don' think there had been crucial changes in the deep-sea concept. But I see big changes in short sea including feeder networks and inland services side. Every single player and element in shipping industry is trying to reach and convince the customers with different and various types of services asked by customers. On the other side, I see quite strong growth in reefer cargo. The cool chain is one of the main focuses in the global trade and shipping industry. The investment to reefer technologies together with ports and logistics service providers making oversea trade possible. Several countries have taken agricultural production already as one of their main investment areas. This might bring new trade lanes on reefer cargo and as YILPORT we focus on reefer services in our ports and try to be one of the strong-key parts in the supply chain. We closely follow the discussions on the new fuel regulations, and we see a tough year for the shipping industry to adapt themselves and their cost structure to this new regulation.

For YILPORT, we will steadily continue on our "360+ Customer View" project and strength our reflexes on customer



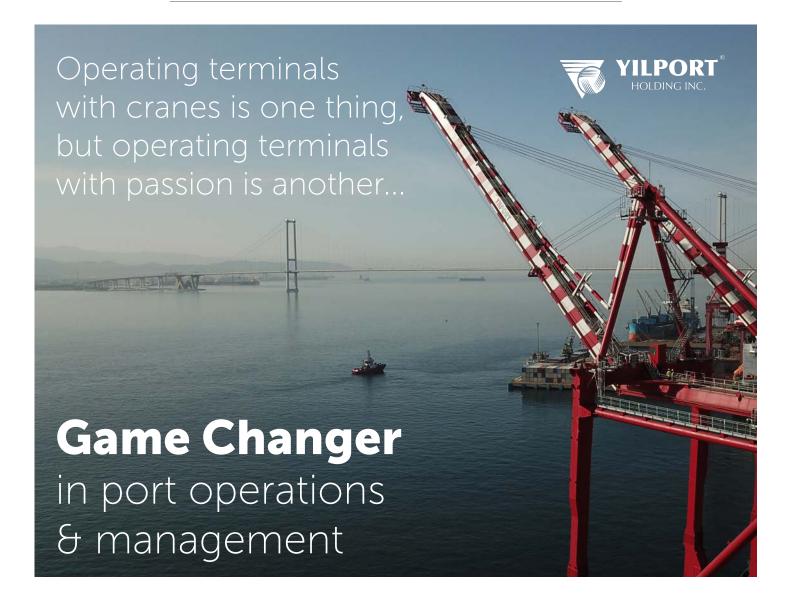


focus. We have ongoing development projects in our ports where we will be glad to announce each when we finalize in 2020 such as crane investment in Bolivar, new yard development at Leixoes, Gebze yard capacity and gate-road development project and few more in the pipeline. We will be more and more close to our customers and we will be there to help their growth and development. Taranto is the new member and we will focus on the Southern Italy and central Med more in 2020. We will work hard to implement YILPORT's world class service model to Taranto and find opportunities to change the game at Taranto and central Mediterranean.

### What is your message to our customers?

My message to our valuable customers is; follow us and be a part of this great journey. Your valuable contribution was-is and will always be

much appreciated and your guidance and contribution allow us to improve ourselves and provide better for your needs. We want them to accept us as a trustable business and solution partner whom they can always reach for better before looking for some other alternatives. We are ready to listen to you, our valuable customers, and ready to work together. One last word to our customers before finishing the interview; please do not forget to follow us on Linked-in, via website and quarterly published Connection Magazine and let us keep you posted on many more upcoming developments we'll have. Wish you all a successful last quarter.





# TARGET IS TO RANK AMONG TOPP10 PORT OPERATORS BY 2025



TURKEY: GEBZE | DILOVASI- SOLVENTAS | GEMLIK- GEMPORT | YARIMCA- ROTAPORT

MALTA: MALTA FREEPORT ITALY: TARANTO SWEDEN: GÄVLE | STOCKHOLM NORD

NORWAY: OSLO SPAIN: FERROL | HUELVA PERU: PAITA ECUADOR: PUERTO BOLÍVAR GUATEMALA: QUETZAL

PORTUGAL: LISCONT | FIGUERA DA FOZ | LEIXÕES | SOCARPOR | SADOPORT | TERSADO | SOTAGUS



# What's Next?

By 2025, YILPORT aims to rank among the TOP 10 Port Operators in the world.

## We are making every move count.

#### TURKEY

2005 - GEBZE

2012 - ROTAPORT

2012 - GEMPORT

2016 - SOLVENTAS

#### MALTA

2011 - MALTA FREEPORT

#### SWEDEN

2014 - GAVLE

2014 - STOCKHOLM NORD

#### NORWAY

2014 - OSLO

#### PORTUGAL

2016 - LISBOA LISCONT

2016 - LISBOA SOTAGUS

2016 - AVEIRO

2016 - LEIXOES

2016 - FIGUEIRA DA FOZ

2016 - SETUBAL SADOPORT

2016 - SETUBAL TERSADO

#### SPAIN

2016 - HUELVA

2016 - FERROL

#### PERU

2016 - PAITA

#### GUATEMALA

2018 - OLG

#### ECUADOR

2016 - PUERTO BOLIVAR

#### ITALY

2019 - TARANTO





# **Quarterly Container**Shipping Industry Outlook

Slowing economic growth in Europe and ongoing US-China trade talks and Iran sanctions has dragged Global container growth numbers. Drewy has revised its 2019 growth number from 3 % to 2,6 %, it is the last three years slowest Global Container growth. Prediction of volumes are getting tougher in uncertainties; Chinese ports has also recorded the slowest growth for the 6th quarter. Even the volumes are not the great, lower fuel costs help some carriers' earnings in the third quarter.

We have seen a strong growth on Global trade on last decade, thanks to the simultaneous effect of the Globalization and the containerization trend, however rising protectionism and other political developments has started to show its effects on container growth numbers.

Forecasting has never been so much difficult due to uncertainties. It is not always dark, there are also bright side of the latest development in the container industry such as increasing market share by attracting more containerization from Bulk & Liquid business.

The latest mergers & Acquisition and creation of Alliances let carriers to have more accurate calls and reduced transit times on major trade lanes which also let them attract more time sensitive cargos including reefers and tank containers.

Increasing Global demand for the fresh, imported food, growing population, Pharmaceuticals carrying capability and leasing options for reefer and tank containers has also providing opportunity for the growth.

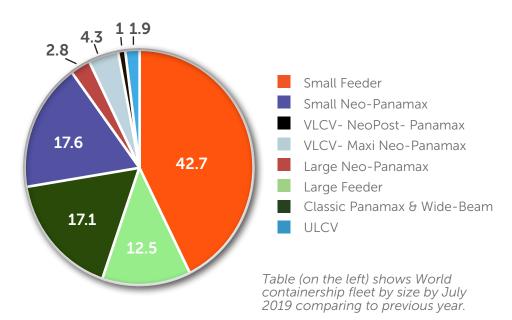




#### LATEST DEVELOPMENTS IN CONTAINERSHIP FLEET

According to 1st July Drewry report figures, The fully cellular containership fleet reach to 22,3 Million TEU capacity. Total 42 new vessels joined on Global fleet which 14 of them over 10.000 TEU. A 3,7 % growth expected on cellular fleet capacity in 2019 and 3,9% growth in 2020, On the third quarter inactive fleet rises dramatically as carriers rush scrubber retrofits due to IMO 2020 regulations. We also see number of plugs increase on new build vessel inline with growing demand for reefer and tank container business.

#### WORLD CELLULAR CONTAINERSHIP FLEET BY SIZE RANGE



Global growth is forecasted at 3.0 percent for 2019, its lowest level since 2008-09.

#### **OVERVIEW OF GLOBAL ECONOMY**

## FED lowered the rates to 1.5 % - 1.75 %

The global growth pattern reflects a major downturn and projected recovery in a group of emerging market economies.

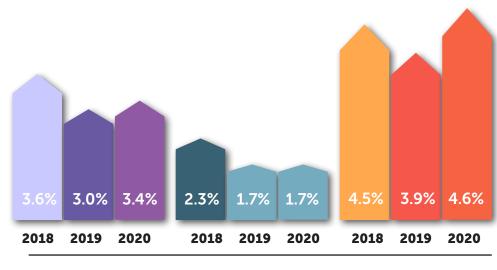
Global growth is forecast at 3.0 percent for 2019, its lowest level since 2008–09 and a 0.3 percentage point downgrade from the April 2019 World Economic Outlook.

Growth is projected to pick up to 3.4 percent in 2020 (a 0.2 percentage point downward revision compared with April), reflecting primarily a projected improvement in economic performance in a number of emerging markets in Latin America, the Middle East, and emerging and developing Europe that are under macroeconomic strain.

2019 Global Growth (F) 3.0% 2020(F) Global Growth 4.0%

#### **GROWTH PROJECTIONS**

Global Economy in a syncronised slowdown



Global Economy

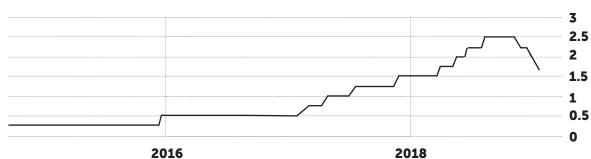
Advanced **Economies** 

Emerging Markets & Developing Economies

#### **US FED FUNDS RATE**

On Oct. 30, 2019, the Federal Reserve's Federal Open Market Committee lowered the fed funds rate to 1.5%-1.75%. This was the FOMC's third cut in 2019.

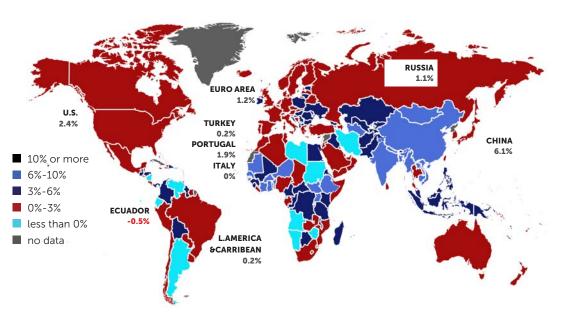
#### FED lowered the rates to 1.5% - 1.75% in October 2019



#### **WORLD GDP**

FED remained at 2.5% in June 2019

The current federal funds rate remained at 2.5 percent when the Federal Open Market Committee met on June 19, 2019. The Federal Reserve signaled it would keep rates at 2.5 percent through 2021.



## SHOULD WE STILL CALL IT

The world has been going through tough times. That is for sure! Trade wars full of tariffs, currency wars full of fluctuations and manipulations, unrest with people screaming for equality have surrounded the world. The global economy could cope with them one at a time but it takes lots of effort to cope with all of them in one go.

For more than a year, trade war between the US and China has been the hottest topic in the global economy. Tariffs after tariffs, threats after threats were all over the place and it looked like there was no end. Fortunately, the United States' general presidential election is getting closer, which led to the deescalation in the tensions between these two superpower economies. US President Donald J. Trump has announced a "phase-1" agreement, which has been a temporary but a crucial relief for the world. On the other side of the Atlantic, the Brexit saga has been harming the economies of the UK, the European Union and the world, but who even cares? Brexit is delayed again. What is obvious is that it is better than a no-deal Brexit but the ongoing uncertainty is not helping either. From Hong Kong to Chile, 2019 has been the year for street protests. Unrests and protests are erupting around the world, but what is sparking them? What is happening to the world? Is the global economy running out of road? These questions have been the talk of the town.

The global economy has lost its momentum in the quarters. Luckily, we are still a few steps away from "recession" but measures must be taken before arriving to that undesired place. The most common mistake that has been making

A TRADE WAR

decisions before analyzing the current situation. There have been various arguments about the reasons for the global economic slowdown. US-China trade war that officially took off in January 2018. Since then, the climate of protectionism has been holding back the needed risk appetite in global economy. China's economy had been growing rapidly for the last few decades, which was curbed by Trump and his administration. The trade war has been bigger than just trade, as it includes currency and technology wars alongside it.

As Trump kept on imposing tariffs on Chinese goods, China let its currency; Yuan depreciate against the US dollar to compensate the negative effect of the US tariffs. The parity of USDCNY had experienced a hike jumping from ~6.40 to ~7.18 since January 2018. It can be said that the hike in the USDCNY parity was directly proportional with the escalated tension between the two countries.

China allowed its currency to depreciate but there were several obstacles to let the exchange rate increase. China's private sector has considerable debt in US dollars so it hurts the private sector to see the US dollar gain against the Chinese Yuan. Letting the Yuan depreciate more would inch up the risk of increase in inflation rate in China, which would accelerate the pace of the economic slowdown and the need for an increase in interest rate. Thanks to the US's general presidential elections that will take place in November 2020, Trump deescalated the tensions



Mehmet Cihat ALTAY YILDIRIM Holding Market Research Analyst

by announcing "phase one" agreement between the US and China. As we see the tensions deescalate between the two-superpower economies, the USDCNY exchange rate has come back closer to the level of 7.05 as of the first day of November 2019.

There are more examples of currency wars. EURUSD has been under the spotlight for long time. The Eurozone has been fighting with the problems of economic slowdown and low inflation for a very long time. European Central Bank has been applying strong monetary policies by cutting the deposit rates below zero percent but it has not yet been proved that it is the solution for stimulating the eurozone's economy. In addition to rate cuts, ECB also announced a policy that can be called QE and we will see the effects of this in near future. As most of the monetary policies seem not to be working in terms of stimulating the eurozone's economy, allowing EURUSD to depreciate has been the biggest precaution taken leading to the slowdown of the eurozone. By allowing exchange rate to weaken, the eurozone has become much more competitive in terms of international trade, which decelerated the economic slowdown in the EU. What is certain is that the downwards move in EURUSD has irritated Donald Trump. Until the trade war between the US and China, the global economy was not running but at least it was walking. Then the negative effects started to spread like a virus like a snowball effect. Metaphorically, a

snowball effect is a process that

starts from an initial state of small significance and builds upon itself, becoming larger, and perhaps leading to dangerous or disastrous consequences. The negative effect of trade war grew bigger and bigger as it trundled along. Firstly, it started to accelerate the slowdown of the Chinese economy, which then slowed down the global trade. It is important to state that China is both the biggest producer and importer of raw materials (commodities) in the world. That allowed the illness of the economic slowdown to spread to both emerging and developed markets too. As risk appetites were lost, global investment slowed down, which was one of the main reasons for most commodities' prices starting to fall. It hurt many sectors such as the mining sector.

The trade war is not the only reason for global economic slowdown. It can be said that, the global economy was in the process of a slowdown anyway and the trade war forced the pace of that slowdown. It is not a coincidence that the unrests all over the world have come right

after the trade war.

Under the leadership of the Federal Reserve of the US, many of the public authorities such as central banks all over the world have been trying to take measures against the economic slowdown as well as the low inflation in their countries, regions and the world. The FED cut rates in July 2019 for the first time in the last ten years and that was the start of the trend of cutting rates all around the world. Cutting the interest rate is a type of a monetary policy applied by central banks aiming to stop the economic slowdown or escalate the pace of economic growth. The FED has been cutting rates since the monetary policy committee meeting took place in the last week of July 2019 and this is what most of central banks have been trying to do for the last couple of quarters. However, it does not seem to be working in stopping the economic slowdown. The economic slowdown can be stopped by the efforts of public institutions such as central banks and governments. However, these efforts are only beneficial if these

institutions collaborate to have access a positive outcome. In today's modern world, populist and protectionist policies applied by governments diverge with the efforts of central banks and their monetary policies. This divergence makes it crystal clear for us to see that central banks' monetary policies are not working anymore as it was before the global financial crises in 2007-2008. Therefore, the global economy does not develop just by economic political measures but reasonable and right-minded policies by politicians.

Even we are not that optimistic for 2020, it is not expected to be worse than 2019. Even the dollar index has been on the falling trend these days, it will be tough to take DXY down with rate cuts and Trump's tweets in the long run. Most of the commodity prices have been suffering for too long but the freefall of the prices seem to slow down in 2020. In fact, the commodity prices will probably show some signs of life.





# YILPORT TURKEY REGIONAL INFORMATION

#### **ROOT TERMINALS OF GLOCAL EXPERIENCE**

Located in the Marmara region, YILPORT's multipurpose Turkish terminals offer the best solutions among local competitors. Each terminal is located at different coasts of Marmara Region. All of them are located in the hearts of industrial zones.

The terminals are also closely connected to main highways and offer easy access. Terminals all utilize bonded and nonbonded areas, warehouses, supported by end-to-end logistic services. YILPORT Turkey's terminals in Marmara offer customers entire import and export operations 24/7 with the famous YILPORT discipline and global know-how.













### **New Service Alliance:**

## CMA & CGM, COSCO, NILE DUTCH Maiden Call to Gebze



A new container service in alliance with CMA-COSCO-Nile Dutch made its first call at Gebze Terminal. CMA & CGM MILAN TRADER vessel made its maiden call on the 29th of September.

For the first call to Gebze terminal Sales & Marketing Manager Ertan OCAK and Operations Department Managers, Osman AKA & Okan OZAY visited vessel crew on board and presented a plaque to the MILAN TRADER vessel captain.

# Gebze Liquid Terminal

to be Renovated



YILPORT Gebze multi-purpose terminal provides service in liquid operations. The terminal operates 49 liquid tanks with a total capacity of 53,666 cubic meters.

Lately, YILPORT Gebze renovated 16 of the tanks in the scope of conventional maintenance. YILPORT Gebze continues its investments to increase operational efficiency in the priority of occupational health and safety. Terminal recently completed liquid terminal project by renewing the scrubber, tank cooling and Gas vapour detection and warning devices (which located in almost every point of the field), to install a gas radar measuring system, warning alarm system (ESDS) with the state-of-the-art equipment.

Also, owing to the recently built two new 60 tons of weighbridge inland terminal operations turnover time will gain significant momentum.

In line with this automated project, loading operations will be done automatically according to the Bill of Loading.

# MSC & TOYOTA Visit to See

## the Latest Developments on Site



YILPORT Gebze terminal in Turkey recently finished several investments for expansion and terminal development.

YILPORT Gebze which consistently invests for state-of-the-art equipment to increase operational efficiency and improve the turnover time to meet the needs for increasing business volume. As well as the terminal is equipped with gate and crane OCR, the additional berth is started to be used as CFS. Upon the projects to be finished, the terminal will have additional capacity in and outside of the terminal.

Lately, our long term partners MSC & Toyota visited Gebze and YILPORT executives had a chance to show the latest expansions and investments on site. YILPORT Holding Sales & Marketing executives and Terminal General Manager gave detailed information about the ongoing and completed projects.





# **Containerships Weekly Africa Service**

to Gemport Terminal



As part of the agreement between the Containerships line and the Gemport terminal, the line started calling to Gemport. In addition to the line that made its first call on the BF Nilou vessel, the FAS DAMMAM was the first vessel to make the second call as import discharging. With weekly services to Libya and Tunisia, Gemport now conducts the operations of cargoes from Africa.

A courtesy visit was made by our Sales and Marketing & Operations team on the maiden call of the vessel and a plaque was presented to the captain. With the newly added services, Gemport continues to work at full speed with the goal of highest customer satisfaction.



# Mining Customer

# Network Expands in Gemport Terminal

YILPORT Gemport which provides world-class service to its customers has years of experience in mineral stevedoring and depot operations. The terminal which provides service for a wide range of products, handles fertilizer, coal and coke, grain and pulse, minerals and different type of bulk materials, with utmost productivity.

On an average; daily productivity for per vessel ranges between 7,000 and 15,000 tons upon the product type. Gemport Mine area continues to expand its customer network by providing efficient services with its current capacity. In addition to storage services such as lead, zinc chromium, manganese and bauxite; two different magnesite loads of orange and stone size are also started to be stored at Gemport mine yard.

Magnesite mine has started to be stored, port-to-port transportation and ship loading services at the terminal. Magnesite mineral, 10,000 tons, of mineral transferred with Eti logistics from the warehouse. The forecasted volume is between 60,000-70,000-tons to Gemport general cargo business volume by the end of the year.



# Steel Roll Storage Service at Gemport Terminal

YILPORT Gemport CFS & Dry Terminal Services range is custom-engineered to provide utmost cost-effective solution and service quality to its business partners.

Lately, YILPORT Gemport started to provide steel roll storage services at 5,500 square meters nonbonded area. This service, which will be evaluated in addition to container services, will enable other companies to be involved and will be an important preliminary step.



## **Gemport**

# Salutes Research Vessel

In April 2016, Gemport Sales and Marketing team has given too much effort for gaining Noble Globetrotter II vessel in order to work with Gemport. After providing berthing occupancy (safe berth) and other services, Noble has been sailed from Gemport to the Bulgaria to carried out its drilling Operations.

Noble Company, which has been satisfied by Gemport with the Operation services three years ago, has chosed again Gemport brand on May.

NGT II Berthed to Gemport pier in order to relocate tower parts which moved to its aft positions due to istanbul strait transition height restrictions between north to South. Besides that it received various supply and maintenance operations due to its duty in the Gulf of Mexico; All these operations has been completed according to ISPS rules.

The process has been called as 'unbelievable, perfect coordination 'by Noble authorized personnels. And also, berthing to Gemport has been likened to 'pit -stop" by them.

YILPORT Gemport continues to breaking routine operations. After two successful Operations Noble company announced that Gemport is in their Vendor List.

## **Exclusive**

# Operations from Rotaport

YILPORT Rotaport is located on the northeast coast of Marmara Sea in the Kocaeli Province. It is 85 kilometers away from Istanbul. The port is found in the economic backbone of Turkey at Yarimca.

The facility was further expanded to create a diverse dry bulk and general cargo service center for the largest industrial companies in the steel, grain, cement and minerals business sectors.

YILPORT Rotaport terminal in Turkey offers exclusive solutions in general cargo operations. The 26m. meters of length special engineered Wagon ordered by Turkey Wagon Industry was discharged in Rotaport with a successful operation.







# Solventas to Cooperate with Petkim

For the first time since 2015, the road of Petkim company crossed with our Solventaş Terminal. Although a single product type and a short-term agreement have been concluded for the time being, it is believed that the product range and volume will be increased in the coming months and a long-term business opportunity will be achieved.

# Petrol Ofisi Chooses Solventas

For the first time, an agreement was signed between Petrol Ofisi and Solventaş. A partnership started with a 2-month contract with Mono Ethylene Glycol product and in 2020 with the increase of basil and long-term contract is planned.

#### **Turkey's Leading Liquid Terminal**





















# YILPORT NORDIC REGIONAL INFORMATION

#### IN THE HEART OF SCANDINAVIA'S LOGISTIC NETWORK

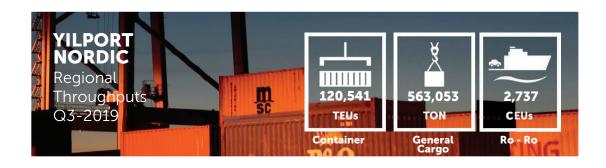
Located on Scandinavia, YILPORT Nordic terminals offer best solutions among its multipurpose peers. The terminals are located at different countries in Scandinavia. All of them are adjacent to industrial zones with connections to main roads and offering easy access.

YILPORT Oslo, YILPORT Gävle and Stockholm Nord Terminals offer bonded and non-bonded areas, warehouses, supported by in-house logistic services. YILPORT Nordic terminals provide entire logistics operations, import and export 24/7 powered by YILPORT's global know-how.











# YILPORT Gävle Boosts

Customer Relations as The Port Grows

The extensive investments in Gävle arouse interest. YILPORT and the Port of Gävle receive many inquiries about the opportunities arising thanks to the large investments now being made by the parties; such as doubling the container capacity, a new fully automated high-rise warehouse for 600,000 tonnes of paper, the planned foodstuff laboratory, and a new logistics area adjacent to the port.

All in all, this has increased the workload of YILPORT's sales organization, which is now strengthening by two more employees to ensure even better service to existing and potential new customers.







# New Capacity Added

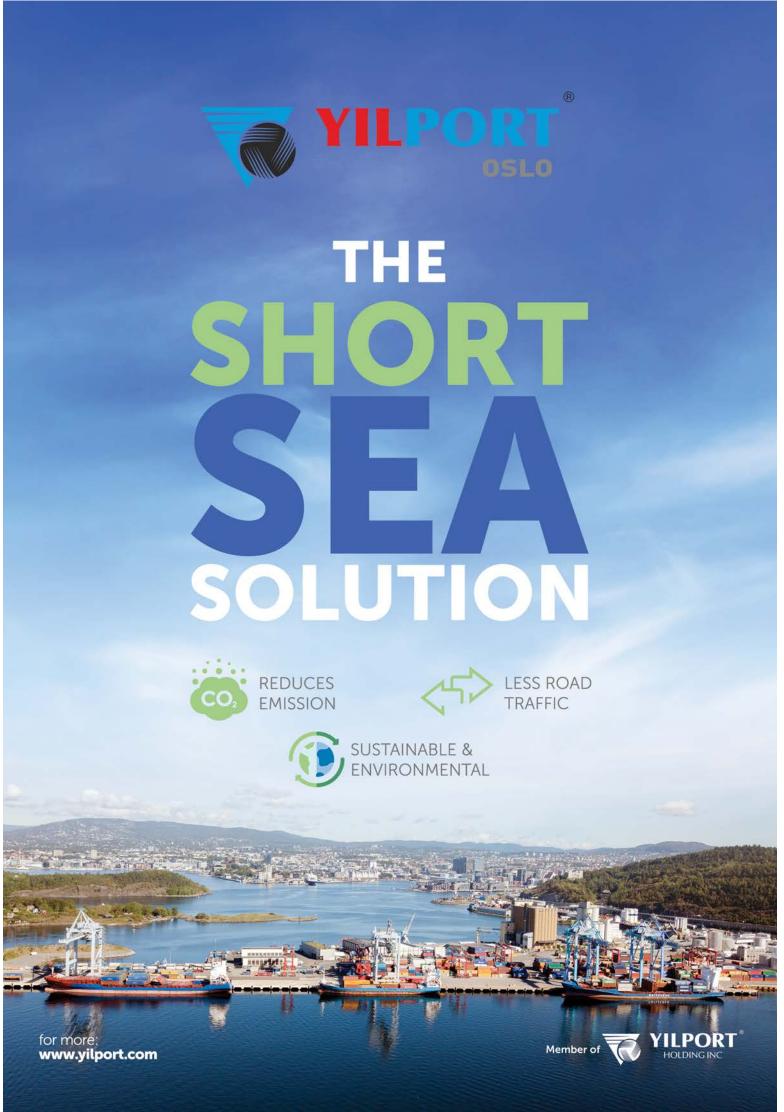
in Gävle to Cater for 150 Wind Turbines During the summer, the storage area for wind turbines has expanded with an additional 36,000 square meters. Every week, wind turbine parts arrive and are stored in the Port of Gävle before being transported by trucks to the wind farms. Another fifteen vessels will arrive Gävle before the wind turbine season closes for the year. By then, more than 150 wind turbines will have passed through the Port of Gävle. This is three times as many as in 2018. Each turbine consists of about 10 parts and just the rotor head can weigh up to 100 tonnes.



In August Netherland based Samskip launched a new service connecting YILPORT Oslo to the Baltic countries, and also provides a deep-sea feeder via Hamburg.

The fixed rotation arrives in YILPORT Oslo on Mondays, also includes e.g. Cuxhaven and Gdansk, and connects Oslo with several other ports at the Norwegian west-coast.

"Customers demanding reliable transit times and have any kind of transport requirements for business between the Balticum / Poland and Norway, can now be perfectly served by this new complementary product bringing something new to services connecting Norwegian and Baltic ports into Samskip's pan-European multimodal network," says Michael van Maurik, Samskip Trade Manager Norway.



# Last Mile Delivery for Energy Giant E.ON is Up and Running

YILPORT has now begun the transport of biofuel from the container terminal in Gävle to the multimodal terminal Stockholm Nord and onwards to E.ON's new CHP plant in Högbytorp north of Stockholm. On August 27th, all parties were gathered to celebrate the start of operations.

"This is an arrangement confirming our belief that the Stockholm Nord multimodal terminal—with its rail connection to Gävle—equals smart and efficient supply chains for the Stockholm region. Total solutions like this one is, as expected, very attractive," says Christian Blauert, CEO of YILPORT Holding.

To manage the handling of the 8,000 TEU annually included in the deal, YILPORT has more than doubled its capacity, as well as increased the frequency, for its own railway shuttle between Gävle and Stockholm Nord. The trains are now longer and more frequent. The short last stage from Stockholm Nord to E.ON is done with YILPORT's own trucks and drivers.

At the opening on the 27th of August, representatives of YILPORT, the freight forwarder F.H. Bertling, as well as E.ON, participated.

#### F ON-

The Combined Heat and Power Plant in Högbytorp north of Stockholm burns waste that has no alternative use, and transforms residual products that no one wants, to energy that everyone needs.





## Smarter Container Inspections Being Tested in Gävle

In order to find hidden damage to empty containers at an early stage, Gävle container terminal will test and evaluate vibration data inspection regarding container structures during the autumn. According to Conexbird—the company manufacturing the equipment—a third of goods damaged during transport can be linked to defects in the container.

"Early detection of cracks and weakening is important in order to repair containers before it is too late. It is about safety and finances, both for us and for the shipping companies. That is why we carry out this pilot project with vibration data inspection of empty containers," says terminal manager Fredrik Rönnqvist.

The equipment is mounted on the crane's trolley, where an electrical hammer hits the spreader, and the resonance is then interpreted by a machine learning system. The crane operator receives

real-time information on the status of each empty container, and can sort out the damaged ones.

The equipment's ability to find damage is continuously evolving, and it is gradually improving its ability to recognize and interpret echoes from defective containers. Tests conducted so far by supplier Conexbird show that nine out of ten suspected defects reported by the system were accurate observations. The hit rate is thus high, and gets even better over time.

"What we cannot see with the naked eye now becomes visible to us. If the outcome of the tests confirms our expectation, it means shorter inspection times and repairs before it may be too late. Further, shipping companies may also get a better picture of the status of their containers," says Fredrik Rönnqvist.





If you compare your imagination with your current position in 2019 when you set out in 2004, what would you say that you have done well and you can do better in the future?

We started our port operations in 2004 with Sedef Port, which we acquired from STFA Holding. Due to the very narrow port area, we could only conduct container operations there. After the acquisition of Sedef Port, we had a meeting with the owner of Alemdar Port adjacent to the terminal. He asked that if we are interested in buying Alemdar Port. While we were waiting for the opportunity, we suddenly found ourselves negotiating for a larger port project. With the addition of Alemdar Port, which was acquired on January 1, 2005, to the Sedef Port that we acquired in 2004, a multi-purpose cargo terminal is established under the umbrella YILPORT Container Terminal and Port Management Co.

We were going to conduct container operations at Sedef Port and handle general and liquid cargo at Alemdar Port. By taking into consideration the existing facilities of these two terminals; we had decided to establish a local terminal system that enables us to perform entire operations at the same terminal instead. At that time, our plans were limited to Turkey.

In time, when I got into the business, learned the customers and looked at the other ports, I saw that there was a gap in the port sector where we could progress. As you know, the port sector is a business that requires a large amount of capital. In the first phase, we made YILPORT a strategic sector in our investments. With the help of financial power obtained from other sectors within YILDIRIM Group, which we currently operate, we have developed a concept and established YILPORT Holding by saying "We will expand this business and expand it with new ports."

It was a vision business. In 2004. when I sailed to this road for the first time, there was not this amount of a big company in imagination, but conditions brought me to a very good place. I met with the right people. My 5 years of term experience in the States with PACECO Company and the experience that I gained in the ports has created a vision. The acquisition of 24% shares in 2010 with our investment in CMA CGM, was a game-changer for us. With the addition of 50% shares of Malta Freeport Terminals, YILPORT became The First International Terminal Operator in Turkey. In 2012, we also increased the number of our terminals to three in Turkey with the acquisitions of Rotaport, Gemport terminals

Then we said to ourselves, "Why don't we think about it on the global level?" My enthusiasm on this subject has begun to increase when taking the ports in Turkey and abroad and begin to operate the business in Turkey and abroad. When I looked deeply into the work in all dimensions, I saw that there was a great opportunity for growth. I sat on my own and made a growth strategy. We took the first steps of our global growth journey with of Sean PIERCE from the USA as CEO, Yoshiaki SUEMATSU from Japan as CTO and Rafael Sapiña GARCÍA as International Business Development Director from Spain.

Both growing in Turkey and abroad; we reached 21 marine and 5 inland terminals in 2018. The number of terminals increased to 22 with the acquisition of the operating rights of the Taranto Container Terminal in 2019. YILPORT Holding, a group of ports active in 11 countries, was formed. If someone had told me we were coming to this point in 2004, I would not have believed it. We have achieved this success by working with ambition and knowing our business. Of course, there is a chance factor. Apart from this, no one had pecuniary and nonpecuniary support. I did all this with planning.

Today we are at 12th place in the world with container port operations.

The next 11 companies are the port companies owned by the world's top 500 companies. These are divided into two; the ones operated by liner companies and other ones solely operating terminals. MAERSK's APTM, MSC's TIL, CMA CGM's Terminal Link and CMA Terminals, and COSCO's Cosco Shipping Ports both provide service in shipping and port operations. There are giants such as Hutchison Port Holdings, PSA and DP World, which do not run lines but operate ports. When we look at the first 7, there is an abnormal volume in the container. When I say the goal of being in the top 10, what I mean rising to 8th place. We cannot go above 8 due to the vast difference in volumes. We will try to keep our position after ranking the eighth position. Of course, our growth will continue in organic and inorganic level, but the volumes to be added will never move you up from 8 to 7th. Our goal is to be the 8th place in the top 10.

After reaching our goal, our business plan is to be permanent at this point. At this point, if you say, "What we created, what is on the line?" we created a game-changer strategy. We establish the game ourselves, we break the memorization in the industry. As a port operator, we are not limited to cargo handling. We put our customers at the center of our business. Automation, mechatronics, robotics and optimization projects that I made in the USA during my student years added a different vision to my port investments. We are the first one that brought crane simulator to Turkey. We did the door automation for the first time. We have made special designs for each port. Owing to our environmental awareness, we have transformed our diesel-operated RTG cranes into e-RTG to be electrically operated. We continue to shape all our movements and vision in this direction.

We have started to work on adapting blockchain and artificial intelligence (AI) technologies to our ports in parallel with our vision, which closely follows the technology for the coming period. We have been continuing our efforts such as our online services provided on the website, gate turnover times, yard and gate operations more efficient planning and cost-effective optimizations.

Of course, while focusing on new technologies, we should not neglect the current ones. We need to constantly maintain the equipment we have previously invested in and keep our software and hardware systems up to date. As soon as any of our cranes are out of service, our maintenance team should immediately make the necessary plans and keep the crane downtime to the minimum. If we fulfil all of these efforts properly, we can go even higher than this year's 25 moves performance. As we develop ourselves, our customers prefer us by staying satisfied in that vein.

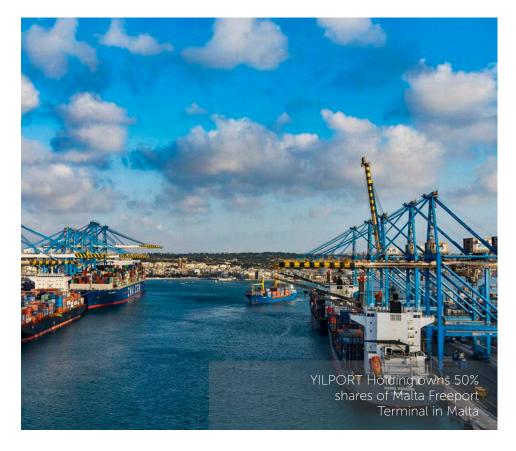
We will compete constantly in all the geographies we are in. Hence, we need to work smarter and more efficiently to keep our customers and provide service to the new ones. In addition to the technology and equipment investments that we use, we also invest human resources. When we gather all of these, the

motto of ours 'Privilege becomes standard" comes to reality. Our customers feel special. We use all our resources to make YILPORT an organization that keeps customer satisfaction at the utmost level.

#### As a leader who invests heavily in the sector, how do you envision 2020 and beyond?

I believe in the sector. As the world trade and economy grows, our business volumes will continue to increase in our ports. In general, as business volumes increase, companies that see this opportunity can rival us. We need to take advantage of this by developing and expanding our existing ports and taking new ports as much as possible with organic and inorganic growth to get a share of the cake. We will continue our investments in 2020 with our belief in the sector. If our goal is to set the course of the sector. these are our musts.

In 2019; as the world trade increased, the sector got stressed due to the increasing ship sizes due to the merger of the lines. They formed alliances by cooperating with the merger and acquisition of companies. The main lines with the highest





volume are; The Alliance: K-Line, Hapag-Lloyd, NYK, MOL and Yang Ming; The Ocean Alliance: CMA CGM, Evergreen, Cosco Shipping and Orient Overseas Container Line and The 2M Alliance: Maersk and MSC. Containers, which previously made a call to several ports, started to make calls to one or two ports due to the merger of the lines. Consequently, this created stress in the sector and caused the sector to divide into two as winners and losers. Larger ships are now being delivered at the shipyards. The increase in the size of the vessels operating in container transportation and the partnerships established by the lines causing a change in the port of calls. Then there is a need to transfer large volumes from these ports to other ports. This, of course, led to an increase in the size of the

transshipment vessels. This domino effect has been forcing capacity to invest in ports. While the ports used to meet all requirements yesterday, today there is a need for larger areas, higher rowed cranes and deeper pier and berth maneuvering distances due to increased vessel sizes. While you make these investments, because of the fluctuation in the market, customers demand rebate on the tariffs which resulting in your income to decrease. Because of this inverse proportion, there has been stress here.

Due to these reasons, there would be a consolidation in the port sector. Those who will not be able to conduct this business well; will sell their companies to growth-loving companies like us. We see similar situations in Europe and America. Several good conditioned ports remain abandoned because they could not be operated properly. One of them is Taranto Port, where we have recently taken over the operating rights. This port, which has been empty for 7 years, was abandoned.

With our vision and new business strategies, we will create a new volume and business opportunities there. This is a tough work to do. We will be evaluating the feasibility of new opportunities.

Following the consolidation of the port sector, the requirement of investment will rise in 2020. The ones who make investments will grow. Of course, this is an opportunity for us. But first, you must reach the capital. If you do not have enough, someone else might take your place. While you will be revealed by competition, you will also become weak and narrow. As YILPORT, we need to closely follow the pulse of the sector to grow healthy and change our route in every country, in this parallel.

What kind of message would you like to give, about the future regarding the ongoing growth journey in 2019, which have started the acquisition of 49-year operating rights of Taranto terminal and beginning operations in Guatemala?

The Taranto terminal is located on an area of 1 million square meters with a quay of 1.8 kilometers. The terminal is equipped with 10 STS and 42 RMG cranes. First of all, we will maintain 7 STS and 16 RMG of the cranes and





make them ready for operations, renovate the wastewater treatment plant, renew the power lines and provide electricity to the cranes, build an administrative building where we can serve our customers. And most importantly, we will create a maintenance unit thereby streamlining our equipment inventory warehouse.

We have begun to negotiate with our potential customers. We are working on the preparations for launching in Italy, the Adriatic region and especially in the southern part of Europe. It is difficult to get this port ready to operate again after many years since this port, which was previously operated by big companies such as Evergreen and Hutchison. Especially in the south of Italy, we need to keep in touch with the trade union and local community.

We need to create an environment in which we will bring mobility to the Italian local market with the contributions of our investments to the region, economic development and employment, and shape their future together.

We have had a good start in Guatemala. We started our operations with 2 Liebherr MHCs last year and then brought 2 new Gottwald MHC cranes additionally in 2019. Our business will grow there. There is also a port expansion project planned by the state of Guatemala. The only concern here is that we have a business period of 5 + 5years with a total of 10 years. Time is going by so fast; we have almost left a year behind. We need to be permanent by doing good things there. We are interested in another port in Guatemala. If we look further in countries like Honduras and El Salvador in the region that has been called Central America, there may be opportunities in Suriname and the Caribbean as well. Entering the region and taking an x-ray of a sector we have determined, we will create

YILPORT's business and growth strategy. We aim to continue our growth journey in these regions.

If we progress well-structured in the region, manage our human resources and business model efficiently; we can create synergy by making more efficient use of opportunities in the region.

# Are you satisfied with your investments in the maritime sector?

Shipping and port operations completely have different dynamics. I am not satisfied with my maritime investment but I do not complain. It is self-sufficient, but it is not growing me. It is the sector with the lowest entry barrier in the world. If you are none in shipment today and you have USD 1-2 billion in cash, you can buy 100 vessels and become the world's largest ship-owner. The vessel is ready, it is under your initiative to change the name, flag or crew, hire

as a charter if you want. All items such as incomes, expenses, debts are predefined. It returns as revenue if you gain extra. It is on you, you do not even see the vessel. If you grow up with it, you grow up, and if you do not, you can say that "I make money". Shipping does not excite me. But the port is not like shipping; it is under my control. A sector based on the latest technology and investment science. As I enter the gate, I am in constant contact with customers on the terminal and the port. My technological partners constantly visit me, talking about investments. You can expand and change the port, but you do not have this ability to do this with vessels. You can only grow a vessel by buying a new one.

### How do you evaluate the maritime sector in 2019 and 2020?

In 2019, there was not much development in the maritime sector to create an agenda. Some are unhappy in the sector as well as happy ones. The regulation on the use of low sulfur fuel to be put into effect by the World Maritime Organization (IMO) in 2020 has caused uncertainty in the sector. There may be turmoil between firms that comply with the regulation and the ones who do not. Fluctuations in freight prices will be uncertainties that the sector will experience. American and Chinese trade wars affected maritime trade. The close trade relationship between Germany and China has fallen due to the economic slowdown in China. Today, the German economy is in recession. Due to the decreasing export volume between Germany and the European Union countries, recession and deceleration occurred in Europe as well. There is a slowdown in America, but we do not know if there will be a recession. But we foresee the possibility that America could face a recession if China and the US continue to their trade relations in the same momentum. Of course, this has an

impact on us and the developing countries in the Latin American region. The World Bank reduced its growth forecast from 3% to below 2% for the coming year. There will be a recession in the world economy.

YILPORT rapidly moves forward to rank among top ten port operators by being awarded as the world's top container terminal operator by Lloyd's List in 2018 and ranking as the 12th place in the international Drewry league. What is your vision after ranking among the top 10 operators?

In 2018, we were awarded as the World's Best Container Terminal Operator by Lloyd's List. We are proud of it. We achieved this through teamwork. I congratulate the entire YILPORT team. We have won this award in return for our efforts. We won't stop because we won the prize, we will develop and grow ourselves every day. We need to maintain our best position.

For the last two years, we have ranked as the world's 12th largest international terminal operator by Drewry. We need to achieve sustainable growth to move forward. As I mentioned before, we need to be able to perform a well SWOT analysis of 5 of the next 7 companies to be 8th in our top 10 goals. We will evaluate ourselves very well so that we can turn weak points into opportunities and grow.

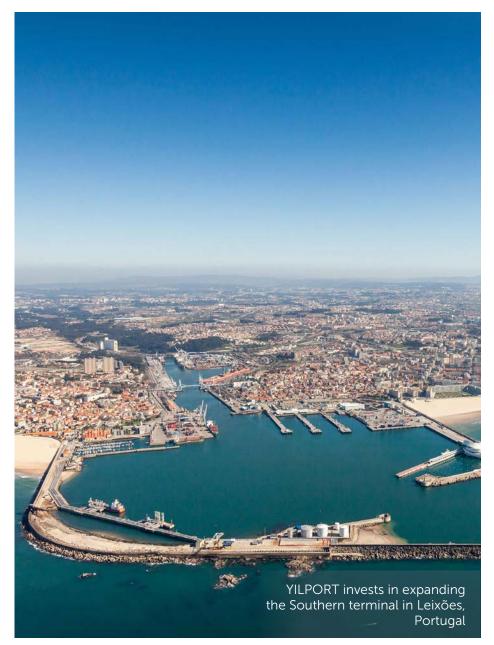
As I said, our goal in the top 10 is 8th. Going above the 8th would be a dream. I will be a happy man as the president of YILPORT who has completed his vision after ranking at the 8th place.

As you know, Lloyd's List selects business people in the world maritime industry every year. On the port side, I am at 7th place in the world. I am also 11th in the container transport sector. This success does not come by itself. The moves I have made and the achievements I have made are being followed by the world. It is a pride for me to be the 7th in an 8 billion world population. We will continue to work wisely and grow as a team to maintain this position. Although there are richer people than me on the list, my rank is higher than them as they find me active, intelligent and successful. So my goal is to stay in the top 10.

# How do you evaluate the recent investments of container lines in creating value in the supply chain?

Previously, container lines only operated from port to port. As competition and circulation increased in the sector, these container lines established their own logistics companies following more aggressive strategies. Maersk/Seago-Damco, MSC-Medlog, Cosco/Cosco Logistics and CMA CGM / CEVA Logistics. Thus, in addition





to serving port-to-port service, they also started to provide door-to-door service. Sea freight is delivered to the door by rail, road and air. This structure is very aggressive.

With our Transitex and Eti Logistics companies, we take the cargo of our customers and bring them to the other ports. We also make strategic efforts to support our ports. Now liner companies are doing similar work as well. They take the cargo from you to take it to their port and carry it with their vessels. Therefore, the recent investments in the creation of value in the supply chain will change the sector's working style and perspective. Warehouses and depots will become even more important. The ports will not be the only place where the cargo is handled, but also will become available for the operations of the partial cargo. For example, there is an increase in the perishable and frozen food industry worldwide. Changing daily life conditions, working of individuals is one of the factors affecting it. Despite the increasing demand, it is necessary to attract more customers by investing in cold storage in the ports. It is necessary to create a supply chain that will go from container to cold storage and then to the market. Other companies such as white goods, electronics, and clothing sometimes do not want to stock their products. You need to make on-time delivery. If you approach customer-oriented, simplify their processes and save them from items that will create additional costs, their choice for you remains sustainable. Today, the services offered by companies like Alibaba and Amazon are the best examples. We are also looking at how we can apply their existing business models to the port business in specific and

create a new synergy. To implement this, we need to work as a team and cooperate with the lines. We need to be working closely with the logistics companies of our lines.

# As YILPORT, you provide service from one stop in port and logistics operations. How would you evaluate the position of YILPORT in this matter?

Now everyone provides service from one stop. But in case a service is going to be provided outside of the port, we can create depot services where the cargoes are collected in a logistics platform. We currently implement this at the E-5 terminal in Gebze, Turkey and our Stockholm Combi terminal in Norway. We can bring the cargoes distant from the terminal and consolidate in a logistics center and then transfer to our port by using the Transitex and Eti Logistics companies or other logistics companies of the lines. Since the cargoes are in our terminals, vessels also use our ports for the cargo. When the lines make this business and the tariff is not suitable, they can take the cargo to another port. If we fit this system and adapt our customers, we ensure that the lines make calls to our ports. If we store the cargoes of a company we have agreed on in the region, the lines make calls to our port and bring the other cargoes to the region. That is why we need to be close to our customers in the hinterland. We need to understand their needs very well. We need to structure the port, logistics service, distribution center model very well. That is the rule, you cannot change it. Failure to think otherwise, there is no need to seek for adventure.

## What is your message to our customers for 2020 and beyond?

2020 will be a challenging year for the world. Growth will occur, of course. However, it will not be on a satisfactory level for container lines, port operators, logistics companies and warehouses. We will continue to be affected as the trade wars

continue. In 2020 we need to think more innovative and lower our costs so that we can grow by downsizing. Therefore, if we grow 10% usually, it can fall to 3-4%. Therefore, to grow economically and financially in 2020, we need to be more cost-oriented this year. We should minimize costs and optimize our profit while keeping customer satisfaction at the utmost level. We can do this with our facilities and human resources as YILPORT. We need to communicate this to our customers person-to-person, by visiting, gathering, and creating a common solution by making us feel like we are on the same ship. The goal is to achieve a win-win model that will go together to success. We have import-export firms, port service providers and lines. This triple sheet leg must be certain and working together. One of our biggest goals is to keep this corporate communication at the highest level and to be in frequent contact to avoid possible misunderstandings.

Our investments will continue next year. We contracted the construction project for the expansion of the Port of Bolívar in Ecuador. We will be expanding our port in Ecuador next year. We also carry out many projects such as Gävle Port in Sweden, completing the terminal area and doubling the terminal capacity to reach 600,000 TEU, expanding the southern terminal of Leixões Port in Portugal, and expanding the Liscont Terminal in Lisbon. We do all of these projects to serve our customers better. I hope we send off 2019 on a good note. 2020 should be a year in which customer focus has increased. I wish the year 2020 would be a good year for everyone.



# YILPORT IBERIA REGIONAL INFORMATION

#### DOMINATING POWER OF IBERIAN PENINSULA

Located among the Iberian Peninsula, YILPORT Iberia terminals offer best solutions among its multipurpose peers. The terminals are located in Portugal and Spain. They offer easy access to railroads and highways, and the terminals are close to industrial zones. YILPORT Leixões, Lisbon Liscont, Lisbon Sotagus, Setubal, Tersado, Figueira da Foz, Aveiro, Huelva and Ferrol Terminals offer bonded and non-bonded areas, warehouses, supported by logistic services. From beginning to the end, YILPORT Iberia terminals provide entire import and export operations 24/7 with a long-term YILPORT know-how discipline.









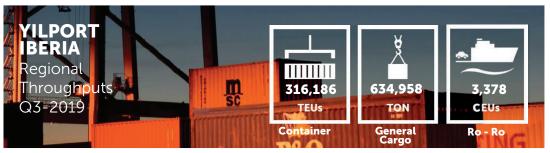
















# YILPORT Leixões

Strengthens Market Share In the first seven months of the year, the Leixões Container Terminal handled 408,317 TEU, 11.1% more than in the same period of 2018.

In July alone, YILPORT Leixões grew 19.3%, according to data released by the Mobility and Transport Authority (AMT).

YILPORT Leixões' performance contrasts, and in such a way, with the market evolution, which in July fell 10.8% (to 234,812 TEU) and since the beginning of the year has accumulated a loss of 4.3% (with 1,6 million TEU handled).

In fact, among the main ports of the continent, Leixões and the Leixões Container Terminal are the only ones to grow in 2019, compared to 2018, which means that they continue to gain market share especially considering that the traffic at YILPORT Leixões is almost exclusively import/export.



# YILPORT Leixões Sponsors The 6th Race of The Port of Leixões

On the 21st of September, the Port of Leixões opened the gates to the population, allowing, all those who want to better know the port activity and have a joyful day as a traditional event. The Port of Leixões went farther in its communion with the surrounding community, opening its gates and its internal road to carry out a sports event.

The 6th Race of the Port of Leixões, held the previous Sunday, 15 September, that led athletes (or walkers, in the case of the Walking, also included in the program) to go along the route that encircles, internally, the north entrance, next to the suspension bridge, on the Leça da Palmeira side, to the south entrance, at the other end of the bridge, in Matosinhos, and back, going through the general and bulk cargo terminals and the South Container Terminal.

YILPORT Leixões partnered with the Port Authority (APDL) is another initiative that affirms the pioneering of the Port of Leixões, by being one of the sponsors of the race.

Nuno David Silva, YILPORT Leixões' General Manager, receiving a trophy from Ms. Claudia Soutinho, Port Authority's Board Member, in recognition for YILPORT Leixões support to the event.





# Navis N4 Integration Completed at Huelva Terminal



After YILPORT Huelva completed integration and have started working in Real-Time with latest Navis N4 version. After months of intensive collaboratively actualized by Global TOS & IT teams and Iberia Region Logistics Center, Huelva is one step closer to conduct paperless container operations.

The live communication by Radio with our Global Logistics Center in Lisbon, installation of Wi-Fi network throughout the terminal and rail station, installation of computer equipment in machinery, or the use of Tablets for the entire community that participates in the YILPORT Huelva port operations; these are some of the innovations that have come into play as of today.

In the same way the first tests and measurements of the Civil Engineering company have also begun; the Logistic and Platform Yard Extension Project is a reality and at first days of 2020 YILPORT Huelva Terminal will grow its yard capacity.



## **Thailand Royal Embassy**

## Visits Huelva Terminal



YILPORT Huelva welcomed the Royal Embassy of Thailand, headed by its Minister Ms. Natenapa Kongsri, the Counselor Ms. Prapasri Chetsonkcul and the Responsible of the Business Center Ms. Maneerat Marnpae. YILPORT Iberia had the opportunity to explain ongoing projects in Huelva and gave information about the YILPORT portfolio in detail.

YILPORT Huelva Operation Department Manager Francisco JIMENEZ emphasized; having Thailand a significant Muslim population, is interested in the end-to-end process chain for products with Halal designation. The Halal certificate in Huelva will allow establishing the Halal compliance of the products or services with the requirements defined in international standards and accredited by official entities.

Likewise, the Halal certification allows to export to any country in the Muslim world and also to import products to serve all Muslims in Spain which represents already 5% of the total population. Thus, Halal certification is seen as a clear opportunity for growth and expansion for Huelva Terminal.

## **YILPORT Ferrol Joins**

# Entrepreneurial Mission to México

YILPORT Ferrol General Manager, Diogo Castro, joined the Entrepreneurial Mission to México promoted by COFER (Federation of Entrepreneurs of Ferrol) with the support of the Port Authority of Ferrol in September.

The host in the capital of México was MEXICO CALIDAD SUPREMA, an association that groups up some of the most important agriculture and food associations and companies of the country.

Meetings were held also with import and export companies that target or already load to and from Galicia, Spain. Both Port Authority and the Terminal presented Ferrol project and recognized the potential of México, emphasizing the advantages that YILPORT Ferrol can represent by reducing lead times in the supply chain not only to Galicia but to some countries of the European Union, as most of the trade

lanes pass through Ferrol on their route to North Europe.



A new visit from MEXICO CALIDAD SUPREMA representatives was scheduled for to first quarter of 2020 to further develop the opportunities identified.

## Operator Training in Huelva Terminal

YILPORT is providing to the staff not only the mandatory trainings in Health and Security but also the formal trainings to be officially certified while handling yard equipment.



After a written test, mechanics and driving, our operators are already certified to handle the forklift; It has been a great experience for everyone, and they have been able to answer each and every one of the questions raised to the TUV-SUV monitor.

## YILPORT Iberia Attended

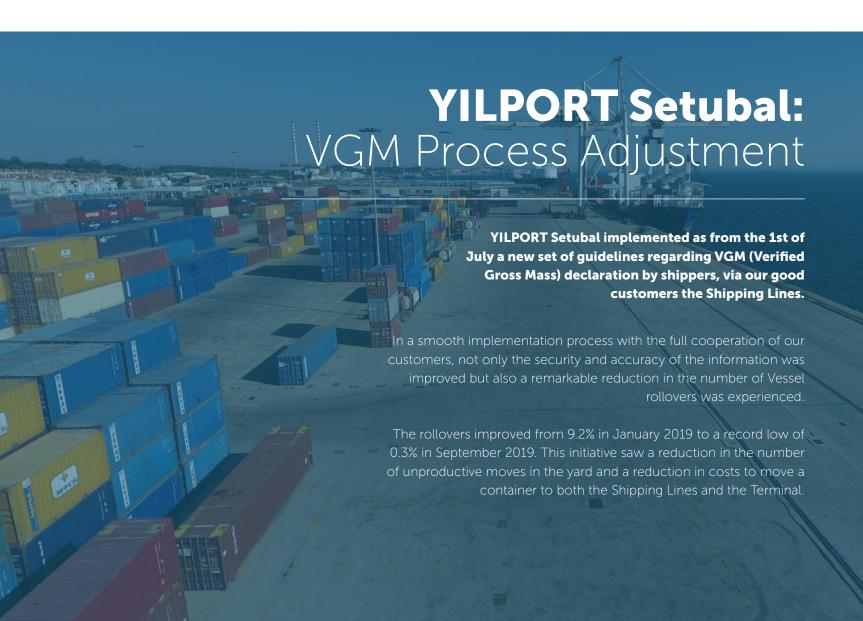
## FIMOP Executive Committee Meeting

On the September 20th, YILPORT IBERIA joined the FIMOP event in Sta. Cruz de Tenerife Port Authority (Spain).

FIMOP, the Iberian Federation of Stevedoring Companies and Maritime Agents, promoted a meeting to analyze the current situation of Portuguese and Spanish Ports and the new European Regulation on the Maritime Single Window (prototype to test how the eManifest data could be reported along with other reporting formalities in a harmonized manner, submitted to the relevant authorities and exchanged among EU Member States).

The meeting also focused on the New MARPOL European Directive.





# YILPORT MEDITERRANEAN REGIONAL INFORMATION

#### IN THE HEART OF MEDITERRANEAN

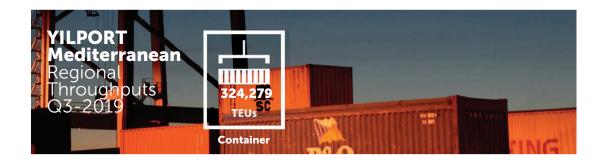
Located in Italy and Malta YILPORT's mediterranean terminals offers hubs-home terminals for container, general - bulk and ro-ro operations, and provide easy access to roads and logistics services.

The Multipurpose Pier of the port of Taranto, located in the heart of the Mediterranean basin, is particularly strategic as a natural gateway for sea traffic from/to Central Europe and the Far East and the developing economies of the Near and Middle East and North Africa.

Malta Freeport offers extensive worldwide regular network connections, high performance levels, cost effectiveness, ease of access to markets with minimal diversion distance, easy port accessibility, safe maneuverability of vessels and all-year favorable weather conditions.













Malta Freeport Terminals has lately introduced new services to its current portfolio further strengthening Malta Freeport's global connection network.

The new Med Caribe Service has been introduced between the Mediterranean, the Caribbean and the US further enhancing the Freeport's connectivity with the western and southern continents. This new service, operated by CMA CGM and Marfret includes five additional ports in North and Central America: Pointe-à-Pitre, Fort-de-France, Houston, Veracruz, and Puerto Moin. These complement Malta Freeport's present network to South America covering countries in Argentina, Brazil, Colombia and Uruguay. One of the strengths of this service is its extensive reefer coverage and it is in fact making use of the upgraded reefer facilities in which Malta Freeport has invested heavily over the past years. Today, Malta Freeport has a reefer capacity of over 1,600 points on both Terminals, enabling it to handle more perishable cargo, a market that is growing at an increasingly fast rate.

In addition to this, Malta Freeport has added a weekly loop service called the New Black Sea Med Express Service offering weekly coverage from the East Mediterranean and the Black Sea ports to West Africa. This service is operated by CMA CGM, COSCO and NileDutch covering the following rotation - Odessa,

Constanta, Ambarli, Aliaga, Piraeus, Malta Freeport, Valencia, Algeciras, Casablanca, Algeciras, Malta Freeport, Piraeus and Gabze.

Moreover, MFT continues to adhere to international quality environment standard certifications following a re-certification audit carried out this quarter. The Terminals operate an integrated Health & Safety & Environmental Management System that conforms and is certified to international standards – OHSAS 18001 and ISO 14001. Malta Freeport is presently in the process of converting the OHSAS 18001 certification to ISO 45001.



# **Strategic Location**Along The Main Trade Lanes

YILPORT Taranto is one of the closest deep-sea terminals to main trade lanes through Gibraltar and the Suez canals in the centre of the Mediterranean. YILPORT Taranto is the ideal port of call for both gateway and transhipment cargoes to Europe and the rest of the World.

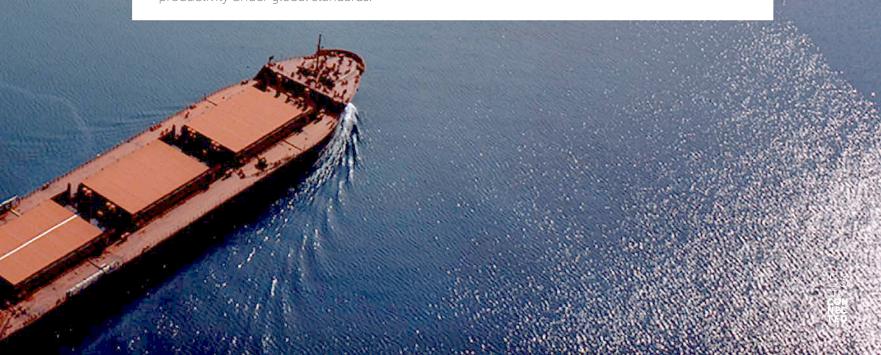
YILPORT Taranto offers high-level productivity on 1 million square meters' land area. Easy access to the highway network provides quick and smooth transportation of cargoes to Northern Italy and central Europe. 5 active rail platforms connect YILPORT Taranto directly to the national railway system where can bind the terminal up to North Europe overland. Two rail-mounted gantry cranes on these tracks allow the terminal to provide efficient loading and unloading train operations.

The terminal is also eligible to serve up to ULCV sized with -16.5 meters draft and 10 STS (ship-to-shore) cranes. Terminal built on an area of 1M sqm, equipped with 20 RMG's (rail-mounted-gantry cranes). The terminal will offer 160,000 square meters of CFS and Empty Container Services area, providing stuffing, stripping, inspection, M&R, PTI, sweeping, cleaning, and empty container inspection and conditioning.

Addition to the container operations, YILPORT Taranto terminal also provides service to bulk/general cargo, Ro-Ro, project cargo vessels.

YILPORT Taranto Terminal provides combined services of CFS and warehouses next to each other and inside the container terminal. 2 separate warehouses - built alongside the rail tracks - with a total of 8,000 m² area offers flexibility to YILPORT Taranto customers on their supply chain. Also, the logistics platform in the port area 2km away from terminal with its rail tracks offers cold storage for perishable goods.

YILPORT will bring its global expertise to the region by creating strong, close and cooperative relationships with end customers, agencies, liners and logistic companies and will set high-level productivity under global standards.



# YILPORT LATAM REGIONAL INFORMATION

#### **GAME CHANGER OF LATIN AMERICA**

Located in Ecuador, Peru and Guatemala , YILPORT's Latin American terminals offer solutions that are unmatched in the region. The terminals offer container, bulk and liquid cargo operations, and provide bonded and nonbonded areas, warehouses, easy access to roads and logistics services.

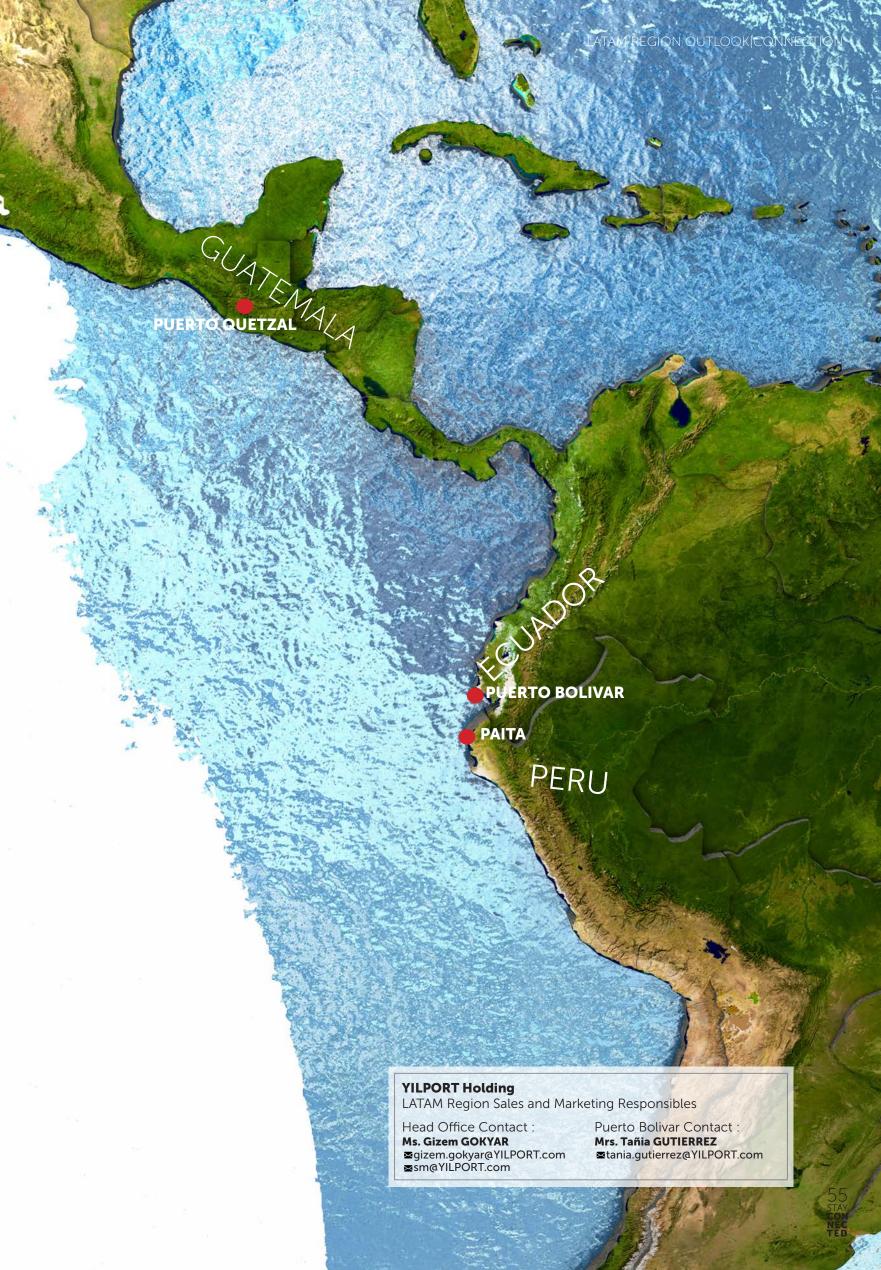
YILPORT Puerto Bolivar in Ecuador, YILPORT Paita in Peru, Puerto Quetzal are the three terminals in the portfolio. Container and bulk cargo operations, liquid cargo are offered at the terminals.











# Puerto Bolivar Initiates Tender

# Process for Expansion Project

Puerto Bolivar Initiates Tender Process for Expansion Project As a part of YILPORT's general terminal development project, Puerto Bolivar Expansion Project was launched on 2 September 2019.

As a result of the signing of the Agreement between Ministry of Public Works and Ministry of Defense, the expropriation of the land required for the construction of Berth 6 had been facilitated. Interested Contractors from 5 different countries: Spain, France, Portugal, Turkey and China sent 26 representatives who assisted to the Site Visit, showing a high interest on this Project. The participants performed a site visit to the existing port facilities to know the construction site.

Participants were also informed about technical characteristics of the project and the importance of Puerto Bolivar in Ecuador's port context and the urgent requirement to dispose of a modern port to receive Super Post-Panamax vessels already operating in the Pacific Coast of South America. In this meeting Yildirim Group of Companies Executive Director for Construction Division Mr. Kadir OKCU was also present and answered the participants questions concerning the development of the Tender.







## **YILPORT Puerto Bolivar**

# Welcomed Two More Giant Mobile Harbor Cranes

YILPORT Holding continues to invest in its terminal portfolio across the globe. YILPORT Puerto Bolívar is next in line to receive two brand new state-of-the-art mobile harbor cranes from Gottwald. Two mobile harbor cranes from Gottwald sailed from Westdore, Holland on July 31, 2019. The cranes arrived at YILPORT Puerto Bolívar in Ecuador on September 4 and brought the number of MHCs to four cranes. These two cranes will be in operation in November 2019. The Gottwald HMK 8410 Mobile Harbor Cranes have 58 meters working radius, 100 tons safe working load, 60 meters boom length and are capable of serving vessels up to 19 rows wide.

In addition, other Phase 1 investments in Ecuador's YILPORT Puerto Bolívar will be 6 STS gantry cranes and 18 electrified rubber-tired gantry (e-RTG) cranes to be delivered by Mitsui E&S Machinery Co. These gantry cranes will be delivered in three shipments to complete YILPORT's concession commitment for Puerto Bolívar. The first shipment of 2 STS gantry cranes with 22-row outreach and 6 e-RTG cranes will be delivered in January 2020.

The second and third shipments to include 4 STS with 24-row outreach and 12 e-RTG cranes will be shipped on July 2020 and January 2021. The first 2 STS cranes will have 62 meters (22 rows) outreach capacity. The other 4 STS cranes will have 67 meters (24 rows) outreach capacity. e-RTG cranes will be 1 over 6 high and 7+1 wide to handle yard operations. All 18 e-RTG cranes will be fitted with state-of-the-art technologies and equipment in order

to boost capabilities of the terminal and meet customer expectations of YILPORT Holding's high global standards. After the completion of first phase of dredging operations, the channel and the port currently have -14.5 meters draft. Second part of dredging operation will bring the draft to -16.5 meters to allow YILPORT Puerto Bolivar to serve largest container vessels.

## Chairman of YILPORT Holding, Robert Yuksel YILDIRIM made the following remarks:

"YILPORT Holding continues to invest in Puerto Bolívar to elevate the port among the leading terminals capable of handling ultra-large container vessels in the West Coast of Latin America. Our strong growth in 2018 with 27% volume increase is a clear proof of our neverending efforts to get better and dominate the market in the region. Our investments are just the tip of the

iceberg for our plan to create not only Ecuador's but also Latin America's one of the greatest terminals. After receiving shipments of our gantry cranes, our port will be a complete 'game changer' in the region."

YILPORT Holding holds 50-year concession to operate Puerto Bolívar in Machala City, Ecuador since August 2016. YILPORT committed to develop Puerto Bolívar into the largest and the most advanced state-of-the-art terminal on the Pacific Coast of Latin America. This is also the largest Turkish investment in Latin America. Puerto Bolívar will increase the capacity to 2.5 million TEUs in 5 phases of investment and modernization.

#### The Arrival Crowned with A Reception

YILPORT Holding continues its investments to increase productivity and operational efficiency with two state-of-the-art Gottwald mobile cranes arrived at YILPORT Puerto Bolívar on. With this equipment, the terminal aims to improve its current service efficiency and operate larger vessels with its -14,5 m draft.

YILPORT Puerto Bolívar launched a welcoming event for its new mobile harbor cranes arrived in September 4. important local authorities like Deputy Minister of Transportation Infrastructure of the Ministry of Transportation and Public Works Augusto Medin, Undersecretary of Ports and Maritime and River Transportation Eduardo Aguirre, Mayor of Machala Darío Macas, Clemente Bravo, Governor of the Province of El Oro Port Authority Manager of Puerto Bolívar Roberto Granda and the Governor of El Oro Province Danilo Maridueña were hosted in this event.

Augusto Medina stated that these investments will allow Puerto Bolívar to be among the leading terminals which are capable of handling ultra-large container ships on the west coast of Latin America, and will attract more investors, increase cargo volume and generate more sources of employment.



"Turning Puerto Bolívar into one of the largest and most modern terminals on the Pacific coast is our commitment" said Alfredo Jurado, General Manager of YILPORT Porto Bolivar.

The acquisition of the two mobile cranes is a part of the investment made in the first concession phase, which includes the new container terminal (dock 6) and the construction of 450 meters new berth which will end in 2021.



# YILPORT Puerto Bolivar Strengthens Operational Efficiency with Navis N4 Implementation

YILPORT Puerto Bolívar would like to announce its latest development, Navis Terminal Operation System (TOS) implementation, to increase terminal operations performance and support customer-first approach along with current and upcoming terminal investments.

YILPORT Puerto Bolivar Terminal is planning to implement Navis Terminal Operation System (TOS) in Week 44 for its operations. Local operation has been working with YILPORT Holding (YPH) TOS Implementation team extensively to secure the success of the implementation. YPH TOS Implementation team (total of 11 people) will be visiting the terminal 3 weeks before the go-live for training and pre go-live simulation. The team will be supporting operation on site for three weeks after the go live until the YPH standard processes are effectively in place.

The deployment of a new system to a terminal generates a significant and reliable amount of operational data specially on the container business, which Terminal then synthesizes and manages to create greater operational efficiencies and transparency. Following improvements were seen with previous YILPORT TOS implementations for container business;

- Gross Moves Per Hour Per Crane is improved up to 47,37%
- Rollovers (Vessel) decreased 96,43% (Increase in data quality)
- Also, Rollovers (Port of Discharge) ratio decreased 84,21% (Increase in data quality)
- While Yard Utilization improved 94,39%, the berth utilization decreased 9%.
- Dual Cycle (Rate of moves done as Dual Cycling) 19,00%.
- External Truck Turn Time decreased up to 44,33%.
- Container Move Rate decreased up to 24,22%.

Quantitative improvements can only be seen with the KPIs, however, there are also qualitative effects that improve other areas in the terminal operations. These include standard reporting, standard operational processes and HSE procedures which help to manage vessel, yard and terminal activities.



# YILPORT Implements Its Own Commercial Billing Module, Delta

#### to YII PORT Puerto Bolivar

In line with TOS N4 implementation in YILPORT Puerto Bolivar, YILPORT implements its own commercial billing module, Delta, which was developed by YILPORT Soft Developers and used in YILPORT Terminals. The system has a direct connection with Terminal Operational systems, ERP programs, CRM modules and enables YILPORT to bill invoices not only from terminal location but also from YILPORT HQ Charging Services Team based in Turkey. Delta is a commercial billing program which works with Operational data by matching them with related tariff items and create proforma bills as a final step. After this process, proforma bills can be sent to ERP system with different formats like xml, csv, web Access, ftp file sharing etc. Thanks to Delta system, billing process is aimed to be improved by minimizing errors in invoices in Puerto Bolivar.





In order to increase performance and productivity of crane operators and to have effective vessel operations, a training session focusing on crane specifications and operational details of these terminal equipment was realized on 21 August 2019 in YILPORT Puerto Bolivar. A detailed info on different technical characteristics of current MHCs was provided and also operators' questions were clarified to assure effective use of terminal equipment and give productive vessel services. At the end of the training, operators expressed their appreciation for this interactive session.

# Door to Door Logistic Services





YILPORT Rotaport terminal and ETI Logistics company continue to provide inhouse solutions in the supply chain.

Owing to the intense work of expert operations and sales teams; a record volume had been reached in transportation with 128,000 tons of silica sand, 75,000 tons of steel coil, 60,000 tons of aluminum and 50,000 tons of grain and dry bulk respectively.

The goods were transported with the renewed equipment fleet of Eti Lojistik company smoothly.

## Transitex at Expoalimentaria 2019



Expoalimentaria is the most important business fair in Perú, being held in Lima since 2009. This year the fair had 560 exhibiting companies from more than 20 countries. The event projects Peru has a strategic supplier to the world, with special emphasis on its agriculture: the world's number one exporter of asparagus and special coffees, for instance.

Transitex team was present at the fair with its stand, on the Services Hall. Here, Transitex was one of only six logistics operators present, when in Perú there are more than 500 registered.

Victoria Yánez, Transitex country manager in Peru, comment about the participation "We were strategically located at the fair venue and this allowed us to gain greater visibility during the event with many possible clients interested in knowing our services. During just three days of fair, we had the opportunity to personally contact and present ourselves to 170 companies. As a logistics operator, to participate in Expoalimentaria Peru is not only

beneficial for us regarding the export of perishables sector, it is also beneficial regarding the machinery and equipment sector, since year after year its presence at Expoalimentaria increases, being closely connected with the agricultural sector."

This year was the first were Transitex had a standin three Latin America trade shows: Expo ANTAD & Alimentaria, Mexico, APASSHOW, Brazil and closing the cycle, Expoalimentaria, Peru.



# Transitex South Africa is Registered as Clearing Agent

Transitex South Africa has extended its range of services and is now a registered clearing agent. The company was recognized and given certification by SARS (South African Revenue Service) and can clear cargo for Johannesburg, Cape Town and Durban.

Transitex South Africa handles all types of cargo being moved by sea, land or air. The great benefit of this added service for clients is that the logistics chain of their cargo is more closely controlled by Transitex team and the costs remain lower- value for clearing goes from R500+VAT to R3000+VAT depending on cargo specifications. Another advantage is that Transitex team is able to provide the client with a simulation with VAT and duties prior to the commodity shipping.





# **"Being a YILDIRIM Employee"**Training in Iberia

During the week of September 9th to September 13th, we conducted five training sessions named "Being a Yildirim Employee Changing the Game together in YILPORT Iberia" to our employees in Iberia.

There were three sessions in Lisbon and two in Oporto, reaching a total of 95 employees. This training aims to introduce employees to Yıldırım Group in general, YILPORT Holding Group in detail, increasing awareness about core competencies and how we work together, learn about the vision, mission and strategic targets of Region Iberia, learn more about each Terminal of our Region and to know each other closely.

Sessions were facilitated by İrem Şarman, Nilay Güner, Elçin Uygun, and Pedro Estrela and also the Regional GM, Richard Mitchell and the Terminal GMs Ignacio Rodriguez, Carlos Santos, Paulo Sá, Nuno David end Diogo Castro were presenting the regional strategy and the plans for each Terminal. Participation was enthusiastic and feedback from participants was very positive, several express the will to continue this kind of communication session in the future.

## OLG Welcoming New Employees In Puerto Quetzal

OLG welcomed 26 new employees in Puerto Quetzal as operations are expanding with the acquisition of two new Gottwald cranes.

Hector Alvarado, Finance and Administrative Services Manager, welcomed the team in Puerto Quetzal facilities. The staff was briefed with the general aspects of the company, operational structure and health and safety issues that should be considered before starting operations. In the afternoon the other team members joined to welcome the new employees to the OLG family.







As a pioneering initiative among Lisbon terminals, YILPORT Liscont Terminal organized "Bringing Kids to Work" day. YILPORT Iberia wanted to allow the families of our terminal employees, and most especially to their children, to understand their parent's jobs for YILPORT.

An organized visit under a controlled and safe environment as possible to be arranged for the families to visit the facility while the "Magic of Terminal Operations" was occurring.

The visit included a bus tour around the terminal, passing by the quay wall, container yard maintenance workshops, equipment parks, and operations facilities. The Operations Director performed as a "tour guide" creating a moment of joy and complicity with the families of our employees.

The motto of the day was "Safety is Important to Keep Families Together". At the end of the visit, the "little ones" had the Chance leave their mark a YILPORT – Liscont building so that we can remember this day





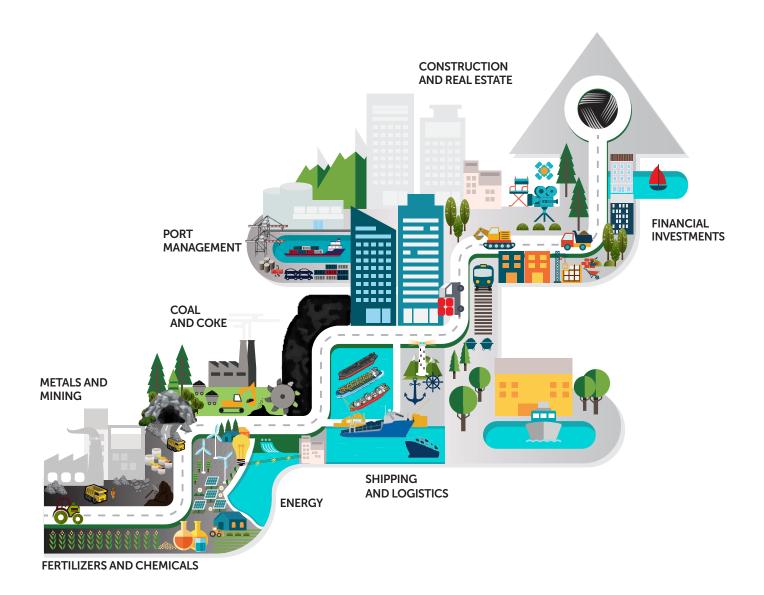






## YOUR GLOCAL TURKISH PARTNER

YILDIRIM Group has grown to become a global force based in Istanbul, Turkey, active in 11 industries with operations in 49 countries on 4 continents, employing more than 12,000 people.





www.yildirimgroup.com



# GLOBAL REACH

YILPORT Holding was established in August 2011 to combine the port and container terminal operations of YILDIRIM Group under one roof.

The Holding has a portfolio of 4 Terminals in Turkey, 7 in Portugal, 2 in Spain, 2 in Sweden, 1 in Norway, 1 in Malta, 1 in Italy, 1 in Peru, 1 in Ecuador and 1 in Guatemala.

Also ETI Logistics and Transitex, global logistics and forwarding companies are part of YILPORT portfolio.

YILDIRIM Group



YILPORT Holding

