

Message at 2nd China Malaysia Port Alliance Annual Meeting  
(Guangzhou Port Authority)

Dear Tan Sri Dato Kong Cho Ha, Chairman Jiang Zuohan, China Ministry of Transport deputy director Liu Peng, and Ladies and Gentlemen:

Good morning! Today we are gathered in this beautiful city of Kuala Lumpur to discuss the interconnection, mutual cooperation and development of China-Malaysian ports. First of all, on behalf of the Guangzhou Port Authority, I would like to extend my warmest congratulations on the successful convening of the 2nd China Malaysia Port Alliance Annual Meeting and express my heartfelt thanks for the meticulous organization of this meeting by all Chinese and Malaysian parties concerned.

Malaysia, with her bright sunshine and beautiful scenery, is in the eyes of tourists, a cuisine and shopping paradise. Malaysia is rich in natural resources; her rubber, palm oil and pepper production and exports rank among the best in the world, and her economy is booming. Kuala Lumpur is an emerging international metropolis that is an organic integration of oriental colors and Western civilization, her Petronas Twin Towers is truly spectacular and amazing.

Guangzhou is China's third largest city, with a resident population of 14 million; it is one of China's major cities, an international trade center, and an international integrated transport hub. In recent years, Guangzhou is committed to building a world-link international shipping hub, an international aviation hub and an international scientific and technological innovation hub. Its business environment is increasingly optimized, which has attracted nearly 300 of the Fortune Global 500 companies to invest or set up offices in Guangzhou, and were rated a few times by "Forbes" as "the No. 1 commercial city in mainland China. In 2016, it was upgraded to a global first-tier city in the World Urban System Rankings released by the Globalization and World Cities Research Network (GaWC). Guangzhou is preparing for the "Fortune" Global Forum of December

this year, the World Congress in 2018 and the World Port Conference in 2019. Guangzhou is increasingly making itself seen and heard in the world arena.

Guangzhou Port is located at the mouth of the Pearl River and in the central area of the Pearl River Delta, and is adjacent to Hong Kong and Macao. It has a long history of over 2,000 years, and it seems to prosper and flourish forever. It is an important hub of China's integrated transport system. Guangzhou Port's strong economic hinterland and excellent geographical location promote the rapid development of the port. Since 2008, Guangzhou Port's cargo throughput and container throughput have ranked among the top ten ports in the world. In 2016, Guangzhou Port reached the cargo throughput of 544 million tons, and the container throughput of 18.86 million TEU, which ranked sixth and seventh in the world ports respectively. In the first half of this year, the port production has maintained the trend of accelerated growth, and has reached cumulatively a total cargo throughput of 280 million tons, an increase of 7.1%; and container throughput of 9.72 million TEUs, an increase of 11.7%.

Guangzhou Port has specialized container, coal, grain, automobile, petrochemical berths, etc. The terminal is fully functional with complete facilities for loading and unloading services. It is currently the largest comprehensive port in South China. Nansha Port has built sixteen 10-15 thousands-ton container berths that are equipped with advanced loading and unloading equipment. It has a waterway depth of 17 meters that meets the world's largest container ship entry and exit and unloading requirements. We took advantage of the water network. Using Guangzhou Port and Nansha Port as the core, we opened more than 150 barge lines, covering the entire Pearl River - Xijiang River ports. We have also established a green, low-carbon, smooth water transport network. The annual barge traffic volume is more than 6 million TEUs. At the same time, we are actively developing an inland "dry ports" network; the current layout of the Guangzhou Port has 31 offices established in the dry ports in Guangdong, Guangxi, Hunan, Jiangxi, Guizhou, Shanghai, etc., covering the inland hinterlands. Relying on inland port offices and the cooperation between Guangzhou port and

the railway sector, we have opened the freight trains from Guangzhou to Yuantan, Heyuan, Kunming, Hunan, Hefei, and Guangzhou port- Yingkou Port - Europe, Guangzhou port - Lianyungang Port - European sea Iron transport freight channel, to realize the New Silk Road Plan by the integration of the Silk Road by Land and Sea. Using the policy advantages of Nansha Free Trade Zone, Guangzhou Port has increased docking and integration with the international market, and enterprises such as bonded logistics, international transit, cross-border electronic commerce, parallel- import car, international cruise etc., have been rapidly developing. The world's top 21 liner companies such as Maersk, the Mediterranean, COSCO Shipping, and Dafei, etc., are developing their business in Guangzhou Port. Guangzhou Port has opened nearly 200 container routes that are accessible to the world, covering China's major coastal ports, and has established friendly relations with 40 international ports. Since 2016, Guangzhou Port has commenced normal operation of the international cruise business, the introduction of the Star Cruises, Star Dream Cruise, Song Shi Da and other international cruise companies, and has now opened cruise routes from Guangzhou Nansha to Hong Kong, Vietnam, and Japan. In 2016, passenger throughput amounts to 326,000 people; it is China's third largest cruise homeport.

At present, Guangzhou has gathered the world's largest bulk cargo fleet COSCO Maritime Bulk Cargo Co., Ltd., the world's largest special vessel transport fleet COSCO Shipping Special Transportation Co., Ltd., Asia's largest container fleet South China COSCO Shipping Container companies and other shipping headquarters enterprises. Guangzhou Zhonghang Longxue Shipbuilding Co., Ltd., China Ship Huangpu Wenchong Ship Co., Ltd., Guangzhou Guanghua International Co., Ltd. and a number of well-known shipyards at home and abroad have made Guangzhou shipbuilding industry world-renowned. British Lloyd's Register, American Classification Society, Det Norske Veritas, Japan Maritime Association, etc. have set up offices or branches in Guangzhou.

Guangzhou is at present, in accordance with the goal of opening up high-level gateway hub, constructing an international shipping center and an international

shipping hub. With the government according great importance to Guangzhou Harbor, new opportunities are ushered in for its development. Around the Guangzhou International Shipping Center and the construction of international shipping hub, we are accelerating projects such as the international cruise terminal, container terminal, bulk cargo terminal, car Ro-Ro terminal, deep-water channel widening project, etc., to further adapt to the development trend of large-scale ships, in order to enhance the hub function of Guangzhou port. With the port railway as our focus, we are accelerating the construction of the port and hinterland collection and distribution system, vigorously developing multimodal transport business, and further improving the logistics network to enhance the Guangzhou port concentration and radiation capacity. At the same time, we are also vigorously developing the modern shipping services industry, focusing on the development of shipping finance, international shipping management, shipping brokers, information services, personnel training, etc. We have also introduced preferential policies to attract internationally renowned shipping agencies and enterprises to expand in Guangzhou, and to speed up the agglomeration of upmarket shipping resource elements.

Over the years, Guangzhou Port and the International Friendship Port has been cooperating in the aspects of route development, personnel exchange training, green port development and Port Intelligence construction, etc., and has brought into play the accumulative radiation effects of the port in the aspects of logistics, economy and trade, to enhance the capacity and the standard of the port to serve the economic society, and to promote maritime trade development. Experience tells us that for port cooperation, selecting problems of mutual concern and the most achievable projects as a starting point, and then gradually expanding the degree and extent of cooperation, is a more effective and sustainable cooperation. Guangzhou and Malaysia are geographically and relationship-wise close to each other, the cooperation between our ports has been increasing for many years. At present, Guangzhou Port has 38 routes that are linked to the ports of Malaysia and we have established friendly relations with Port Klang and Malacca. In the next stage, we hope to bring to full play the role of "China-Malaysia Port Alliance" as a platform for pragmatic cooperation with the ports of Malaysia in areas such

as personnel training, port management, port logistics and route development. We have worked with Antwerp port in setting up the Antwerp Port Education Consulting Co., Ltd. in Guangzhou for the purpose of providing training for shipping personnel around the world. In November this year, the company will hold a training course in Guangzhou, and we welcome your active participation.

Thank you!