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APM Terminals announces Multipurpose Terminal JV at Qingdao Port

New multipurpose terminal in Qingdao's Dongjiakou Port with two deep water berths set to begin operations by early 2016, and help meet the needs of China's fast-growing grain import market.

Qingdao, China – The APM Terminals Global Terminal Network will enter China's fast-growing grain import market as part of a joint venture with Qingdao Port International (stock code: 06198.HK), continuing APM Terminals' ongoing expansion into port and terminal operations outside containerised cargo handling.

The newly developed Qingdao Port Dongjiakou Multi-Purpose Terminal, in which APM Terminals will hold a 20% share, is located on China's Bohai Rim in the Shandong province, on the Yellow Sea. The Port of Qingdao is one of the world's busiest ports, ranking seventh globally handling a total of 468 million metric tons in 2014. Qingdao's new Dongjiakou Port area is set to become a national hub of Chinese bulk and energy cargos, with a projected volume of more than 300 million metric tons handled annually in this new complex.

"China, as the world's largest population, and second-largest economy, is a crucial center of global trade and logistics, and we are very pleased to advance our multi-port strategy of growth beyond containers in this exciting and fast-growing market," said APM Terminals CEO Kim Fejfer.

The Qingdao port handled around 7 million metric tons of grain cargo in 2014, with continued strong growth again in 2015. The Qingdao Port Dongjiakou Multi-Purpose Terminal, operated by Qingdao Port International and APM Terminals, will cater to the rising demand of grain and other general cargo and allow for improved port logistics service into the hinterland markets.

"We are fully prepared to grow with the grain market in China, and around the world," noted Mr. Fejfer. Approximately one third of all nations are now importing at least a quarter of their grain consumption, according to a Thomson Reuters article released March 13, 2015 "*Global dependence on food imports leaves countries vulnerable.*"

APM Terminals' Chinese presence includes interests in nine operating terminals in six ports, with a seventh facility currently in development at the port of Ningbo. APM Terminals is currently a shareholder with Qingdao Port International in five container terminals in the Qianwan section of Qingdao Port. APM Terminals operates grain handling facilities in Callao, Peru, and Poti, Georgia. In 2013, China imported around 63.4 million metric tons of soybeans, along with 14 million metric tons of corn, wheat and rice. Soybean imports, primarily from the USA and Brazil represent more than 80% of Chinese annual domestic demand.

Francois Delenclos, APM Terminals' Vice President, Business Development negotiated the deal and stated "Worldwide seaborne grain shipments have increased to over 400 million tons annually according to the World Grain Council, requiring a specialized infrastructure and expertise to keep up with this demand, while helping to improve the quality of life for millions of people around the world. This is a high-growth market where APM Terminals can invest and deploy its operational expertise in key locations."

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