

Harbours review

Competition between the ports of European seas

EUROPEAN PORT SECTOR FORUM

voices

03. **Emanuele Grimaldi**
CEO of the Grimaldi Group

05. **Dr. Kimmo Naski**
*The Port of HaminaKotka's
Managing Director*

Tommi Sievers
*The Port of HaminaKotka's
Sales and Marketing Manager*

interviews

08. **Advancing, analysing and
thinking outside the box**
*Interview with Roy Van Den Berg
of Port of Rotterdam*

10. **A port's work is never done**
*Interview with Annelies de Jongh
and Guy Janssens of Antwerp Port
Authority*

featured article

02. **The sulphur challenge**

Bill Moses, *Professional Marine Business Executive,
Ferry Industry Consultant & Interim 'Turnaround' Manager*

port statistics

06. **Top EU ports 2013**

this issue's ports

13. **The Port of Genoa**

14. **The Port of Algeciras**

15. **about the project**

16. **upcoming issues**

16. **partnership events**



Can we visit your port?

www.harboursreview.com





The sulphur challenge

by **Dr Bill Moses**, *Professional Marine Business Executive, Ferry Industry Consultant & Interim 'Turnaround' Manager*



Dr Bill Moses is an experienced business executive with proven commercial and operational experience at international level. Having managed over 44 conventional passenger and freight vessels, 20 fast ferries and related port and terminal facilities he has considerable experience in restructuring and developing port and ferry related businesses. As a turnaround manager he is skilled in start-ups, the analysis of complex businesses undertakings and the downsizing, reorganisation and revitalisation of ailing companies. He was awarded an M.B.E. by Her Majesty the Queen for services to shipping and charity in 2008.

A challenge is rarely off the radar for the ferry, ro-pax and ro-ro sector, hardly surprising when it has had more than its share of disasters, rule changes, negative influences of SARS and foot & mouth, loss of duty free, competition from low-cost airlines and fixed links, and more recently, recession. Thankfully, these issues have either drifted into history or have been coped with as part of the day-to-day competitive landscape. But at a time when margins for most European ferry operators have been severely curtailed, a new, this time environmental gauntlet has been thrown down.

The shipping industry was initially quick to protest its innocence suggesting that pollution per tonne was remarkably low. This was a surprise even to the untrained eye and in the final analysis the legislation in power eliminated any uncertainty. Consequently, SECA, effective from 1st January 2015, was born.

Behind the scene there has been much debate on the way forward for individual shipping lines. LNG distribution and the rules concerning stowage are in their infancy. Scrubber development perhaps needs more time; the device is not easily stowed particularly on ferries and ro-pax vessels where space is at a premium and has a discharge by-product that many omit from scrubber-related conversations. Then there is low sulphur diesel or marine gas oil (MGO), more engine-friendly once converted but with a potentially higher cost even though the industry is in the dark when it comes to predicting price and therefore the exact operating expense influence that the change from heavy fuel (HFO) will have.

Despite this uncertainty it is the course that many operators have decided to steer whether by design as an interim expedient measure or indecision and MGO is seen as the only conclusive way to go, at least until energy companies come up with alternatives such as "low sulphur heavy" or scrubber designers refine their products.

But what are the true implications of this mess that in reality seems to have no all-encompassing solution? Again, nobody knows apart from the near certainty that shoppers will be the first to see evidence of cost escalation when deciding what to put in the shopping basket. European shipping trade accounts for a considerable proportion of current tonnage and the swing from HFO to MGO will surely cause the energy companies to change production levels. Assuming, not unreasonably, that volume demand for MGO will soar suggests that the price per tonne will become a little bit more pocket-friendly, bearing in mind also that the oil giants would presumably not want to be blamed for speculating on a subject as sensitive as the environment.



We might also assume that heavy oil supply will decline and therefore prices could well increase influencing those who operate to areas outside the SECA.

What influence, if any, will this have on ferry and ro-ro trades? Some suggest that the inevitable increase in sea freight rates and passenger ticket prices will result in shorter routes gaining the upper hand as they can be more fuel-efficient and therefore – cheaper. But this presupposes a number of factors such as an operator's ability to absent himself from current port agreements, that facilities are available and compatible on shorter routes as well as many other elements of the puzzle scattered here and there.

But are we really suggesting here that the opportunity to reduce operating efficiency has been there all along but not taken

up? But what about the possible influence on the environment if we imagine a long-distance route becoming a somewhat shorter crossing? Would the resultant increase in transport on our roads be acceptable?

Nevertheless, it is true that the economy will more than ever become the order of the day, more a necessity in some trades than others and in particular where operators compete with fixed links. Given Stena's example in the northern corridor of the Irish Sea, some may be encouraged to create new terminals although the environment will fight back with dredging limitations and concern over potential flora & fauna damage that will make this close to impossible. Meantime, winter is coming and the sulphur snowball keeps rolling towards us. ■

Voices



Emanuele Grimaldi
CEO of the Grimaldi Group

The 0.1% Sulphur Directive is a big revolution for the shipping business, something which can in turn create many difficulties. However, from my point of view – the perspective of Finnlines' CEO – we won't lose volumes

thanks to our fleet's young age, its eco-friendliness and the EUR 100 mln scrubber investment programme which will give us the competitive advantage of being able to further run on Heavy Fuel Oil in the Sulphur Emission Control Areas.

Judging the whole case from an economic perspective, and keeping in mind our huge scrubber investment, I do not see SECA as a problem for Finnlines. It is true that we will increase our freight rates by an average of 10%, which is more or less the same our clients paid back to shipping transport companies due to general high fuel prices in 2012. If it wasn't an issue for them then, what difference would it make today? In light

of this, Finnlines does not fear losing volumes to e.g. trucking companies using the Helsinki-Tallinn route and then going via the Baltics to mainland Europe. On the contrary, we can win more traffic in 2015 and strengthen our role as the leading shipping company which takes care of Finland's imports & exports, because our clients can feel relieved when looking at

our rate increase and compare it to what others have in their what-to-do-in-2015 store. Remember, it is not only about a shipping company which is betting on a particular solution – the market is doing the same. And everybody can see the winners by looking at their balance sheets.

“
Judging the whole case from an economic perspective, and keeping in mind our huge scrubber investment, I do not see SECA as a problem for Finnlines. It is true that we will increase our freight rates by an average of 10%, which is more or less the same our clients paid back to shipping transport companies due to general high fuel prices in 2012.

I'm not concerned either over rumours about some companies, be them from the ro-ro or container businesses, cheating on the new sulphur rules. Our company is of course up for full compliance, and we do not expect to suffer damages by eventual competitors cheating on the new rules as state port controls have all the power

“ We have been very proactive in Finnlines regarding the Sulphur Directive – first we invested a lot into renewing our tonnage as well as constantly adjusting our capacity/network to the market demand.

to visit a given ship and check whether the crew is playing a skin-game, and this is particularly true for short sea shipping when you have a vessel sailing back and forth between fixed ports (like e.g. our Travemünde-Helsinki

route, where Finnlines' ships are staying in the harbour for about 8-10 hours). Moreover, the relevant authorities will check if the installed scrubber system is also working properly.

We have been very proactive in Finnlines regarding the Sulphur Directive – first we invested a lot into renewing our tonnage (and then put even more money on the table to upgrade



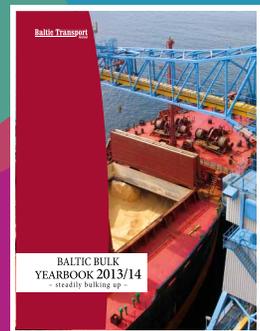
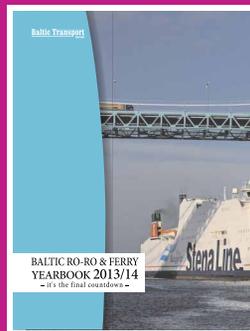
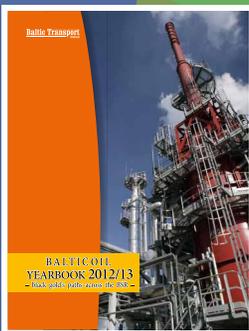
the vessels with scrubbers together with new and more efficient propeller blades) as well as constantly adjusting our capacity/network to the market demand. We are profitable and in 2014 we are marking record incomes in eight years' time, despite the EU-Russia tug-of-war. In my opinion we're doing well this year and will do even better in 2015. "Efficiency" is the key word here, meaning not only lower bunker consumption (dropping in Finnlines year after year), but something which encompasses the whole enterprise of Finnlines. All things said, I'm treating SECA as an opportunity to stay ahead of the game.



Photo: Wikimedia Commons



Baltic Transport Yearbooks



Order an annual subscription to the Baltic Transport Journal to receive six issues of the journal as well as yearbooks & map supplements

- BALTIC RO-RO & FERRY** yearbook & map are free supplements to BTJ Mar.-Apr. 2015 edition
- BALTIC PORT** yearbook & map are free supplements to BTJ May-June 2015 edition
- BALTIC CONTAINER** yearbook & map are free supplements to BTJ July-Aug. 2015 edition
- BALTIC OIL/DRY BULK** map are free supplements to BTJ Sept.-Oct. 2015 edition

ANNUAL SUBSCRIPTION

6 upcoming BTJ issues

Total Price = 135 Euro (5% VAT and postage costs included)

Baltic Transport
Journal

 **Baltic Press**



Dr. Kimmo Naski

The Port of HaminaKotka's Managing Director

Tommi Sievers

The Port of HaminaKotka's Sales and Marketing Manager

The so-called Sulphur Emission Control Areas (SECA), entering into force at the beginning of 2015 across the Baltic and North Seas as well as in the English Channel and in North America, will limit the maximum allowable sulphur content in ships' fuel to 0.1%. At present, till 31st December, 2014, vessels sailing in SECA can burn 1.0% fuel, whilst worldwide this limit is now 4.5% (e.g. in the Mediterranean Sea the stricter 0.1% bunker rules will not see the light of day earlier than in 2025).

“The use of LNG is not even theoretically possible with all vessels currently operational, while it would be ridiculously uneconomical to convert those viable. Therefore, LNG is best suited for driving newbuildings.”

ever is not an easy pick-and-go solution. The use of LNG is not even theoretically possible with all vessels currently operational,

If companies wish to continue their maritime transport businesses under the new Sulphur Directive within the SECA after 1st January, 2015, they have three options to choose among. First, burning Liquefied Natural Gas (LNG), which how-

while it would be ridiculously uneconomical to convert those viable. Therefore, LNG is best suited for driving newbuildings, operating across relatively short-distance liner traffic just as long as the necessary LNG distribution infrastructure is first set up in the Baltic Sea region, and particularly in Finland.

Then we have the scrubber technology. Some ships have already been retrofitted or will be undergoing a scrubber installation shortly. A scrubber cleans exhaust gases of heavy fuel oil to the level required by the Directive; nevertheless, practice has shown that many scrubbers do not work properly at sea, thus ships have to use diesel oil, which is the third option available to shipping companies and at least initially by far the most common option to be used. Most probably about 90% of ships calling at Finland's ports will shift to some sort of low sulphur fuel (like Marine Gas Oil or diesel) in January 2015. The devil's in the detail, though, as sulphur-free bunker is currently 60-80% more expensive than the presently utilized fuel, and certainly additional demand will not decrease the price. Moreover, it is likely that those who can switch to alternative modes of transport (such as road haulage) in order to cut down their bill, will do so. This is certainly not the objective of the Sulphur Directive and stands in sharp contrast to the desire of the EU to shift more cargo from land onto sea routes.

Maritime transport carries approx. 90% of Finland's foreign trade and it has been estimated that the Sulphur Directive

will cause additional expenses amounting to hundreds of millions of euro per year for the Finnish industries. A steep rise in seaborne transportation costs will impede many investment decisions of the most fundamental business sectors located within the SECA. The Finnish wood-

processing industry fears that, at worst, the Directive will put a stop to some production in Finland or at least reduce it significantly; the Finnish chemical and metal industries share the same concerns. Finnish businesses have proposed extensively that as a national counter measure, the Finnish government should remove the fairway dues (a total of EUR 80-90 mln annually) to offset some of the additional costs caused by the Sulphur Directive.

All these factors distort the competitive situation of manufacturing and commerce, all the gravest when bearing the EU single market idea in mind. The order of the International Maritime Organization (IMO), that every country in which the Sulphur Directive applies must monitor shipping companies' compliance within its territory and impose sanctions for violations, will itself distort competition even further. There is a need for common sanctions and control for all maritime transports within the SECA.

“Practice has shown that many scrubbers do not work properly at sea, thus ships have to use diesel oil. Most probably about 90% of ships calling at Finland's ports will shift to some sort of low sulphur fuel (like Marine Gas Oil or diesel) in January 2015.”

“It is likely that those who can switch to alternative modes of transport (such as road haulage) in order to cut down their bill, will do so.”



by Przemysław Myszk

Both when it comes to total as well as container handlings, the Top 3 harbours in the European Union line up as follows: Rotterdam, Antwerp, and Hamburg.

The European port sector's landscape is currently experiencing major challenges, whether as regards to traffic growth, necessary investment, societal and environmental concerns, or congestion both within the harbours and on the hinterland – to name just a few. The European Union wouldn't be able to prosper without its seaports, being a true engine of economic growth, altogether directly employing approx. 1.5 mln people. 328 of them are a part of the TEN-T network.

With the Union's expansion, more business redirects their manufacturing and logistics operations to Central and Eastern Europe. As you can read on the pages of this HR's edition in the interview entitled "A port's work is never done", Guy Janssens, Antwerp Port Authority's Policy Manager highlights that the centre of gravity of the European production base is currently shifting towards the East. Therefore, western European seaports have to work harder to maintain their competitive position. But what's the situation now, what do last year's charts look like?

With a 440.5 mln tn score in 2013, the Port of Rotterdam handled more than second placed Antwerp (190.8 mln tn), third placed Hamburg (139.1 mln tn) and fourth placed Amsterdam (95.7 mln tn) combined (425.6 mln tn). However, differences between the Big EU Trio are more subtle when it comes to box turnover. Rotterdam still champions the chart with 11,621 thou. TEU passing the port's quays, but Hamburg (9,257 thou. TEU) and Antwerp (8,578 thou. TEU) are treading on Rotterdam's heels, whilst 4th placed Bremerhaven did 50% of the top's result.

The EU's majors are still located in the "old" (pre-2004) part of the Community, with the notable exceptions of the Romanian Port of Constantza (the overall throughput) and



Photo: Lena



- Online encyclopedia of European ports
- 12 monthly e-zines
- 2 printed publications annually

www.harboursreview.com



Photo: Lena

the Maltese Marsaxlokk (containers). Gdańsk, leader of the EU's Baltic Sea region and the EU's 17th largest container port with 1,178 thou. 20-footers in 2013, still has some work to do in order to overtake 16th placed La Spezia (1,300 thou. TEU) and even more to outpace Southampton (on the 15th spot; 1,488 thou. TEU). The same goes for EU Atlantic and the Bay of Biscay ports – Portuguese Sines (931,036 TEU in 2013), Leixões (626,193 TEU) and Lisbon (549,302 TEU) as well as the Spanish harbours in Gijón (769,807 TEU) and in Bilbao (606,827 TEU).

Tab. 1. Top 15 EU harbours – total handlings [mln tn]

No.	Country	Port	2013	2012	2011	2013/2012 change [%]	2012/2011 change [%]	2013/2011 change [%]
1	NL	Rotterdam	440.5	441.5	434.6	-0.2%	+1.6%	+1.4%
2	BE	Antwerp	190.8	184.1	187.2	+3.6%	-1.7%	+1.9%
3	DE	Hamburg	139.1	130.9	132.2	+6.3%	-1.0%	+5.2%
4	NL	Amsterdam	95.7	94.3	93.0	+1.5%	+1.4%	+2.9%
5	ES	Algeciras	90.2	88.3	82.2	+2.2%	+7.4%	+9.7%
6	FR	Marseilles	80.0	85.6	88.1	-6.5%	-2.8%	-9.2%
7	DE	Bremerhaven	78.8	84.0	80.6	-6.2%	+4.2%	-2.2%
8	FR	Le Havre	67.2	63.5	67.6	+5.8%	-6.1%	-0.6%
9	ES	Valencia	64.6	65.7	65.8	-1.7%	-0.2%	-1.8%
10	UK	Immingham-Grimsby ¹	62.0	60.1	57.2	+3.2%	+5.1%	+8.4%
11	RO	Constantza	55.1	50.6	46.0	+8.9%	+10.0%	+19.8%
12	IT	Genoa	48.5	50.2	50.4	-3.4%	-0.4%	-3.8%
13	FR	Dunkirk	43.6	47.6	47.5	-8.4%	+0.2%	-8.2%
14	UK	London	43.2	43.7	48.8	-1.1%	-10.5%	-11.5%
15	BE	Zeebrugge	42.8	43.5	47.0	-1.6%	-7.4%	-8.9%
Total			1,542.1	1,533.6	1,528.2	+0.6%	+0.4%	+0.9%

¹ Operated jointly by Associated British Ports
Source: the Port of Rotterdam Authority

Tab. 2. Top 15 EU harbours – container handlings [thou. TEU]

No.	Country	Port	2013	2012	2011	2013/2012 change [%]	2012/2011 change [%]	2013/2011 change [%]
1	NL	Rotterdam	11,621	11,866	11,877	-2.1%	-0.1%	-2.2%
2	DE	Hamburg	9,257	8,864	9,014	+4.4%	-1.7%	+2.7%
3	BE	Antwerp	8,578	8,635	8,664	-0.7%	-0.3%	-1.0%
4	DE	Bremerhaven	5,831	6,115	5,916	-4.6%	+3.4%	-1.4%
5	ES	Algeciras	4,343	4,112	3,063	+5.6%	+34.2%	+41.8%
6	ES	Valencia	4,328	4,470	4,327	-3.2%	+3.3%	+/-0.0%
7	UK	Felixstowe	3,434	3,367	3,249	+2.0%	+3.6%	+5.7%
8	GR	Piraeus	3,163	2,734	1,679	+15.7%	+62.8%	+88.4%
9	IT	Gioia Tauro	3,100	2,721	2,305	+13.9%	+18.0%	+34.5%
10	MT	Marsaxlokk	2,550	2,400	2,360	+6.3%	+1.7%	+8.1%
11	FR	Le Havre	2,486	2,303	2,215	+7.9%	+4.0%	+12.2%
12	BE	Zeebrugge	2,027	1,953	2,206	+3.8%	-11.5%	-8.1%
13	IT	Genoa	1,988	2,065	1,847	-3.7%	+11.8%	+7.6%
14	ES	Barcelona	1,720	1,759	2,035	-2.2%	-13.6%	-15.5%
15	UK	Southampton	1,488	1,473	1,590	+1.0%	-7.4%	-6.4%
Total			65,914	64,837	62,347	+1.7%	+4.0%	+5.7%



Photos: Legia

Port of Rotterdam

Advancing, analysing and thinking outside the box



Roy Van Den Berg is a Business Manager Logistics in the Containers, Breakbulk & Logistics department of the Port of Rotterdam



Surrounded by the industrial poetry of busy terminals, warehouses and liquid tanks, on the picturesque inland waters of Rotterdam's impressive port, Lena Lorenc and Przemysław Oplocki talked with Roy Van Den Berg on the issue of European ports' competition, congestion and the upcoming SECA regulations enforcement.

■ **What can change in the North Sea-Baltic Sea dynamics after Jan. 1, 2015? Especially in regard to these North Sea ports that serve the BSR market.**

For a few years we have been noticing changes in North Sea ports' market share regarding serving the Baltic region, it's going up and down for Rotterdam. We serve Baltic to some extent, perhaps a bit less than e.g. Hamburg, but we have quite good connections to the countries of the region. It is possible that this share will increase after Jan. 1, 2015, because if deep-sea vessels only have to tranship cargo they carry in Rotterdam, instead of another North Sea port localized deeper in the SECA area, it could financially benefit shipping lines. We have enough capacity in Rotterdam to handle a potential increase in cargo flows.

■ **How do you see the Mediterranean ports' situation after this turning point? Will some operators choose to call there, instead of the ports of Northern Europe?**

All in all it is more logical to transport a container to Romania via a Mediterranean port than via Rotterdam. However, a proper infrastructure is needed as well as services to and from various Mediterranean ports. Also, the deep-sea port infrastructure is not always sufficient to handle

some large volumes of cargo or the big vessels. Some ports are ready for this, but not all of them. Inland infrastructure in the southern ports develops slowly and if they manage to improve this suitably, along with the services they offer, their position could consequently significantly increase. Until that time probably a lot of cargo will go via North Sea ports, like Antwerp, Rotterdam and Hamburg.

■ **There has always been competition between those three, especially regarding container traffic. What do you do to remain the Top European port?**

There is fierce competition and we have to do our best to maintain this position. I think in 2007 or 2008 Hamburg came pretty close to us in container handlings. Then Hamburg and Antwerp lost a lot of their traffic and Rotterdam grew in market share, so the difference became bigger. We have maintained it, however, both ports are growing again. We focus on different aspects in order to keep our market share, for example on shipping lines – making sure that they are served well, with operations being as efficient as possible; a shortened turnaround time in the port, as this remains an expensive factor for shipping lines. Also regarding hinterland, we want to have an

“
Because of the environmental concerns we implemented in the concession contract for new container terminals a modal split obligation, that in 2035 a maximum percentage of containers that go/come to the Maasvlakte by road will be 35%; the other 65% needs to go by rail or barge.

extensive inland network, in addition to the seaside one. We already have a large volume and a strong position, which we want to advance further. To do this, we aim to improve the competitiveness of barge and rail transportation and minimize road transport. We also want to compete with other ports in more distant hinterlands where we have low market share by establishing additional connections. Therefore, we invest in rail shuttle connections by partnering with rail operators to stimulate cargo flows to these areas. We are also building up capacity, e.g. through Maasvlakte. Additionally, we want to have a good exchange of information, thus we need a good port community system.

What are Rotterdam's strategies in order to deal with congestion?

The easiest way to reduce congestion is to improve the infrastructure. During the last few years we widened Highway A15. We also try to emphasize the benefits of using other modes or change the way roads are utilized. To give you an example, during rush hour traffic jams are caused by commuting traffic. If you can slightly reduce the amount of people going to work between 7:30 and 9:00, the

total transit time to and from the port remains more stable. We decided to get in touch with all the companies, as well as their employees, operating in Rotterdam's harbours to propose incentives aimed at altering their working hours. This approach worked, the workers were offered a EUR 5 per day compensation for agreeing to try to go along with this proposal. Although it is not a fully sustainable measure, it was at least a way to make people try to do things another way.

Moreover, in the concession contract for new container terminals we implemented a modal split obligation, that in 2035 a maximum percentage of containers that go/come to the Maasvlakte by road will be 35%; the other 65% needs to go by rail or barge. Probably barge will stand for the largest part. We did that mainly because of the environmental concerns. In order to develop the Maasvlakte area, we signed an agreement with the government that emissions will not exceed a certain level. In order to realise that, we had to reduce the percentage of road transport. Aside protecting nature and avoiding congestion, a good modal split is important for the accessibility of the port and to maintain our competitive position.





Port of Antwerp

A port's work is never done



annelies de Jongh is Business Development Manager at Antwerp Port Authority



guy janssens holds the position of Policy Manager at Antwerp Port Authority

In Het Eilandje, the heart of Antwerp up until the mid-20th century, now a dynamic revitalized neighbourhood by the water, on the very spot where the city borders its harbours, **Lena Lorenc** and **Przemysław Opłocki** met with **Annelies de Jongh** and **Guy Janssens** to talk about strategies the port blueprints to face its current and future business environment.

■ How do you think the upcoming SECA regulations enforcement will affect Antwerp?

Guy Janssens: For us it is a European issue, or even a global one. As a port authority we think the shipping sector has to evolve like the other ones. We also plead for a level playing field within Europe, and in fact we're in favour of these regulations having a larger scope, throughout the whole old continent. Perhaps in stages, but there are enough reasons to have the shipping sector moving in the right direction globally – as it is a global sector. Moreover, we challenged the European Commission to alleviate the financial impact of these measures; there are different working groups dealing with possible mitigation measures, but we haven't seen too many concrete results yet. As much as we are in favour, it should be done in an intelligent way and not result in a modal shift back to roads.

Annelies de Jongh: There will be an increase in cost for the carriers of course; it is expected that they will transfer it to their customers. The effect of this cost for the final consumer is still unclear. The Baltic area is an important market and needs to be served anyway. For sure, shippers will start making cost comparisons if different modes pop up.

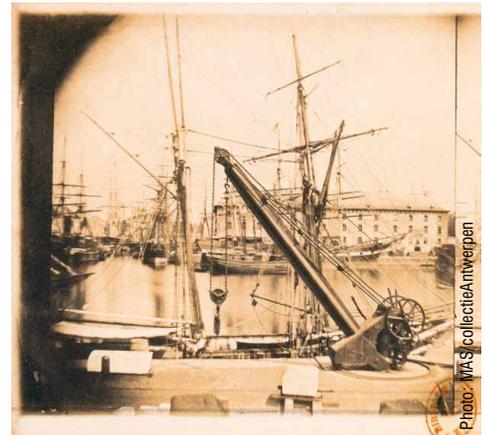


Photo: VAS collectie Antwerpen

■ As you have huge ro-ro traffic here, which will be strongly affected, do you think you are going to lose the volumes?

Annelies: We strive at having good contact with the shippers and the carriers, we will monitor this sector very closely. The only thing we can do is to follow the market's reactions and whenever there is a shift – analyse, evaluate and respond.

Guy: A very important issue is legal certainty, we know the SECA rules are being enforced in January, but there's a debate on the global sulphur limits coming into force in 2020. There has been a discussion to delay them in case the sulphur regulations will prove negative in their impact – we don't want



■ **What do you think has to happen for the Mediterranean ports to enable them to increase their handlings and their European market share?**

Annelies: The market always follows trends in a natural way, there was a study carried out a few years ago by different ports, including Hamburg, Rotterdam and Antwerp, which indicated that there is a combination of geographical and economic factors that still favours the northern ports for a number of specific reasons. The European population density and its production and consumption centres are located the closest to the Northern Sea ports and, more specifically, Antwerp. 60% of the purchasing power is within 500 km of the port. There are natural corridors like the Rhine, connecting Antwerp to the German area, as well as difficult to cross barriers within Europe, like the Alps. Then again we have the issue of increasingly larger vessels, which ply only on the Europe-Far East trade lane and have to be filled up; they cannot afford to sail at 50-60% capacity.

Guy: However, there is some kind of slow, but natural shift of the EU's centre of gravity towards the east. When we compare the recent years' numbers on the container market share, we see an increased role of Baltic ports, specifically Gdańsk and the east-Med., like Piraeus. I don't think that consumption centres will follow directly, but in European cohesion policy we have also seen this shift to the east in recent years, a quite logical one in political terms. Having a North-West European dense network and high quality infrastructure, I don't think it will be wise to duplicate this in the southern part of Europe. You can't build infrastructure and only then

this kind of uncertainty. 2020 is a date, let's stick to that and stick to the rules. Environmental legislation is one aspect, but legal uncertainty is something nobody wants.

■ **What about the fuel availability? Global uncertainty also regards this respect.**

Annelies: Anticipating the market's response, not clear yet, can easily result in the chicken and egg dilemma; we are however preparing ourselves for LNG, as we don't want to miss that boat.

Guy: Concerning low sulphur oil, investments are made in Antwerp's refineries to produce this kind of fuel. I don't know from a global perspective, but from our part there will be fuel available.

“
Having a North-West European dense network and high quality infrastructure, I don't think it will be wise to duplicate this in the southern part of Europe.”



“
We should learn lessons from the past when we spend the scarce public funds, for example, the Connecting Europe Facility funds.”

“
Antwerp has a lot of logistics warehouses, more than any other European port – 6.1 mln m².”

hope that cargo will follow. We have read the *Harbours Review* article with critical comments from the Court of Auditors saying European funds aren't always allocated in the most efficient way, questioning European added value. We should learn lessons from the past when we spend the scarce public funds, for example, the Connecting Europe Facility funds. It could be a wiser option to upgrade existing infrastructure facilities, harmonize them throughout Europe, which is actually the idea behind TEN-T.

■ **What is Antwerp's hinterland modal split?**

Annelies: Rail transport accounts for 11%, barges represent a huge percentage – 37% and the rest goes via trucks (47%) and pipeline (5%). The Antwerp Port Authority is a landlord port with a proactive, facilitating role and we want to see less trucks on the road, more barges and rail products. Our commercial role has grown a lot over the past years, we take a lot of initiatives. In this regard, whenever we see there's a lack of barge or rail connections, we try to facilitate their establishment. Recently, our work resulted in two new barge connections to the southern part of the Netherlands. We also work closely with inland hubs.

■ **Which port is your Top competitor these days? Does Antwerp port have a strategy to maintain its market share e.g. in containers?**

Annelies: These days there's competition from many ports – Rotterdam of course, Hamburg has been successful in recent years, strong in the Baltic region, also in the container traffic, but other northern European ports are in the game as well, for example, a lot of volume is transhipped in Algeciras to areas which used to have a direct connection with Northern European ports.

Looking at the seaside, Antwerp is the third-largest container port and the 2nd largest European port in total volume. We are market leader in five out of six trade lanes (to South America, the US, Canada, Middle East, Indian subcontinent, Mediterranean and North-West Africa). We still have room for improvement on the Far East trade lane, we aim to increase our market share there. We look closely how these different trade lanes are evolving and see where and how we can attract more cargo via our port. Of course we work together with the private companies in Antwerp; they generate the volume and make sure that the cargo comes via the port of Antwerp.

We are the port authority, with a proactive, facilitating role, but our commercial role is growing, therefore we are in a very close collaboration with private companies, as it is they who generate the volume and make sure that cargo comes to Antwerp.

Guy: In terms of infrastructure the main priority for us is to keep in line with the vessel size increase. Antwerp is an inland port, a few years ago we deepened the river Scheldt, allowing the biggest container vessels to enter the port.

■ **Do you have a problem with congestion?**

Guy: So far we are to a large extent a hassle-free port regarding congestion. But we keep a strong focus on the road mode in this regard, which includes the much debated issue of Antwerp's ring road, as traffic jams on Antwerp's roadways are a problem. We are a port divided by a river, with big expansion plans, mainly taking place on the left bank. This month a new rail tunnel will be opened, designed to connect the left bank to Antwerp's hinterland, mostly located on the right bank. In our strategy we focus on rail bottlenecks, and we try to use TEN-T facilities to address them; furthermore we pay attention to smooth hinterland connections, especially the East-West ones.

Annelies: The mentioned development area has a capacity of 1,000 ha that can become available to Antwerp. If you look at the assets of our port, it's visible we don't only do pure handling, charging and discharging of vessels, Antwerp is also the largest European chemical cluster, meaning that there is a lot of integration and interaction between the different companies.

■ **Is this why your liquid handlings are that big? Are these mostly chemicals?**

Annelies: Not only liquids, this cargo also goes in containers, so there's a vibrant synergy around the chemical cluster and a lot of cargo inside the port area. Antwerp has a lot of logistics warehouses, more than all the other North-West European ports together – 6.1 mln m². The development area will be industrialised upon the request of the market. We don't want to create overcapacity, but if there is an extra need for container facilities or the chemical industry is looking for more investments – we have the land and we are prepared to build them as soon as possible.



Photo: Wikimedia Commons

this issue's ports

The Port of Genoa

The Port of Genoa ranks 1st in terms of Italian ports' total freight throughput and 2nd in terms of containers handled.

The universal Port of Genoa, located in the Italian part of the Ligurian Sea, functions both as a southern European gateway to the Mediterranean Sea, North Africa and to the Far East as well as a focal point of the EU Rhine-Alpine Core Network Corridor.

Handling approx. 50 mln tn of freight and almost 2 mln TEU per year, the Port of Genoa is Italy's 1st and 2nd biggest port regarding total handlings and container traffic, respectively. The port spans over a 22 km coastline, encompassing around 700 ha of land. There are 25 specialized terminals in Genoa suitably equipped to handle all types of cargo as well as to serve passenger traffic. There are over 150 regular liner services linking the port with the rest of the world.

Key parameters

Total port area	700 ha
Land area	200 ha
Water depth	8 to 15 m
Total quay length	30 km

Statistics (2013)

Liquids	17.9 mln tn
Dry bulk	4.0 mln tn
General cargo	27.64 mln tn
TOTAL	49.5 mln tn
Containers	1,988,013 TEU
Pax	2,899,193
Ship calls	6,069





The Port of Algeciras

Around 30,000 vessels yearly call Algeciras, the largest port in Spain and the 5th biggest in the EU.

Located near the Strait of Gibraltar, the Port of Algeciras has grown over the years to become the largest port in Spain and the 5th biggest in the European Union (both in terms of total cargo and container turnover). Algeciras is also an EU TEN-T core port lying on the Atlantic and Mediterranean freight corridors, serving also as a nodal point for the Asia-Europe-Americas and Africa-Europe trade lanes.

In 2013, Algeciras again broke its record by handling over 90 mln tn of freight (+2.2% year-on-year) as well as 4.34 mln TEU (+5.6% year-on-year). In addition as many as 5.1 mln passengers went through the port's berths. In total, around 30,000 vessels call at Algeciras each year.

Although presently its port infrastructure spans across an impressive 17 km of quays, covering 600 ha, Algeciras continuously strives to develop. Currently, there are three main ongoing extension projects taking place within the harbour – setting up of the Algeciras Logistic Area together with developing the sites of the Isla Verde Exterior and Campamento.



Key parameters

Total port area	745 ha
Land area	306 ha
Water depth	2 to 32.5 m
No. of quays	40
Total quay length	17 km

Statistics (2013)

Liquids	1.45 mln tn
Dry bulk	28.3 mln tn
General cargo	61.5 mln tn
TOTAL	91.2 mln tn
Containers	4,349,755 TEU
Pax	5,173,919
Ship calls (merchant vessels)	21,527

More information, including terminals, stevedores and investment possibilities at www.harboursreview.com

about the project

dear readers,

as some of you might come across this publication for the first time, the *Harbours Review. European port sector forum e-zine* forms a part of Baltic Press' newest project aimed at creating a platform for dialogue on key sectorial issues as well as an infobase of European seaports (www.harboursreview.com).

The e-zines are designed to cover the most significant port problems and trends noticeable within the European seaport industry; they are also designed to broaden the readers'

knowledge about the industry itself and individual ports within it, as well as on the events happening around the port sector. The expert's column as well as the various voices in the debate of people knowing the industry inside and out provide a possibility of looking at a given problem from many different perspectives, in order to grasp a holistic view of a given issue. We hope it will give an impulse to stimulate plenty of fruitful, constructive debates, to the benefit of the European port sector. Please let us know if you wish to take part in this project.

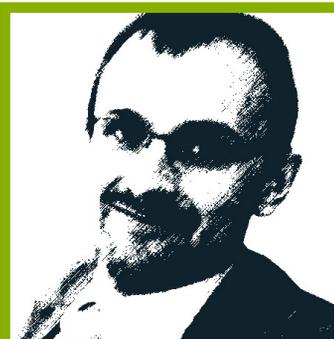
Alison Nissen
English Language Editor



Danuta Sawicka
Art Director/DTP



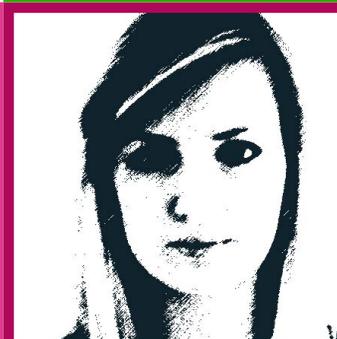
the hr team



Przemysław Optocki
Head of Marketing & Sales
tel.: +48 58 627 23 24
po@baltic-press.com



Anna Dąbrowska
Marketing & Sales Manager
tel.: +48 58 627 23 95
anna@baltic-press.com



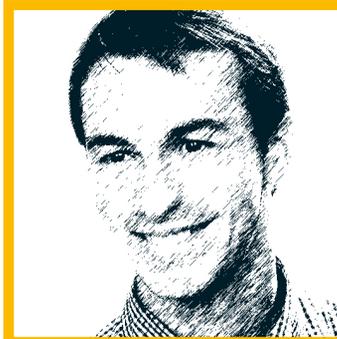
Natalia Struzik
Research Editor
natalia@baltic-press.com



Lena Lorenc
Editor-in-Chief
tel.: +48 58 627 23 21
lena@baltic-press.com



Przemysław Myszka
Features Editor
tel.: +48 58 627 23 20
przemek@baltic-press.com



Radosław Gadziński
Assistant Editor
radek@baltic-press.com

upcoming issues

HR#4 Setting up brand new terminals and harbours
**The Black Sea
Taman Port project**

HR#5 Financing & governing of ports' development
**Europe's gateways
within the TEN-T policy**

HR#6 The limits of innovation
**Container terminals
of the modern era**

HARBOURS REVIEW – REASONS TO SUBSCRIBE

- comprehensive & independent European ports handbook (technical parameters, terminals, stevedores, networks, statistics, investment possibilities),
- e-newsletter with one topic e-zine devoted to 'red hot chili port matters',
- people's voices and interviews inviting a further discussion,
- It's FREE.

To join our 15,000+ maritime transport sector users society click [HERE](#)

partnership events



3rd Annual Oil & Gas HR Forum
4-6 February 2015
AT/Vienna



LogiMAT 2015
10-12 February 2015
DE/Stuttgart



RORO Shipping Conference 2015
17-18 February 2015
SE/Gothenburg



Cruise Shipping Miami
16-19 March 2015
US/Miami



Transport Week 2015
17-19 March 2015
PL/Gdańsk



TransBaltic
18-20 March 2015
RU/St. Petersburg



TransRussia 2015
21-24 April 2015
RU/Moscow



Transport Logistic
5-8 May 2015
DE/Munich



Nor-Shipping 2015
2-5 June 2015
NO/Oslo

We invite you to cooperate with us!
If you wish to comment on any key port issue,
share your feedback or have information for us,
do not hesitate to contact us at:
editorial@baltic-press.com, +48 58 627 23 21

previous edition

HR#1

EU SEAPORT INFRASTRUCTURE
CO-FINANCING

HR#2

SHIPPING LINE CONSORTIA
AND VESSEL SHARING

■ **PUBLISHER** ■ Baltic Press Ltd, ul. Pułaskiego 8, 81-368 Gdynia, Poland ■ tel. +48 58 627 23 21/95, ■ editorial@baltic-press.com, www.harboursreview.com
■ *President of the board:* Bogdan Oldakowski ■ **Editorial Team** ■ *Editor-in-Chief:* Lena Lorenc, lena@baltic-press.com ■ *Features Editor:* Przemysław Myszka, przemek@baltic-press.com ■ *Research Editor:* Natalia Struzik, natalia@baltic-press.com ■ *Assistant Editor:* Radosław Gadziński, radek@baltic-press.com ■ *English Language Editor:* Alison Nissen, alison@baltic-press.com ■ *Art Director/DTP:* Danuta Sawicka
■ **Marketing & Sales (advertising, exhibitions & conferences)** ■ *Head of Marketing & Sales:* Przemysław Optocki, tel.: +48 58 627 23 24, po@baltic-press.com ■ *Marketing & Sales Manager:* Anna Dąbrowska, tel.: +48 58 627 23 95, anna@baltic-press.com ■ *Subscriptions:* www.harboursreview.com ■ *If you wish to share your feedback or have information for us, do not hesitate to contact us at:* editorial@harboursreview.com