Ensuring hinterland access; the role of port authorities

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Port authorities operate in an increasingly international market.....

Global terminal operators’ percentage share of world container throughput (Percentages)

<table>
<thead>
<tr>
<th>Global terminal operators</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>HPH</td>
<td>13</td>
<td>13</td>
<td>13</td>
</tr>
<tr>
<td>PSA International</td>
<td>9</td>
<td>11</td>
<td>12</td>
</tr>
<tr>
<td>APM Terminals</td>
<td>9</td>
<td>10</td>
<td>10</td>
</tr>
<tr>
<td>DP World *</td>
<td>9</td>
<td>9</td>
<td>10</td>
</tr>
<tr>
<td>Cosco Pacific</td>
<td>6</td>
<td>7</td>
<td>7</td>
</tr>
<tr>
<td>Eurogate</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>SSA Marine</td>
<td>3</td>
<td>3</td>
<td>3</td>
</tr>
<tr>
<td>Total share of world throughput</td>
<td>53</td>
<td>56</td>
<td>57</td>
</tr>
<tr>
<td>World throughput (in millions of TEUs)</td>
<td>356.6</td>
<td>387.7</td>
<td>440.0</td>
</tr>
</tbody>
</table>

Source: Adapted by the UNCTAD secretariat from information obtained by Dymonar B V.

* DP World includes CSX World Terminals and P&O Ports for all three years.

Total freight forwarding market: market share

Source: Datamonitor.

Europe–Far East trade: percentage slot capacity share by line/grouping (%) (Percentage share)

<table>
<thead>
<tr>
<th>Operator</th>
<th>Mid-2005</th>
<th>Mid-2006</th>
</tr>
</thead>
<tbody>
<tr>
<td>Maersk Sealand</td>
<td>12.5</td>
<td>21.4</td>
</tr>
<tr>
<td>Grand Alliance</td>
<td>22.2</td>
<td>14.5</td>
</tr>
<tr>
<td>New World Alliance</td>
<td>10.7</td>
<td>12.9</td>
</tr>
<tr>
<td>K Line and Yang Ming</td>
<td>6.8</td>
<td>5.8</td>
</tr>
<tr>
<td>CMA CGM/Norasia and others</td>
<td>9.7</td>
<td>5.7</td>
</tr>
<tr>
<td>CSAV NORASIA</td>
<td>1.2</td>
<td>2.2</td>
</tr>
<tr>
<td>Total</td>
<td>63.1</td>
<td>62.5</td>
</tr>
</tbody>
</table>
competitive factor between ports...

- In general hinterland costs are a large part of door-to-door costs
- Capacity bottlenecks and congestion
- Opportunities to improve chain efficiency through better coordination
- And a need for action given expected growth
Economic & environmental returns to scale...

- **Economic**
  - Critical mass for direct shuttle trains/ larger & more frequent barges
  - Less public expenses on infrastructure (port & hinterland)
  - Lower transport costs for port users

- **Environmental**
  - Favourable modal split
  - Larger trains/barges
  - Sufficient scale for innovations to improve environmental performance.
…and interorganisational issues are center stage.
Focus of this presentation: Possible roles for PAs

Possible role of PA

- Invest in rail & barge terminals in port & hinterland
- Infrastructure access rules for rail and road
- Invest in Port Community System
- Conditions in concession contracts
- Enable competition & reduce entry barriers

Quality of hinterland infrastructure
Efficient utilisation of hinterland infrastructure
Well coordinated transport chain
Sustainability of hinterland Transport system
Price & quality of Services in all parts of supply chain

Components of port hinterland access
PA has planning initiative in port
Forward looking planning & investments required
Beyond traditional port area, ports may invest in terminal capacity as well.
Planning initiative for inland terminals? For terminals with captive cargo, either large shippers or regional agencies. For ‘transferium’ type inland terminals: unclear. PAs may need to play a role here.
• **Infrastructure access rules can improve utilisation, coordination in transport chains and sustainability**
  - Only allow clean trucks
  - Allocate slots (e.g. rail)
  - Link infrastructure access to terminal handling slots

• **PA not by definition in well positioned to develop infra access rules, but may play a role.**
- Port community system is crucial to ensure data exchange in port
- Connections with customs & inspections
- Investments in PCS are a collective action problem
- Role for PA to jointly invest in PCS
Setting conditions in concession contracts can contribute to sustainability, coordination in transport chains, and efficient use of infrastructure:

- Modal split guarantees
- Use of Port Community System
- Service level agreements
- Opening hours/peak shaving
Securing competition will contribute to price & quality of services

Competition may for the PA not always be attractive from profit maximisation perspective

PAs may be able to reduce entry barriers
  - Regulatory entry barriers (e.g. rail market)
  - Lack of suitable locations
  - Investments in fixed assets
Thank you for your attention