



MEDITERRANEAN
Ports and Shipping **2023**

Session 2: Port Privatisation

Opportunities by Re-Arranged Cargo Flows

March 29th 2023 | Frank Busse - Associate Partner

Background on Privatisation Activities

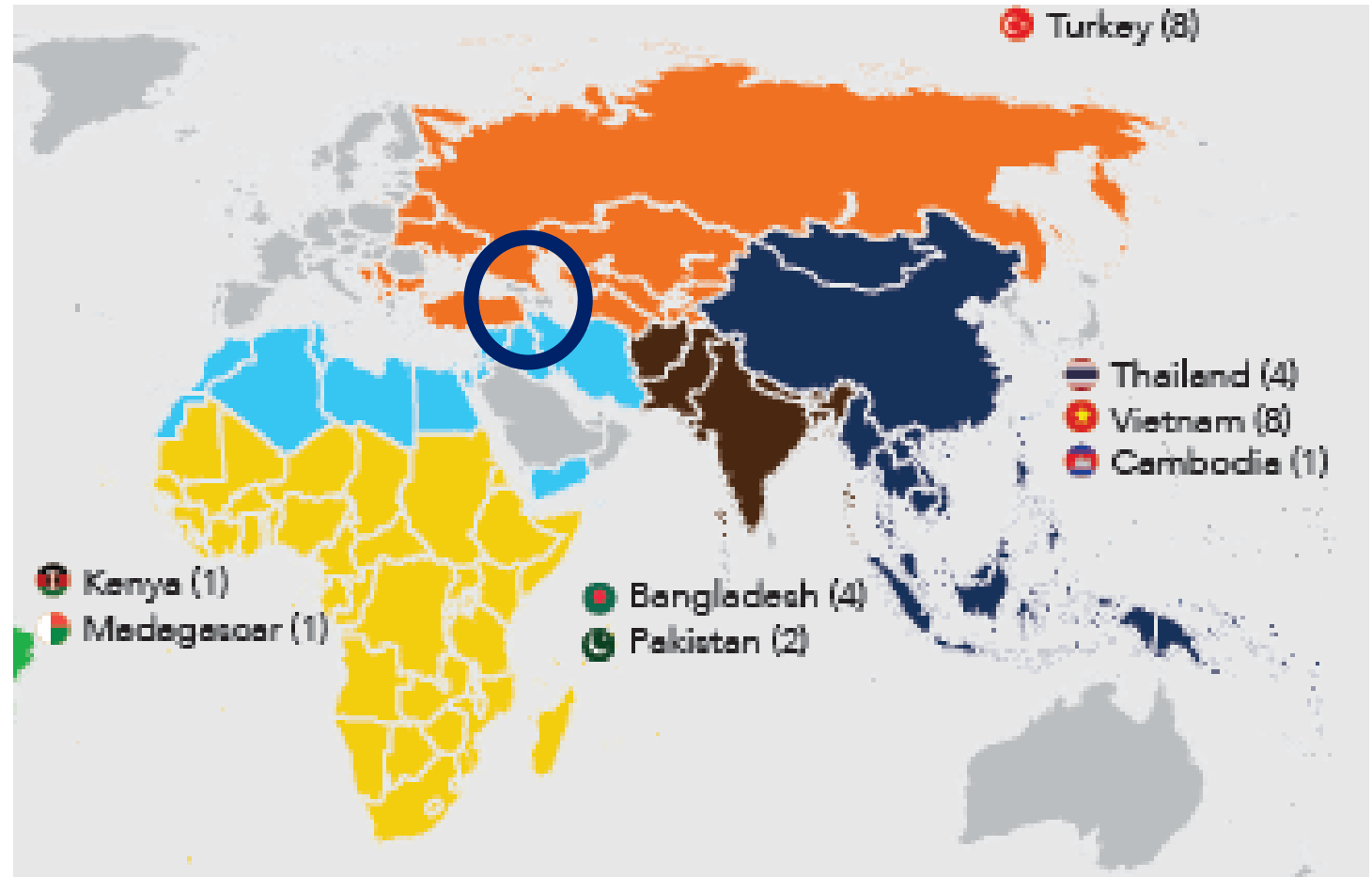
WHERE DO TERMINALS STAND?

Current Status of Port Privatisation

The world is changing so fast that priorities and focus areas change on a yearly basis

World Bank 2020:

Transport sector investment commitments were the lowest in the past decade, both in terms of number of projects and investment level. Due to lockdowns, mass transit services and toll roads were affected. Ports and railways were impacted as well, with decreased volumes of containers and cargo. Sudden and drastic declines in international travel have hurt airport public-private partnerships (PPPs).



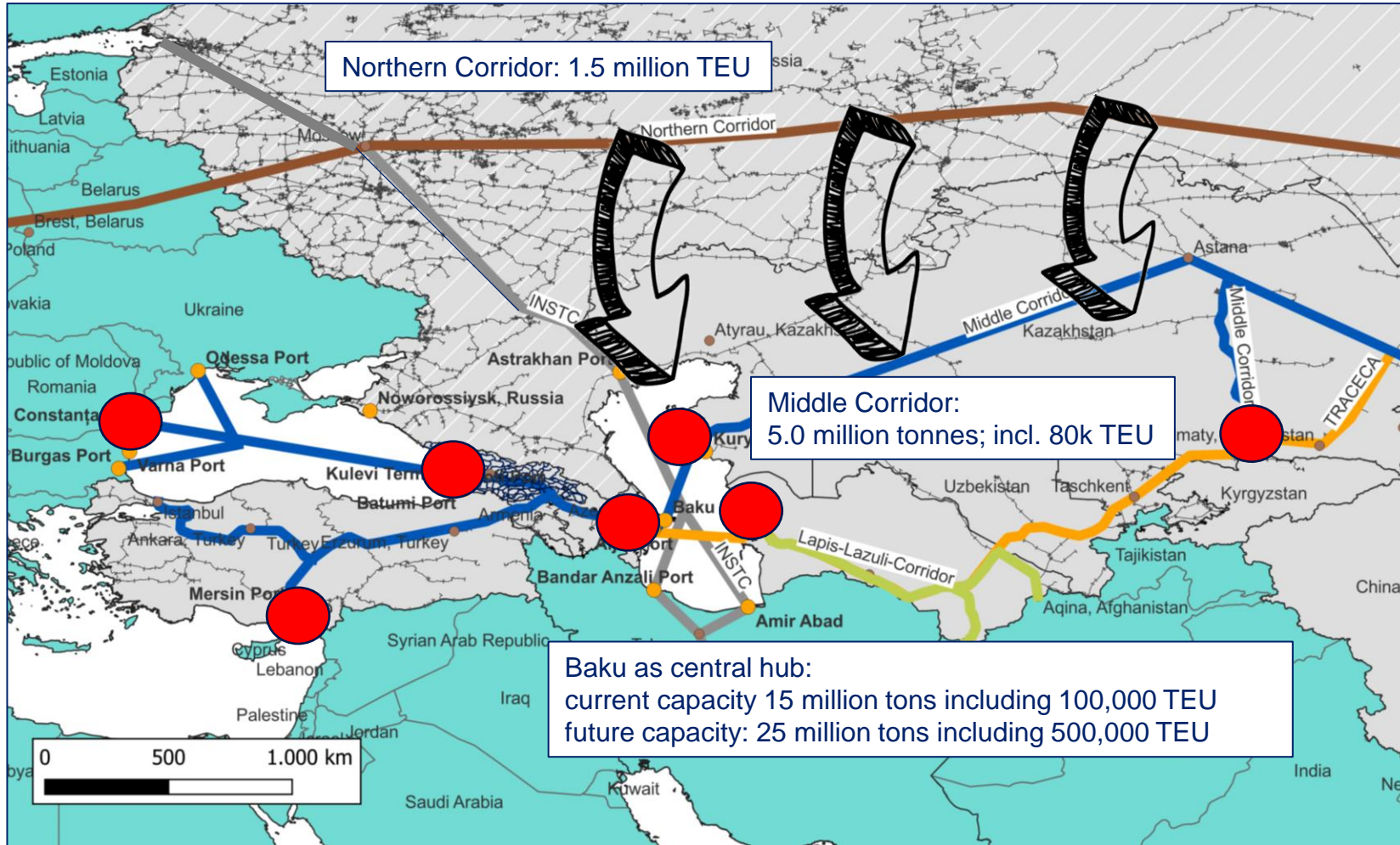
World Bank: Countries received financing for infrastructure with PPP 2020

Re-Arrangements of Transport Corridors

IMPACT ON INVESTMENT ACTIVITIES

Cargo Shift between Transport Corridors

New opportunities along the Middle Corridor



- With 1.5 million TEU p.a. the Northern Corridor currently still dominates land transport btw. Europe and Asia
- With 80k TEU traffic volume the Middle Corridor operates close to its capacity with 120k TEU at Aktau and Kuryk Port
- Turkmenbashi stating a future capacity of 400k TEU has to be efficiently connected to the route of Middle Corridor
- The shift is constrained by existing handling and transport capacity along the Corridor

Cargo Shift between Transport Corridors

Port and infrastructure investments confirmed... even those pending for a while

Call for Tender – Anaklia Deep Sea Port Project
USD 300m

Azerbaijan Plans to Expand Regional Transportation Routes Through Additional Investments
USD 120m

Georgia's Poti Black Sea Port To Get Major Infrastructure & Expansion Overhaul
USD 150m

Expanding capacities of Baku Int'l Sea Trade Port to strengthen regional trade ties
USD 40m

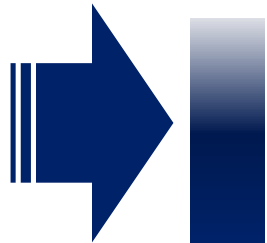
Turkmenbashi port and Turkmen railway will expand cargo transportation
USD 30m

+ establishment of Free Zones

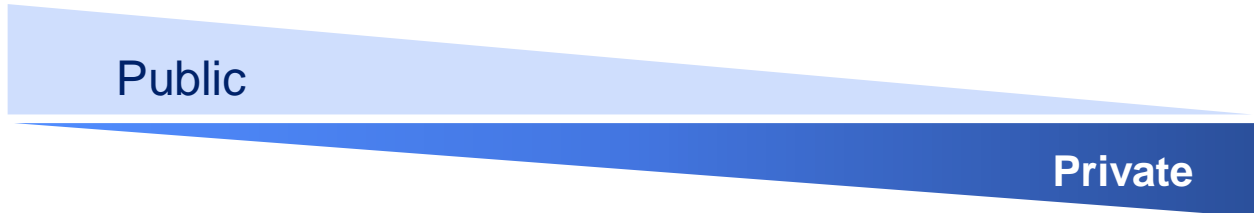
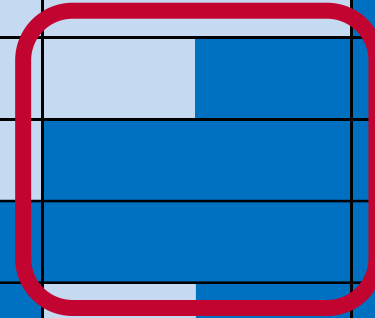
Source: EBRD (2022-11-07)

Port Privatisation Models

Port Elements and Private Participation Overview



	Service Port	Tool Port	Landlord Port	Private Port
Administration	Public	Public	Public	Private
Nautical Management	Public	Public	Public	Private
Nautical Infrastructure	Public	Public	Public	Private
Port Infrastructure	Public	Public	Public	Private
Superstructure (Equipment, Buildings)	Public	Public	Public	Private
Port Operations	Public	Public	Public	Private
Towage	Public	Private	Public	Private
Mooring	Public	Private	Public	Private
Pilotage	Public	Private	Public	Private
Dredging	Public	Private	Public	Private



A PARTNER TO MEET INDUSTRY CHALLENGES WHO WE ARE

Leading global port consultancy

Specialised in strategic and operational advisory services and solutions for the asset lifecycle

INVEST



MANAGE



OPTIMISE



Empowering sustainable growth and excellence 



Port



Terminal



Hinterland

Sectors of activities

Covering the maritime supply chain



SHIPPING

- Container shipping
- Multi-purpose shipping
- Bulk shipping
- Ro/Ro shipping



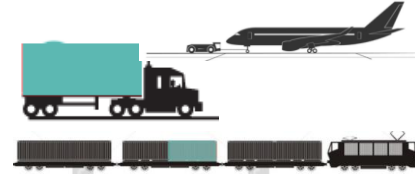
PORTS

- Sea ports
- River ports
- Commercial ports
- Industrial ports
- City ports
- Dry ports



TERMINALS

- Container
- Dry bulk
- Multipurpose
- General cargo
- Liquid bulk
- Hydrogen
- Ro/Ro
- Cruise



HINTERLAND

- Intermodal hubs
- Rail terminal
- Airports and aviation
- Road transport
- Inland waterway transport
- Special Economic Zones SEZs



STORAGE

- Empty container depots
- Container freight stations
- Warehouses

45+ Years of Excellence – what we have achieved

Anchored in operations

1,750+
Projects in
135 COUNTRIES



1976
Founded as subsidiary
of HHLA


180+
PORTS

And terminals
planned and
optimised



1st
**FULLY
AUTOMATED**

Terminal of scale.
Doubled capacity
on the same
footprint



100
ENTHUSIASTS



With background
from port and
terminal operations
and software

**GREEN
TRANSITION**

Alternative
energies



14+
projects

OPTIMISATION
Improved operational
excellence and
reduced costs



Hinterland connectivity

120 projects implemented for intermodal rail terminals,
inland ports and warehouse logistics



Developed *HPC Ukraina* (now HHLA CTO) as terminal operator in Odessa

Client landscape

Diversified public and private clients from 130 countries

TERMINAL OPERATORS



CARGO OWNERS



CARRIERS



RAILWAY OPERATORS



LOGISTICS SERVICE PROVIDERS



PORT AUTHORITIES



GOVERNMENTS



BANKS AND PRIVATE INVESTORS



INTERNATIONAL ORGANISATIONS



HPC Opportunities

HPC References: Management Contracts

The early days:

Sierra Leone Ports Authority (1987 – 1997)

Port Management Services Port of Freetown

Provision of Management Team of up to seven managers

Full service port offering

- ✓ Container services
- ✓ Break Bulk Handling
- ✓ Dry and Liquid Bulk Handling
- ✓ Car / Passenger Ferry Service
- ✓ Shipyard (Slipway)
- ✓ Pilotage
- ✓ Tug Services
- ✓ Aids to Navigation



SUCCESSFUL MANAGEMENT UNDER DIFFICULT CONDITIONS FOR A PERIOD OF 10 YEARS +

HPC Opportunities

HPC References: Management Contracts

On the other side:

South Port Container Terminal, Port Sudan (2012 – 2017)

Advisory Services for Seaports Corporation of Sudan

- Preparation of bidding documents and management contract
- Organisation and supervision of bidding process
- Technical and financial bid evaluation
- Support of contract negotiations
- Supervision of contractor's performance



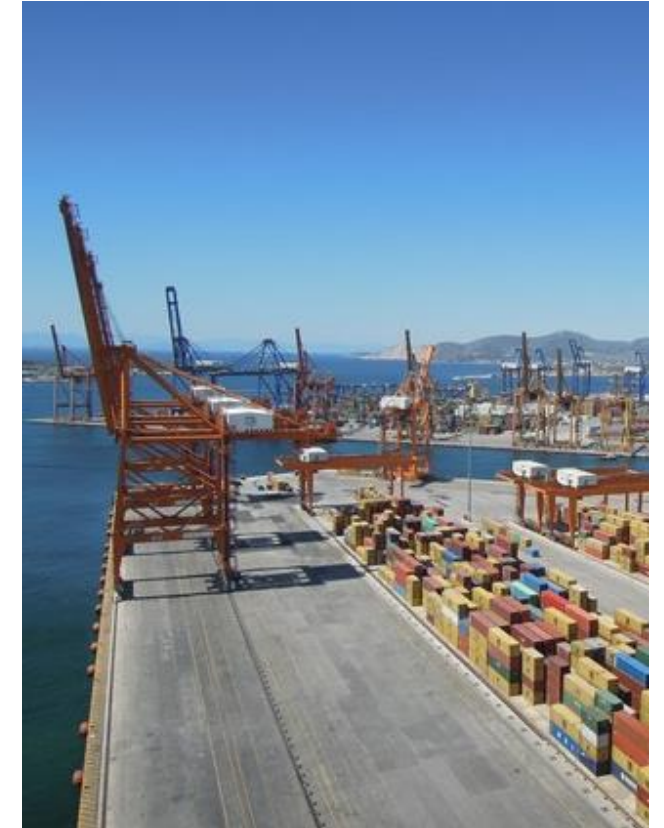
SUCCESSFUL CONCLUSION AND EXECUTION OF MANAGEMENT CONTRACT

HPC Opportunities

HPC References: Advisory Services Privatisation

Privatisation of 12 Greek Ports – Piraeus and Thessaloniki

- Assessment of present and future market prospects for 12 Greek ports covering container, general cargo, dry and liquid bulk, RoRo, ferry & cruise
- Development of long-term traffic forecasts
- Analysis of present port infra- and superstructure in the 12 ports for all business lines
- Assessment of organisational structures and operational excellence
- Preparation of tariff policy, derivation of revenues
- Calculation of future CAPEX and OPEX for all ports
- Preparation of Greece's Port Strategy Paper
- Preparation of a Technical Vendor Due Diligence Report for the Ports of Piraeus and Thessaloniki
- Continuous assistance in the transaction process of Piraeus and Thessaloniki Ports



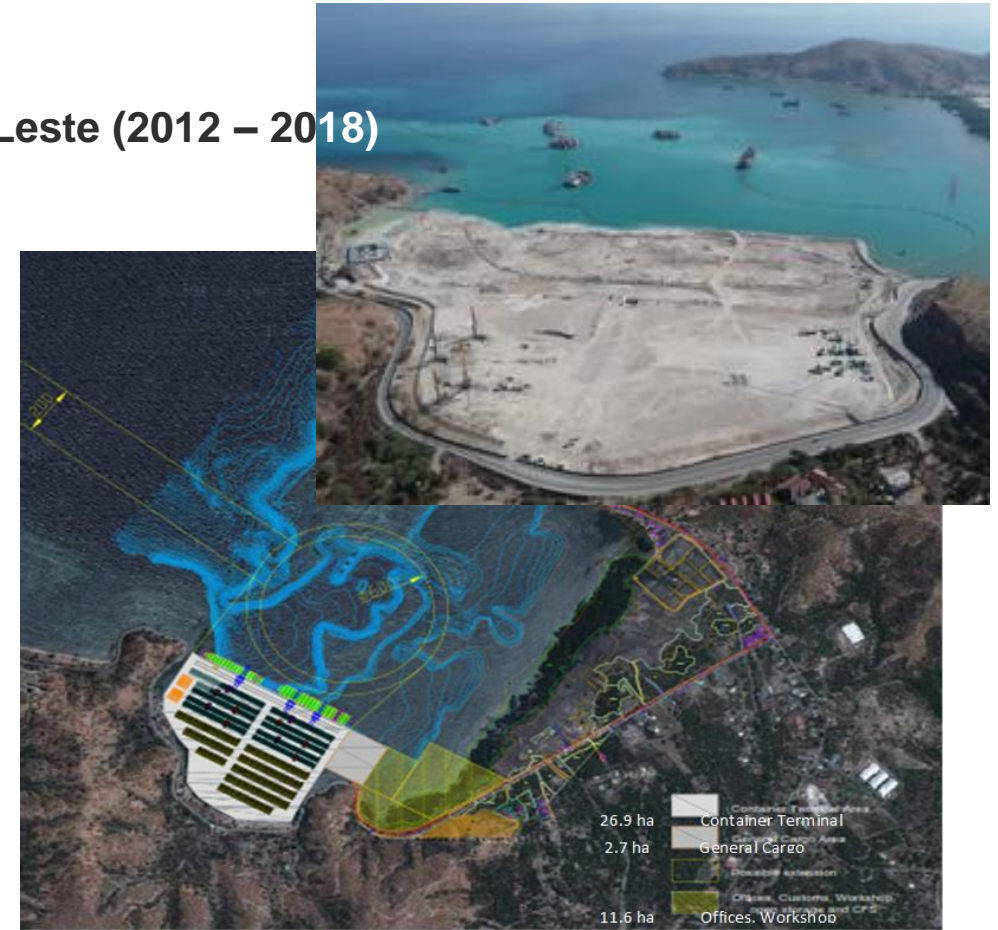
SUCCESSFUL PRIVATISATION OF GREEK STATE ASSETS

HPC Opportunities

HPC References: BOT Contract (490 m USD)

Transaction Advisory Services PPP Greenfield Port Tibar Bay, Timor Leste (2012 – 2018)

- Strategic, commercial, and economic analysis, including traffic projections for 25 years
- Establishment of PPP options/scenarios, as well as review of respective public subsidies, operational revenues, and cost estimates
- Development of PPP technical design specifications for infra- and superstructure, terminal layout, and operational aspects
- Support of IFC's pre-marketing campaign with regard to technical and engineering issues
- Assistance in the implementation of the bidding process (technical specifications and requirements, port tariff)
- Training of port authority staff in contract management of the contractor and concessionaire



**WITH SUPPORT OF HPC FINANCIAL CLOSE WAS ACHIEVED
THE PROJECT WON A GLOBAL AWARD FOR THE BEST PPP PROJECT IN THE ASIA PACIFIC REGION 2018
CONSTRUCTION STARTED 2019**

HPC Opportunities

HPC References: Brownfield Concession Agreement (approx. 0.5 billion USD)

Transaction Advisor for Port Sudan Container Terminal Concession (2016 – 2018)

- Market analysis, traffic and vessel forecast for container import/export, transit and transshipment
- Staffing analysis, operational planning, infrastructure analysis
- Valuation of existing infrastructure, buildings and equipment
- Financial analysis and determination of potential concessionaire payment structure
- Preparation of bidding documents and concession contract
- Organisation and supervision of bidding process
- Technical and financial bid evaluation
- Support of contract negotiations



CONCESSION CONTRACT SIGNED WITH INTERNATIONAL TERMINAL OPERATOR IN JANUARY 2019

HOW CAN WE HELP TO FUTURE- PROOF YOUR PORT?



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