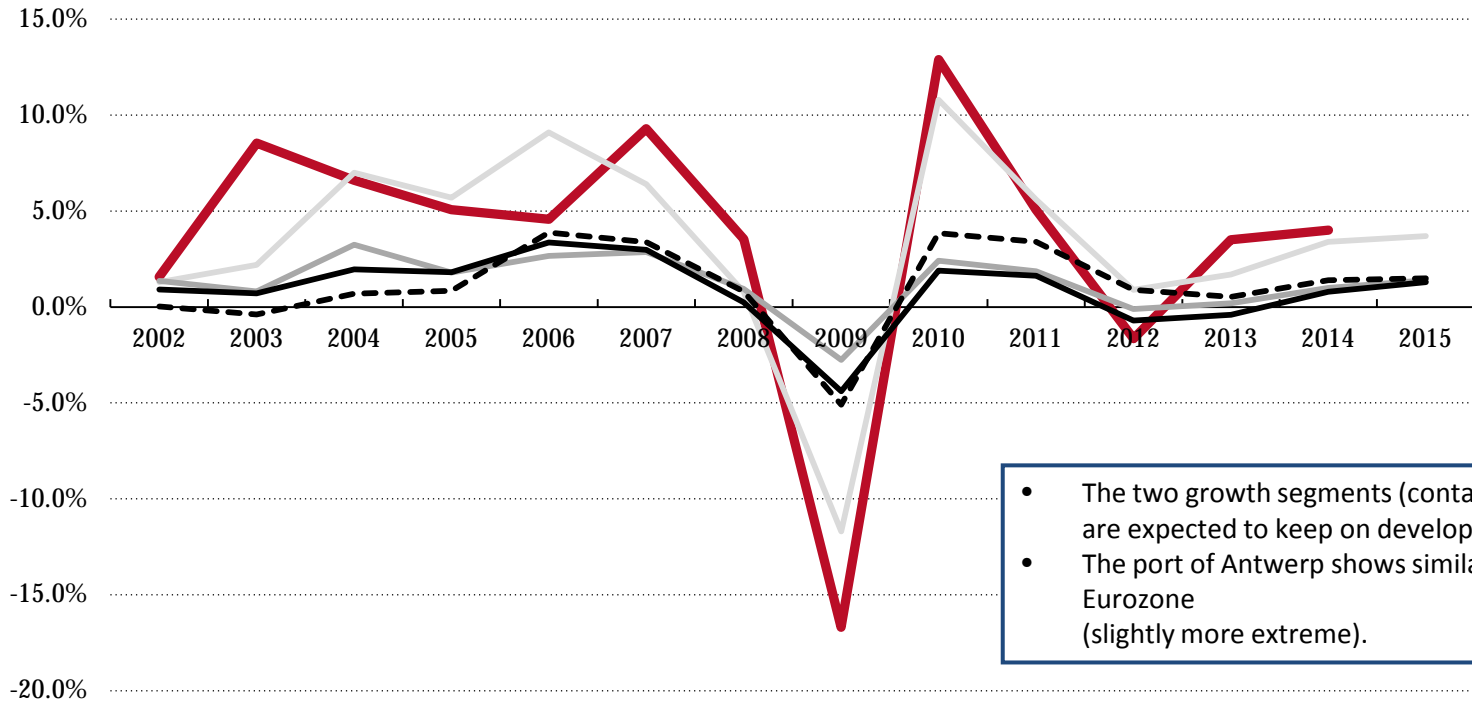


Port as an engine of economic growth

the Antwerp Port Authority
case study

Economic and trade growth in the Eurozone vs. throughput growth in the Port of Antwerp



- The two growth segments (containers and liquid bulk) are expected to keep on developing.
- The port of Antwerp shows similar evolutions to the Eurozone (slightly more extreme).

— Port of Antwerp — Trade Eurozone — Growth GDP Belgium
- - - Growth GDP Germany — Growth GDP Eurozone



Knowledge & expertise center

Talent development: constant education & training of white and blue collars to achieve high quality, productivity and safety standards

World wide center of maritime and logistics expertise

ÜAPEC

ÜPAI

ÜAcademic partners

Employment

150 000 jobs



Stakeholder management

Large social responsibility

ÜSupport of and cooperation with local social economy

ÜDialogue with communities

ÜSponsorship of cultural, social and educational projects

ÜSupport of public transport



PROFIT

Economic engine

Added economic value
9,1% of Flemish GDP
5,2% of Belgian GDP

Multi-functional port
Maritime, logistics,
industry

Productivity & safety

Productive port
Highest productivity amongst NW
European ports

Safe port

Secure port
üCompliant with ISPS
üAuthorised Economic Operators

Investments

Public investments
1,6 billion euro up to 2025
ü2nd lock Left bank
üSaeftinghe development zone
üSolutions for optimal intermodal
connectivity (rail, barge and road)

Private investments
New industrial, cargo handling and
logistics equipment

The Antwerp Port: three Key Words

- Inland location

*closest seaport to/from industrial and demographic heart land Europe
superior connectivity to fore- & hinterland*

- Mainport

Critical mass available

- Diversified

complete range of services, strong cargo generation

THE PORT TODAY

13.057 ha total surface

1.073 ha Development area

191 mio tonnes maritime traffic

8,7 mio TEU container transshipment

900 companies incl. 11 BB terminals & 5 deepsea container terminals

620 ha warehouses

45 sea going vessels a day

168 barges a day

220 freight trains a day

Logistics



Industry

Cargo handling



PLANET

Sustainable energy

Large investments in:

- Ü Shore power
- Ü Recovering residual heat
- Ü Biomass power station
- Ü Wind turbines
- Ü Solar Panels

Environment

**Improvement
air, soil & water quality:**

- Ü Efficient use of energy & water
- Ü Rewarding clean ships (ESI)
- Ü Waste management
- Ü Action plan reduction PM10 and NOX

Inland location: lower costs, lower
carbon footprint

Modal shift towards sustainable
intermodal solutions.

Nature

**Up to 600 ha of protected
environmental zones in the port**

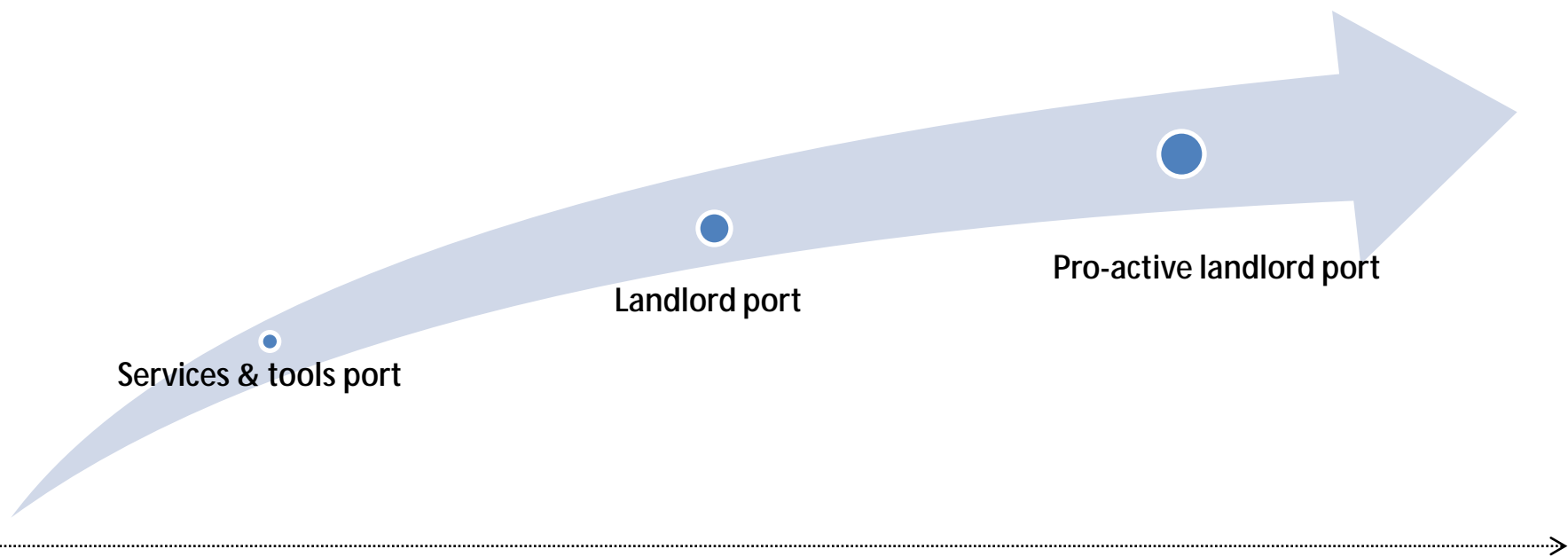
- Ü Close collaboration with NGOs
- Ü To support EU's **Habitats Directive**

Port authority as enabler and facilitator of sustainable growth

Size

New sustainable growth path

Ad hoc, re-active, competitive approach> *Integrated, pro-active, collaborative approach*



Services & tools port

Landlord port

Pro-active landlord port

Time

Landlord model : Successful cooperation

Port Authority (public)

- ü Management of territory:
 - investments
 - concessions
- ü Management of Infrastructure:
 - docks, quays
 - bridges, locks
 - land
- ü Trade facilitation
- ü Vessel traffic management
- ü Marketing & Branding

Port companies (private)

- ü Management of superstructure:
 - terminals
 - cranes
 - equipment
 - warehouses
- ü Handling of the cargo

Organisation in the Port of Antwerp

The Antwerp Port Authority is an autonomous body, managing

ü Infrastructure

- docks
- bridges
- locks
- quays
- land

ü Vessel traffic in the port

ü Trade facilitation

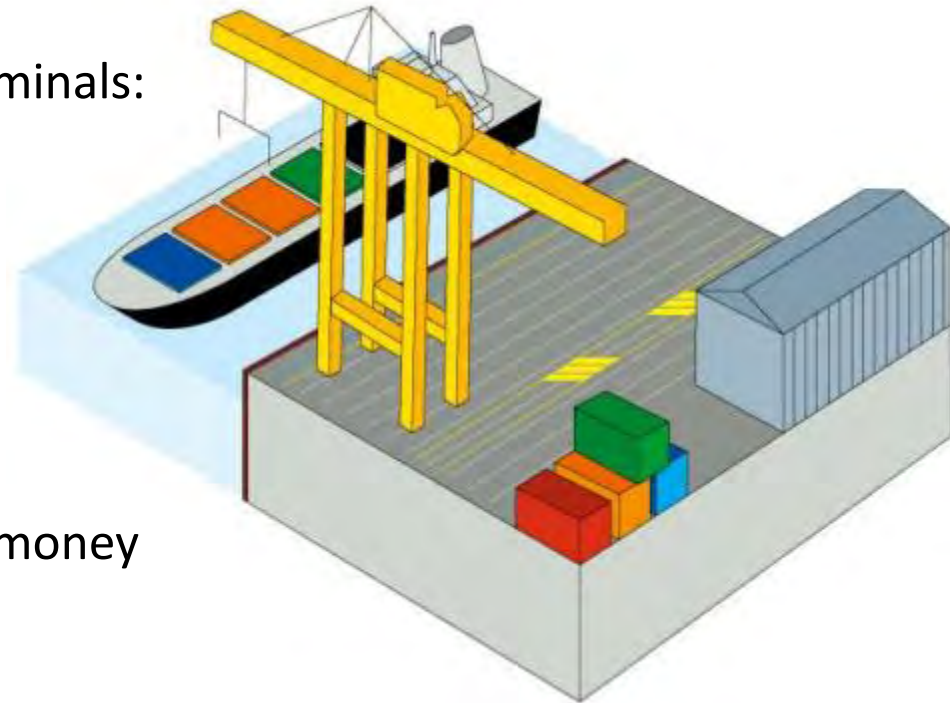
ü Marketing & branding activities



A landlord port

The private companies manage superstructure and operate the terminals:

- terminals
 - cranes
 - equipment
 - Warehouses
- More efficiency in spending public money and increase in expertise.



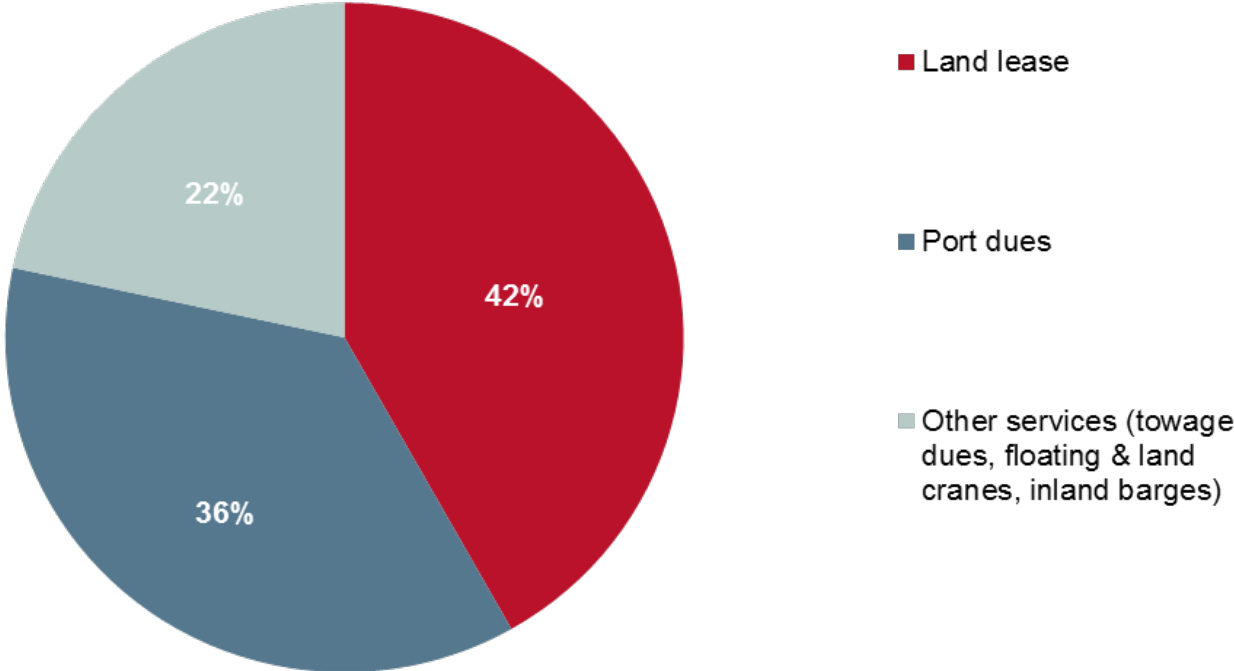
Financing of the port authority

- Port dues /revenues of the exercise of the port management competences and other activities.
- Investments/financial responsibility of the Flemish Region : the construction, the maintenance and operation of the maritime gateways and the basis infrastructure of the port (except port internal basis infrastructure, e.g. the docks).
- Subsidies by the Flemish Region (specific Executive Orders by the Flemish Government): e.g. for the maintenance of the sea locks, for investments in port internal basis infrastructure and equipment infrastructure (e.g. commercial mooring facilities for transshipment).

If the port managerial competencies are not exercised in conformity with the Port decree, the subsidies can be withdrawn /recovered.

Revenues Antwerp Port Authority

Revenues Antwerp Port Authority (2013): 275 million euro



Concessions - introduction

- **Landlord Port**
- The port of Antwerp is a landlord port. The port authority owns most of the port grounds and administrates the infrastructure.
- **Concession**
- 'an administrative contract by which a public authority grants a private partner the right of use of a part of a public good (e.g. public domain) for a given time'

Concession Policy

- Key factors of negotiation:
 - § Duration - Investments
 - § Price
 - § Productivity clauses: efficient use of space, tonnage obligations

Concessions - allocation

- **Basic principle:**
- principle of equality (good governance)
-
- **Tendering:**
 - Ø public
 - Ø objective
 - Ø transparent

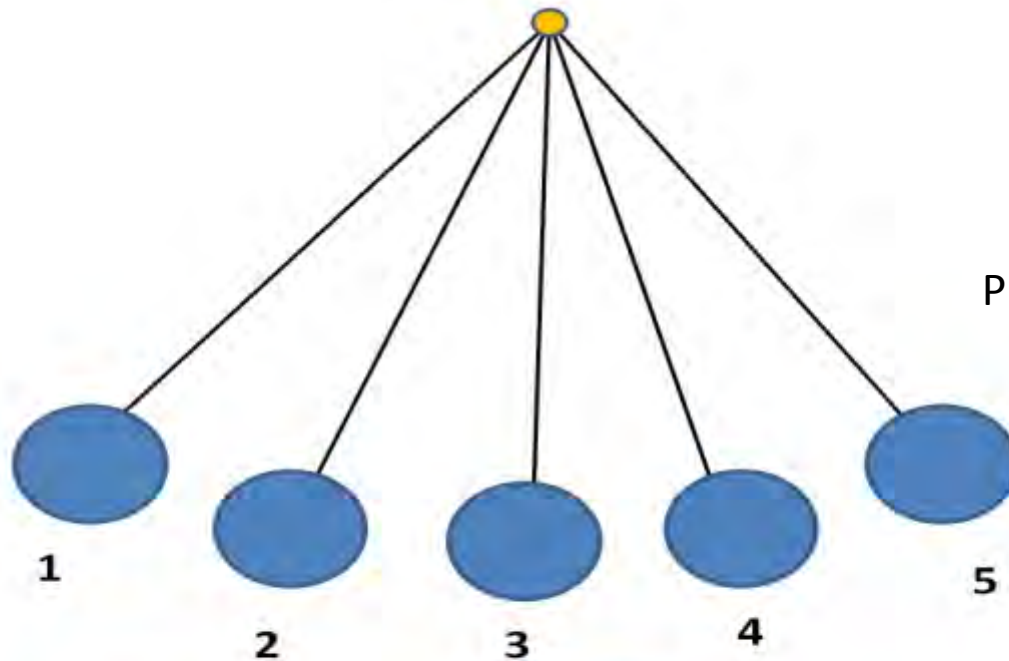
Concessions - allocation

- Tendering procedure:
 - - Main focus = kind of activity, employment, traffic generation, added value, investments,...
 - ‡ maximising profit for the port authority
 - - How? : decision is based upon objective criteria

Concessions - prices

- Financial: PPP means enough financial means for core business

Public Financing



Private Financing

Concessions - prices

- Parameters for Price setting
 - Ø Location (quay/land)
 - Ø State of grounds (paved/unpaved)
 - Ø Nature of planned activity
(traffic generating activities / services to traffic generating / other services)
- Specific tariffs for: Private parking facilities

Concessions - terms

- Determination of the term of the concession agreement based on following criteria:

ØPlanned investment in real estate

ØDecisive factors for activities on the quay:

- Quality of the project
- Planned lay-out/efficient use of space
- Projected traffic generation

Concessions - terms

- Maximum duration of 40 years (maritime) / 30 years (services)
- Duration linked with investments/m²

<u>Table of investments</u>	<u>Duration</u>
• Investment ≥ 375 EUR/m ² builded surface	40 ans
• $225 \text{ EUR/m}^2 \leq \text{investment} < 375 \text{ EUR/m}^2$ builded surface	35 ans
• $175 \text{ EUR/m}^2 \leq \text{Investment} < 225 \text{ EUR/m}^2$ builded surface	30 ans
• $150 \text{ EUR/m}^2 \leq \text{Investment} < 175 \text{ EUR/m}^2$ builded surface	25 ans
• $125 \text{ EUR/m}^2 \leq \text{Investment} < 150 \text{ EUR/m}^2$ builded surface	20 ans
• $100 \text{ EUR/m}^2 \leq \text{investment} < 125 \text{ EUR/m}^2$ builded surface	15 ans
• $25 \text{ EUR/m}^2 \leq \text{Investment} < 100 \text{ EUR/m}^2$ builded surface	10 ans
• $0 \text{ EUR/m}^2 \leq \text{Investment} < 25 \text{ EUR/m}^2$ builded surface	trimestre

Concessions - productivity

- **Special clauses to stimulate productivity :**
 - Ø Efficient use of space
 - Ø Minimum tonnage
 - Ø Use of modern technologies for container handling



Concessions - efficient use of space

- Existing measures
 - Use of modern technologies for container handling (e.g. stacking)
 - Obligation to inform the port authorities about the planned lay-out, the handling techniques, the projected traffic etc.
- New measures
 - Special clause regarding to an efficient use of space
 - Ø Evaluation every five year
 - Ø Possibility to add special clauses to enhance efficient use of space

Thank you for your attention