



# The Role of Ports in Facilitating Regional Economic Development

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# Port of Riga around 1817

Exports of **timber, cereals, hemp, linen, etc.**

**Depth of the navigational channel 12 feet (3.7m)** becomes a critical issue to maintain the port's role in maritime trade

**The first dredger** was used in 1817 (powered by horses)

1830 -the **first steam ship** «Oscar» enters the port

1850 -the **construction of East breakwater** launched



# Freeport of Riga in 2017

The largest port in Latvia and second in the Baltic by cargo turnover (**33.7 mln.t**)

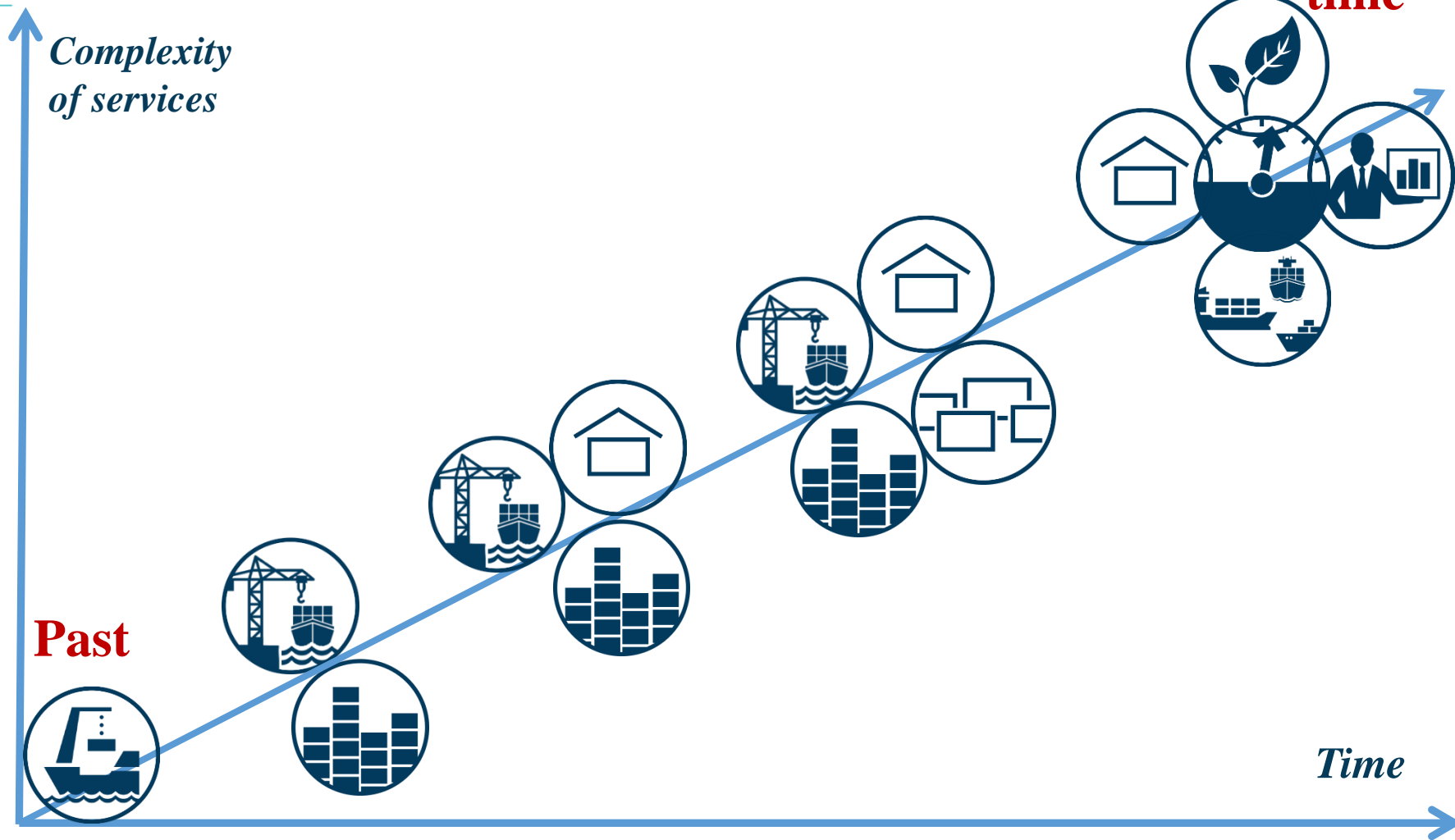
Multipurpose port with total cargo handling capacity **63 mln.t/year**

Vessel traffic of **3 422 ships** with tonnage of **46.1 mln.GT**; max draft – **15.0m**

**830.4 thous.** passengers, including **87.4 thous.** cruise passengers

More than **200 enterprises**, including **34** sea cargo terminal. Port accounts for **~5 000 direct work places** and up to **~15 000** indirect jobs in related industries

# Port (r)Evolution: Changes Over Time



**Present  
time**

**Past**

*Time*

**Transition** from pure **cargo handling** to complex and *smart* logistics

# Port (r)Evolution:

## Characteristics of Modern Port Services



Today **time** and **speed** of port services is the most demanding element



Availability of **distribution** and **connectivity** to/from a port is essential for sustainable development in a global environment



**Storage/processing** services attract businesses and help build a stable port cluster and logistics



**Customer-tailored** serviced and modern IT solutions raise port's competitiveness



**Environmental** responsibility assures a more harmonized co-existence with community

# Port (r)Evolution:

What is the **Next Level** We are Heading to?



**Expanding Port Services bring more in-direct economic benefits (*externalities*)**

# Port (r)Evolution:

## Direct Economic Benefits

Quality services bring more cargo and **revenues, profits and taxes**

Diversity of services attract **industrial activities** and additional **investments** in new infrastructure

Overall port's development improves **employment** locally



# Port (r)Evolution:

## In-Direct Economic Benefits

Ports are catalysts for **related sectors** (mostly transport, logistics but not only)

Ports also attract **investments regionally** (new production plants, etc) for importing/exporting goods

Unlimited **tourism** for the community (thru servicing cruise business)

More benefits to be identified...





Conclusions:

## **Economic Implications**

Today, port services have grown too complex to define strict boundaries from related industries and this is not the end of the list

Economic impact assessments and ports' roles regionally are hardly manageable tasks without sophisticated methodologies and multi-factoral analysis

However, such tools (economic models) are vital to acquire *full picture* of port's created value to communicate this information to the community

# Riga Port

## Economic Impact Assessment

**90 port-services** related companies

Total *port cluster* of **200 enterprises** (port companies, agencies, shipping lines, auxiliary services, etc.)

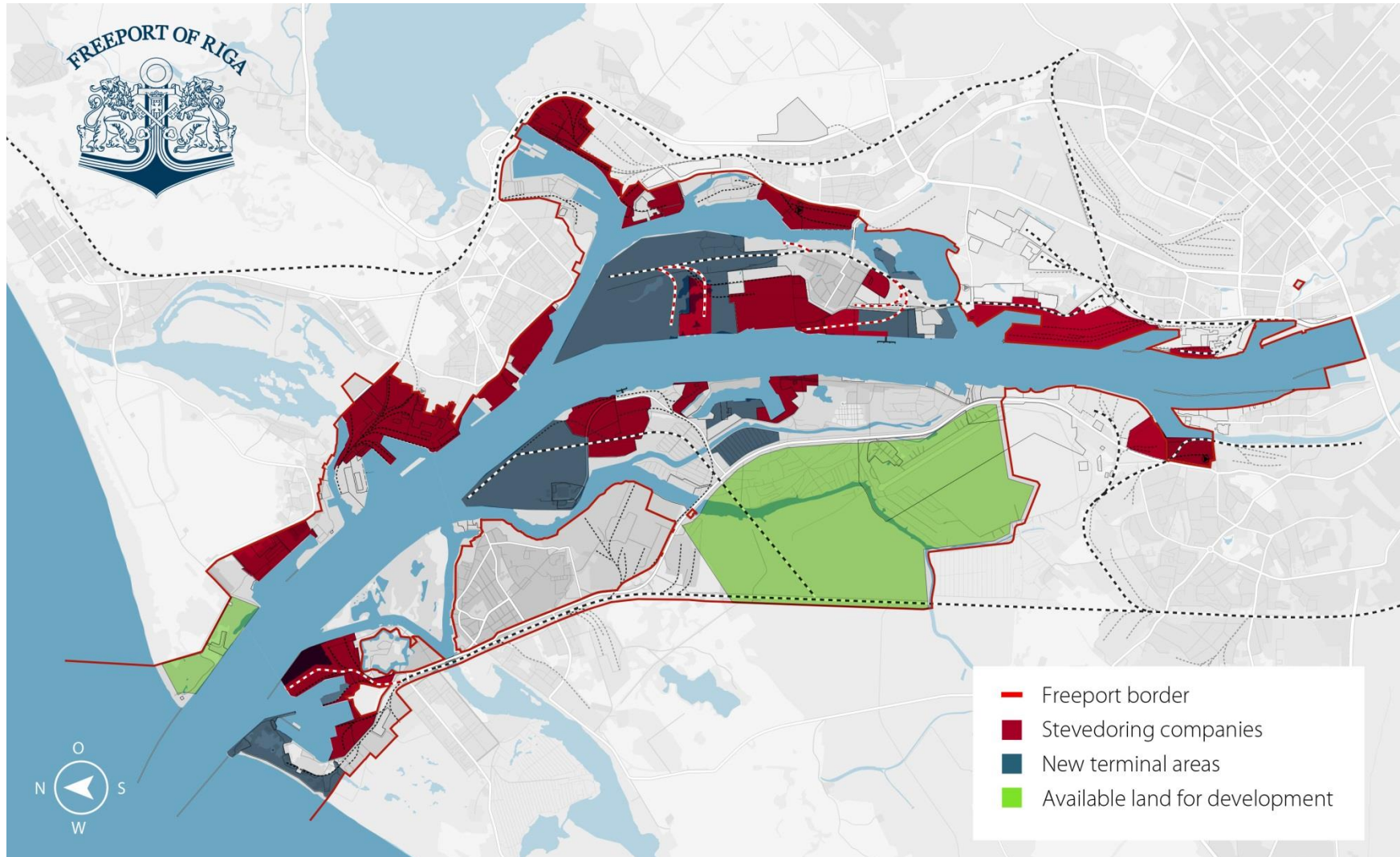
**4,000 direct jobs** and up to 15,000 indirect in related sectors

**EUR 33 mln** paid in taxes by the port's companies

*EVA (economic value added)* - **EUR 13.8/t**, thus, the Port of Riga accounts for **EUR 450 mln** in the Latvian economy annually

# Vision of Riga

## of a Modern and Smart Port (Project- Spilva)



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# Vision of Riga

## of a Modern and Smart Port (Project- Spilva)

### A1 TERRITORY

#### PLOT OF LAND – A1

- Total Area Of The Land - 32 Ha (320 000.00 M2)
- Expected Building Area – 40 500.00 M2
  - Warehouses - 10 000,00 X 4 = 40 000;00 M2
  - Administration Building (5 Storeys) – 500.00 M2
- Expected Total Area Of All Storeys – 42 500.00 M2
  - Warehouses - 10000,00 X 4 = 40 000.00 M2
  - Administration Building (5 Storeys) – 2500.00 M2
- Expected Area
  - Of Road – 91 105.00 M2
  - Railway Line – 10 150.00 M2
  - Cargo Unloading Area (Along The Railway Line) – 13 200.00 M2
  - Roads And Parking Lots – 67 755.00 M2
- Expected Area With Greenery – 188 395.00 M2\*

Expected Building Density – 12.65%  
Expected Building Intensity – 13.28%  
Expected Green Area – 58.87%

\*It Also Includes The Areas Next To Warehouses Where It Is Possible To Unload The Cargo.

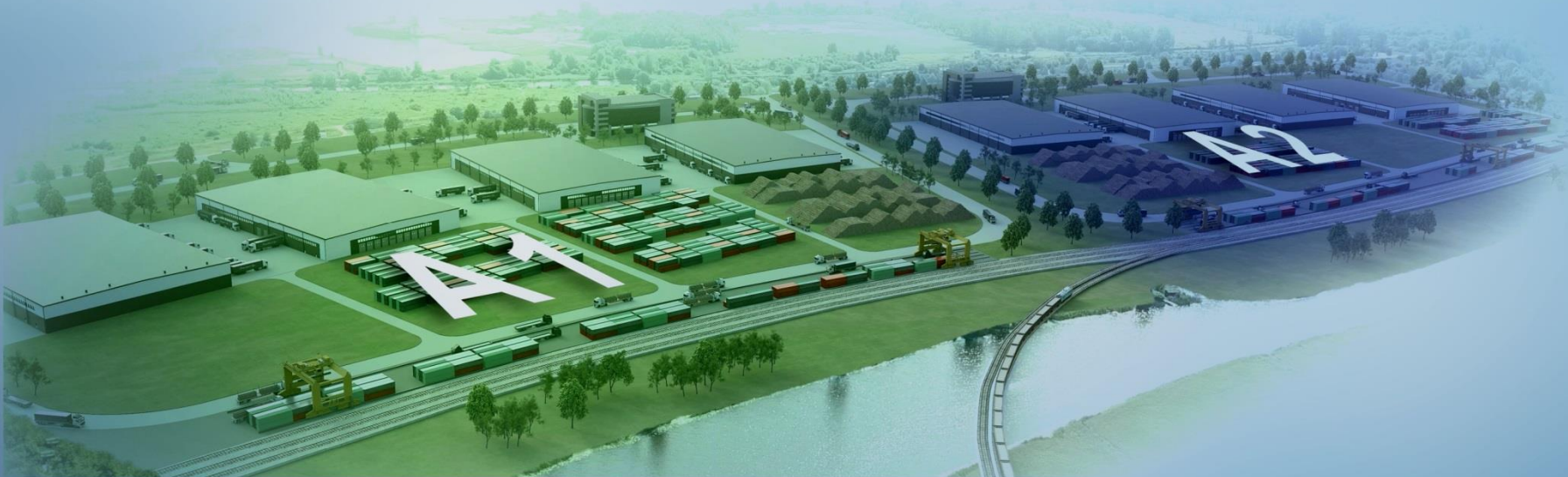
### A2 TERRITORY

#### PLOT OF LAND – A2

- Total Area Of The Land – 34 Ha (340 000.00 M2)
- Expected Building Area – 40 500.00 M2
  - Warehouses – 10 000,00 X 4 = 40 000.00 M2
  - Administration Building (5 Storeys) – 500.00 M2
- Expected Total Area Of All Storeys – 42 500.00m2
  - Warehouses - 10000,00 X 4 = 40 000.00 M2
  - Administration Building (5 Storeys) – 2500.00 M2
- Expected Area
  - Of Road – 95 334.00m2
  - Railway Line – 12 060.00 M2
  - Cargo Unloading Area (Along The Railway Line) – 17 629.00 M2
  - Roads And Parking Lots – 67 755.00 M2
- Expected Area With Greenery – 204 166.00 M2\*

Expected Building Density – 11.90%  
Expected Building Intensity – 12.50%  
Expected Green Area – 60.05%

\*It Also Includes The Areas Next To Warehouses Where It Is Possible To Unload The Cargo.





Thank you for your attention!