

HPC Hamburg Port Consulting GmbH

# Realising Growth Potential from BRI by Strengthening Core Competencies

2nd Baltic Ports & Shipping 2018  
26.09.2018, Riga



# Who is HPC?

Global Experience, operational Innovation and down-to-earth Attitude

History & experience

- Founded in 1976 as subsidiary of HHLA Hamburger Hafen und Logistik AG
- Around 100 experts, annual turnover in 2017: approx. € 12m
- Reputation as one of the world's leading consultants in the transport sector
- Since 1976 port and transport-related projects in more than 100 countries, both in the private and public sector

Operator focus

- Approx. 1700\* projects world-wide with extensive experience in container terminal planning
- Developed HPC Ukraina (now CTO) as terminal operator in Odessa (Ukraine)
- Accredited with all major development organizations and banks (World Bank, IFC, ADB, KfW, ...)

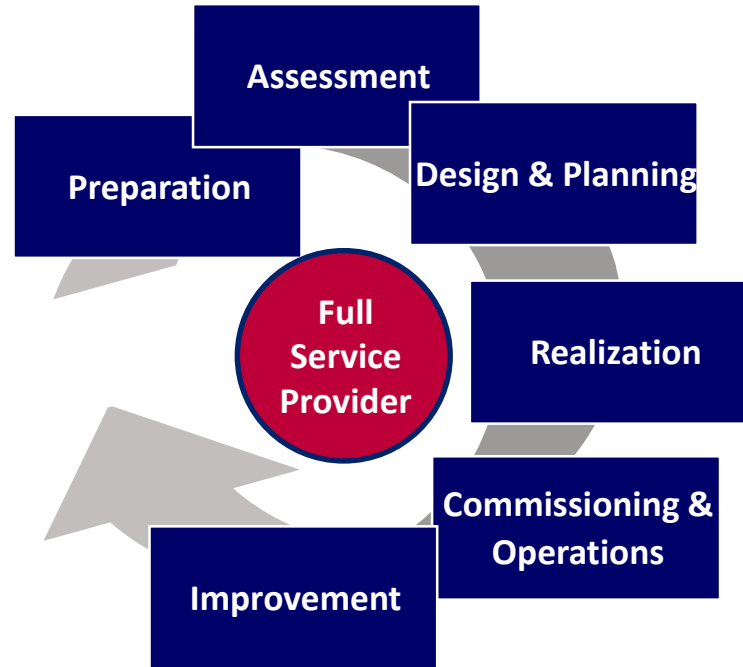


# What do we do?

## Service Portfolio

### Our Focus

- Ports
  - Container terminals
  - Bulk terminals
  - Cruise ship terminals
- Intermodal/Rail facilities
  - Rail terminals
  - Inland ports
  - Intermodal hubs
- Airports
- Logistics facilities



### Our Clients

- Private operators
- Port and railway authorities
- Cargo owners
- Public institutions
- Governments
- Logistics service providers
- Banks and private investors
- International organisations, such as World Bank, UN, ADB

**We serve our customers from project idea to realisation and continuous improvement!**

# Agenda

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BRI Potential and Challenges

Strategy for Smart Positioning

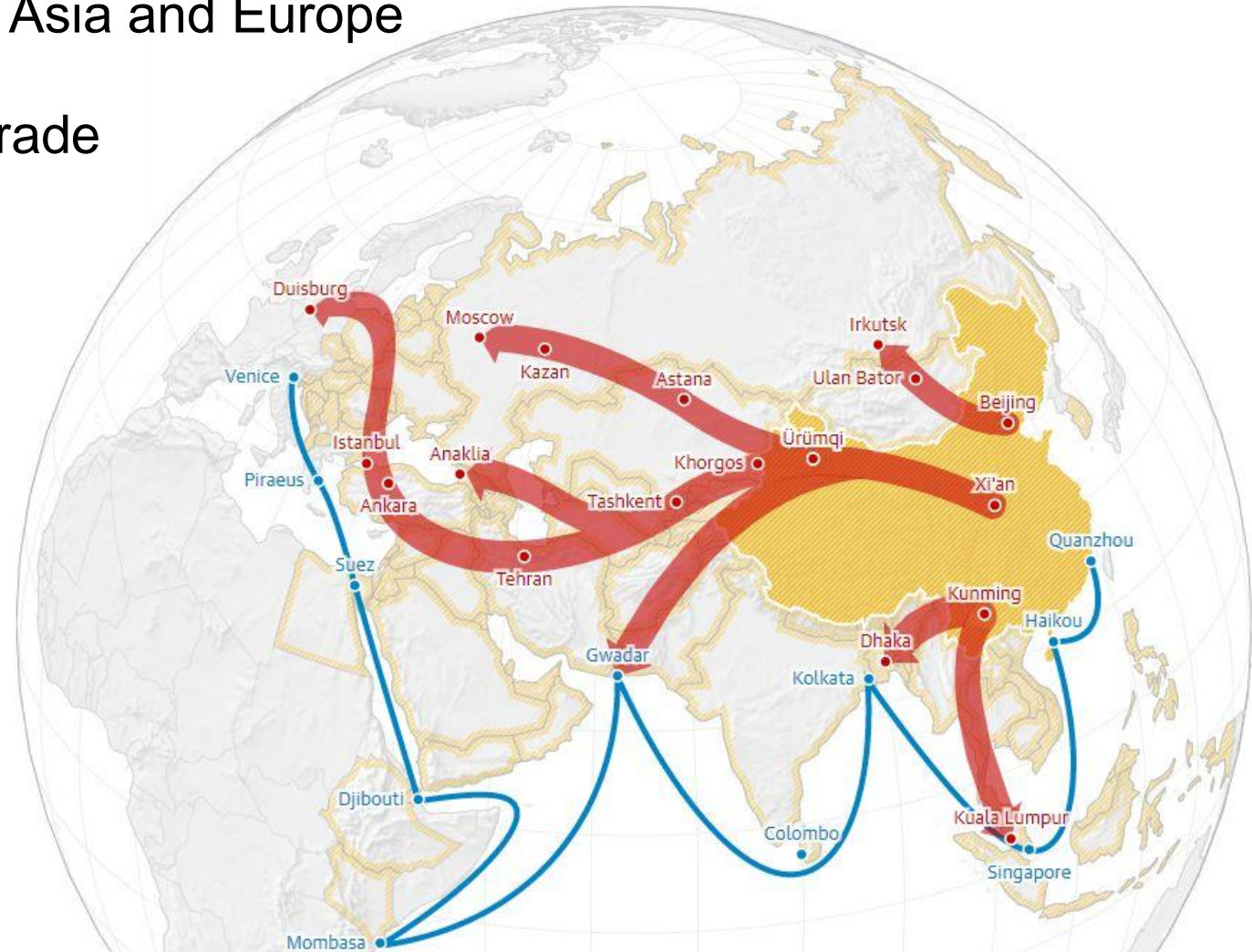
Best Practice

Summary

# What's in there for you?

Significant growth potentially to be generated...

- Improving China's connection to Africa, Asia and Europe
- Offers significant potential to increase trade between participating countries
- Is expected to support political stability in south / central Asia
- Some people see it having more impact to the economic development than activities by IMF, Worldbank etc.



# What's in there for you?

...but some questions arise...

**Will all of this really happen?**

**Can everybody be taking advantage of the initiative?**

**What problems could arise?**

- BRI expected to cost more than 1tn USD altogether.
- China spent over 200bn USD already, mostly in Asia.
- Most countries and companies potentially involved in BRI are also investing substantially.
- In what projects is all this money invested? And more importantly: is it invested in a smart way?
- Risk of carrying the debt alone, in case expectations are missed.



**“What's in there for you? What's in there from you?”**

# What's in there from you?

...how can you successfully participate?

- Infrastructure adequate? Capacity sufficient? Invest required?
- Financing options realistic/viable?
- Administrative issues (customs, duties, waiting times etc.) supporting or hindering? Can challenges be solved?
- Core Competencies /

What is it that you are good at?

- Flexibility, reliability
- Good network in the industry
- Geographical position in the transport network
- Pricing
- Additional services



**“In the end, it's the cargo that will find its way!”  
Are you meeting the shipper's / forwarder's requirements?**

# Agenda

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Summary



# How to Position?

Very often it is done like this...



- Very lean approach
- Seems straightforward and not “overdone”
- Arguments: “no time to waste“, “be ready when things get started“, “think big”

# How to Position?

...but isn't there something missing?



- Very lean approach
- Seems straightforward and not “overdone”
- Arguments: “no time to waste“, “be ready when things get started“, “think big”

**BUT: what is the foundation of an investment decision?**

# How to Position?

Closing this gap makes the difference!



- **General** analysis: provide framework and understand overall situation.
  - **Market** analysis: customized and reflecting requirements from market.
    - **SWOT** analysis: identify SWOT and hold against market requirements.
      - **Strategy**: based on solid analyses and addressing main questions: How to position? What services/products to offer? How to use/extend core competencies?
  - **Planning**: customized and efficient. Taking into account local framework.
  - **Implementation**: integrated approach required.

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**Best Practice**

Summary

# Understanding the Own Position

Identify chances and related risks!

## Kenya Maritime Authority

- Get a better understanding of factors driving port competitiveness
- Analyse services and identify strong and weak spots in services provided
- Endeavour to improve service quality



## St. Petersburg

- Understand position in the market
- Prepare for future
- Customized market analysis
- Assess position in competition framework
- Identify potential growth areas



## Port of Townsville

- Strengthen competitive position
- Prepare for future internal and external requirements
- Assess handling capacities and compare to requirements
- Develop strategic plan, including roadmap for development projects



# Getting Ready to Link the Hinterland

Invest strategically in infrastructure to improve hinterland connectivity!

## Port of New York/New Jersey

- Multiple East Coast ports working on deepening approach channels and berths
  - Intermodal business is substantially growing throughout the country
- Hinterland connectivity identified as important piece of maintaining/increasing competitiveness of the port
- Analysis where in the area it is most sensible to invest



## South Carolina Port Authority, Charleston

- Local marine terminals are expecting further growth
  - Search for options to increase capacity
- Based on analysis of customers, expansion of services to the hinterland
- Identify most suitable location to build the hinterland terminal
- Develop and expand the facility



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- Be sure about your current position in the market.
- Do not just “follow the herds”.

- Make sure you understand the requirements of the market.

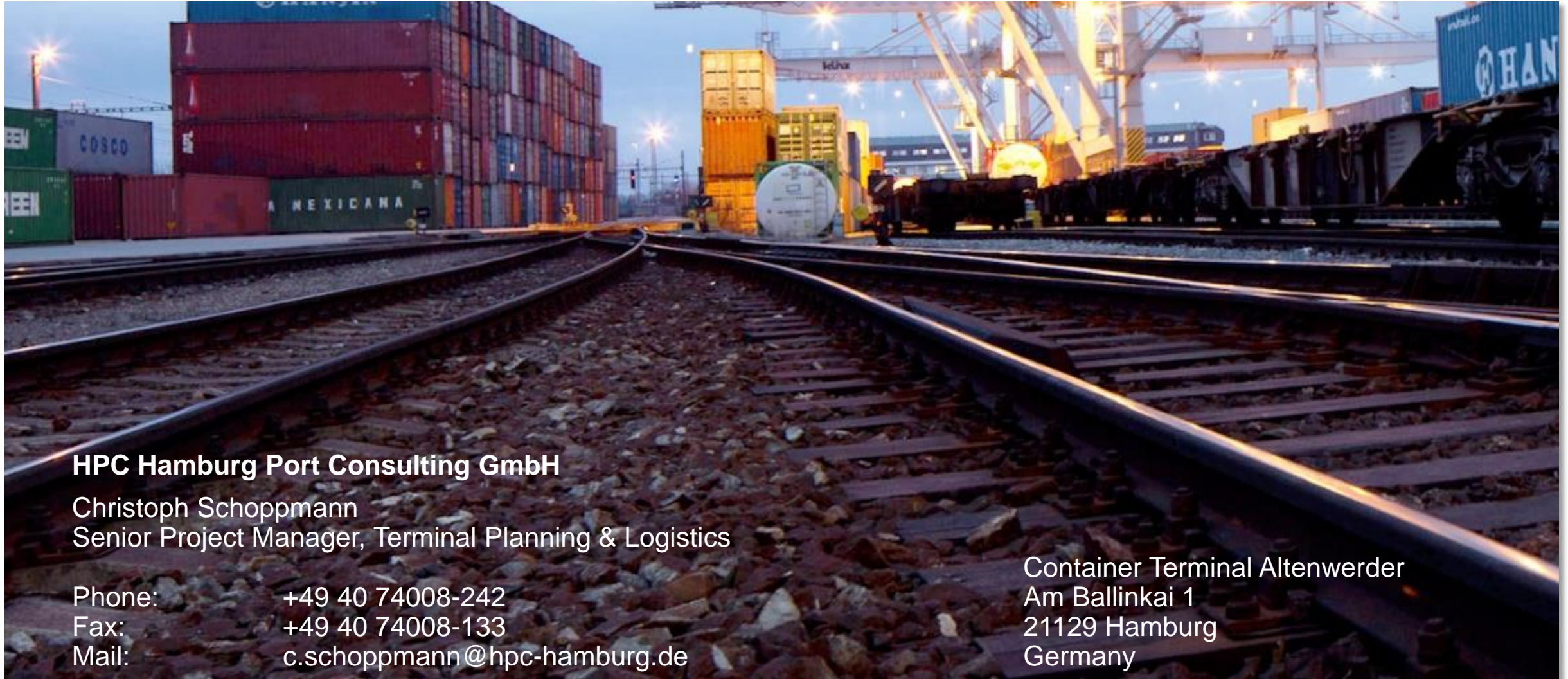
- Identify your own individual core competencies and compare them against the requirements. Strengthen your capabilities.

**Make sure your investment decisions are fact based AND supported by an adequate confidence level – and then act accordingly in a determined way!**



# HPC Hamburg Port Consulting GmbH

## Contact



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