

# 7th Mediterranean Shipping and Ports 2019

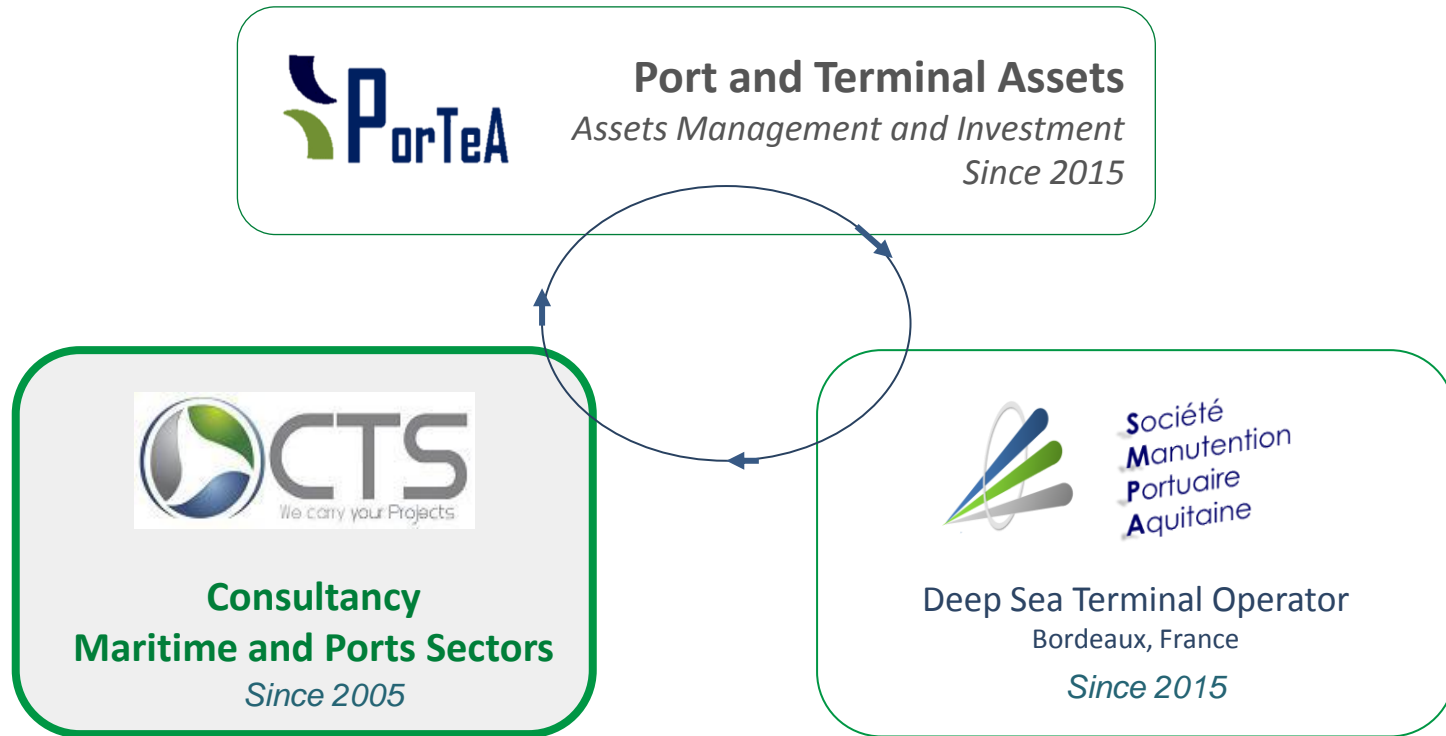
Casablanca – 26<sup>th</sup> of June 2019

## Development of a regional hub and its impact on the regional economy



**CTS Consulting,**  
conseil en logistique portuaire et  
multimodale

# CTS :« An Advisory Firm belonging to a Group fully Dedicated to Port Industry »



CTS is an **independent consultancy company** dedicated to **port development, shipping and freight industry**. CTS assists institutional and private clients in **port, shipping & multimodal projects**.

Thanks to the group members cooperation We bring the Shipping, Operator, Investors, Authorities, Stakeholder views for the.

[www.ctsconsulting.eu](http://www.ctsconsulting.eu)

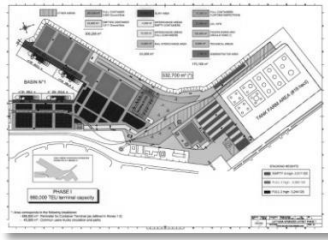
[www.portea.lu](http://www.portea.lu)

[www.verdontc.com](http://www.verdontc.com)



# CTS fields of expertise

## Infrastructure development



Port terminal



Multimodal platform



Logistics



- ⦿ Master plans
- ⦿ Lay Out
- ⦿ Operational design
- ⦿ Equipment specialization
- ⦿ Environment
- ⦿ Financial analysis
- ⦿ Business plan
- ⦿ Market studies
- ⦿ Strategic analyses
- ⦿ Socio-economic impacts
- ⦿ PPP drafting and negotiation
- ⦿ Tender management
- ⦿ Partnerships

# CTS Expertises

## Over 200 Port Missions Track Record

### Market and strategy analysis

- ▶ In-depth industry market studies by Branches
- ▶ Socio Economic development forecasts
- ▶ **Traffic analyses and projections**
- ▶ Interview campaigns of shippers , consignees, forwarders and others
- ▶ Benchmarks
- ▶ Strategic positioning
- ▶ SWOT analyses

*~100 Studies*

### Technical and operational design

- ▶ **Operations Analysis** : audit, performance analysis, Key Performance Indicators (KPI)
- ▶ **Technical Design** : layouts, operational concepts, equipment specifications, maritime & hinterland interface
- ▶ **Master plans**: quay and yard design, definition and planning of infrastructure, equipment, manning, IT...

*~50 Projects*

### Financial modelling

- ▶ Profit and Loss, Balance sheet
- ▶ OPEX, CAPEX, Financing
- ▶ ROI, ROE, NPV
- ▶ Risk Analysis
- ▶ Tariff policy: revenues, ticket and license fees...
- ▶ Full Business Plan
- ▶ Operator's vs Port Authorities return on investment

*~40 Business Cases*

### PPP contract assistance

- ▶ PPP Structuring
- ▶ PPP process management public (landlord) or private (candidate)
- ▶ Preparation of EOI, RFQ, RFP
- ▶ Creation of decision-making tools
- ▶ Selection of candidates
- ▶ Assistance during negotiation of contract terms
- ▶ Partnership assistance *~30 PPP Projects Deals*

# They Trust Us

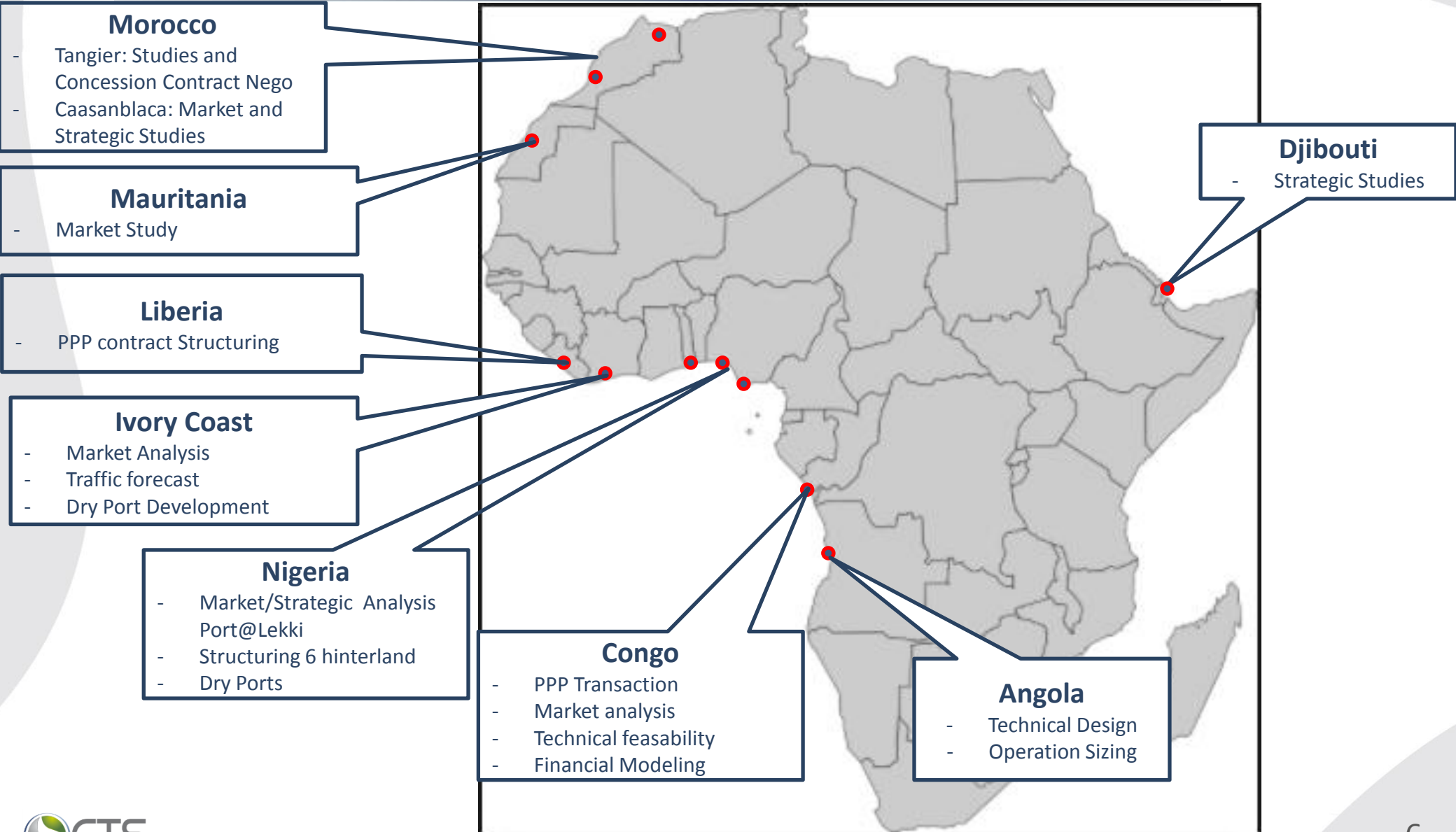
## ► Secteur public



## ► Secteur privé



# CTS References in Africa



# Contents

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## Regional Hub vs Regional development

### Tanger Med study Case

# Flash Back

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## ▶ **Before 2009:** Development of hub ports

- ▶ Shipping Line Driven market
- ▶ Two digits yearly growth:
- ▶ High freight rate
- ▶ High pressure on port infrastructures: Need to protect Liner services

⇒ **Development of Pure Hub and Spoke & Relay ports: Malta, Cagliari, Gioia Torro, Port Said**

## ▶ **Since 2010:** The end of the pure T/S hubs

- ▶ Shippers/Inland Driven markets: Development of T/S traffic
- ▶ Market : 3-4% yearly growth: Low freight rates
- ▶ Strategy: reduce costs, gateway traffics development

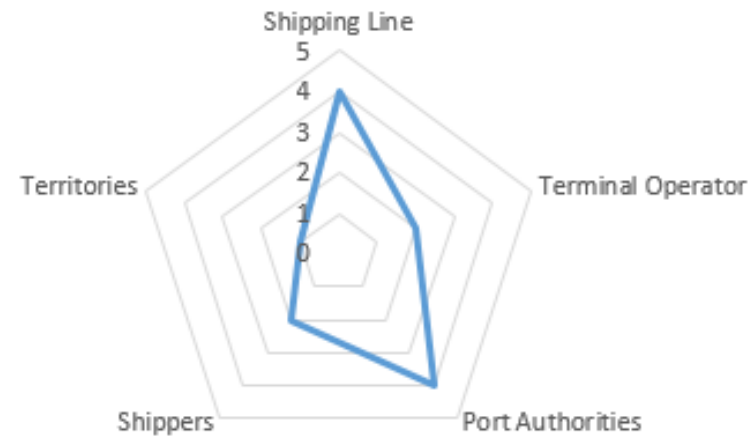
⇒ **Development of Gateway ports with T/S traffic**



# Impact on Regional Development

## Hub Ports : Without Gateway Traffic

- ▶ The main interested party is the Shipping line but overcost may occur (Mother vessels specific call)
- ▶ Port Authorities may have an interest in Ports call revenues and marketing (statistics)
- ▶ Impact on Regional development (Territories) is limited to the shippers that may enjoy a Larger maritime services offer (more direct services, more adressable destinations)

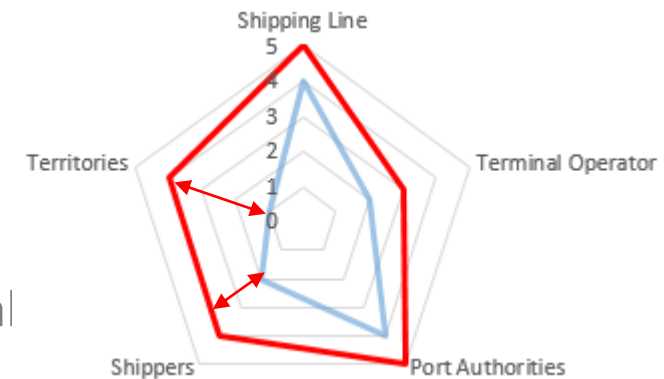


**To increase impact of the Hub on regional development, the Added Value of the T/S traffic has to be LOCKED on the territories**

# Impact on Regional Development

## Hub Ports :combined with Free Trade Zone

- ▶ Free Trade Zone « The best way to LOCK the added value of the Hub Port onto the territories »
- ▶ The main interested parties are:
  - Territories: Employment, GDP, Revenues
  - Shippers: Competitiveness on International market
  - Terminal Operator: Revenue Increase/Additional services to FTZ
- ▶ Other:
  - Port Authorities: Additional land revenue
  - Shipping Lines: Additional Revenue



**Impact on Regional development (Territories)of the Hub Port when combined with a FTZ is significant**

# Benchmark : JAFZA Free Zone in Jebel Ali

A Free Trade Zone on the Back Yard  
of a 20 Millions Teus terminal



PETROCHEMICALS

**Jafza's prime location attracts over 320 global companies in the sector**

Free Zone - based companies contribute 70% of UAE foreign trade

AUTOMOTIVE & SPARE PARTS

**Jafza drives the growth of vehicle sales in MENA region**

Regional vehicle sales to see unprecedented growth



**135,000+**  
Jobs sustained



**23.8 PERCENT**  
Dubai GDP contribution



**\$93 BILLION**  
Value of trade

# Agenda de la présentation

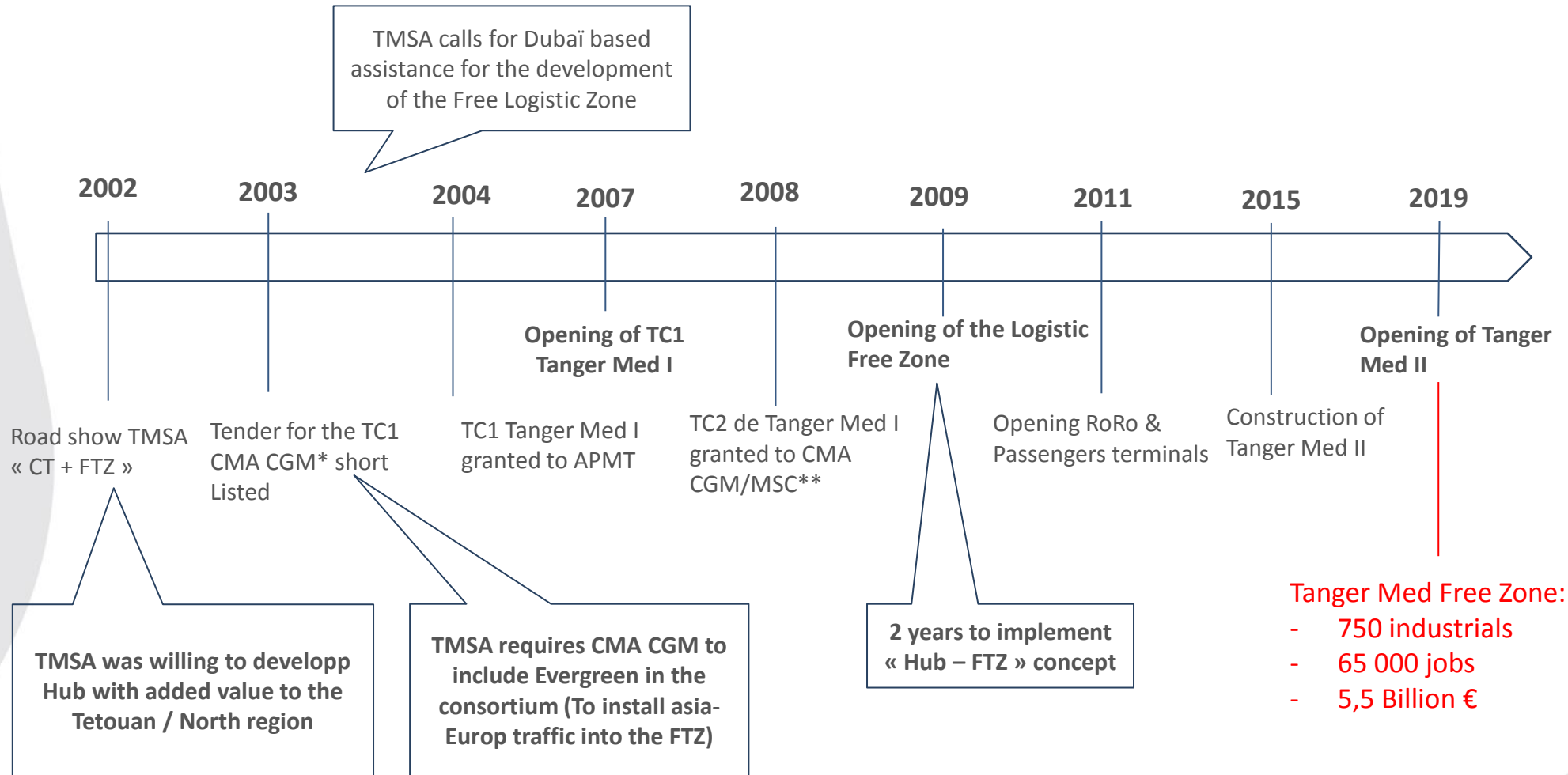
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## Regional Hub vs Regional development

### Tanger Med study Case

# Tanger Med : Flash Back

## ➤ Main Milestones on the development of Tanger Med ports and the Free trade Zone



### Tanger Med Free Zone:

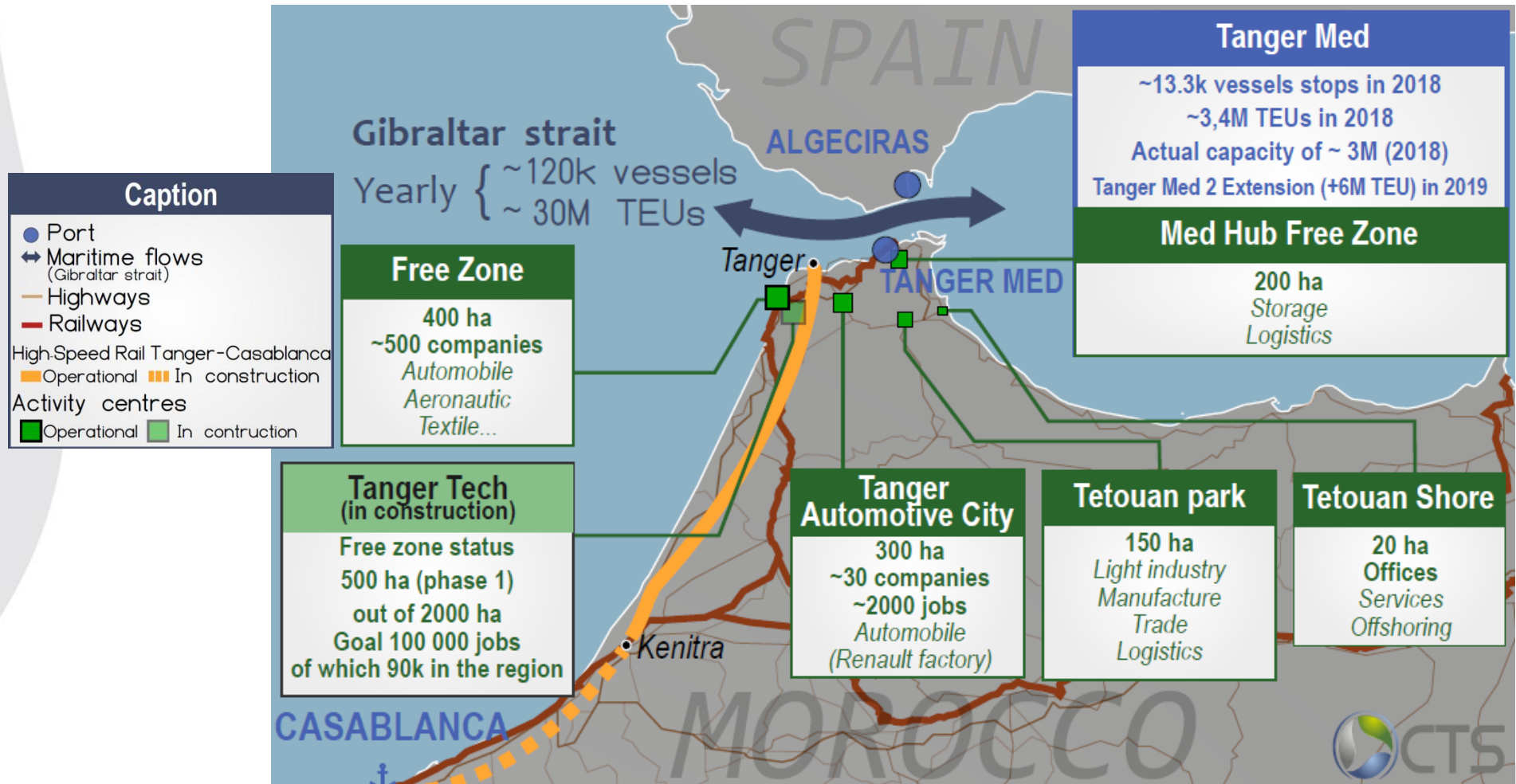
- 750 industrials
- 65 000 jobs
- 5,5 Billion €

\* P. Reyne Team leader

\*\* CTS involved

# Tanger Med : Nowadays

A success story initiated in 2002 that combined Hub port and Regional development



# Tanger Med : Nowadays

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Le complexe portuaire a traité 3.3 millions de conteneurs en 2017. © Hone Production/hemis.fr

More than 750 companies are located in the zones : 5.5 billion euros in 2017 and 65,000 jobs. In the annual ranking, the FDI Magazine (Financial Times Group) ranked TMZ the leading free zone on the continent and sixth in the world for its potential and attractiveness

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## « Port Performance is on the Land Side »



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