



Private port investments: value the scarce opportunities in the market

6th MED Ports 2018

Wednesday 18 April 2018





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Director Projects

Working for Maritime & Transport Business Solutions since 2009



Agenda

▶ MTBS

International investors activity in the Med

North Adriatic - Europe's growth region

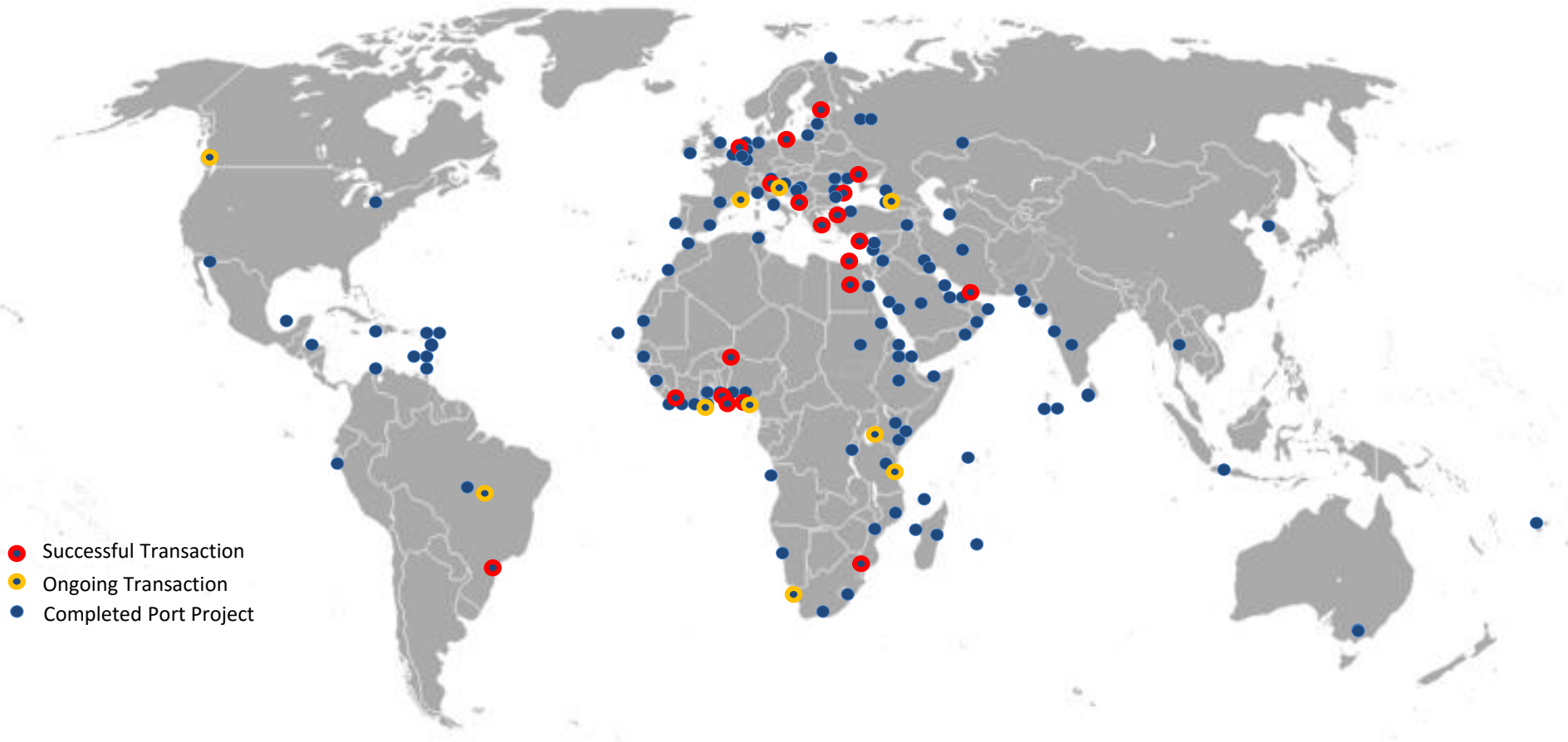
Rijeka Port – the next one in line

Zagreb Deep Sea Container terminal - unique opportunity

Conclusion

MTBS: Maritime & Transport Business Solutions

Specialised in Port PPP Projects. Global Portfolio, EMEA Market Leader.



MTBS's Clients in the Port & Infrastructure Sector

Comprehensive Project approach thanks to a diverse Client Base

Authorities	GTOs	Industrials	Governments	IFIs	Banks

MTBS Closed Transactions - recent

mtbs Commercial Advisor 

China Merchants Port Holdings
Buyer's Due Diligence




for the acquisition of 90% of



CMPort's first investment in Latin America



Deal size USD 925 million

2017

mtbs Transaction Advisor 

Berbera Port Authority
Somaliland

Privatisation of Marine Services Berbera Port

THE WORLD BANK

Corporatisation and Concession
Implementation Advisory Services

deal size USD 10 million

2017

mtbs Commercial Advisor 

Port of Vado Ligure, Italy

Commercial advisory to




COSCO Group & Qingdao Port International

For the acquisition of 49.9% shares in Vado
Holding

deal size EUR 66.1 million

2016

mtbs Financial Advisor 

King Abdullah Port
Kingdom of Saudi Arabia

Lenders' Due Diligence for




for the provision of an Islamic Bank Loan for



Loan size USD 720 million

2015-2016

mtbs Transaction Advisor 

Container Terminal
Port of Limassol, Cyprus

Bid preparation for




East Med Holdings S.A.

Winning bid

Deal size confidential

2015 - 2016

mtbs Commercial Advisor 

Port of Piraeus, Greece

Commercial advisory to




COSCO Group

For the acquisition of 67% shares in
Piraeus Port Authority


deal size EUR 368.5 million

2016

mtbs Commercial Advisor 

Kumport, Turkey


Commercial advisory to



For the acquisition of shares in the terminal



Deal size confidential

2014-2015

mtbs Transaction Advisor 

Dry Port, Niger

Transaction Advisory Services to

for the concession of

**La Concession globale du Port Sec
de Dosso
et de son antenne à Niamey**

Deal size confidential

2014



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GTOs and Investors more involved in the MED

Selection of private sector involvement over last 5 years shows increasing interest of strategic and financial investors in the Med container ports



Share acquisitions prevail

Investors primarily acquire shares in existing concessions, due to limited new concession opportunities

Recent investment	Type	Port Management Model
Yilport acquires Portuguese Container Terminals	Share acquisition	Landlord Port Authorities
Cosco acquires Noatum (Container Terminals)	Share acquisition	Landlord Port Authorities
APM Terminals acquires TCB	Share acquisition	Landlord Port Authorities
APM Terminals acquires Vado	Share acquisition	Landlord Port Authority
InfraVia, InfraCapital acquire shares of Gruppo Investimenti Portuali	Share acquisition	Landlord Port Authorities
MSC acquires stake in Trieste Marine Terminal	Share acquisition	Landlord Port Authority
Global Ports Holding acquires majority shares in Port of Bar	Share acquisition	Partly privatized port (PDMC)
Terminal Link Consortium acquires majority shares in Port of Thessaloniki	Share acquisition	Partly privatized port (PDMC)
COSCO Shipping acquires majority shares in Port of Piraeus	Share acquisition	Partly privatized port (PDMC)
P&O Ports wins management contract in Sete	Management contract	Landlord / toolport
Eurogate consortium wins concession to operate Limassol Container Terminal	Concession contract	National Port Authority



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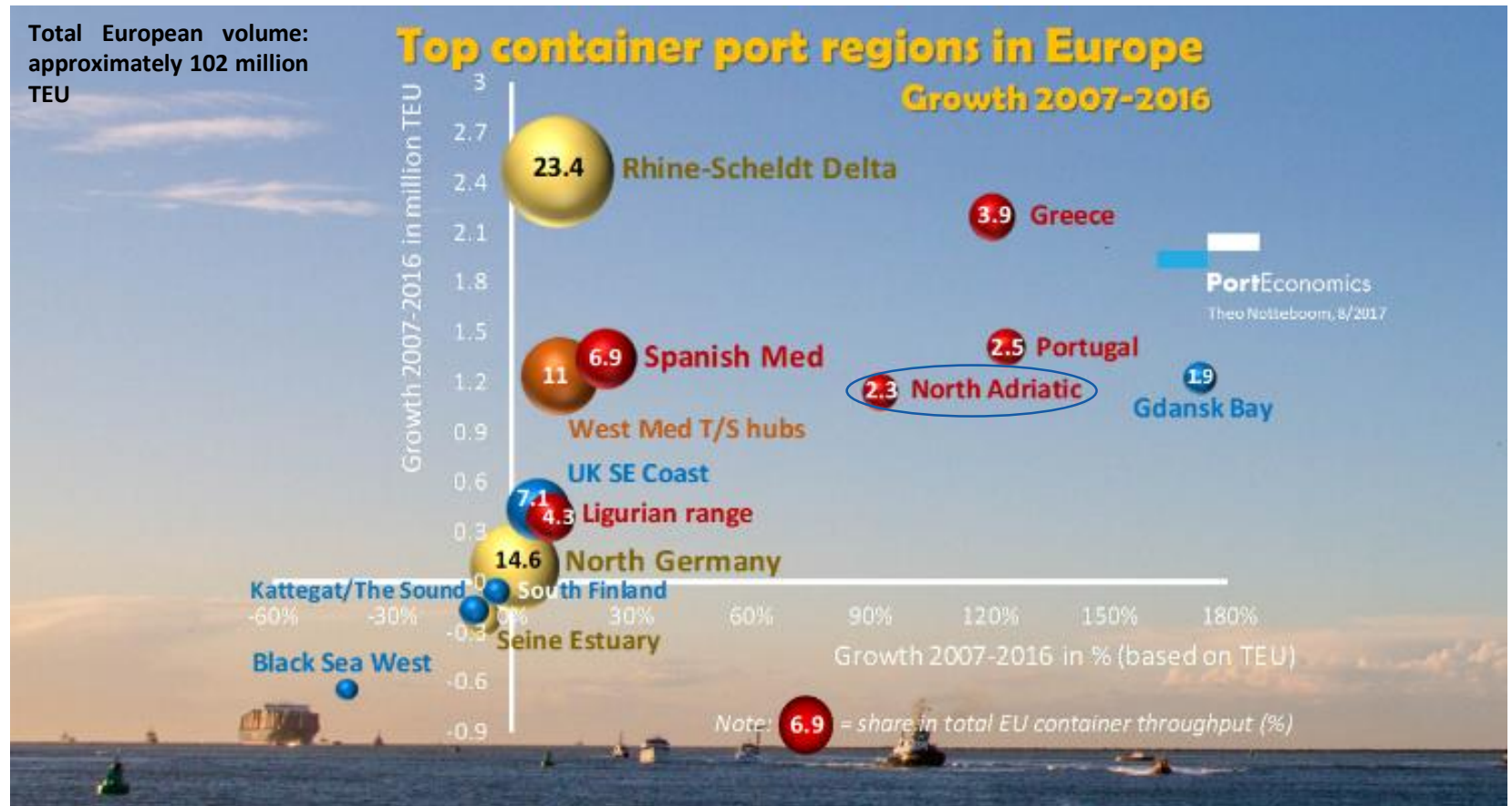
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Shift towards NAPA ports continues

In 2016, already 2.3% of the total European container volume. In 2007-2016 period, the North Adriatic added 1.15 million TEU to its container throughput



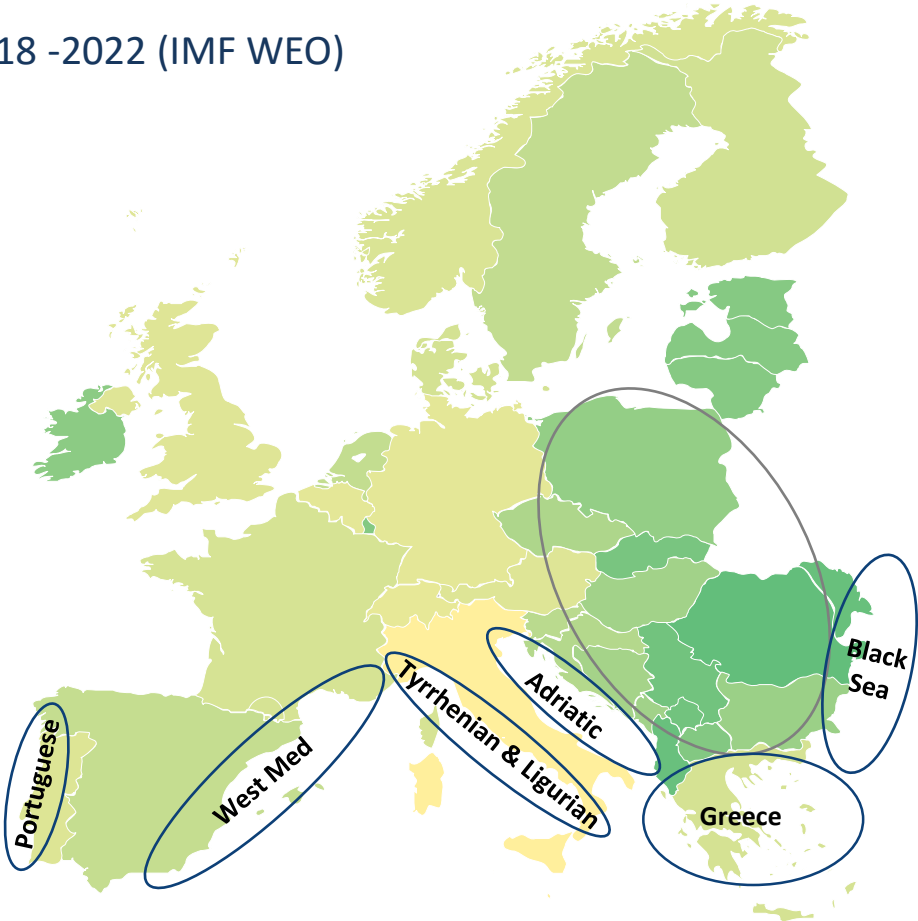
Source: PortEconomics, Theo Notteboom, 8/2017

Central European Hinterland: Europe's Growth Hub

Adriatic, Greek and Black Sea ports likely to experience continued growth

Forecasted GDP growth 2018 -2022 (IMF WEO)

- +3.5%
- 2.5 – 3.5%
- 1.5 – 2.5%
- 1.0 – 1.5%



Market Share increase for NAPA Ports

Lower sea distances, transit times and emissions makes NAPA increasingly attractive

Shortest sea distance to Europe

- Shanghai - Rijeka 9000 nm
- Shanghai - Venice 9100 nm
- Shanghai - Rotterdam 11200 nm
- Shanghai - Hamburg 11450 nm
- Shanghai - Gdansk 12900 nm

Transit time savings to Europe (NAPA)

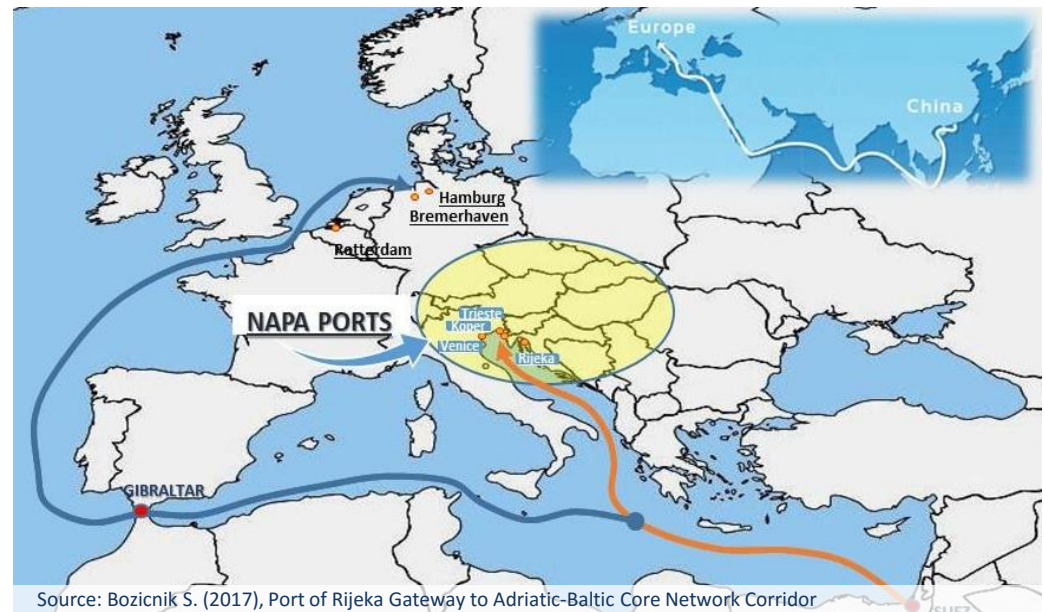
- Transit Times up to 8 days shorter compared to Northern Europe

Emission savings to Europe (NAPA)

- NAPA to Munich via ship and railway saves 135 kg of CO₂/TEU compared to Northern Europe

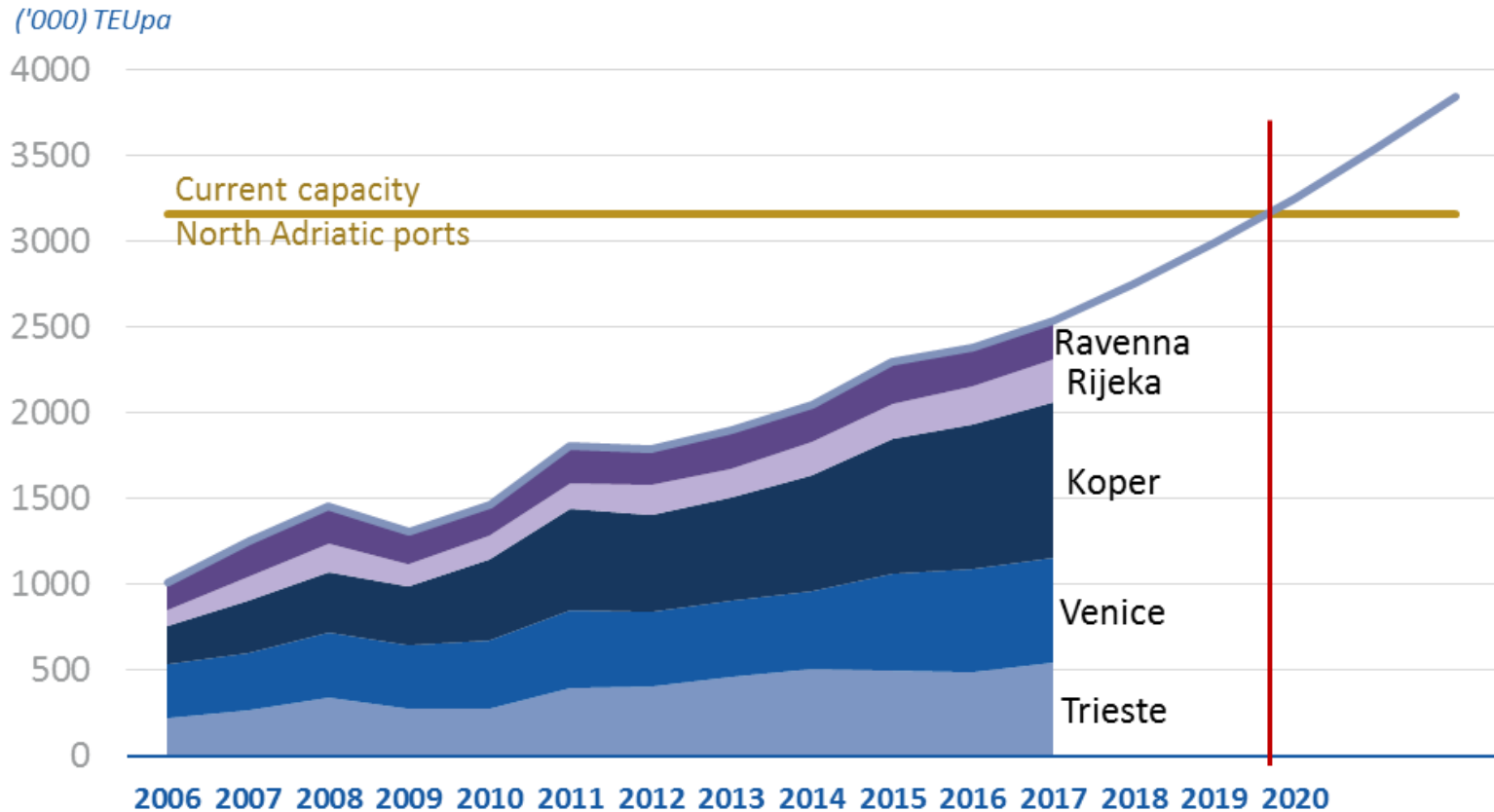
Continued corridor improvements

- Better links to TEN-T Railway Corridor



Where will NAPA's growth be accommodated?

In the current growth pace, port capacity is reached in 2020





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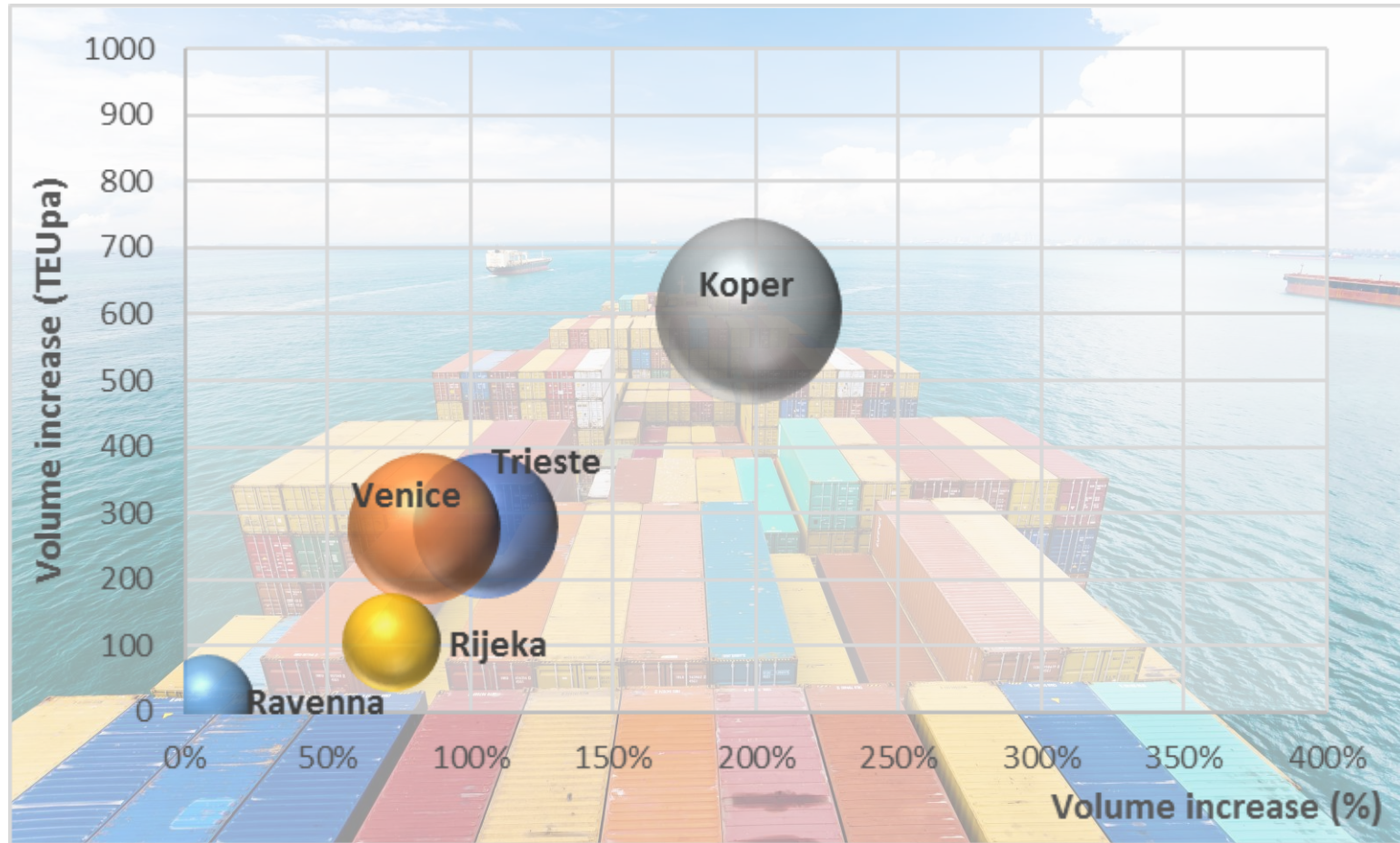
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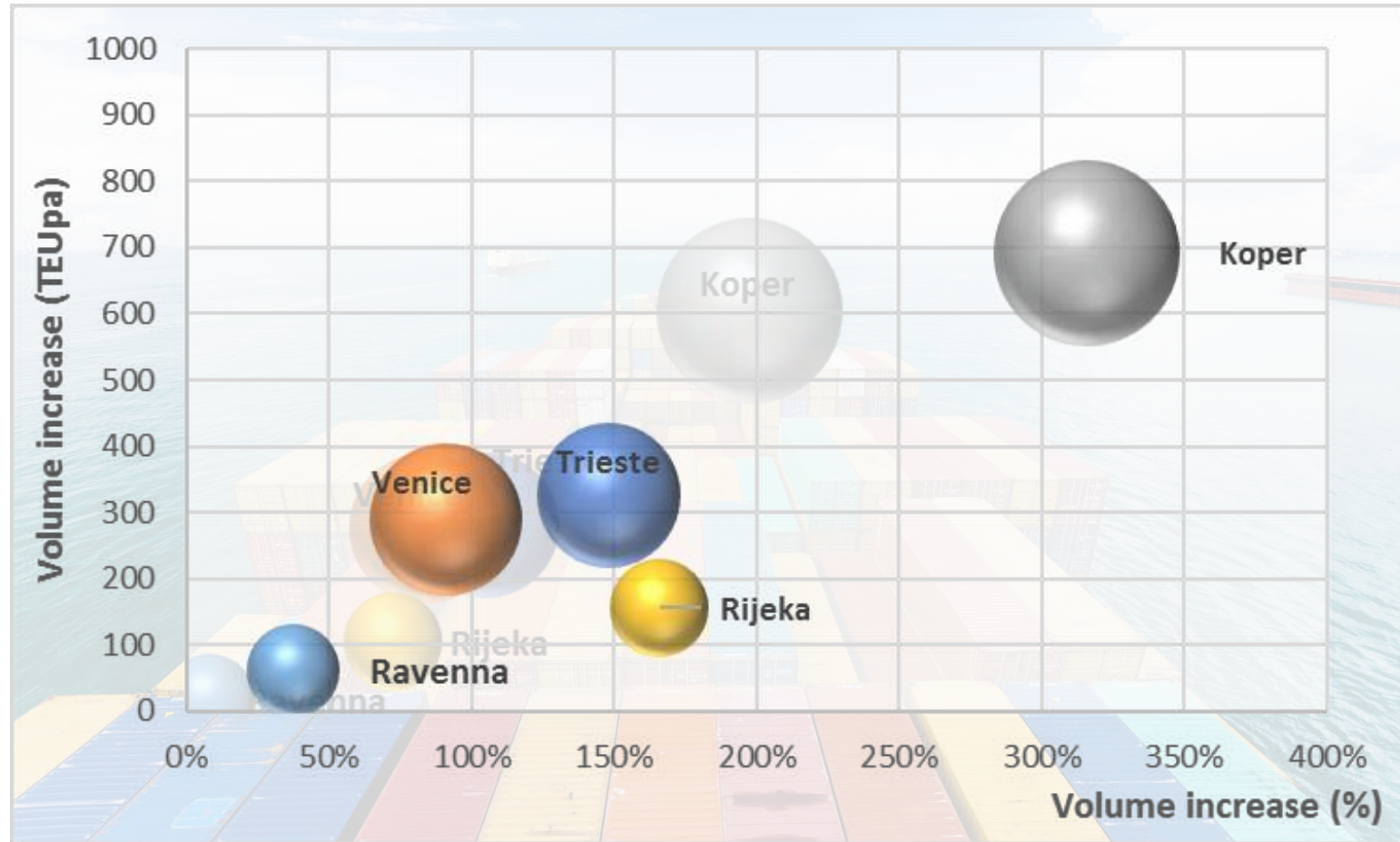
Last decade's growth was in Koper

2007-2017



Last decade's growth was in Koper

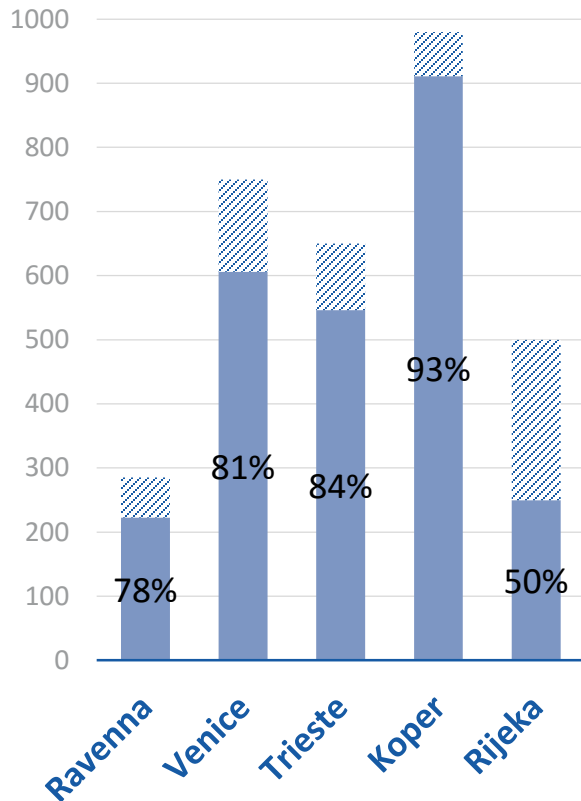
2006-2017



Rijeka is ready to take the next demand

NAPA Ports are reaching their capacity

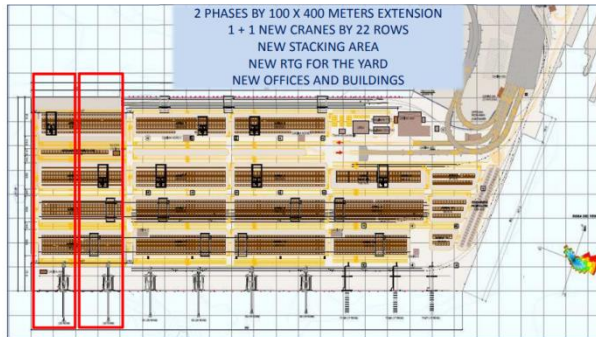
('000)
TEU)



NAPA capacity constraints tackled by new projects

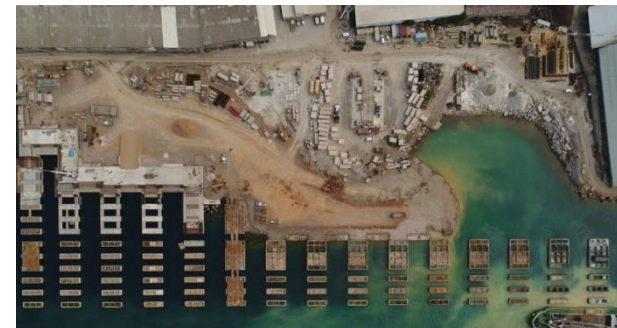
NAPA ports are all planning or considering container capacity expansions.
Port of Rijeka finishes extra capacity by the end of 2022

Port of Trieste is planning terminal expansion, extension of the pier considered costly



Port of Koper is planning expansion, further extension of the quay is under consideration

Venice is planning its offshore terminal, the concept is unproven and increases chain costs

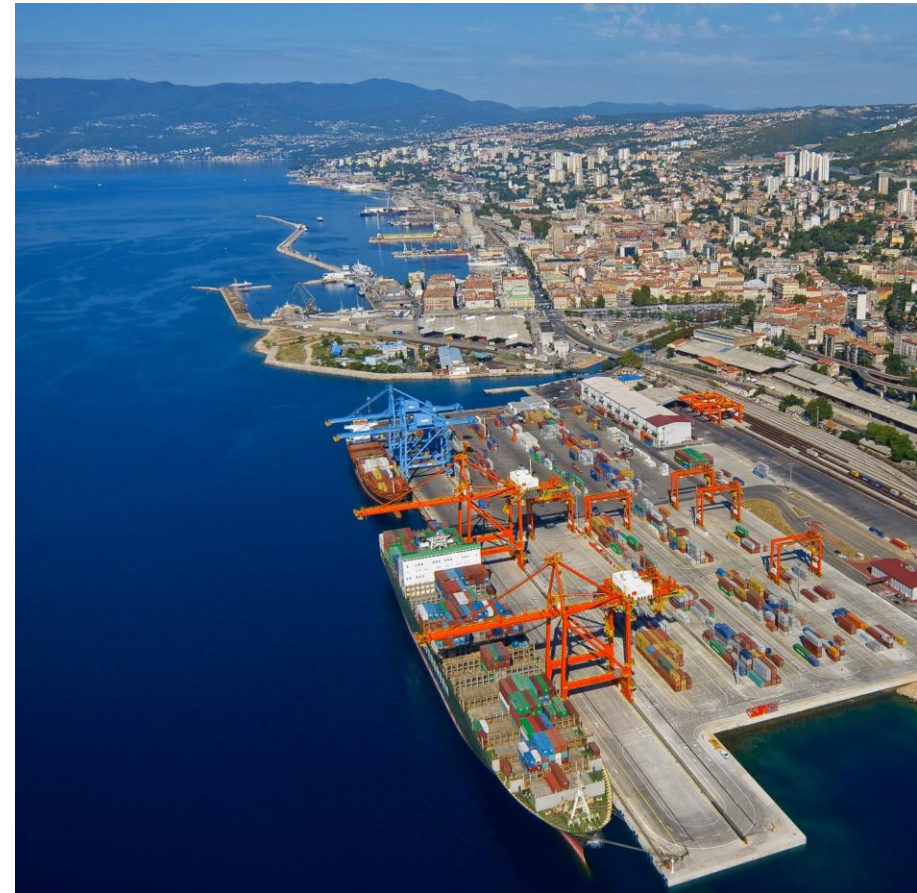


Port of Rijeka is building Zagreb Pier Deep Sea Container Terminal (ZDSCT) in anticipation of further NAPA demand growth

Rijeka ready for the volume leap

and developing a similar growth path as Koper did a year ago

- NAPA port demand will continue to grow
- Most ports are reaching their capacity limits soon
- Croatia (Rijeka) entered EU 1 July 2013 - Slovenia (Koper) on 1 May 2004
- Hinterland rail connectivity is rapidly improving
- As most eastern port, Rijeka serves the high growth region





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ZDSCT Concession unique opportunity

Port of Rijeka provides scarce opportunity for international investor involvement in NAPA range

Italian Ports:

- Landlord Port Authorities
- Changing Port Authority System

Koper:

- Public Port Authority / Operator

Rijeka:

- Landlord Port Authority
- ZDSCT comes to market

Zagreb Deep Sea Container Terminal

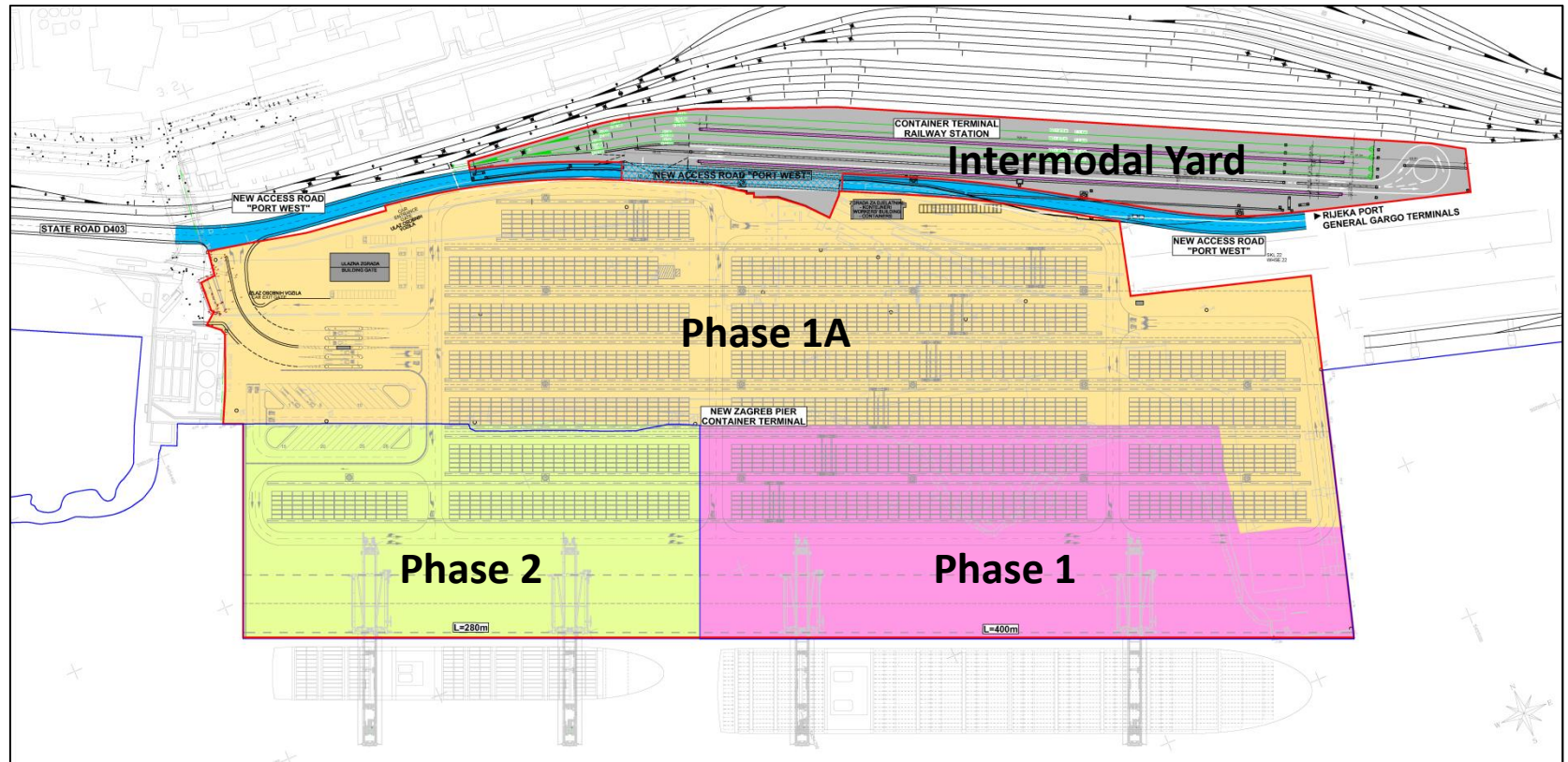
Terminal specifications allow for handling 400,000 TEU in phase 1, and at least 600,000 – 800,000 TEU in phase 2, depending on TO technology

Phase 1+1A:

- Opening: 2023
- Quay length: 400 meters
- Depth alongside: CD -20.0 meters
- Area: 13.6 hectares
- Ground slots: 1,968 TEU GS
- Capacity: 400,000 TEU
- Intermodal Yard (IY) 2.5 hectares

Phase 2:

- Opening: Investor responsibility
- Quay length: additional 280 meters
- Depth alongside: CD -20.0 meters
- Area: additional 3.7 hectares
- Ground slots: additional 504 TEU GS
- Capacity: at least 200,000 – 400,000 TEU, depending on TO technology



ZDSCT directly connected to both road and rail

Terminal features an intermodal yard, as well as a direct road connection (D403 to be procured in 2018) between the terminal and the motorway



Railway Connections EUR 2.1bn investments

Mediterranean Corridor and Baltic-Adriatic corridor
shorter distances to Austria, Slovakia and Czech Republic





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Unique opportunity: Concession for Zagreb Deep Sea Container Terminal

- Search for good investment opportunities in Europe
- The North Adriatic is a promising growth region for ports
- Rijeka is well positioned for the next volume leap
- A tender for the new Zagreb Deep Sea Container Terminal will be launched soon!



Thank you



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