



Characteristics and role of the European ports in a new world



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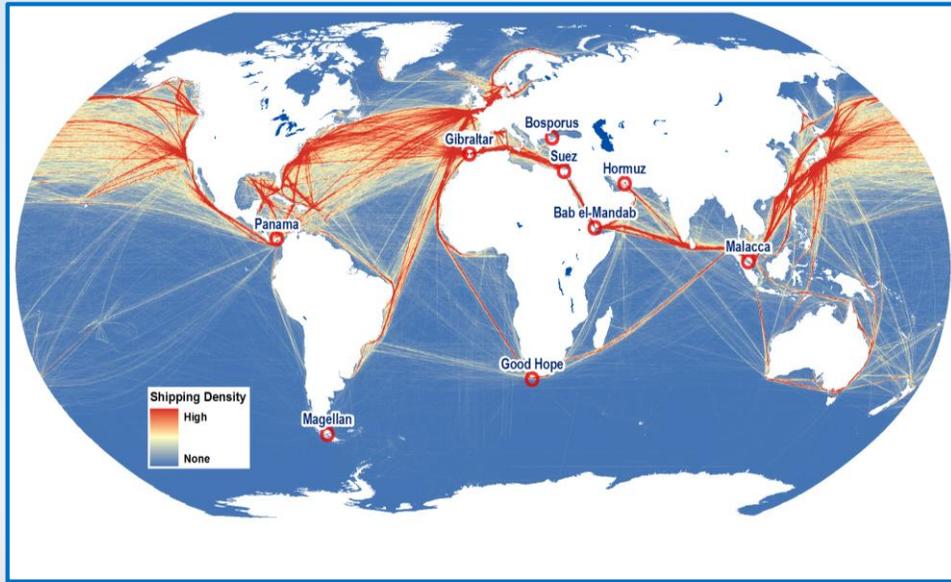
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European port ecosystems in a new world

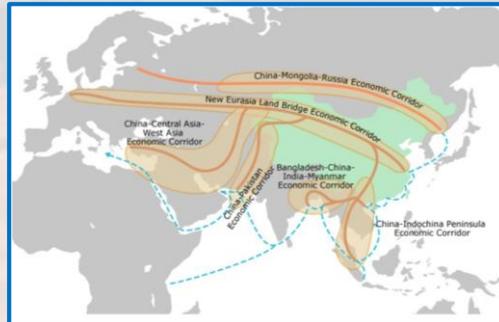


European port authorities in a new world



Global reach

- Connectivity (maritime, land, data)
- Efficiency, resilience and sustainability
- Geo-economic trends (BRI, Brexit, etc.)

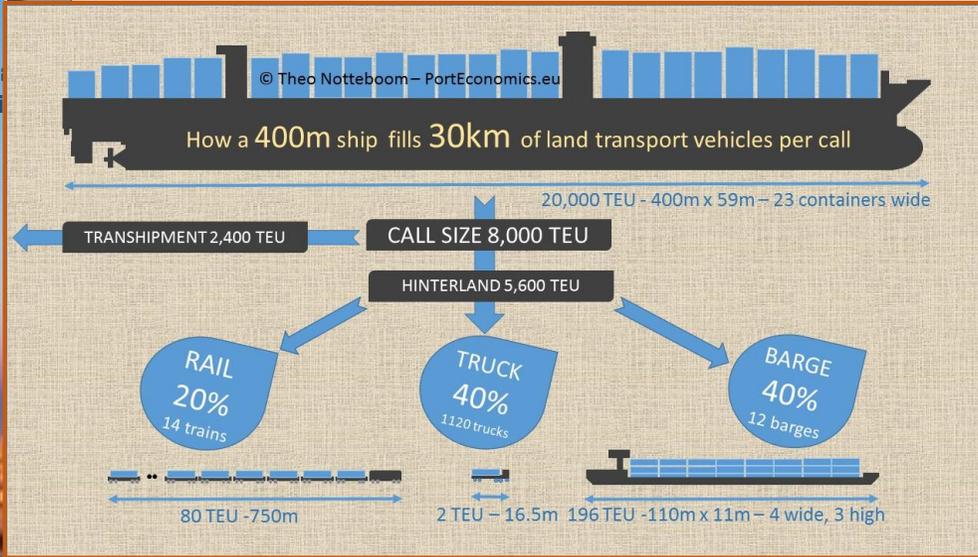


Local embeddedness

- Serving the local hinterland
- Economic impact & strategic value
- A correct input payback for the local system
 - Sustainable & social
 - Employment (all skills)
 - Cultivation of "soft values"



- Centralisation/concentration of flows **Scale**
- Consolidation, horizontal & vertical M&As
- Cost leadership approach



**Local
embeddedness**

Scope

- Market segmentation / differentiation
- Flexibility, not all eggs in the same basket



Cargo throughput

- Diversification vs. specialisation
- Growth vs. decline
- Geographical shifts

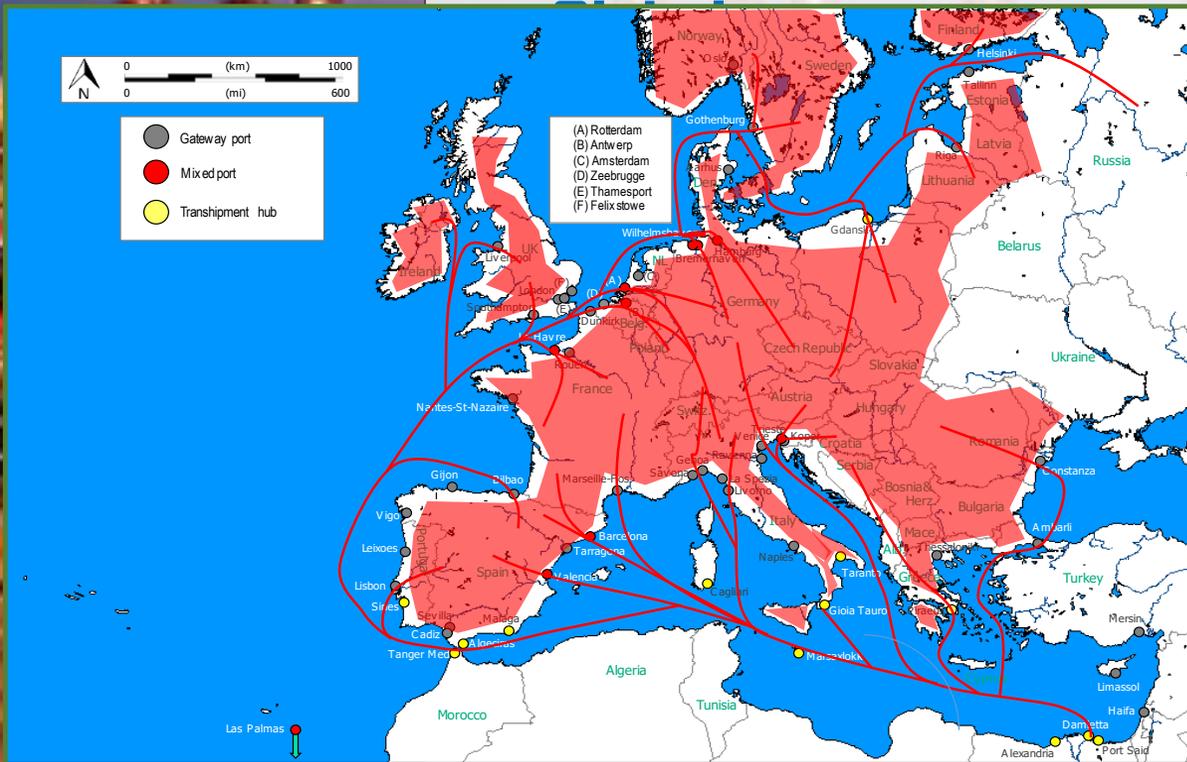
Scale



- Environment & climate change
- Supply chain integration
- Economic impact
- Digital transformation
- Governance & CSR

Comprehensive port performance

Scope





**Cargo
throughput**

Scale

- Dynamics in port choice
 - Port loyalty
- Competition**



**Global
Reach**

**Local
embeddedness**

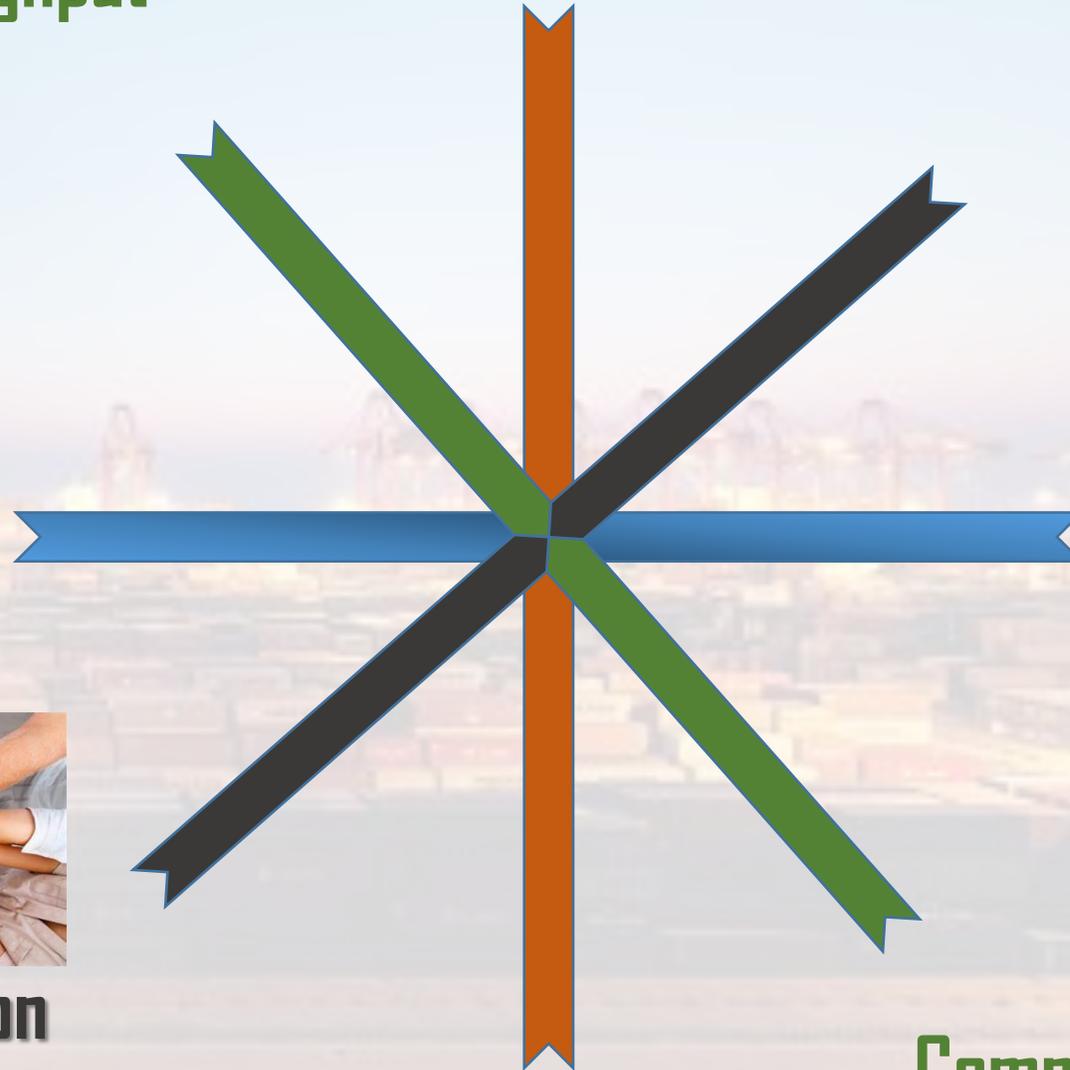


Co-operation

- Alliances, M&A, co-ordination, coalitions of the willing

Scope

**Comprehensive port
performance**



Global
Reach

The challenge:
Balancing the wheel &
move forward

Co-operation

Cargo
throughput

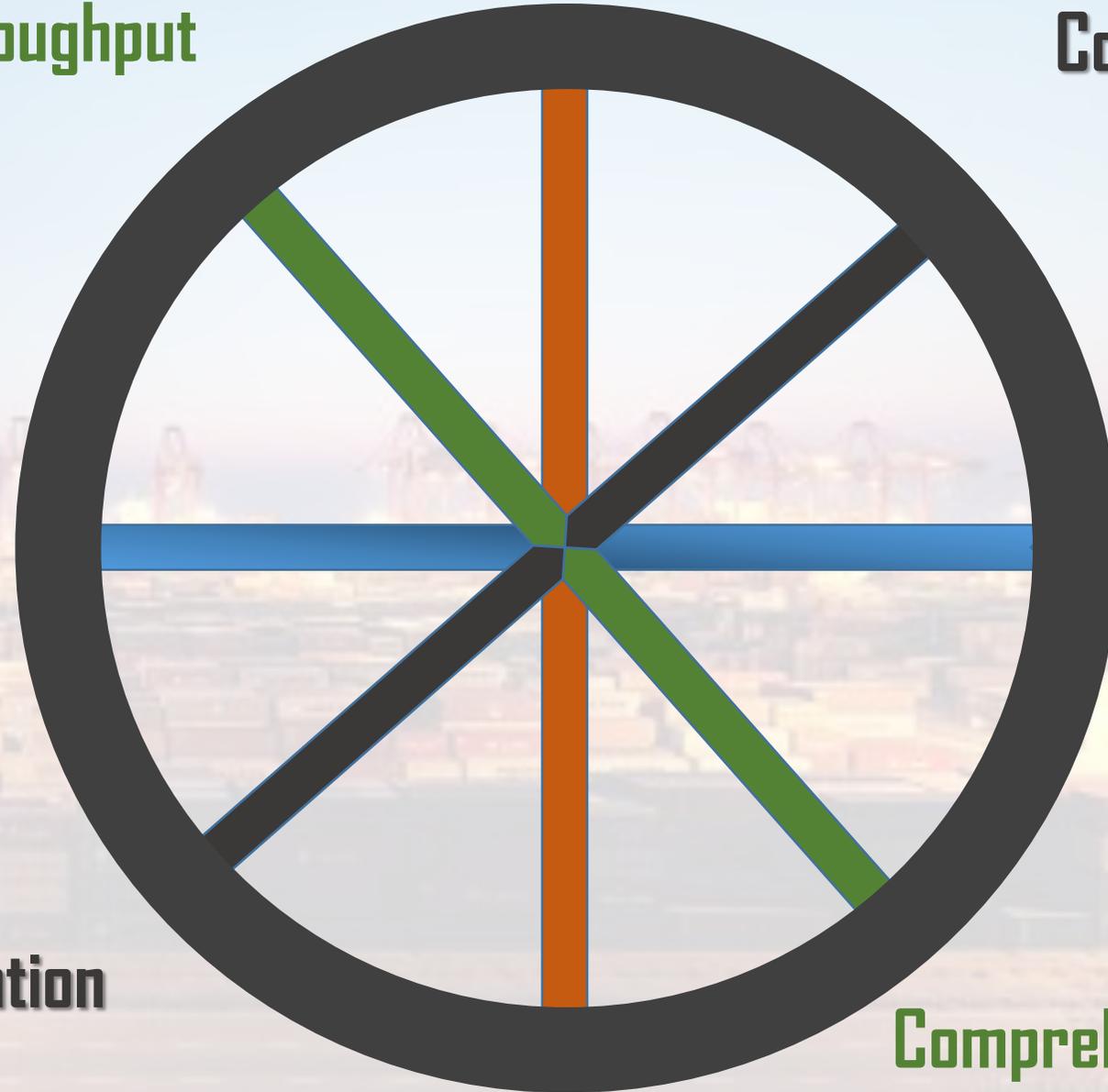
Scale

Competition

Local
embeddedness

Comprehensive port
performance

Scope





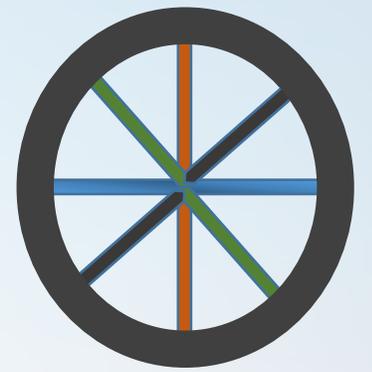
European port ecosystems in a new world



European port authorities in a new world



Do we need port authorities?



MARIT. POL. MGMT., 1990, VOL. 17, NO. 4, 257-271

Economic policies and seaports: 3. Are port authorities necessary?†

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This paper first presents arguments for having public sector port authorities. They can deal, flexibly and permanently, with property rights within their own areas. They can plan and regulate port areas comprehensively. They can provide 'public goods'. They can deal, in various ways, with externalities. They can promote efficiency, whether their own (if they operate as a comprehensive port) or that of the private sector (if they are largely landlords). For example, if their policy is to rely on the private sector to produce efficiency through competition then they can see to it that there actually is competition and not any kind of cartel or monopoly. Examples are cited where this last function has not been performed. The exception for single-user ports is noted.

Against them are the general disadvantages of public authorities (or bureaucracies)—though examples are cited where port authorities had very small staffs. The common instances of 'market failure' may thus be contrasted with those of 'government failure'. Finally, a pragmatic approach is advocated, tailored to the needs and resources of the country in question. The increasing effect of the economies of scale in port technology, and its limitation on competition, is, however, noted and to be discussed in the next paper.

1. Introduction

This is the third in a series of four articles presenting some ideas and arguments on economic policies appropriate for seaports. Earlier papers [1] discussed the economic functions of seaports and the diverse forms of control and activities which are to be found, even within a limited range of countries. The object of this paper is to present arguments for and against having port authorities at all, at least in any form resembling the public sector institutions with which we are familiar today.

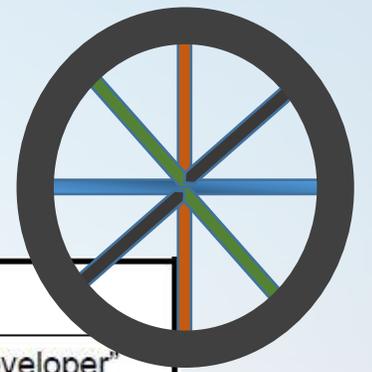
This topic was explicitly raised at the end of the preceding paper. After discussing the relationships between national, regional and local control of ports (and concluding that all were valid and important, hence all should be represented), that paper discussed the various ways in which ports exhibit a dividing line between the public sector (usually in the form of a port authority) and the private sector, e.g. in the form of those firms which may undertake port activities such as cargo-handling and, in some ports, operate terminals which may comprise several berths, storage or stacking areas and facilities for interchange with land transport.

† I am greatly indebted to Mr R. C. Livesey, lately General Manager of the Milford Haven Port Authority, and to my colleague Dr B. J. Thomas for helpful comments on an earlier draft of this paper. I remain responsible, however, for the views expressed and for all errors and omissions.

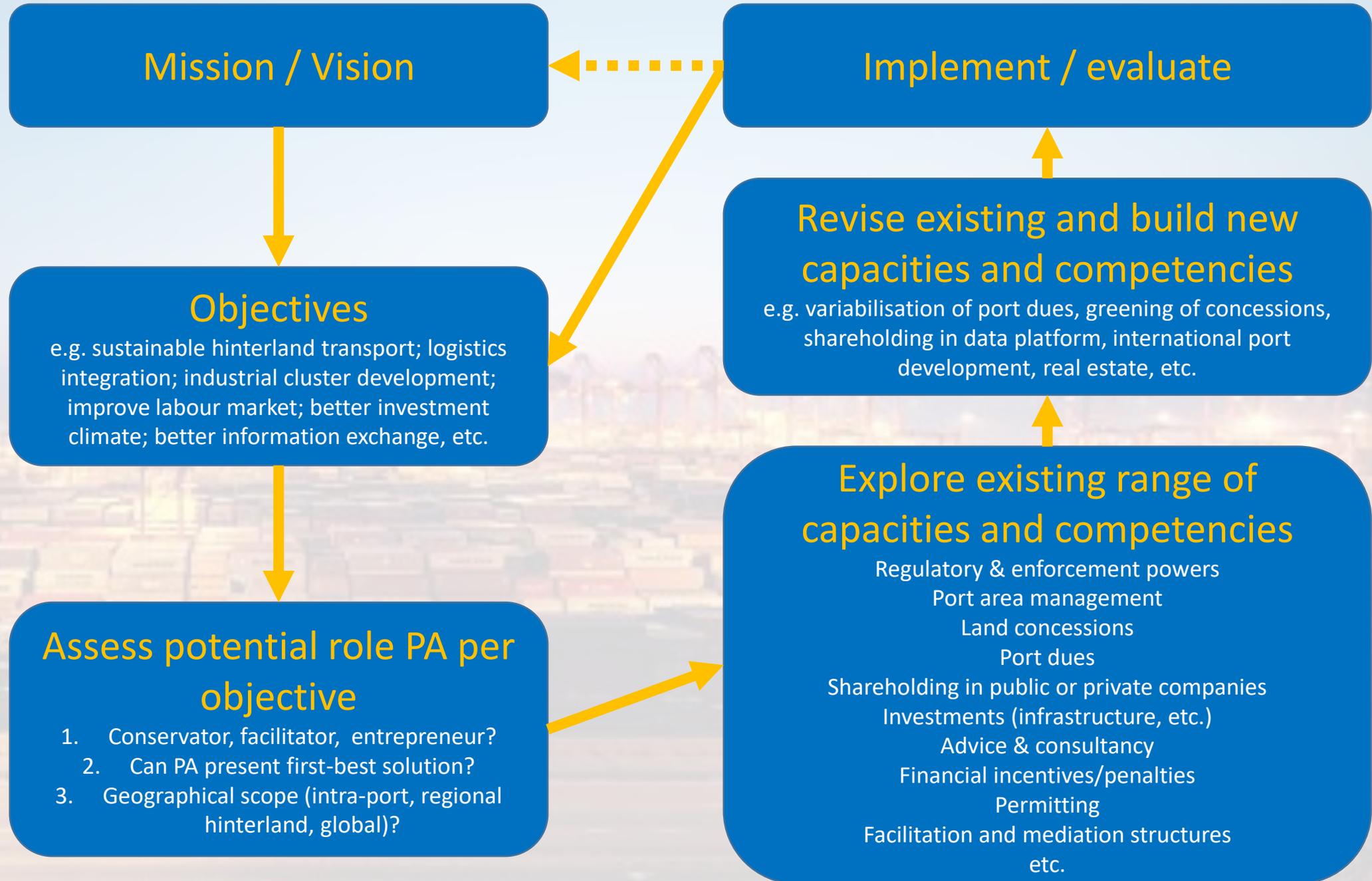
- Question is not new (cf. Goss, 1990)
- Motivation to keep port authorities has remained unchanged:
 - Property rights
 - Port planning / port cluster management
 - Public goods
 - Dealing with externalities of port areas
 - Port efficiency
- But term 'port authority' might be outdated
 - Managing body of port, port development company, port cluster manager, port ecosystem manager, etc.

Typology of port authorities

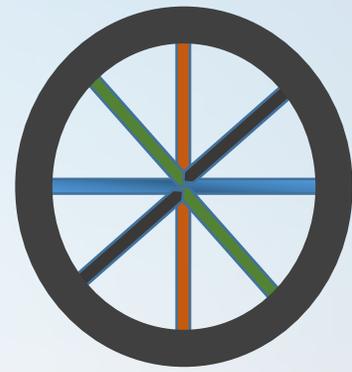
Source: ESPO (2011) Fact Finding Report



	Conservator	Facilitator	Entrepreneur
Landlord	Passive real estate "manager"	Active real estate "broker" Mediator in B2B relations Strategic partnerships beyond port perimeter	Active real estate "developer" Direct commercial B2B negotiations Direct investments beyond port perimeter
Regulator	Passive application and enforcement Rules set by others Financial revenue on "tariff" basis	Active application and enforcement Other + own rules Provide assistance in compliance Tariffs + differential charging options to promote sustainability	Idem facilitator Idem facilitator + commercialising expertise and tools outside port Financial revenue on commercial basis
Operator	Mechanistic concession policy	Dynamic concession policy "Leader in dissatisfaction" Provide public services / specialised services	Dynamic concession policy Shareholder in private service providers Provide commercial and public services
Community manager	Not actively developed	Solve economic bottlenecks Provide public goods Solve conflicting interests Promote positive externalities	Idem facilitator but more direct commercial involvement
	Local	Local + Regional	Local + Regional + Global



Business and governance models: quo vadis?



- Business models:
 - The objectives' struggle
 - Review existing revenue model + (new) revenue generation
 - Ownership vs. 'usership'
- Port governance models:
 - Clash, fusion/partnerships or convergence between port management models?
 - Reassessing the role of government
 - Change the geographical and network scale (port co-operation schemes, logistics integration schemes)

Concluding remarks

- Dynamic search for balancing the wheel influenced by market environment and stakeholder involvement
- Careful assessment of potential role of individual PA, also as a function of mission/vision and objectives.

