Port Cooperation for Regional Development: European Experiences

Port Cooperation and Development Symposium

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Content

1. GIZ SCSI Programme at a glance
2. SCSI support for port cooperation
   a. Potential for Development and Cooperation in the ACPBG Region: A Study on Ports and Logistics
3. Main actors, governance and forms of port cooperation
4. Best practice of port cooperation in Europe: Copenhagen Malmö Port (CMP)
5. Key takeaways for maritime cooperation China-ASEAN
GIZ Support for Economic Cooperation in Sub-Regional Initiatives in Asia (SCSI) Programme

Commissioned by
- German Federal Ministry for Economic Cooperation and Development (BMZ)

Countries
- PR China, Mongolia, Cambodia, Lao PDR, Viet Nam

Overall Term
- 2015 - 2019

GIZ Support for China-ASEAN maritime cooperation
- since 2011

Further Information
- www.connecting-asia.org
SCSI Support for Port Cooperation

Potential for Development and Cooperation in the ACPBG Region: A Study on Ports and Logistics

- Cargo transport and cooperation models in the region
- Market and competition analysis of selected ports
- Proposals on new cooperation
- Suggestion of Roadmaps
- Estimated welfare effects of maritime cooperation

Digital copy available:

Main Actors, Governance and Forms of Port Cooperation I

**Main Actors**

- **Port Authority**
  - public or private body (mostly local or regional government)
  - either owner or landlord
  - responsible for construction, maintenance and administration

- **Port Terminal Operator**
  - global, regional or local company
  - responsible for ship-to-shore and shore-to-hinterland transport as well as cargo handling and storage

**Infobox**

- 87% of surveyed port authorities in Europe remain mainly publicly state owned or to a lesser extent municipality owned.
- 74% of main port services such as cargo handling ship-to-shore services are in the hands of private operators

(European Sea Ports Organisation (ESPO), 2016)

**Types of Governance**

- Public Service Port
- Tool Port
- **Landlord Port** (most common in Europe)
- Corporate Port
- Private Service Port
Main Actors, Governance and Forms of Port Cooperation II

**Forms of Port Cooperation**

- **Port Integration**
  - Joint venture: joint management, planning, investments,...
  - Revenues generated by cargo handling are jointly distributed

- **Hub Port Cooperation**
  - Connection of large hub ports and smaller feeder ports
  - Close business relationships between liner carriers and terminal operators

- **Cooperation of Seaports and Inland Ports**
  - Operation of both inland port and seaport terminals by one company
  - Engagement of seaport terminal operators in hinterland transport companies with subsidiaries

- **Coopetition of Ports in Proximity**
  - Cooperative marketing and sourcing
  - Sharing of personnel and equipment
  - Joint investment in terminal facilities

- **Memorandum of Understanding**
  - Facilitating import, export and transshipment of goods
  - Faster customs clearance
  - Joint marketing actions
Key Facts

- Malmö, Sweden
- Copenhagen, Denmark
- 2001: Joint Venture: Copenhagen Malmö Port (CMP), registered in Sweden, headquartered in CPH
- located in the heart of the Öresund Region, gateway to Baltic Sea Region with more than 100 mio. consumers
- Copenhagen: focus on imports and tourism
- Malmö: focus on tri-modal transit node for ro/ro and container transport
- today major port in the Oresund Region handling a wide range of cargoes

Source: Baltic Ports Organization.
Best Practice of Port Cooperation in Europe: Copenhagen Malmö Port (CMP)

Port land is owned by municipality and/or state; public infrastructure

95% City of Copenhagen

50% Port of Copenhagen (CPH City & Port Development Corp.)

5% State of Denmark

owns and invests in suprastructure

5 business units for 5 most important market segments

50% City of Malmö 27% 50% Port of Malmö (Malmö Port Ltd.)

23% 50% private investors (not actively involved in management of CMP)

Further information: http://www.cmport.com/
Key Takeaways for maritime cooperation China - ASEAN

Synergies of Port Cooperation

- Increase of competitiveness of individual ports in joint effort
  - cost reduction for CMP was 10-12% in the first three years
- Potential to manage investments in public and private infrastructure and suprastructure in parallel
  - mitigation of investment risks, no double investments
- Avoidance of port overcapacities and redundancies
- Pooling of production resources
  - capital, land space, personnel, buildings, know-how, IT infrastructure
- Stronger position in negotiation with other actors in the supply chain
- Increasing attractiveness of ports in supply chains for new port businesses and for local, regional, and national community
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