

Christian Moller Laursen, CFO, Vice President, APM Terminals Management BV



“Exciting times - exciting challenges for the ports industry!”

Christian Moller Laursen, CFO, Vice President, APM Terminals Management had, with “The New Era in Ports”, chosen a broad topic for the opening of the third London Port Finance International conference, which allowed for an excellent overview of the current state of the port industry and his expectations for the future.

Mr Laursen opened the day with the words “When you open a newspaper

“Port need to provide additional berthing and yard space and hinterland transport”

nowadays, you read everywhere: We are living in exciting times! This is true for the port sector, where a lot of things are going on and where we are steering towards a new era.”

Despite the economic downturn of the previous years, bigger ships are being built and larger volumes of transported goods need to be accommodated. In order to rise to the challenge, and operate profitably whilst ensuring future competitiveness, ports have to secure good management and continuing development.

Mr Laursen presented a number of slides that underpinned his vision of future growth in the container market, which, according to Containerisation International, will double its volume until 2024.

One of the major reasons for this development is the anticipated change in demographic patterns. The United Nations (UN) project the population in India to

exceed that of China by 200 Million in 2050.

And with South East Asia currently constituting only 3 per cent of the global container port market, India will have a huge need for catching up on consumer goods and, considering the currently inadequate facilities, for port infrastructure development.

Besides struggling to accommodate the rising volumes of goods, the port industry will be additionally challenged by major construction changes in the world’s container fleet.

Alphaliner Monthly Monitor (Oct 2011) is expecting 260 mega vessels, exceeding 10.000 TEU, mainly for the Europe-Asia trade and, says Mr Laursen, “ports in this lane will need to upgrade accordingly.”

In addition, the next generation of container vessels is underway with Maersk currently building its EEE series that will, with 18.000 TEU, be the largest vessels afloat as soon as 2013.

“Handling this new generation,” says Mr Laursen, “will be yet another huge challenge for ports, not only with regards to berthing space but also in terms of yard space and further transportation into the hinterland.”

Mr Laursen conceded the impossibility of accurate prophesising, but also pointed out that due to the large scale of port infrastructure projects and the fact that it may take decades to adjust ports to new requirements, the industry will need to take all these developments into account and make ready for the future.

“Planning ahead,” he says, “is of critical importance.”

Another major concern of Mr Laursen’s is the fact that crane structures and productivity have not been advanced for a long time. New crane designs will however

be essential to increase berth productivity and consequently reduce port times for vessels.

A possible solution could be the APMT ‘FastNet Crane’. This new design combines a series of cranes with a special structure on the berth that could - provided it will go into production - double berth productivity.

Similarly imminent productivity bottlenecks are old city ports that will not be capable of satisfying the demand of yard space required in the coming years. Mr Laursen emphasised that new ports will be needed outside the city centres to remedy the lack of space, which will open up scope for greenfield investments.

Future port efficiency will further depend on resolving the restricted hinterland connectivity, especially in emerging markets.

According to Mr Laursen, it will be imperial to develop a better inland service as restricted hinterland facilities reach their maximum capacity too fast. This results in clogged up yards, railways not being able to discharge or load containers and ports consequently not being able to operate and serve the vessels.

“There is high demand and potential for hinterland connectivity development,” notes Mr Laursen.

A further trigger for port expansion is the widening of the Panama Canal Locks in 2014. Ports along the shipping routes will have to ensure the ability of serving vessels up to 12.000 TEU in order to protect and enhance their competitiveness.

To round of the highly comprehensive overview of the future of the ports industry, Mr Laursen spoke about a few of APMT’s most recent projects: Maasvlakte II, Rotterdam, Moin, Costa Rica and Santos, Brazil.

Mr Laursen concluded that while the future imposes huge challenges on ports it also provides for a number of exciting opportunities.

“The container market will double its volume until 2024”