ESCWA and Port of Beirut Technical Cooperation on Revisiting the Port Master Plan after the Tragic Blast of 4 August 2020

17 September 2020

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Assessment of Port of Beirut
Current Situation

➢ Port’s Physical Capacities

➢ Port’s Role at National and Regional Level

➢ Port’s Relations with its Surroundings

➢ Management & Governance
Port’s Physical Capacities

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Port’s Physical Capacity
Container Terminal

- Stacking area: 600,000 m²
- Capacity: 1,200,000 TEU/year
- Reefer: 800 points
Port’s Physical Capacity

Silos

- Total capacity: 120,000 tons
- 48 big cells: capacity 2,500 tons/cell
- 50 small cells: capacity 500 tons/cell
- Suction speed: 600 tons/hour
Port’s Physical Capacity

Warehouses

- 4 warehouses for general cargo
- 3 warehouses for groupage operation
- 3 warehouses for cars
- 1 open warehouse
  (for cars and heavy load engines)
- 1 warehouse for hazardous goods
Port’s Physical Capacity
Free Zone

- Duty Free Market: total area 11,200m² (modular shops)
- 3 Industrial buildings: total area 32,400m²
- 52 warehouses/bldg of which 16 on ground floor
- Approx. 200m²/warehouse
The Port of Beirut (PoB) handles 82% of Lebanon’s imports and exports.

It controls over 98% of all containers handled at Lebanese ports.

Most import cargo handled at the PoB is destined for the City of Beirut and the Mount Lebanon district.
Port’s Role at a National and Regional Level
Port’s Role at a National and Regional Level

Transportation Cost at a national and regional level
Port’s Relation with its surrounding

- Highly Congested Area
- Southern Corridor: Critical LOS
- Eastern Corridor: Critical LOS
- Northern Corridor: Very Critical LOS
Port’s Management and Institutions

The PoB Administration

- Shipping Line Agencies
- Labour Syndicate
- Trucking Syndicate
- Clearing Agents
- Car Dealers
- Customs
- General Security
- LAF
Port’s Management and Institutions

**Customs**
- Import/export of all cargo
- Payment of tax
- Inspection of requested containers.

**LAF**
- Security surveillance throughout the port
- Security checks at all the gates.
- PoB has no direct control over LAF activities

**General Security**
- Control and security of all persons and trucks entering and exiting the port
- Control the issuing of Port permits.
Port’s Management and Institutions

Shipping line Agencies
PoB engages directly for contractual agreements and logistical coordination.

Clearing agents syndicate/
Trucking syndicate/ Labor syndicate
All the concerns are voiced to The PoB Administration and lobbied via the representatives of these syndicates

Car Dealers
PoB directly interfaces with car dealers and ensures that the best interests of its customers are upheld
Main factors affecting future container throughput (2018):

- Economic output
- Market share by port (in Lebanon)
- Effects of the conflicts in Syria
  - Political & economic instability have affected investor confidence & disturbed trading conditions in the ME
- Ending of conflicts in Syria and Iraq
  - → boost of cargo opportunities in several ports
  - → Lebanon will benefit from substantial rises in transit cargo
- To become a larger sub-regional hub, PoB needs
  - More flexible berthing windows
  - Additional berthing line
  - Additional storage space
Containers will remain the dominant cargo sector for PoB

Transit trade could prove challenging

A sub-regional role is the best that PoB can secure

1. PoB is located too far away from the main east-west shipping channel

2. Use of the port by mainline ULCVs (Ultra Large Container Vessels) would involve long diversion distances

3. PoB doesn’t have the facilities to handle several ULCVs and feeder vessels simultaneously

4. The main lines that transship cargo in the ME have direct investments in ports/terminals (assets that have to be utilized)
Steel

Projected steel imports (2017-37)

Projected steel exports (2017-37)
Steel
Future Trends, Opportunities & Challenges

• A basic growth pattern will take place for steel (based on demand in the local market)
• The main opportunities are in the transit trade (construction of Syria)
• PoB would benefit from the development of a dedicated steel terminal with modern handling equipment and management software
• One of the biggest threats to PoB’s steel business will come from the neighboring port of PoT*. 
Vehicles

• Model developed for this sector has considered:
  – GDP per capita
  – Population demographics
  – A plan by the GoL to scrap vehicles older than 15 years of age

PoB – Projected vehicle imports
(Over 10 Years Span)

PoB – Projected vehicle exports

Export: Volume increase of 6% until 2022 then 5% for the rest of the period
Summary

• PoB is (and will continue to be) the dominant maritime gateway into Lebanon over the forecasted period
• Forecast results are provided for each commodity based on probability analyses for 5 potential scenarios (Master Plan 2018)
• The Base case scenario is the most likely scenario, based mainly on PoB’s market share (versus PoT’s market share) and the effects of the Syria war (which is assumed to end in 2020).
• Land accessibility is one of main threat for PoB expansion market (i.e. Dry ports)
• Complementarity within a national vision?