



Regulatory & Commercial Structures for Port & Terminal Operations

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Introduction

- Background
 - Regulation
 - Economics
 - Commercialization
- Regulatory and Commercial Structures
- Examples of Structures
 - Singapore
 - United Kingdom
 - France
 - India

A Few Definitions

- Government
- Regulators
- Landowner
- Terminal lease
- Terminal operator
- Stevedore
- Multimodal operators
- Logistics operators

Regulation

- Not the same as ownership
- Sets the framework for operations
 - Sets the structure of the industry
 - Licensing
 - Competition
 - Safety
 - Environmental Protection
 - Social Impact
 - Planning and approval

Economics

- Overall measurement of ports value to the Community
- Port Development in Asia has clear statistical link to economic development – one specific exception
- Economic benefit does not guarantee a commercial port

Economics

- To be commercial a port has to internalize the benefits it provides in competition with:
 - The economy
 - Cargo owners
 - Shipping lines
 - Trucking companies
 - Etc...

Commercialization

- Aim is to profit from ownership and operations
- Efficiency is important for profitability
- Foci of commercial port are:
 - applying capital to develop operation
 - maximizing return on investment
- Key techniques are:
 - Balance capacity and demand
 - Minimize investment and make it incremental
 - Maximize utilization

Commercialization

- Financing developments can impose specific requirements related to concession and ownership structures
- Regulatory structure impacts how commercial a development is

Regulatory & Commercial Structures



Example Structures

- Government owned and operated ports
 - Central, provincial or city owned?
 - Central, provincial or city regulated?
 - Regulation and operations mixed
 - Lack of accountability
- Government regulated, privately operated
 - How tight the regulation?
 - Tariff, competition

Example Structures

- Government regulation, landlord, private operations
- Many different structures and confusion generally reigns

Singapore

- Government through URA and others
 - Strategic Planning
- Maritime & Port Authority
 - Regulation and approval
- Jurong Town Corporation
 - Landlord

Singapore

- Port Operators
 - PSA Corporation
 - Jurong Port (sublet Stevedore services)
 - Tankstore, OOTS, Vopak etc...

United Kingdom

- Central Government
 - Policy or more correctly no policy
- Maritime Coastguard Agency, Health & Safety Executive
 - Partial regulation
- Trust ports
 - Partial regulation, partial commercial operators

United Kingdom

- Local governments
 - Partial regulation, partial landlords, partial operators
- Commercial companies
 - ABP, PD Ports, Hutchison, P&O Ports
 - Shell, Exxon etc..

France

- Central Government
 - Policy and regulation through agencies
 - Privatization of operations
 - Control of local government investment
- Local Government
 - Local planning, landlord, pressure to privatize operations

France

- Operators
 - Local Government
 - Shipping lines
 - Dedicated operators
 - Stevedore companies

India

- Twelve regulated Major Ports
 - Central Government
 - Landlord, sub-regulators, owners and operators
 - Capacity to invest limited
 - Inefficient, a product of history
- Minor Ports
 - Regulator status complex and unclear
 - Privately owned and operated

Thank You

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