

ROADMAP



Strategic roadmap

Although 3 options are provided for the purposes of comparison, they represent a fraction of a vast array of options, and simultaneously could be seen as steps along a greater timeline or strategic roadmap towards the growth of the port. The space required for the redevelopment and the growth of the port has been highlighted.

The current shape layout of the port, being long and narrow with little access to intermodal links, and the high cost in creating these, together with the shallow draft of the first 3 basins of the port, means that the historical old part of the port is not conducive to the expansion and growth of the port. To rebuild these as before, or even more modern versions in the same layout would severely limit growth potential.

Thus, the crucial aspect for the growth of a new state of the art digital port is the ability to be flexible and grow as automation and trade grows. The port needs to develop larger, more open plan facilities, preferably away from residential and inner-city areas. The landfill areas provide the suitable solution being both large and square in shape and could provide the further storage areas required. Together with the flexibility to handle large scale manual cargo handling, highly automated grid container handling, or logistics park warehousing and packing stations, or a combination of these, depending on what the port requirements may develop towards. Though must also be given to the non-containerised cargos, and especially during periods of growth, large project cargos should be brought in away from the city center to minimize their impact on the city traffic, while a state-of-the-art modern bulk facility allows larger ships to discharge quicker and more efficiently, and thereby also allowing quicker and smoother distribution from the port to market.

The concept developed provides the high-level blueprint towards this development with suitable flexibility for further studies to identify the level of automation and digitalization required and apply this accordingly. This should be used together with the terminal or logistics infrastructure operations methodology to allow the port and terminal to be optimally developed into the future, in line with future planning.

A strategic roadmap is however a living document and needs to be reviewed on a regular basis in line with the latest development in technology and cargo flows, in order to allow the terminal to remain in line with the most modern developments.

Implementation requirements

1. Governance structures

Reconstruction

History has shown numerous times, that projects like this must be initiated swiftly and develop traction within 3-4 years of the initial impetus or they will stall and seldom come to fruition. In order for the reconstruction to commence in earnest, serious decisions and implementations of new go

vernance structures in line with international norms must be undertaken as soon as possible, clearing the way for investors and donors alike to safely invest in the selected development project.

Once these are in place, the selected option for development can be further developed, and it is recommended here that they are overseen by international organizations such as the World Bank and Transparency International. The same grouping should also be entrusted to carry out the full port implementation strategy to fruition on a clearly defined, transparent and structured basis.

Spatial/capacity development

The spatial development as recommended to see the integration of the city and the redevelopment of the port to be well aligned, flexible and coordinated. This ensures that the development is optimal to the requirements of both groupings, with accountability to the people of Lebanon for the delivery of a world class facility.

Capital expenditure and investment generation

The Capex estimation for the port is extremely broad, largely dependent on the planned rebuilding model, governance structure and physical structure. The variations alone between the proposed 3 options for the port layout already proposed is almost USD 750Mio. In particular the 3rd option, which includes the need for an extended breakwater, requires very detailed study given the geography of the region, while the governance model will play a large role in the structure of the port and its ability to attract investment and development across the whole port complex.

At one end of the scale is the possibility, or risk, of rebuilding the port in the exact or very similar format as prior the explosion. While this could be relatively cheaply undertaken at less than USD 200Mio Capex expenditure, it is not attractive to investors, and will be unable to achieve significant growth in port operations or throughput in the forecast future. This will in turn lead to a further falling back of the port in the regional rankings as competition ports with better governance structures attract investment and cargo.

On the other end of the scale is the potential for building an almost entirely new port, including requiring a high-tech breakwater required in deep water without firm bedrock. The redevelopment of landfill regions are as yet uninvestigated, meaning potential costs could easily soar above the USD 1Bio mark with it then being questionable as to if these could be recouped in the form of higher earnings and larger cargo volumes. This too is doubtful.

It is thus important that the right note be found in the middle that allows for a port that is flexible enough to grow as required and be part of a national masterplan. The ability to quickly return to the current market required levels is crucial. Optimization and efficiencies should be developed and terminals should be restructured while still operating efficiently. This should be achievable for somewhere between USD 500 – 750 Mio depending on the layout and equipment requirements of the new port.

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Broken down into terminals, the majority of this Capex is likely to be spent on developing new areas of the port to the East of the current container terminal, meaning the cheapest alternatives will not open the port further but continue within the current areas, also affecting the direct city hinterland.

2. Next steps

Crises present opportunities: however, time is of the essence. One cannot and should not simply look to restore the Port of Beirut as is, but to look to the future of the country and specifically the port sector in Lebanon generally. A redesigned national governance structure as postulated by the world bank study, as well as Roland Berger, is urgently to bring transparency, efficiencies and to unlock safe operations and pave the way for real development that benefits to the country. This port authority must have clear roles, responsibilities and accountability to allow a plan on a way forward.

Building on this then should be a long-term plan to establish vital donor and investor confidence to encourage investment in the country for meaningful international investment in the development of the country. An internationally lead custodian for the reconstruction efforts, including the steering committee and the project management office will help develop this and not only that development plans and coordinated and developed, but that they are transparently and fairly executed giving all an opportunity in the new development of the port precinct.

The Immediate activities must be to clear the damage, dispose safely the waste and rehabilitate the port of Beirut should be carried out, however thereafter, the revamped governance structure, must be established, as is clearly outlined by multiple reports.

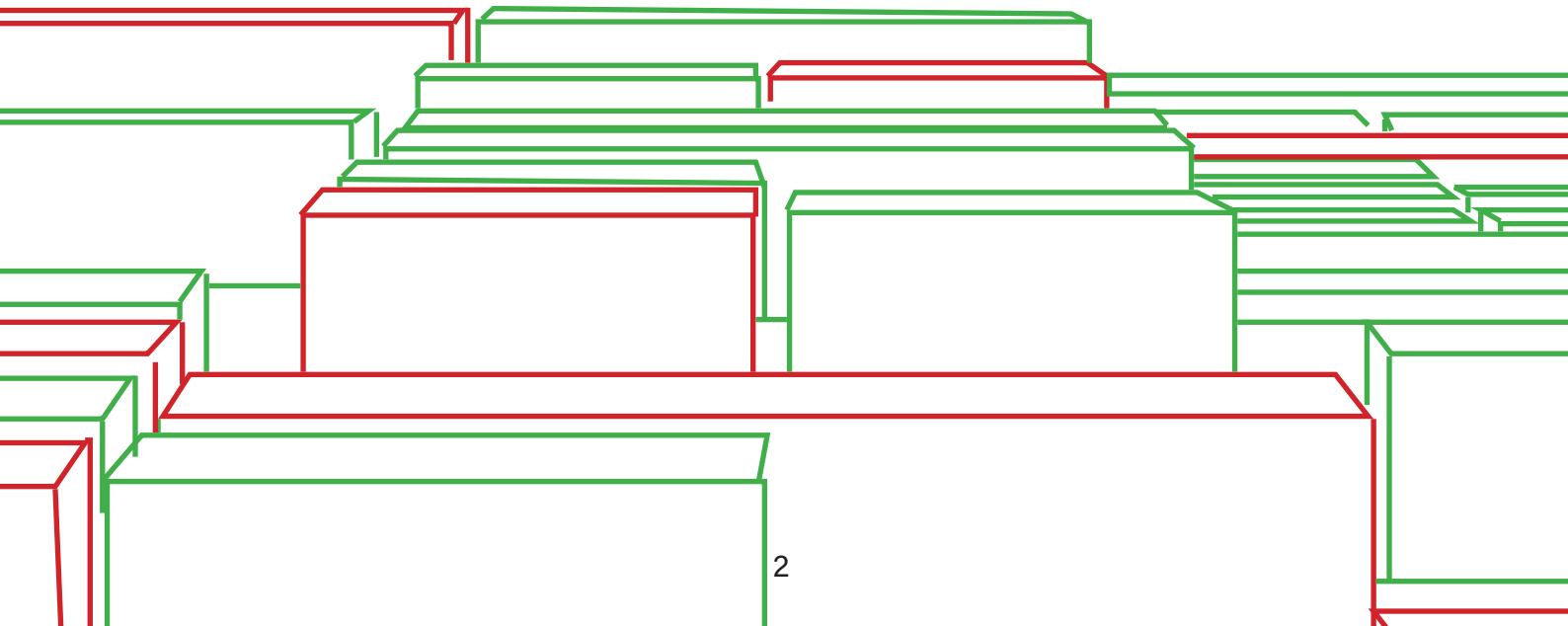
This study provides a path thereafter towards the development of a realistic, viable, self-funding and sustain-

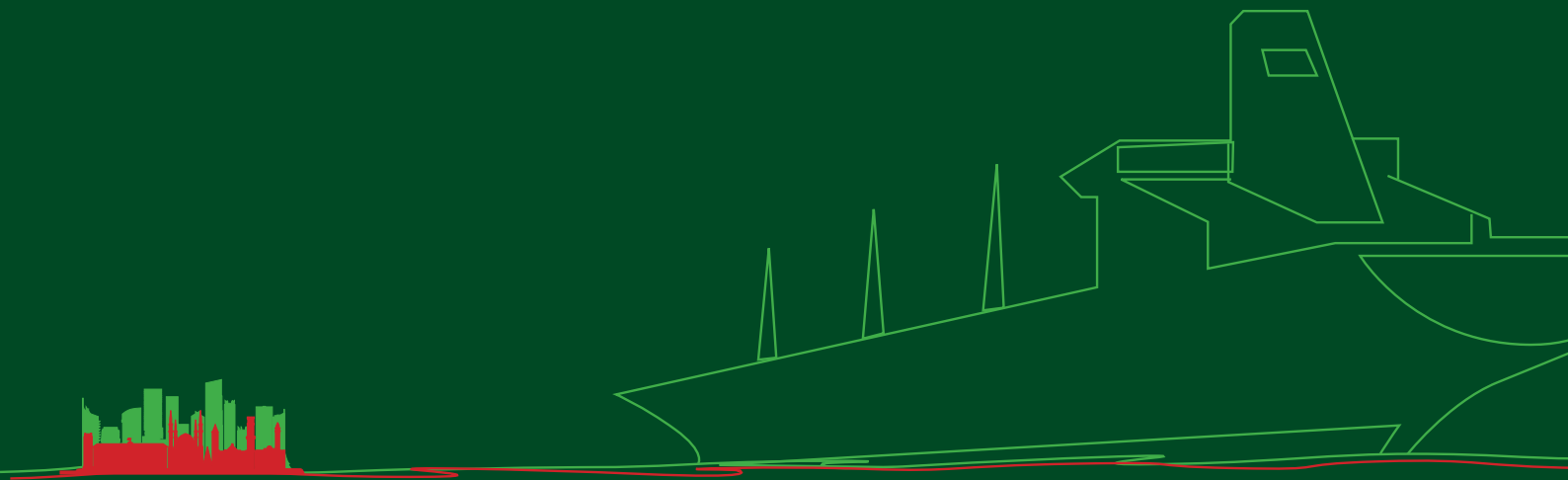
able concept as a strategic development blueprint for the Future City-Port of Beirut. The concept is considered for the benefit of the country and her people, but also as a potential regional model to integrate historical heritage and future potential into a working model for the City-Port. The detailed development needs to be carefully coordinated between the stakeholders as well

as the international bodies and investors, in order to ensure the development, which will take place over many years, is well coordinated, has minimum impact on the working of the port, or on the Lebanese supply chains, but takes the long-term view to establish a new precedent rather than just returning to the old. For this purpose, it is important a long-term board is established including all stakeholders, to oversee the planning, development and operation, and that this is kept throughout the process, to ensure continuity and accountability to the people of Lebanon for the development of the concept into a working integrated Urban development and an internationally linked efficient port.

These must be done in close parallel to reap the benefits of synergies and create a compelling value proposition to attract international investors. Alongside the involvement of these international players, a clear capacity building plan at the Port of Beirut should be enacted.

In its turn, this serves the goal to make the Port of Beirut a transparent, safe and efficient economic hub for Lebanon and the region - offering long-term opportunities to the population.





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