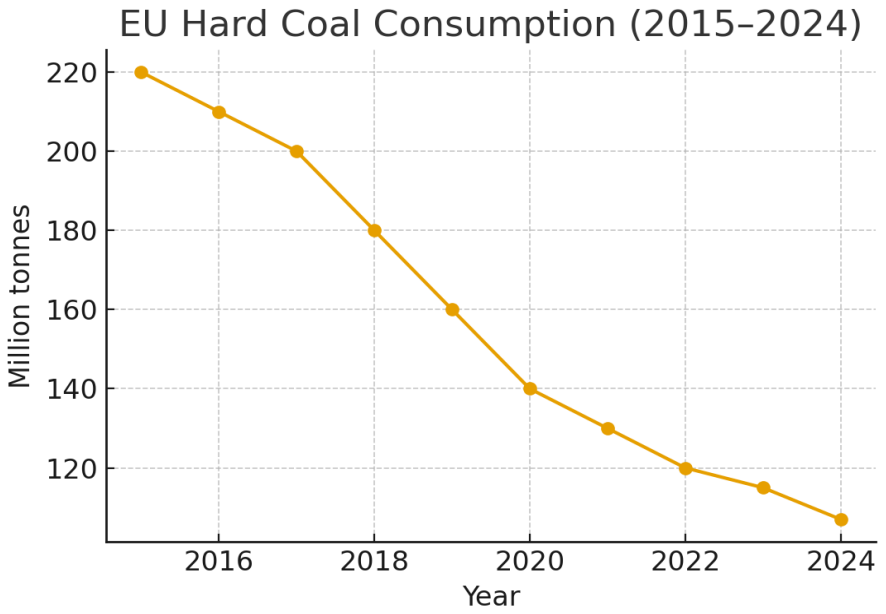
CHALLENGES IN TRANSITIONING TO NEW BULK FLOWS

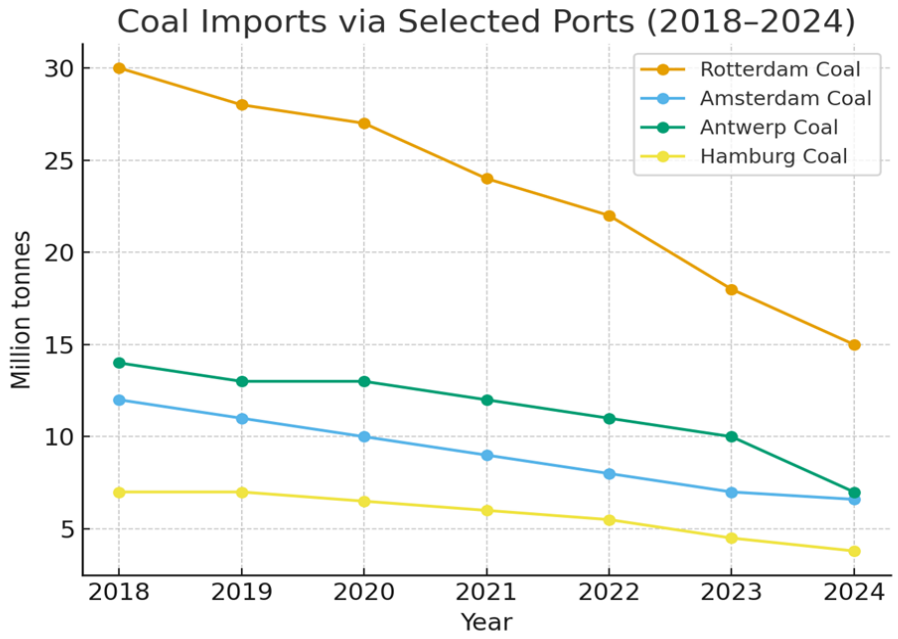
Sylvie Doutres Ghizzo, DsG Consultants

Agenda

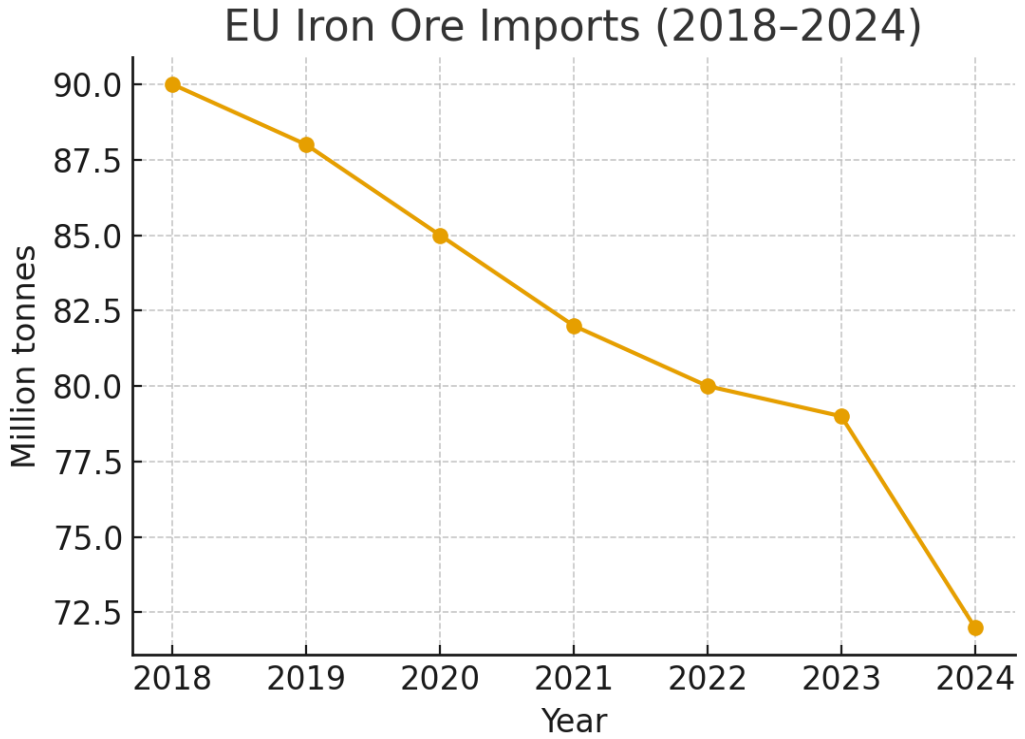
- Decline of industrial major dry bulk in European ports
- Ports need to adapt themselves (who, why, what, how)
- Substituting coal by sustainable materials – case study Amsterdam HES Bulk Terminal
- Optimizing port space and deep-sea berths – case study Tarragona EUROPORTS Iberica Terminal
- The challenging transition of coal terminals –case study Le Havre MTV
- Key insights and path forward

“Coal energy gradual phase-out in EU impulses the decline of hard coal import especially in North Sea range”





“Decarbonization and restructuring of EU steel industry hardly impacted iron ore imports”



PORTS MUST ADAPT THEMSELVES TO DECARBONIZATION & ENERGY TRANSITION…

WHO is involved?

Port Authorities' Strategic Role

Port authorities lead strategic planning, align operations with climate goals, and ensure funding and compliance.

Terminal Operators' Adaptation

Terminal operators upgrade equipment and retrain staff to handle new green cargo types like hydrogen and biomass.

Broader Port Community Impact

Logistics providers, labor unions, and local industries adapt to changes in employment, cargo handling, and safety.

WHY change is necessary ?

Decline in Revenues

Decarbonization leads to reduced coal and low-grade iron ore shipments, impacting port revenues and utilization.

Underutilized Bulk Terminals

Dedicated terminals face inefficiencies and financial strain due to decreased cargo volumes from fossil fuels.

Need for Adaptation

Ports must adapt to green cargo like DRI, scrap, waste and renewable energy components like biomass or hydrogen to remain competitive.

Risks of Inaction

Failure to adapt risks throughput decline, job losses, and reduced strategic importance in evolving industry.

WHAT needs to change ?

Infrastructure Reconfiguration

Ports need to reconfigure infrastructure to support hydrogen storage, renewable energy, and green steel production.

Upgrading Handling Equipment

Handling equipment must be upgraded or replaced to manage specialized bulk cargo.

Workforce Retraining

The workforce requires retraining to effectively operate new technologies and follow updated safety standards.

HOW can ports adapt ?

Diversification of Industrial Traffic

Ports are attracting new industrial traffics like biomass, green steel, SCMs, renewable energy parts, and circular economy materials to adapt to energy transition.

Repurposing Existing Terminals

Terminals once used for coal and fossil fuels are being transformed for new bulk traffics and sustainable industries.

Investment in Infrastructure and Workforce

Investing in upgraded infrastructure, handling equipment, and workforce skills is essential for supporting new port activities.

Stakeholder Engagement and Innovation

Engaging supply chain stakeholders fosters integrated logistics solutions and drives innovation in port operations.

Substituting coal by sustainable materials
Case Study: Port of Amsterdam / HBTA

- Strong existing strengths
- Sustainability & Circular Economy Vision of the Port Authority
- Coal phase out strategy of port operator (HBTA) by 2028
- Market demand and growth potential for sustainable materials like SCMs
- Close Partnership between Port Authority, Port Operator and local stakeholders

Optimizing port space and deep-sea berths
Case Study: Port of Tarragona / EUROPORTS

- Coal terminal with declining traffic
- Strategic Shift from Coal to Iron Ore
- Brazilian VALE selected Tarragona for Mediterranean distribution
- Shipments of iron ore from Brazil by capesize up to 260,000dwt
- Same equipments than for coal
- Berth upgraded by Port Authority

The Challenging Transition of Coal Terminals
Case Study: Port of Le Havre / MTV1 terminal

- **MTV area including MTV1 Terminal**: deep-water berth (18m draft), equipped with 2 coal unloading gantries (capesize) and conveyor system to a 50,000 m² storage area.
- **Peak activity up** to 2 Mt of coal traffic until 2010. Activity stopped in 2011
- **2012-2022**: 3 tenders launched but unsuccessful or abandoned.
- **Current Status**: coal infrastructure idle.
- **Recovery efforts from Port Authority**
  - Search for complementary traffic to justify reactivation.
  - Site cleanup of residual coal.
  - Port authority considering a 4th tender.
  - Broader call for interest including other cargos.

Key Insights & Path Forward

Diversification of Industrial Traffic

Ports are attracting new industrial traffics like biomass, green steel, SCMs, renewable energy parts, and circular economy materials to adapt to energy transition.

Repurposing Existing Terminals

Terminals once used for coal and fossil fuels are being transformed for new bulk traffics and sustainable industries.

Investment in Infrastructure and Workforce

Investing in upgraded infrastructure, handling equipment, and workforce skills is essential for supporting new port activities.

Stakeholder Engagement and Innovation

Engaging supply chain stakeholders fosters integrated logistics solutions and drives innovation in port operations.

Thanks for your attention !

DSG CONSULTANTS

www.dsgconsultants.com

s.doutres@dsgconsultants.com

Phone +33 6 12 06 92 51

- MULTI-CLIENTS & CUSTOMIZED SERVICES
- DRY BULK & PORT TRAFFIC FORECAST
- CEMENTITIOUS TRADE FLOWS MONITORING
- BUSINESS OPPORTUNITIES ASSESSMENT
- STRATEGY & DEVELOPMENT ASSISTANCE
- DRY BULK MARKET & SUPPLY CHAIN ANALYSIS
- EUROMED PORT BUSINESS INTELLIGENCE