

# CAN PORTEK REVIVE PONCE'S HUB AMBITIONS?

First mooted as far back as 2004, Ponce's Port of the Americas has long been a white elephant among mega container hub schemes in the Caribbean – one that made it to completion yet never really got off the ground. Until now, that is.

**O**ver the past decade or so it seemed that Ponce in Puerto Rico had long since been pipped to the post as a potential container hub by fellow Caribbean newcomers such as DP World's Caucedo and the PSA-run Mariel and outgunned by existing hubs such as Kingston, Cartagena and MIT in Panama.

What's more, the Ponce project had apparently eaten its way through some US\$ 300 million during its development. And given the recent parlous economic situation in Puerto Rico, it's probably money that, on reflection, the government would prefer not to have spent.

## VALUE-ADDED

Yet here is a well-equipped port with a 55 ft (16.76 meter) draft access channel and a truly central Caribbean location that should have made Ponce a post panamax title contender. This was a container terminal concept, too, with a clear value-added dimension in terms of its key domestic traffic; yet it never got anywhere near contending.

But with so many natural positives, many people believed that the Port of the Americas still had a bright future and that

if only the right kind of management could be put in place, all would be well. So the governmental Port of Ponce Authority developed a tender for the private management of port operations. Step forward, at this point, Singapore's Portek International.

In 2015 Portek won the tender to run the port and to use its expertise and experience to turn around Ponce's fortunes and realize its untapped potential. Clearly, no one at Portek doubted the task ahead. And over the past one and a half years or so it has been hard work trying to get the port on track while at the same time opting to broaden Ponce's appeal and move slightly away from its original Caribbean container hub concept – perhaps recognizing that this market is pretty much saturated now.

So it's heartening to report that there is now some evidence that Portek's efforts are starting to bear fruit. "Our latest intensive marketing activities have recently identified new opportunities for the port," said Portek's Janis Kasalis, as he revealed to Caribbean Maritime that Portek aims to increase utilisation of the Port of Ponce by repositioning it as a multipurpose terminal.

Port of Ponce already handles dry bulk,





## WHAT PORT OF PONCE OFFERS

- Capacity to serve panamax and post panamax vessels
- Modern post panamax berth with a draft or depth of 50 ft
- Two super post panamax ship-to-shore cranes
- New container yard with an annual capacity of 500,000 teu
- Over 300 acres of government-controlled land, occupied by the port and by areas designated for future development
- Regional distribution center nearby with five modern warehouses and a total area of 532,343 sq ft

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general and liquid bulk cargoes as well as ro-ro vessels and aims to attract further volume in these sectors. Port of Ponce is also looking at other types of traffic including ro-pax as well as project cargo and heavy lift.

Clearly, Portek wishes to build on this traffic, says Mr Kasalis.

Despite the drive for diversification, however, the core ambition remains to handle containers – first internationally and subsequently as a regional transshipment center. “The short-to-mid-term perspective for Port of Ponce, with its deepwater modern quay and cargo-handling equipment, is to handle gateway cargo meant for the Puerto Rico market,” said Mr Kasalis. “Nevertheless, with reasonable volume, Port of Ponce aims to further develop into a hub where there will be international feeder to countries in the Caribbean basin and also Jones Act-compliant feeder to the US.”

He went on: “Portek sees potential in such development in particular niche markets and is working with all stakeholders to identify gaps in the market and to secure potential future volumes.”

Sadly, despite its enthusiastic efforts, Portek has still not yet been able to attract container traffic to Port of Ponce and to take the first step in achieving its core ambition. In the course of this year, however, Portek does expect to conduct its first container handling trials to establish market confidence and we will have to see how this progresses.

### IMPRESSIVE

Notwithstanding the lack of containers filling up slots on the quay in Ponce, Portek’s other achievements to date are certainly impressive. For example, it has identified demand gaps where it aims to bring efficiency to the market; it has created awareness of Port of Ponce by promoting it both domestically (including the mainland United States) and internationally; and it is working with various stakeholders to realize the project.

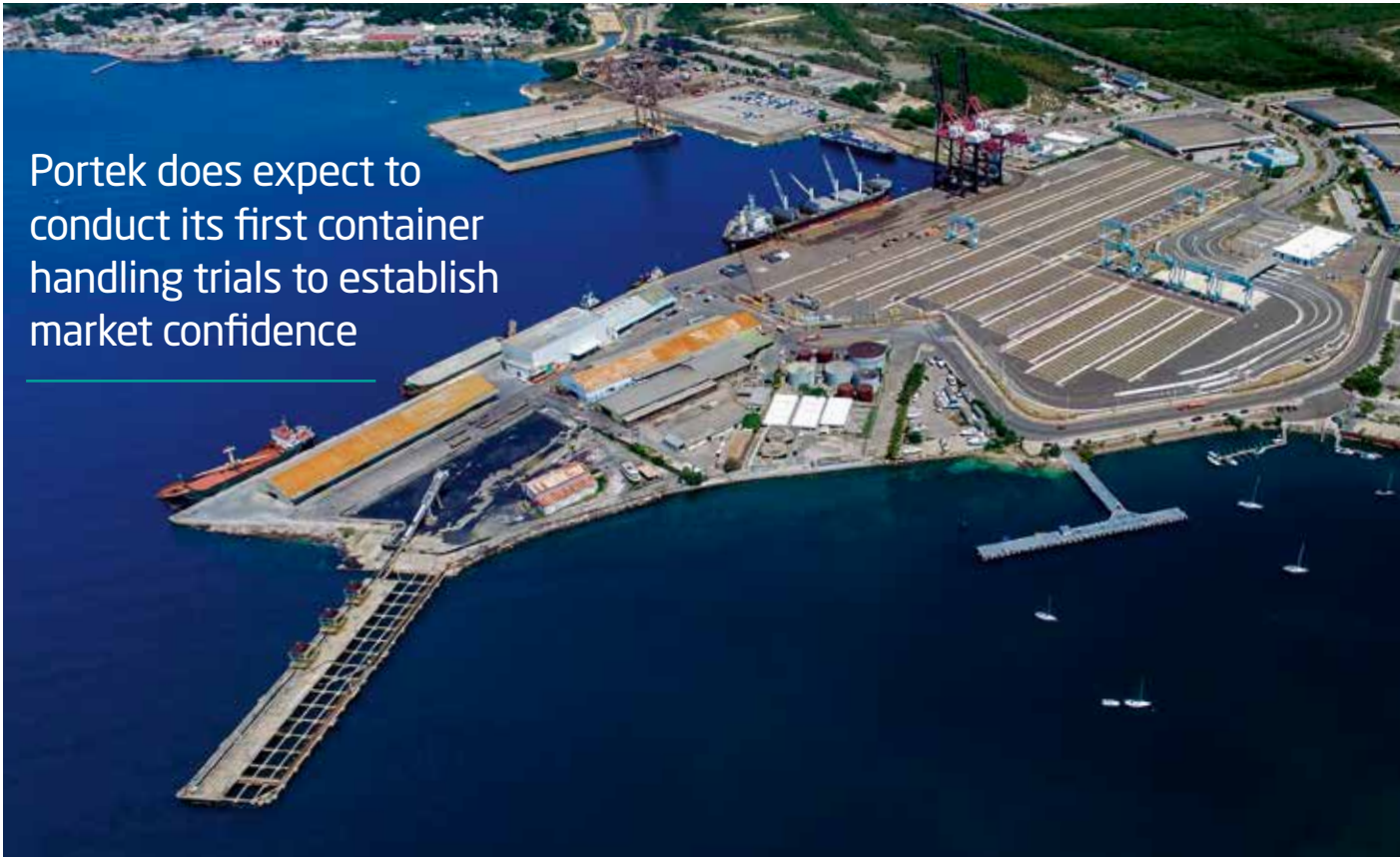
Then there are the cruise ships that Portek and Puerto Rico Tourism Company have re-attracted to Ponce after a break of three years. Portek says there will be a total of nine cruise ship calls at Ponce from late 2017 to early 2019 with five calling from November this year to March 2018.

## ABOUT THE COMPANY

Portek International is a terminal operator that specializes in providing equipment and services to ports operating in Asia, Europe and Africa and, more recently, the Caribbean. Founded in 1988 and with its head office in Singapore, Portek has offices in at least nine countries in Africa, Europe, Asia and the Americas and employs about 2,200 people.

At the same time, Portek has undertaken a full technical evaluation of its ship-to-shore cranes and rubber tired gantry cranes. This, after all, is the company’s core business. It’s worth remembering that Portek is the only port operator to have a high-level in-house engineering capability.

So will 2017 be the year that Port of Ponce finally realizes its potential? Let’s see. But, if not, it won’t be for any lack of effort by Portek on behalf of the Port of Ponce Authority.



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