International Port Development Cooperation Program

Korea Ports and Harbor Association
Korea Cooperative Supporting Center for Overseas Port Development (KCSC)

Team Leader, Kim Yong Wong
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01

Background
1. Background

Importance of Port in Korea

Port infrastructure plays a key role in economic development by increasing export.
1. Background

Importance of Port in Korea

- Korea had enjoyed the world’s fastest growing economies from the early 1980s to the late 2000s
  - Korea had been ranked world top 11th in terms of the size of nominal GDP in 2015

CAGR : 9.2%

unit: billion $
1. Background

Importance of Port in Korea

- The trade dependence of Korea’s economy is constantly rising from 43.5% to 89.8%
- Also, average of 99.7% of the international traffic volume was handled through maritime transportation
- In order to keep the economy growth through trade, port is becoming the key logistics role in Korea
1. Background

Importance of Port in Korea

Through the continuous port development for the last few decades,

- Container handling capacity increased **12.5% annually** from 1.46 million TEUs in 1990 to 27.9 million TEUs in 2015
- Container throughput increased **9.77% annually** from 2.5 million TEUs in 1990 to 25.7 million TEUs in 2015
1. Background

Introduction of Korean Ports

• Case of Port Development
  ➢ Located in the city of Busan
  ➢ First Open Port to International in 1876
  ➢ Constructed the first modernized berth in 1910

Coerce open sea port

Military Suppliers

➢ 1st ~ 2nd Phase of Busan Port Construction during 1974~1983 (5, 7, 8 berth and Jaseoungdae)
➢ IBRD Loan
➢ Led by government

➢ 3rd ~ 4th Phase of Busan Port Construction during 1992~2001 (Sinsundae, Singamman)
➢ Led by government

5Year National Plan of Economic Development
Kobe Earthquake
Neighboring "World Factory"
1. Background

Introduction of Korean Ports

- **Status**
  
  ➢ According to the “Port Law”, 31 international trading ports

- Ports(60)
  - Trade port(31)
    - METROPOLITAN
      - Trade ports with China
      - Supporting the metropolitan economy
    - CHUNGCHEONG
      - Energy Ports (oil, gas, coal, etc)
    - HONAM
      - Supporting the Saemangeum project
      - Container hub port (Gwangyang)
    - DONGNAM
      - Container hub port (Busan)
      - Ports related with industrial parks
    - DAEGYEONG
      - Support steel industry (POSCO)
    - GANGWON
      - Trade ports with Russia
      - Tourist ports (marina, cruise port)
    - JEJU
      - Tourist ports (marina, cruise port)
  - Coastal ports(29)
1. Background

Introduction of Korean Ports

- **Status**
  - 1,463 million tones in 2015 (Since 2000, CAGR 3.8%↑)
  - 25.7 million TEUs in 2015 (since 2000, CAGR 8.1%↑)
1. Background

**Introduction of Korean Ports**

- **Status**
  - 10.7 million TEUs in Transshipments (2015)
  - 41.7% out of Total Container Throughputs
  - Since 2000, CAGR 15.5%↑
1. Background

Introduction of Korean Ports

• Status
  ➢ For container, top 3 ports handled 94.1% of total container throughputs

- Busan, 19,468,725, 76%
- Incheon, 2,376,996.00, 9%
- Gwanyang, 2,327,335, 9%
- Others, 1,507,474, 6%
1. Background

Current Status

- **PORT OF BUSAN**
  - Hub Port in Northeast Asia Where the World Connects

  ![Graph showing TEU (Twenty-foot Equivalent Unit) data for PORT OF BUSAN from 2009 to 2015.]

<table>
<thead>
<tr>
<th>Year</th>
<th>TEU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>11,980,325</td>
</tr>
<tr>
<td>2010</td>
<td>14,194,334</td>
</tr>
<tr>
<td>2011</td>
<td>16,184,706</td>
</tr>
<tr>
<td>2012</td>
<td>17,046,177</td>
</tr>
<tr>
<td>2013</td>
<td>17,686,099</td>
</tr>
<tr>
<td>2014</td>
<td>18,683,283</td>
</tr>
<tr>
<td>2015</td>
<td>19,433,752</td>
</tr>
</tbody>
</table>

- **New Port**

  ![New Port aerial view.]

- **North Port**

  ![North Port aerial view.]

Unit: TEU
1. Background

Current Status

- **PORT OF GWANGYANG**
  - Trade Port that Connects China and Russia

<table>
<thead>
<tr>
<th>Year</th>
<th>TEU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>1,830,317</td>
</tr>
<tr>
<td>2010</td>
<td>2,087,890</td>
</tr>
<tr>
<td>2011</td>
<td>2,085,222</td>
</tr>
<tr>
<td>2012</td>
<td>2,153,818</td>
</tr>
<tr>
<td>2013</td>
<td>2,284,835</td>
</tr>
<tr>
<td>2014</td>
<td>2,338,335</td>
</tr>
<tr>
<td>2015</td>
<td>2,322,193</td>
</tr>
</tbody>
</table>

Unit: TEU
1. Background

Current Status

- **PORT OF INCHEON**
  - The Pivotal Port in the West Sea

<table>
<thead>
<tr>
<th>Year</th>
<th>Unit: TEU</th>
</tr>
</thead>
<tbody>
<tr>
<td>2015</td>
<td>2,373,536</td>
</tr>
<tr>
<td>2014</td>
<td>2,334,939</td>
</tr>
<tr>
<td>2013</td>
<td>2,160,797</td>
</tr>
<tr>
<td>2012</td>
<td>1,981,855</td>
</tr>
<tr>
<td>2011</td>
<td>1,997,779</td>
</tr>
<tr>
<td>2010</td>
<td>1,902,733</td>
</tr>
<tr>
<td>2009</td>
<td>1,578,003</td>
</tr>
</tbody>
</table>
1. Background

Current Status

- **BUSAN NORTH PORT REDEVELOPMENT**
  - The need for relocation of the port functions associated with the reduction in the competitiveness of traditional berths
  - Reform the port function: logistics-based port → civil-commercial-based port
  - Location: 1~4 berths, international passenger ship terminal etc.
  - Scale: 1,532,419 m²
  - Project period: 2008 ~ 2019
  - Total Cost: $8.5billion / infrastructure $2.1billion (government, BPA) / facilities $6.4billion (private)
02
Project Introduction
2. Project Introduction

- International Port Development Cooperation Program (IPDCP)
  - Launched by the Korean government in 2008 (20 Projects are done by 2016)
  - Provides Assistance to Developing Country’s Port Development

Contribution and Cooperation for Improvement of Port Infrastructure of Developing Countries
2. Project Introduction

Cooperation Contents

Provision of Master plan and Feasibility study

Project Financing Method

Logistic Training Program for port officials

- EDCF or MDB loans for non-profit facility projects
- Private Investment for profit port facility projects
2. Project Introduction

Project Procedure

1. Project Proposal
   • Partner country → Korean govt.
   • Korean govt. → partner country

2. Consultation
   • Consultation with the govt. and related organizations of the partner country
   • Implementation of the work scope

3. Signing MOU

4. M.P or F/S
   Grant from Korean government

5. Funding
   If necessary
   • EDCF loan
   • Private investment
## 2. Project Introduction

### Implementation status of the port development supporting projects

<table>
<thead>
<tr>
<th>Nations</th>
<th>Name of the Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Turkmenistan</td>
<td>Feasibility Study and Basic Date Survey on the Modernization Project of Turkmenbashi International Support</td>
</tr>
<tr>
<td>ASEAN</td>
<td>The Study on Identifying Required Improvement Areas in ASEAN Network</td>
</tr>
<tr>
<td>DR Congo</td>
<td>Feasibility Study and Basic Date Survey of Banana port</td>
</tr>
<tr>
<td>Cameroon</td>
<td>Feasibility Study and Basic Date Survey of Limbe port</td>
</tr>
<tr>
<td>Ghana</td>
<td>Feasibility Study and Basic Date Survey of Ghana ports</td>
</tr>
<tr>
<td>Philippines</td>
<td>Feasibility Study and Basic Date Survey of Ports in Philippines</td>
</tr>
<tr>
<td>Honduras</td>
<td>Feasibility Study and Basic Date Survey of Ports in Honduras</td>
</tr>
<tr>
<td>Uruguay</td>
<td>Feasibility Study and Basic Date Survey of Ports in Uruguay</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Feasibility Study and Basic Date Survey of Ports in Cambodia</td>
</tr>
<tr>
<td>Algeria</td>
<td>Feasibility Study and Basic Date Survey of Ports in Algeria</td>
</tr>
<tr>
<td>Peru</td>
<td>Feasibility Study and Basic Date Survey of Ports in Peru</td>
</tr>
<tr>
<td>Equatorial Guinea</td>
<td>Feasibility Study and Basic Date Survey of Ports in Equatorial Guinea</td>
</tr>
<tr>
<td>Libya</td>
<td>Feasibility Study and Basic Date Survey of Ports in Libya</td>
</tr>
</tbody>
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<tbody>
<tr>
<td>Philippines</td>
<td>Feasibility Study and Basic Date Survey of Ports in Philippines</td>
</tr>
<tr>
<td>Myanmar</td>
<td>Feasibility Study and Basic Date Survey of Ports in Myanmar</td>
</tr>
<tr>
<td>Russia</td>
<td>Feasibility Study and Basic Date Survey of Ports in Russia (Far-east area)</td>
</tr>
<tr>
<td>Guatemala</td>
<td>Feasibility Study and Basic Date Survey of Ports in Guatemala</td>
</tr>
<tr>
<td>Romania</td>
<td>Feasibility Study and Basic Date Survey of Ports in Romania</td>
</tr>
<tr>
<td>ASEAN</td>
<td>Korea-ASEAN the Study on Inland Waterway Transportation of Mekong Basin</td>
</tr>
<tr>
<td>Colombia</td>
<td>Feasibility Study and Basic Date Survey of Ports in Colombia</td>
</tr>
<tr>
<td>Vanuatu</td>
<td>Feasibility Study and Basic Date Survey of Ports in Vanuatu</td>
</tr>
<tr>
<td>Fiji</td>
<td>Feasibility Study and Basic Date Survey of Ports in Fiji</td>
</tr>
<tr>
<td>Algeria</td>
<td>Feasibility Study and Basic Date Survey of Ports in Algeria</td>
</tr>
<tr>
<td>Philippines</td>
<td>Feasibility Study and Basic Date Survey of Ports in Philippines</td>
</tr>
</tbody>
</table>

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<thead>
<tr>
<th>Nations</th>
<th>Name of the Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>Myanmar</td>
<td>Feasibility Study and Basic Date Survey of Ports in Myanmar</td>
</tr>
<tr>
<td>Egypt</td>
<td>Feasibility Study of Alexandria Port Development and Review of Master Plan</td>
</tr>
<tr>
<td>PNG</td>
<td>Feasibility Study of Madang Ship Repair Yard</td>
</tr>
<tr>
<td>Iran</td>
<td>Feasibility Study and Basic Date Survey of Ports in Iran including Shahed Rajaei Port</td>
</tr>
<tr>
<td>India</td>
<td>At the stage of consultation</td>
</tr>
<tr>
<td>Sri Lanka</td>
<td>At the stage of consultation</td>
</tr>
<tr>
<td>Ecuador</td>
<td>At the stage of consultation</td>
</tr>
</tbody>
</table>
2. Project Introduction

Location of Port Development Cooperation Projects

- Cameroon
- DR Congo
- Iran
- Egypt
- Equatorial Guinea
- Peru
- Uruguay

Legend:
- **Blue**: On-going
- **Orange**: Completed

Korea-ASEAN Inland Waterway Transportation Investigation
03
Major Projects
3. Major Projects

Algeria

- **Name of the Project:** Construction of Container Terminal of Djen Djen Port (Algeria)
  - **Background of the project**
  - **Details of the Project**
    - **Ordering Organization:** The Port Authority of Djen Djen Port
    - **Subject of the Project:** Construction of container terminal, berth capacity of 14,000TEU
      (quay wall: 1,579m, dredging: 8,500,000 m³, Filling 3,000,000 m³)
    - **Expense / Period:** about $230 million / 30 months
3. Major Projects

Cambodia

- **Project Subjects:** Cambodia Grain Terminals Development along the Mekong River
- **Korea supported F/S on developing grain terminal in Cambodia**
  - **Scope:** analysis on development condition, development planning, estimation of projects cost and financial analysis, etc.
  - **Schedule:** 2015 May~2015 December
  - **Korea and Cambodia signed an MOU for port development cooperation in March 2012**
  - **Details of the Project:** 4 Berths (quay: 600m), $310 million (Public $120, Private $190), 1.5 million tons of grain (Capacity)
3. Major Projects

Vanuatu

- Korea supported F/S on developing piers and ship repair yards at 4 islands
- Project Subjects: Ship repair yards, passenger terminals, piers for exports and tourism
  - Scope: analysis on development condition, development planning, estimation of projects cost and financial analysis, etc.
  - Schedule: 2015 June~2016 September
  - Korea and Vanuatu signed an MOU for port development cooperation in October 2015

- Island nation comprising of 82 islands

- Santo Island ▷ ship repair yard for fishing boats
- Pentecost Island ▷ Passenger Terminal
- Malekula Island ▷ International port for exporting agricultural products
- Tana Island ▷ New Port for tourist allure
04
Introduction of KCSC
4. Introduction of KCSC

KCSC: Korea Cooperative Supporting Center for Overseas Port Development

**Establishment** | Founded in May 2015

- Under Korea Ports and Harbors Association ("KPHA")
- With authorization of the Ministry of Oceans and Fisheries of Republic of Korea

**Purpose** | Main goals

- To provide professional knowledge and experience in port development and management for foreign countries
- To contribute and cooperate for Improvement of Port Infrastructure of Developing Countries
4. Introduction of KCSC

**Business Creation**
- **Selection of new cooperative projects**
  Suggest proper procedure and method for feasibility study
- **Two-track system**
  Review the projects and provide suggestions to promote either by ODA or Foreign Cooperation Fund

**Data Collection**
- **Constructing Information system**
  Create and manage the database of cooperative projects
- **Public Relations**
  Hold and participate international seminar of various cooperative projects in the field of port industry

**Support Overseas Expansion**
- **Developing networks**
  Hold port and logistics training programs for government officials
- **Training Professional workforce**
  Operate capacity-building programs for port-related experts
TAHNK YOU