

Beirut port expansion ongoing as Syria conflict redirects trade

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Beirut Port Authority handled more than one million containers this year. (The Daily Star/Hasan Shaaban)

BEIRUT: For the second year in a row, the Port of Beirut is witnessing a phase of rapid growth and expansion in spite of economic slowdown, said experts and officials Friday.

As a new container terminal and quay approached completion, a new expansion is being planned, Transportation Minister Ghazi Aridi said.

“During the upcoming few months, expansion works of quay number 16, which is 500 meters long, and a new container terminal, will be completed,” said Aridi during a tour of the port.

“The functioning container terminal had been designed for 400,000 to 450,000 containers, but it has managed, thanks to good management, to deal with an excess of 1 million containers a year,” added Aridi.

Elie Zakhour, head of the Beirut International Chamber of Navigation, an official representative of 45 shipping agencies operating at the port, told The Daily Star that activity at the port has increased to unprecedented levels.

“For two consecutive years the port broke records achieving more than 1 million containers,” Zakhour said.

He added the expansion works and new port equipment would become operational by June 2013, relieving the port of its major problems relating to traffic and piling of containers.

It will allow new international cargo companies to move transshipment operations to Beirut, he said.

Port revenues increased 8.8 percent to reach \$158.5 million in the first 11 months of 2012 up from \$145.7 million a year earlier. Weight of shipments grew by a similar figure.

Demand for goods by Syrian and Lebanese traders is the chief reason behind the boom, Zakhour said, while the conflict raging across Syria makes imports through its ports impractical.

Exporters have also shifted from land routes to the sea, he added, leading port exports to increase 27 percent year-on-year in 2012.

During Aridi's visit to the port, it was announced that handling fees at the container terminal would increase by 12 percent, following a deal between the Transportation Ministry and the Association of Shipping Agents.

Zakhour said the new fees are seen as positive by port stakeholders given they will allow Beirut Container Terminal Consortium, a private company contracted by the port authority, to manage the container terminal better and improve facilities.

He said the port authority also decided to standardize fees for cargo ships, in order to facilitate Customs collection and reduce delays.

The fees schemes have now been reduced to a handful of criteria relating to the type and weight of cargo, instead of the complex formula used before.

Fees for ships carrying raw materials have been reduced, while those carrying luxury items – including alcohol and tobacco – were increased, Zakhour explained.