

Beirut Port thriving on Syrian demand

By Mohamad El Amin

BEIRUT: The conflict in Syria has driven up goods handled by the Beirut Port 18 percent through May this year, with revenues soaring by nearly 26 percent, said an organization that represents 45 shipping agencies. "Aside from transshipment, few years ago the port used to receive around 22,000 containers a month and last year it soared to around 30,000 on average. This year the average is well over 40,000 containers," said Elie Zakhour, head of the Beirut International Chamber of Navigation.

Zakhour said that during the first 5 months of the year the volume of goods imported through the port increased 18.5 percent to reach more than 3.3 million tons as the number of ships handled increased 7 percent to over 887.

Port revenues increased 25.84 percent, from \$69 million in the first five months of 2012 to \$87 million this year.

The increased container traffic is largely accounted for by traders shifting away from importing goods through land routes as well as high demand from the Syrian market.

Traders who no longer have access through the Syrian ports of Latakia and Tartus due to the civil war across the country are relying on Lebanese merchants for imported goods, particularly after Syrian industrial centers have suffered crippling blows.

These goods are not being transhipped to Syria's ports but instead are delivered to local traders, who later seal deals with Syrian merchants and ship goods into Syria through land routes, Zakhour added.

"The port authorities have asked MSC and CMA CGM to decrease their usage of Beirut port to make more space in the container terminals," Zakhour said.

The two multinational shipping companies both use Beirut as a transshipment hub for cargo destined for the Turkish Mediterranean.

As the port thrived, however, traders, truck operators and forwarders have all voiced concerns over congestion, which they say is causing severe delays. Ships reportedly now wait offshore for days before being granted access into the port.

In addition to soaring activity, administrative measures including clearing customs, lab tests and authorizations from local authorities and ministries are all among the reasons behind long delays.

Zakhour said some containers were stacked inside the port for up to 13 days until the required paperwork could be finalized by owners.

Earlier this month Hassan Jaroudi, head of the Maritime Forwarders Association, warned that congestion at the port was costing the Lebanese economy around \$30 million a month in losses. He estimated that every day of delay costs traders about 1 percent of the commercial value of goods.

“The public administrations responsible for the flow of goods at the port are unable to handle the increased volume because of the lack of human resources and routine measures,” he said, referring to the high number of unfilled vacancies at the Customs department.

A system created by Customs to facilitate the flow of low-risk goods is not being implemented, he said, adding that the majority of cargo is being treated as high risk.

Sixty-five to 75 percent of goods, Jaroudi said, are going through Customs’ “red line,” where a scanner is utilized to check the imported goods.

Last week caretaker Public Works and Transportation Minister Ghazi Aridi said he intended to increase the working hours of the port to speed up the clearance of the containers.

Zakhour said the measure would allow traders to clear goods throughout the night hours and would relief the congestion at the port.

Other measures, he added, should include a one-stop shop combining all the paperwork needed to clear goods. He also called for a government lab to open a location at the port to quickly handle tests required by the Agriculture Ministry to clear foodstuff, livestock and other goods.

Meanwhile, a port expansion due by the end of the year is expected to raise the capacity of the port to the level needed.

The second phase will involve filling in the fourth basin of the port, bridging quays 12 and 16, creating a continuous 2,300-meter long quay. This will increase the container terminal capacity by 600,000 TEU to allow the terminal to process 2,100,000 TEU per year.

“This will mean that the port will be able to handle the current flow of goods,” Zakhour said.

“We have to be patient about the delays. You cannot be complaining when you are almost the only sector seeing growth.”