

Spotlight on dry bulk operations

Including two case studies from Nectar Group

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DRYBULKTERMINALS
GROUP

Key elements

- Commodity changes & effect upon the dry bulk sector
- Dry bulk handling & storage: What are the challenges?
- Sustainability / Safety concerns for dry bulk terminals
- Developing terminals in developing Markets
- Equipment considerations for dry bulk terminal operators
 - Vesto Ropes – Cables as a strategic tool
- Risk challenges
 - TT Club – Managing risks
- Supply Chain challenges
 - Bayegan - Streamlining dry bulk supply chain

Dry Bulk Terminals Group – DBTG in short

- Founded 25 years ago (1999)
- Type of Members / Associate Members
- Associate Members contribute to knowledge Members
- Cooperations with IMO / CETOA / NAEGA / TOC Asia
- Strong position within IMO <combined with CETOA>
 - NGO with consultative status
- Common ground for all participants ('Areas')
- Accepted as authority by Members, Associate Members and other stakeholders
- Small team with short communication lines (Excom – Secretariat)



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Information Classification: General

How do we work ?

- Main platform based on Conferences
 - 2x/year
 - Open for Members/Associate Members/Selected participants by invitation
 - Sharing practices
- Newsletter with actual information each month
- Working groups amongst Members
 - Safety terminals/vessels interaction
 - Safety and environment
 - Others
- IMO attendance and contributions
- Platform to our Members – Q&A - Assistance

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Information Classification: General

Areas that 'touch' our industry

- Safety, Safety, Safety....first
 - How dangerous is our industry?
 - Vessels still have many dangers...
 - Safety issues in our industry and vessel interaction
- Environment
 - Dust
 - Sound
 - Soil
 - CO2
- Human Capital
- Digitisation
- Infrastructure issues, Hinterland
- Shore electricity
- Operational / Technical challenges – Choices to make.



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Information Classification: General

Developments that **change** our industry - examples

- Climate Change discussion and government decisions
 - CO2 reduction
 - Changing commodities
- Changing product portfolio to be handled - restructuring of terminals
- Actual geopolitical situation
- Environment in general – e.g. pressure from residential areas
- Port Authorities often driven by ‘symbol policy’
- High steel and raw materials pricing / Effects to our investments
- Concentration in industry – buying behaviour

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Information Classification: General

Examples of our challenges

- Change of power use
- Environmental pressure
- Shore electricity for vessels
- Coal import terminals (partly) restructuring to biomass
- Warehouses in spite of 'open space storage'
- Closed conveyor belts in spite of truck transport
- Dust protection by conveyor belts
- Complete dust reducing coverage systems



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**NECTAR
GROUP**

TERMINAL AND LOGISTICS



GLOBAL CARGO HANDLER & TERMINAL OPERATOR

Key Challenges in managing/developing terminals
in emerging markets - TWO CASE STUDIES



Our Capabilities

We are world-class terminal operators, cargo handling specialists and port services providers with a **global reach**



Terminals

- Operations & Maintenance
- Construction & Ownership
- Long Term Concessions & Management Contracts

Bulk Handling Services

- Bulk Vessel Discharge
- Bagging Services (Quayside/Warehouse)
- Ship to Ship Transfers

Equipment Maintenance

- Long term Maintenance Contracts
- Training & Operational Management
- Equipment Refurbishment

Logistics & Warehousing

- Inland Logistics & Haulage
- Warehousing Operations

Equipment Sales

- Specialist Bulk Handling & Bagging Equipment
- Procurement Management & Spare Part Sourcing
- Training & Support

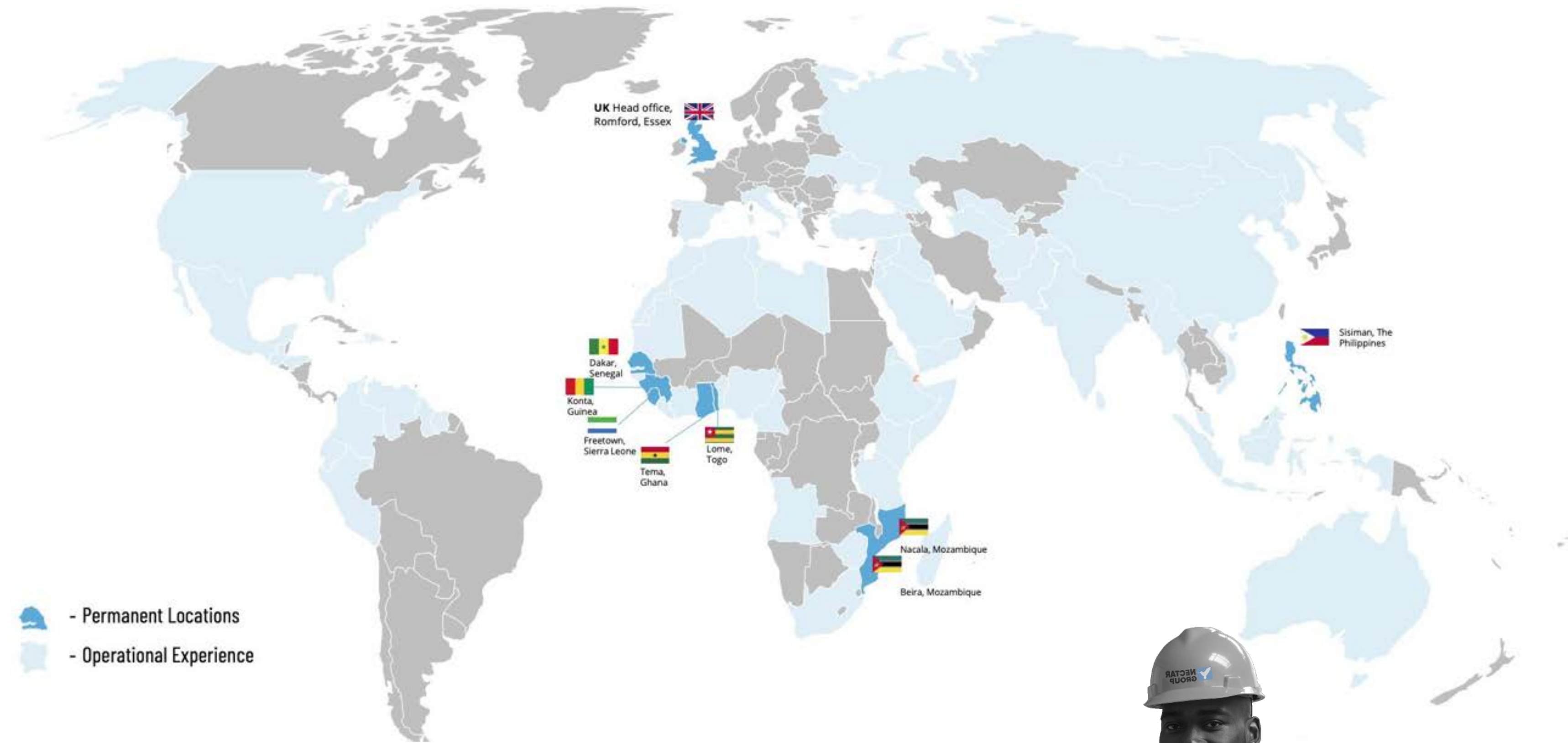
Consultancy



- Terminal Facilities & Design
- Terminal Optimisation & Capacity Improvements
- Turnkey Projects

Our Global Reach & Coverage

Today, Nectar Group operates and manages a number of Bulk Terminals around the globe as well as continuing to offer a range of value-added solutions for handling cargoes, **employing over 350 people around the world.**

Since its inception in **1972**, Nectar Group has operated in 165 different locations in **75** countries, and its fleet now consists of more than 70 mobile bagging plants (managed and owned) along with Grabs, Hoppers, Cranes and Ancillary Equipment.



-  - Permanent Locations
-  - Operational Experience



Each year, the Group handles over 7 million tonnes of cargo.

Case Studies

Philippines

- Development of a green field site
- Construction & Operation
- Equity & debt finance
- Free port opportunity
- 25 + 25 years time frame



Sierra Leone

- Operation of an existing Bulk & break-bulk terminal
- Competitive bidding
- Government partnership
- Expansion project commitment
- 21 + 8 years time frame





MMT Terminal Philippines





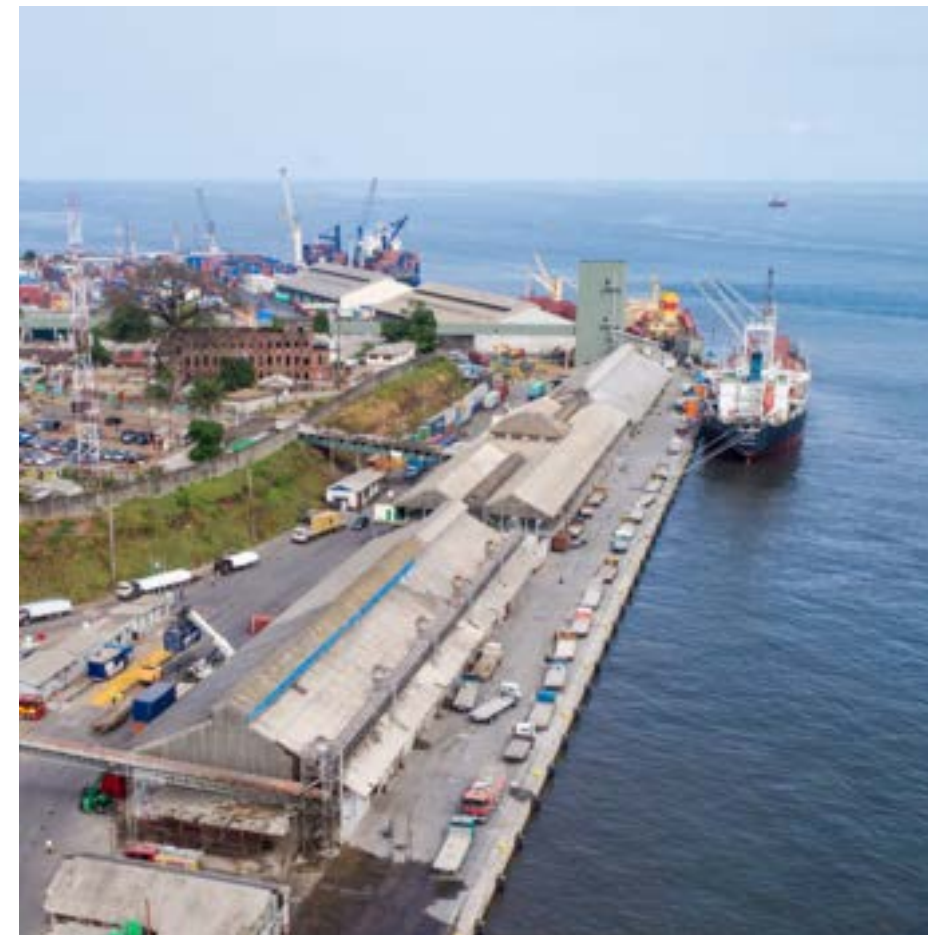
QE2 Terminal
Freetown

Stages of Development - Sierra Leone

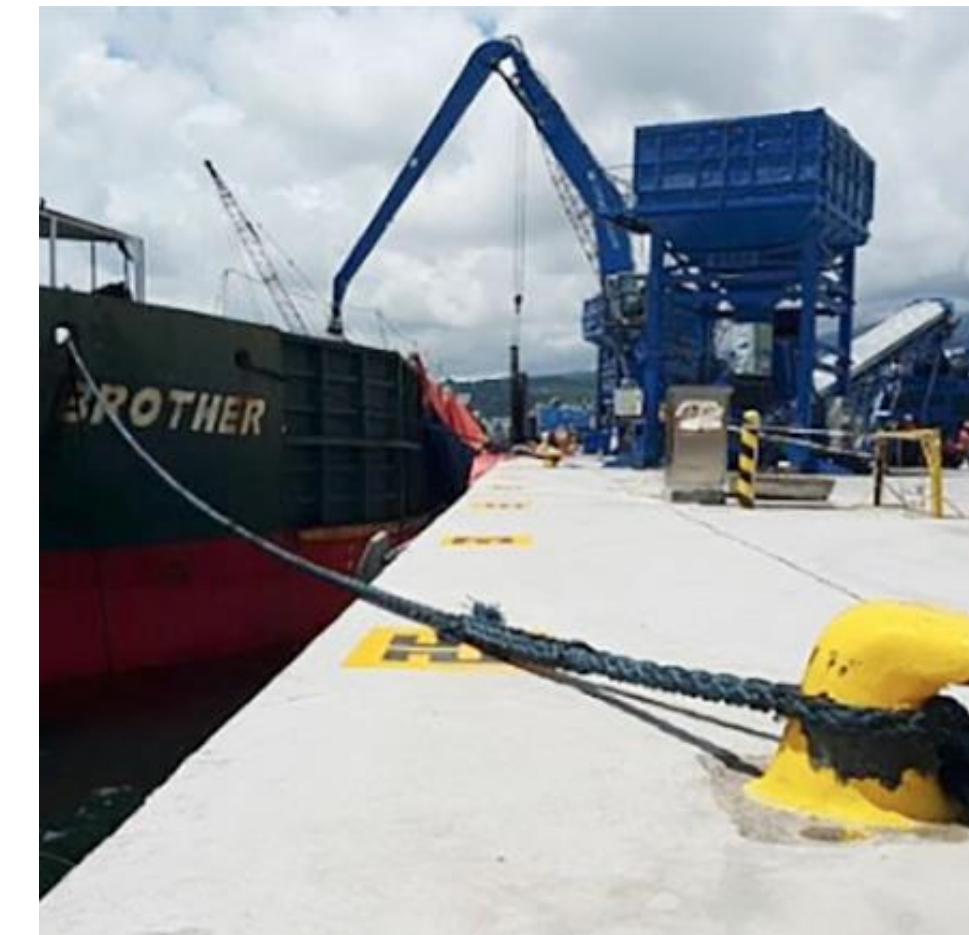


Selection of Key Considerations

- Partnership
- Managing Risks
- Regulatory issues
- Project Viability
- Project Financing
- Construction
- Operating framework
- Personnel
- Community Engagement
- Growth Potential



NSBT - Nectar Sierra Leone Bulk Terminal



MMT Terminal

Partnership

Philippines

- Business with good track record
- Commercial capability
- Political Connections
- Investment vehicle, shareholding
- Cultural dimension
- Support from DIT, local Embassy

Sierra Leone

- Existing Agency Services
- Government connection
- Development & support of government services
- Continued national involvement in the enterprise

Managing Risks

- Country Risk
- Political Risk
- Economic Risk
- Trade
- Commodities
- Weather/Environmental



Regulatory **Issues**

Philippines

- Permits, local, regional, government
- Selection of site
- Site location & availability
- Ability to lease to support investment horizon
- Local laws and regulations

Sierra Leone

- Multiple licensees
- Conflicting interest
- Obtaining licence to operate and permits for developments
- Lack of historical records
- Lack of coordination amongst government agencies

Project **Viability**

Philippines

- Clear objectives for development
- Securing business to support the development
- Tariff restrictions and competition
- Development potential
- Robust Feasibility

Sierra Leone

- Uncertainty of trade growth
- Competing developments
- Terminal access
- Infrastructure developments
- Robust Feasibility

Project Financing

Philippines

- Sources of finance
- Availability of finance & willingness of lenders to provide debt capital
- Debt – Equity balance
- Flexibility of lenders
- Terms of engagement

Sierra Leone

- Funding for developments
- Justification for the investment

Key Design & Operational points

Philippines

Terminal Design - Philippines

- Minimum size/critical mass
- Phase 1 berth loa - 250 m draft - 14 m
- Storage area to accommodate 2 million mt throughput per annum
- Additional truck driver facilities and truck holding area

Cargo Handling

- First dedicated bulk handling terminal in the country
- Purpose build equipment
- Single source service delivery
- Guaranteed performance
- Multi cargo/ user capability

Sierra Leone

Terminal Design – Freetown

- Existing facility design limitations
- 2 berths max 9.5 m draft
- Difficulties with draft
- Ageing /damaged quay structure

Cargo Handling

- Ability to cater for a variety of cargoes
- Create storage handling potential for exports
- Have the right equipment to provide services

Operating Framework

Philippines

- Portfolio of Services to be provided
- Selection of equipment
- Mode of operation, level of automation
- Recording & reporting
- Environmental Considerations
- Policies & Procedures

Sierra Leone

- Securing terminal
- Establishing basic services
- Renovating dilapidated infrastructure
- Provision of handling equipment to provide services
- Provision of weighbridges

Service Portfolio - Examples

Philippines

- Loading & Unloading of bulk cargoes to/from vessel or barge
- Stockpiling of commodities
- Management stockpiles
- Cargo transfer from stockpile to transport
- Weighbridge services
- Management of trucks – Quality, truck wash
- Client KPI's and reporting

Sierra Leone

- Unloading of bulk and breakbulk cargoes
- Warehouse management
- Cargo consolidation
- Weighbridge services
- Improvement of existing structures
- Improvement of service standards

Vessel Unloading Philippines



Barge Unloading Philippines

www.nectargroup.co.uk



Truck Operations Philippines



Barge Loading Philippines



A Polluted Scene – Sierra Leone



A Cleaner Port Today – Sierra Leone



Security Before – Sierra Leone



A More Secure Port **Today**



The main port exit road **2016** - **Freetown**



The Same Road **Today**



Personnel

- Placement of qualified personnel
- Training and utilising local resources (High investment in equipment)
- Maintaining values and norms
- Keeping trained personnel
- Exposure to technology
- Understanding of concepts (H&S)



Community Engagement

- Infrastructure improvements
- Community education programmes
- Employment opportunity
- Community support programmes



In Summary

- Make sure you choose the right partner for your projects
- Take time to evaluate your project risks and take measures to control them
- Be aware of what you can/can't do from a regulatory point of view
- Make sure your project is robust and can withstand stress tests
- Take care when choosing your financing partner
- Make sure you can build/complete the project within your budget
- Be very clear about what services you will be offering
- Your team will make or break your project
- Make sure you have the buy-in of the community