Port de Barcelona

Third Strategic Plan

2015-2020

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Pla Estratègic del Port de Barcelona

Presentation

The Port of Barcelona's First Strategic Plan was drawn up in 1998. It defined the aim of making Barcelona the leading Euro-Mediterranean logistics platform, which involves acting as an intermodal centre and a distribution and provisioning platform. This Strategic Plan represented a milestone because for the first time all the port professions and agents adopted a common objective to undertake coordinated actions regardless of competition among them.

The Port of Barcelona's Second Strategic Plan, adopted in 2003, aimed to complement and update the wording of the plan of five years earlier. This plan focused essentially on the strategy in the hinterland, which is its primary concern, and introduced the concept of the networked port.

The major port enlargement, a basic and essential element for the growth of both the port and that of the economy in its surrounding area, is now coming to an end, with nearly all the key projects planned throughout the 1980s and 1990s already built. The new East and South seawalls were completed in 2008; BEST, the port's new large container terminal, has been operational since 2012 and the enlargement of TCB terminal was opened in 2014; more than 80% of the ZAL II has been marketed; a new terminal has been built for short sea shipping; there is more space for vehicle traffic, and so on. With the new road and rail accesses to the port, the new cruise terminal, the marinas for superyachts and certain other specific actions still pending completion, the port infrastructure that will allow the port to develop in the next twenty years is already a reality.

However, market conditions have changed over this time. A long period of sustained and continued growth in traffic (1998-2007) was followed by a highly volatile period with significant losses in some of the port's main traffic segments (2008-2013), primarily as a result of the economic crisis engulfing the country. Moreover, significant changes in the structures of corporate decision-making have occurred as a result of the economic crisis, along with market volatility, globalisation, the restructuring of business and sectors, the gradual reduction in companies' margins, increased competitiveness and the increasing pressure on sustainability, all of which are generating a new scenario marked by uncertainty.

These changes are very significant in the logistics sector, in which far-reaching decisions are taken faster than ever before.

This has provoked a need to conceive of a Third Strategic Plan to take into account all of these factors and establish how the Port of Barcelona can meet its challenges, cope with the current economic situation and improve its competitive positioning.

Needless to say, unlike its predecessor, this Third Strategic Plan attempts to present a comprehensive strategy that not only focuses on actions in the hinterland, which remain an essential part of the strategy, but considers all aspects of the business.

Port de Barcelona

Methodology

This Third Strategic Plan sets out the results of the strategic planning process developed by the Port in the face of the changes to the economic environment and transport of recent years.

The strategic planning process was rolled out in three stages, corresponding to the three parts of this document:

Part one involves a strategic analysis, reviewing the main trends affecting international trade and maritime transport, including the European economic crisis that began in 2008, and analyses its impacts on the Port of Barcelona.

Part two is a strategic proposal based on the Port of Barcelona's mission and vision which develops its future strategy through its strategic positioning, key factors for success and strategic axes to specify thirteen strategic objectives. This section defines the Port's basic strategic objective, its product, market and strategic traffics, characterises the type of customer that uses its services and makes a value proposition of its activity. It then uses these elements to substantiate this strategic definition into a series of actions through a strategic roll-out process.

In part three, on the Port Authority, the general strategic lines of the Port of Barcelona are complemented by the actual actions of the Port Authority, through three additional objectives.

It should be noted that in this Plan, the roll-out of the strategy has been structured around three basic elements - key factors for success, strategic axes and strategic objectives, as described briefly below.

The key factors for success are aspects that must indispensably be taken into account to develop the strategy that will allow the mission and vision to be attained. We have identified four key factors for success

The strategic axes are the vectors for the development of an organisation that group together one or more objectives with a common thread and reveal the main areas on which action is needed to achieve the vision. We have defined three axes for action.

The strategic objectives set the directions for improvements to achieve the Port of Barcelona's vision. In principle they respond to broad, rather than specific declarations. We have defined 13 objectives for the Port of Barcelona plus 3 additional objectives for the Port Authority. Each of these has a set of indicators and targets defined for 2020 to make it possible to measure to what extent they have been achieved.

Port of Barcelona **Third** Strategic Plan **Part One**

Strategic analysis

The Port of Barcelona: a driver of economic development to serve companies

The Port of Barcelona is undoubtedly one of the country's main drivers of economic development.

Its current area of influence includes not only Catalonia but also the Ebro valley, Madrid, the centre and north of the Iberian Peninsula and the south of France. In the future this catchment area must include the entire Iberian Peninsula, especially the northern half; southern and eastern France (with extensions to Switzerland and southern Germany) and for maritime distribution, the entire western Mediterranean, particularly Italy and North Africa.

Traffic, port and economy

The Port of Barcelona specialises in high-value goods. According to data from 2013, this fact consolidates it as Spain's top port in terms of turnover and the value of the goods passing through it.

It is a key infrastructure for Catalonia and its hinterland, since it facilitates the internationalisation of companies, acting as a physical link between them and their markets, and represents one of the main competitive factors for locating businesses.

"The Port of Barcelona must ensure that the companies in its area of influence have access to the leading global trading networks while providing excellent service levels"

A large service infrastructure such as the Port of Barcelona therefore generates gross value added (GVA) of € 2.3 billion, accounting for 1.4% of GVA in Catalonia and 0.35% nationwide, and provides 32,000 jobs. However, the additional benefits the Port contributes directly to the industrial and commercial sector are much greater: the increased production and sales our customers enjoy thanks to the port generate a propagating effect to the other sectors of the economy equivalent to 5.7% of GVA in Catalonia and 5.4% of employment.

Until 2008, the Port maintained an upward trend in most of its strategic traffic sectors, a trend that was broken with the arrival of the economic crisis. Nonetheless, it has remained the driver of economic activity in Catalonia, channelling the growing internationalisation of the companies in its hinterland with record figures in export activity.

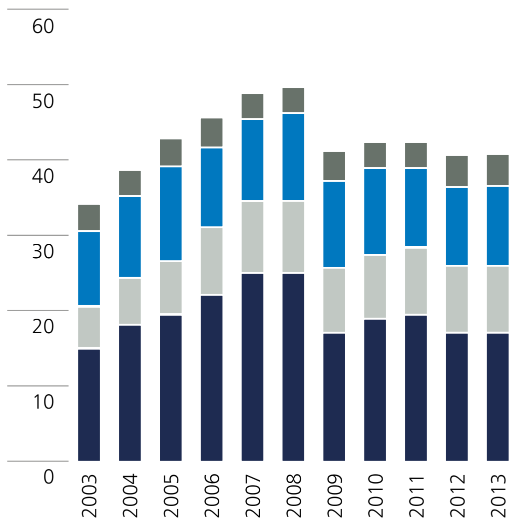


Figure 1: development of total traffic in the Port of Barcelona (in million tonnes)

Solid bulk
Liquid bulk
Conventional cargo
Containerised cargo

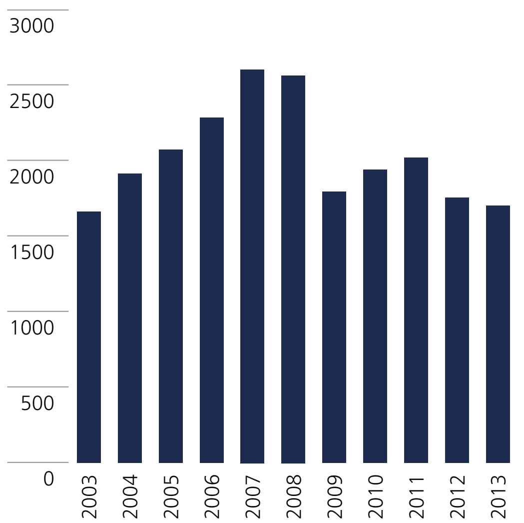


Figure 2: development of container traffic in the Port of Barcelona (in thousand TEU)

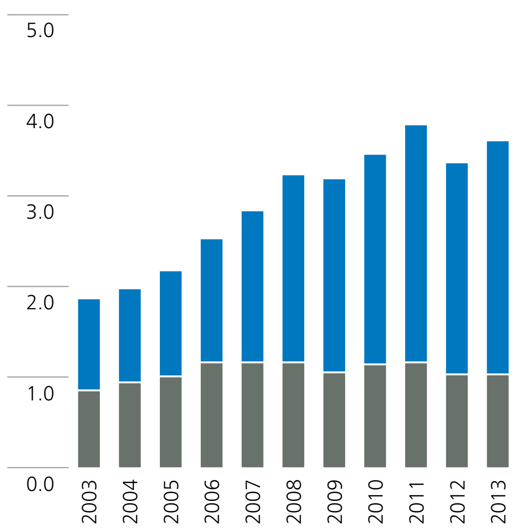


Figure 3: development of passenger traffic in the Port of Barcelona (in millions of passengers)

Cruisers
Regular lines

Territory, infrastructure and accesses

> " The Port of Barcelona is the principle node of Catalonia's system of transport infrastructures "

It is the main Catalan intermodal logistics platform and the backbone of the logistics system in the country.

Its location in the Llobregat delta, between the Garraf mountain range and Barcelona, limits connectivity with the hinterland along the Llobregat axis, an element that currently poses problems of congestion and mobility aggravated by the pressure of surrounding urban development which the new road and rail accesses must resolve.

Following completion of the seawalls in 2008 and the construction of several wharves, the Port of Barcelona's port infrastructure is now ready to handle new traffic. Notable examples of this are the enlargement of the ZAL; the construction of the new BEST terminal and enlargement of the TCB terminal for container traffic; improved rail terminals, which can cater for 750-metre compositions in both UIC and Iberian gauge; the new Grimaldi short sea shipping terminal; the increased capacity for liquid bulks on the Energy wharf; and the new spaces freed up on Príncep d'Espanya wharf to increase capacity for moving vehicles and steel products.

As regards connectivity, the road actions described in the Delta Plan guarantee high-capacity accesses. Likewise, the Rail Master Plan defines the projects deemed necessary in terms of access infrastructures and connections. Among other things, it specifies the building of a dedicated or preferential line for goods in mixed (Iberian and UIC) gauge to connect Barcelona to the French border and the creation of new rail terminals for loading and unloading, reception and dispatch, along with the reorganisation of the entire rail system around the port (Morrot, Can Tunis, the Llobregat river bed, etc.).

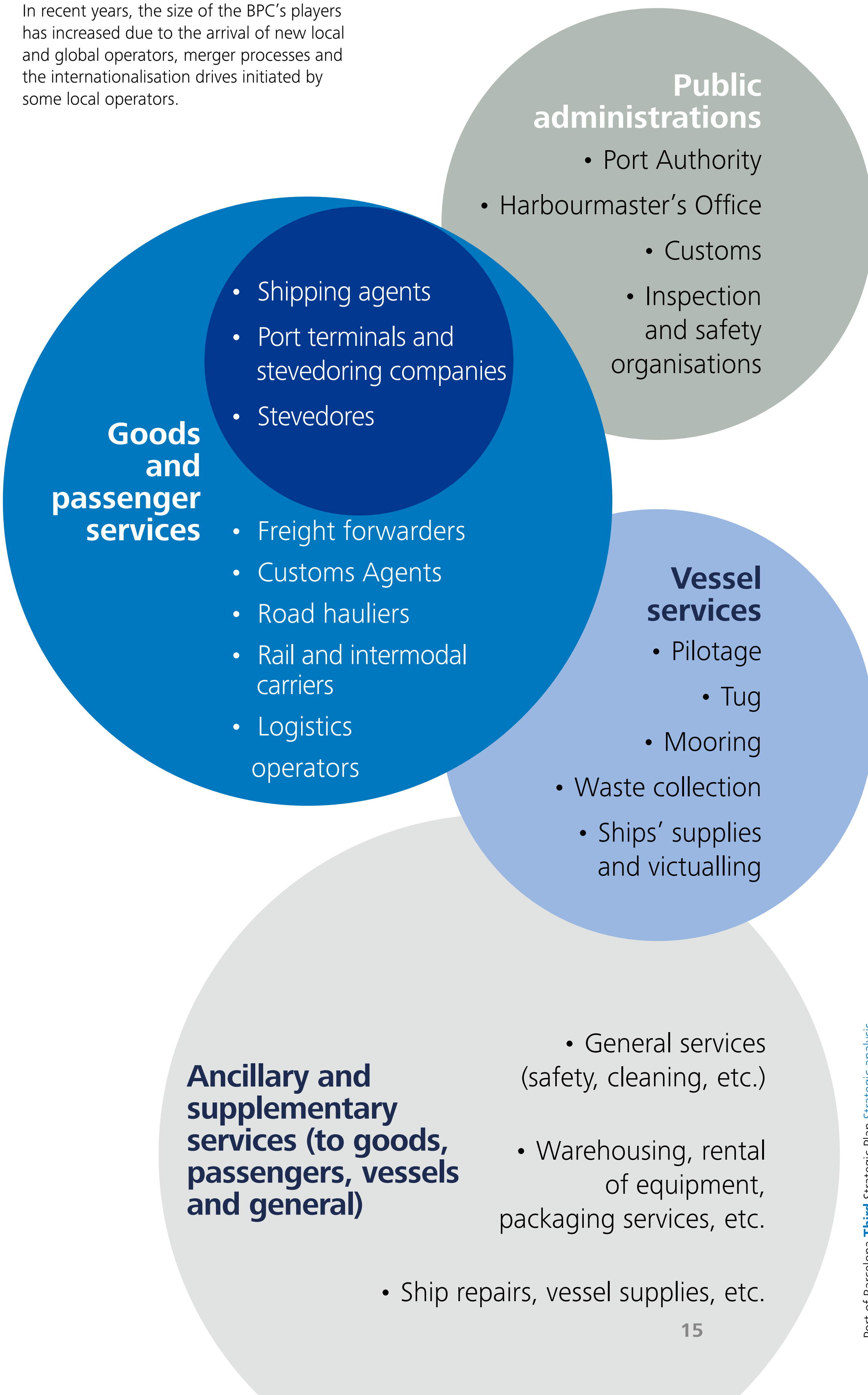
Building the new accesses to the Port of Barcelona, development of which was unlocked in 2013, should make it possible to achieve a 20% share of containerised rail cargo by 2020. Thanks to the efforts already made, today this share is close to 12%, a level similar to the ports of Rotterdam and Antwerp, but still a long way from others such as Bremen or Hamburg (in fact, the share of rail traffic has tripled in the last five years, from 3.26% in 2008 to 10.71% in 2013, and will reach 12% in 2014).

The players of the Port Community

Barcelona Port Community (BPC) comprises all of the stakeholders, organisations and administrations involved in port activities.

In recent years, the size of the BPC's players has increased due to the arrival of new local and global operators, merger processes and the internationalisation drives initiated by some local operators.

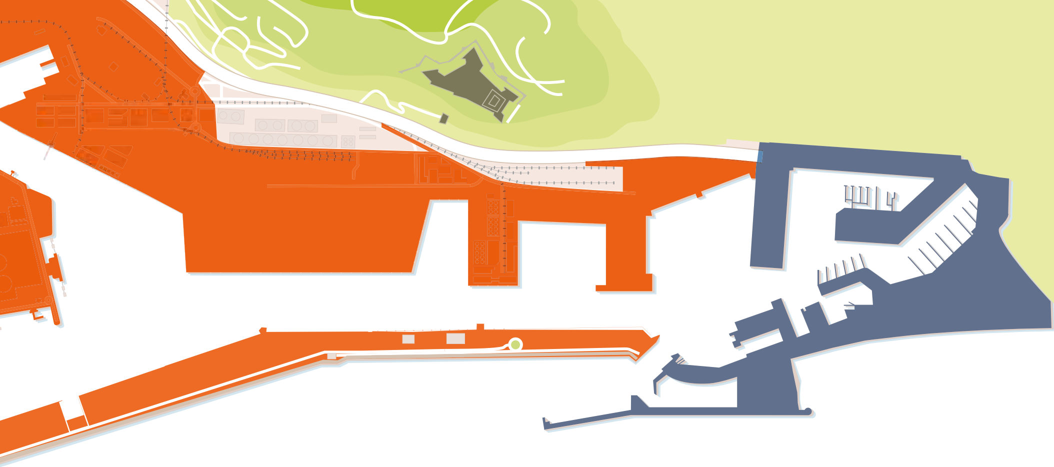
Figure 4: Barcelona Port Community



The projection of Barcelona Port Community required setting up a **Steering Council for the Promotion of the Port Community**, an entity that embodies the spirit of cooperation between the APB and all the public and private institutions performing their activity within Barcelona's port sector, in order to participate in its future development.

The task of the Steering Council is to promote any actions that reinforce the Port of Barcelona brand as a business community and promote the process of national and international expansion of the Port, to increase and reinforce customer loyalty of freight traffic and enhance its image. It comprises representatives of the various bodies, organisations and associations that make up Barcelona Port Community and others related to international trade, to bring on board all the stakeholders in the port area.

The **Management Board** is the highest governing body of the Port Authority. The new ports law obliged it to reduce the number of members; therefore today there are representatives of the main public administrations with an interest in the Port (the Spanish government, the Catalan regional government, Barcelona City Council and that of El Prat de Llobregat), the Chamber of Commerce, Industry and Navigation, the unions and the port sector.



Commercial Port   Logistics Port   City-port

Figure 5: the ports within the Port of Barcelona

The various ports of the Port of Barcelona

For some years now the port has been structured around three main business units, which total more than 30 specialised terminals in all types of traffic, managed by private operators, and about 90 regular shipping lines, which connect it directly with 250 ports on five continents.

> “ The commercial port is the Port of Barcelona’s core business and includes containerised cargo, ro-ro cargo, conventional cargo, bulks (liquid or solid), short sea shipping, passengers, etc. ”

Within the **commercial port** there are several areas that bring together the activities engaged in specific traffics, the most representative of which are:

- Cruise traffic, located mainly on the Adossat and Barcelona wharves.
- The container terminals located on Prat wharf and Sud wharf.
- Bulks, especially chemicals and hydrocarbons, located mainly on the Energy wharf.
- Ferry and short sea shipping vessel traffic, with terminals located mainly in Barcelona, Sant Bertran and Costa wharves.
- New vehicle traffic in South docks, Interior dock and part of Príncep d’Espanya wharf.

The logistics port, which is closely linked to the commercial port, should serve as the basis for consolidating the model of networked port, which is a key element of the Port of Barcelona strategy to become the top Euro-Mediterranean logistics platform.

The city-port, a unique space which will recover part of the port for urban, nautical and sports functions. It consists of the port area adjacent to the city of Barcelona, which had been obsolete for commercial traffic (Port Vell) and the area reclaimed from the sea as part of the construction of the new entrance mouth.

Trends

Trends in the economy and international trade

A long period of virtually uninterrupted economic growth from 2001 to 2007 was followed by a profound economic crisis, and it is still unclear when the upturn will arrive. This is essentially a European crisis, affecting the south of the continent most acutely, while the rest of the world continues to enjoy moderate growth, especially in Asia, Africa and to a lesser extent Latin America.

“ Global economic development has led to important changes in international trade, which directly affect the maritime sector ”

In this regard, the main trends observed can be summarised as follows:

Global sourcing: trade and production are evolving towards a single global market, in which companies take strategic decisions from a global perspective. Competition occurs, not between modes ports or operators, but between logistics chains.

Changes in population models, with increasing urban populations, an ageing population and a growing middle class, especially in emerging countries. This middle class in places like China and Southeast Asia, with its growing consumer power, will drive an increase in exports to those countries.

Global growth in international trade and maritime trade continues despite the economic downturn in Europe. Except for a small setback in world trade in 2009, the upward trend has continued throughout this period, albeit at a more moderate rate, falling from double-digit annual growth to a more modest 4 to 6%.

The Far East will continue to increase its share of global trade, with an increased decision-making role concerning the routing of goods from Asian operators. Intra-Asian trade will become more important overall in world trade, at the expense of traditional east-west routes, which include the Far East-Europe and Transpacific routes, which will continue to gain importance in the Transatlantic route. The Port of Barcelona is particularly well positioned in this market to serve Europe. Other emerging countries such as Africa, Southeast Asia, Turkey and Mexico will gain market share.

A multipolar economy. Despite the economic slowdown affecting some of the BRIC countries (such as Brazil, Russia or India) other countries (like Turkey, Mexico, South Africa, Southeast Asia, etc.) have taken up the slack, creating a world in which the economic relevance of traditional growth centres (Europe, USA and Japan) is in decline. These newcomers are shifting world trade poles further south.

EU enlargement and the relocation of production to the east, which has shifted the centre of economic and industrial activity further away from Barcelona. However, it should be noted that relocation to eastern countries has not occurred to the degree originally expected. In addition, companies in certain industrial sectors have relocated back to local production (Catalonia and Spain), although this has not impacted global trade flows.

Rising labour costs in China and other Eastern countries, which may alter trade flows in favour of other economic areas seeking lower production costs in labour-intensive products (such as in North Africa) or may cause some companies to consider relocating. In this connection, while it is true that labour costs are rising in China, the reality is that purchases (imports) from China are rising again, as are imports from other countries in Southeast Asia. However, the rise in wages has favoured European exports and has partly balanced traffic.

Factors such as **volatility of the economy** in government decisions, in financial markets, consumer habits, the emergence of new geostrategic risks and reduced product life cycles all generate high levels of uncertainty, which affect logistics.

Changes in purchasing habits, with greater market segmentation and consumers that are more demanding concerning variety, customisation and service all contribute to making logistics chains more complex when satisfying consumers.

Trends in logistics and transport

“ The great demands of the markets and pressure on costs require increasingly efficient supply chains ”

Shippers are looking for more competitive logistics, and to do this they are demanding greater control over chains and more integration between the players.

Cooperation between operators is essential. It is chains, rather than products, that are competing with each other.

Growing importance of shippers, logistics operators and integrators (3PL - Third Partner Logistics, and 4PL - Fourth Partner Logistics) in the face of classic industrial producers and transporters in making strategic supply chain-related decisions.

Emphasis on supply chain excellence. This comprehensive and integrated vision of the logistics chain, together with the new service requirements, necessitates complex logistics in which some operators (such as certain major logistics operators and shipping companies) have taken more control of the logistics chain, extending their services onto land.

Importance of the resilience of logistics chains. Recent events (market volatility, natural disasters, government decisions, etc.) have highlighted the weakness of logistics chains, which are heavily dependent on everything that happens in the world. The large operators are increasingly seeking robustness (ensuring supply) in their logistical approach over other factors.

Changes in distribution patterns in Europe, which are tending towards decentralisation to reduce the impact of transport. Rising costs and the optimisation of logistics chains will lead to a reduction in the concentration of distribution centres in Northern Europe and can offer more opportunities to the regional logistic poles located on the periphery of the continent.

The need to rebalance traffic from and to Asia between the ports of Northern and Southern Europe, to improve transport efficiency, reduce the environmental impact of logistics chains and avoid the more congested transport infrastructures.

Increased intermodality, stimulated by EU policies and the current situation of the transport system, with its unacceptable levels of road congestion and emissions, offers opportunities for sustainable services based on rail and short sea shipping, both of which are areas to which Barcelona is firmly committed.

Changes in the road sector in Europe, where the European Union’s road transport infrastructure policy is giving way to sustainable mobility. In addition, the fragmented structure of the sector in Spain is not the most appropriate for facing internationalisation.

Trends in maritime transport and ports

“ Maritime transport is one of the transport sectors that is facing most global changes in terms of logistics and international trade ”

Worldwide container traffic will continue to rise, particularly in the Asian and African markets, for which Barcelona is well positioned.

Concentration of shipping companies and business integration strategies. The economic crisis and the search for economies of scale have aggravated the trend towards horizontal integration strategies (mergers and alliances). Recent significant examples of this phenomenon are the 2M alliance between Maersk and MSC; Ocean Three between CMA-CGM, UASC and China Shipping, and the merger between CSAV and Hapag-Lloyd, which could have significant effects on overall traffic. This concentration of flows can cause shippers to shift between terminals or between ports. As regards vertical integration strategies, the crisis seems to have halted the trend of shipping companies becoming involved in the terminals sector. Overall, shipping companies also seem to have stopped their incursion into logistics operations (inland terminals, railway services, etc.).

Volatility of maritime markets, both in fuel prices and in freight charges. Volatile fuel prices are changing the behaviour of shipping companies, which are tending towards slower sailing speeds and increased travel time (slow steaming and super slow steaming) with a significant variability in the prices of freight, linked to production and consumption cycles, the overcapacity generated by the new mega-vessels and the slowdown in the growth of international trade.

Volatility of maritime routes, stopovers and volumes of traffic. Shipowners and shipping alliances take decisions faster than ever before concerning new routes and rotations, adding or removing ports of call, or shifting large cargo volumes (especially in transhipment) from one port to another.

Concentration of terminals owned by large operators (HPH, DP World, PSA, APM, etc.), especially in the case of containers that tend to develop strong network strategies.

The increase in the size of vessels, which has occurred faster than expected, especially in the case of container ships, has not yet reached its upper limit and requires adequate infrastructure, operations and services to receive them. The Port of Barcelona is ready to operate these, but the planned reduction in the number of stopovers of mega-vessels will restructure maritime services, which could endanger the future positioning of some ports.

Growing competition between ports. The crisis and the oversupply of ports in the western Mediterranean have generated an increase in competition, which will be aggravated by the growing power of global shipping companies and logistics operators and will manifest itself in a much stronger downward pressure on prices.

Greater competition among regional port clusters, even more than between ports. There are many examples of strategies for collaboration, integration, and even mergers between ports. In this new environment, ports act as nodes in logistics and value added networks, and competition occurs between these networks and supply chains. Therefore there is a need to find forms of integration between ports to achieve a competitive offer in the hinterland in relation to offers from other port clusters.

Trends in sustainability

In terms of sustainability and environmental responsibility, a gradual process of awareness-raising among consumers and businesses is supplemented by the increasing legislative pressure exerted by states themselves and by the European Union.

All of this particularly affects transport and logistics, with a direct impact on transport costs, the emergence of new market niches, increasing intermodality, greater transparency in management and the need to seek better optimisation and energy efficiency in logistics solutions.

European Commission policy on transport sustainability, set out in its White Paper entitled "Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system", published in early 2011, defining a European transport policy for the next ten years, with the basic objective of achieving a 60% reduction of CO_2 emissions from transport in Europe by 2050. Furthermore, the regulation on reducing sulphur, which comes into force in 2015, may significantly increase the cost of certain shipping routes in the North Sea and the Baltic Sea.

Greater importance of social responsibility in businesses and public administration, more in the case of ports and transport in general, since they have a high social, economic and environmental impact.

Accounting and internalisation of external transport costs as a first step towards a genuine environmental management. The establishment of national and regional environmental taxes on land transport (such as the Eurovignette) may increase the costs of road haulage and influence the modal shift.

Security as a priority for ports with international initiatives, such as the IMO ISPS Code or the American Maritime Transport Security Act.

Innovation and knowledge as drivers of development. In this field the Port of Barcelona has been the reference model for leading technology development projects that have been exported to other ports. Innovation must be understood here as the systematic and continuous effort to improve port services effectively to satisfy the customer.

The White Paper on transport

The European Commission White Paper, subtitled “Roadmap to a Single European Transport Area – Towards a competitive and resource efficient transport system”, is a strategic document that lays the foundations of the European transport policy for the next ten years and sets the first step for the transport system up to 2050.

This new White Paper aims to achieve a **60% reduction in CO_2 emissions from the transport sector by 2050.** To this end, it sets the following ten goals for competitive and sustainable transport system:

1. Phase out ‘conventionally-fuelled’ cars in urban transport (50% by 2030).

2. Low-carbon sustainable fuels in aviation to reach 40% and reduce emissions from maritime bunker fuels by 40%.

3. Achieve a 50% shift to other modes such as rail or waterborne transport for medium distances (> 300 km), both for passengers and for freight (30% cargo transferred by 2030).

4. High-speed rail network. Tripling the length of network by 2030.

5. Basic core network of TEN-T transport corridors to guarantee an efficient transfer between transport modes.

6. Connect all core network airports to the rail network (high-speed) and core seaports.

7. Deploy smart transport management systems, including ITS, ERTMS and Galileo.

8. Zero fatalities in road transport by 2050, halving road casualties by 2020.

9. Establish the framework for a European multimodal transport information, management and payment system for passengers and freight.

10. Move towards full application of “user pays” and “polluter pays” principles.

The economic crisis

Seven years after the onset of the crisis, the first signs of recovery are beginning to appear, as can be seen in the developments in foreign trade: the good performance of exports in recent years has produced encouraging trade figures, and from 2015 the positive progression of imports could be consolidated in line with improved domestic demand.

“ The crisis has had a direct impact on port traffics ”

The crisis has been seen in the following areas:

Reduced domestic consumption in Spain, which has caused a significant drop in imports. At the Port of Barcelona, full import TEU figures fell from 533,000 in 2008 to 391,000 in 2013, which is a 26.61% reduction. Imports only began to rebound in the second half of 2013, closing the year up 2%. This turnaround was confirmed, and even improved, during 2014.

Repositioning of shipping companies that sought refuge in their own dedicated terminals, especially for transhipment operations. In this situation, having only public terminals was a setback for Barcelona and led to a significant reduction in traffic (from 959 thousand TEU in 2008 to 276 thousand TEU in 2013, marking a fall of 71.1%).

Increased exports. Given the weakness of the domestic market, companies in the hinterland have opted to seek alternative markets abroad. This generated an increase in exports at the Port of Barcelona, which in 2013 reached historical records (581,000 full TEU of external traffic, up from 507,000 TEU in 2008, an increase of 14.6% in the period). Barcelona has gone from being a traditional port for imports, is now clearly an exporter. While this is a positive aspect of the crisis, increased exports do not currently compensate for the fall in imports and transit. The vehicle segment, which suffered heavily in the crisis, is also recovering thanks to the overall rise in all traffic, especially exports. In 2013 traffic reached 705 thousand vehicles, almost the same level as in 2008 and in 2014 it is expected to equal or exceed this figure.

Pressure on costs and prices. The economic crisis struck just when port development infrastructures were being enlarged and shipping companies were increasing their transport capacity (increasingly large ships being launched). This shipping capacity bubble burst in the form of an oversupply in ports and transport and triggered increased competition and pressure on prices, which is still ongoing.

Restructuring of shipping lines.
The creation of new alliances between shipping companies to reduce costs means rethinking traffic and ports of call. The most significant cases of this phenomenon were the announcements in the second half of 2014 of the new 2M alliance between Maersk and MSC and the Ocean Three alliance involving UASC, China Shipping and CMA-CGM. The first alliance alone involves 185 ships and 2.1 million TEU of capacity, representing a 35% market share on the Europe-Asia route.

Furthermore, downward pressure on costs has forced a change in the conditions of regular shipping lines, which increasingly apply slow steaming or extra slow steaming as a standard practice and has obliged companies to share vessels along the same sea route. This is forcing a dynamic redefining of ports of call and consequently generating high volatility in terms of routes and freight.

Volatility in financial markets.
The delicate financial situation in which almost all major world shipowners find themselves, along with the credit crunch, has meant that decisions are taken and moves are made faster and more decisively than ever before (for example eliminating stopovers, making freight more or less expensive, seeking global alliances, etc.).

More restrictions on public spending.
States have responded to the public debt crisis by cutting public sector spending. In Spain this has affected all public administrations, including port authorities, which are now much less free to take decisions concerning spending and recruiting. All the scenarios suggest that this principle of public spending containment will continue beyond the end of the economic crisis, which will have the greatest effects on ports with more public administration involvement, such as those of Southern Europe.

In the specific case of the Port of Barcelona, the impact of the crisis has been particularly negative with regard to certain traffic segments. Thus, total traffic fell by 18% between 2008 and 2013, 32% for full TEU containerised cargo (due to transit traffic, which is 72% below 2008 levels, while traffic starting and ending in the hinterland is only 2% short of pre-crisis traffic levels and is forecast to reach, and even exceed, this level by the end of 2014); ITU traffic fell 22.4%, while liquid bulk dropped by 12%. Solid bulk, however, was not affected and already exceeded 2008 traffic levels by 25% in 2013. New car traffic is only 2% under its 2008 level. The results for passenger traffic, especially cruise traffic, have been unaffected by the crisis, experiencing a 25% growth, although there will be a certain decrease in 2014 caused by ships repositioning outside the Mediterranean.

Therefore 2014 was the year of recovery. Indeed, total goods traffic up to October 2013 increased by 8.9%; liquid bulks increased 21.9%; solid bulks by 11.1%; the number of TEUs rose 8.1%, and new cars were up 3.2%.

Traffic development	2008	2009	2010	2011	2012	2013
Total traffic (thousands of tonnes)	**51,816**	**42,981**	**44,089**	**44,291**	**42,590**	**42,434**
Liquid bulk	12,105	11,756	11,558	10,761	10,432	10,610
Solid bulk	3,506	3,921	3,542	3,544	4,686	4,374
Containerised cargo	25,156	17,625	19,187	19,857	17,401	16,982
Conventional cargo	9,778	8,491	8,589	8,903	8,969	9,426
TEU (thousands)	**2,569**	**1,800**	**1,948**	**2,034**	**1,757**	**1,720**
Import/Export	1,610	1,194	1,308	1,367	1,316	1,443
Transhipment	959	606	640	667	441	277
Cars (units)	**716,393**	**438,597**	**553,650**	**630,102**	**665,038**	**705,374**
Import/Export	522,202	361,756	466,600	553,310	551,973	551,973
Transhipment	194,191	76,841	87,050	76,792	112,066	112,066
ITU	**390,442**	**341,173**	**340,414**	**330,182**	**301,788**	**304,402**
Passengers (thousands)	**3,237**	**3,201**	**3,444**	**3,827**	**3,423**	**3,628**
Regular lines	1,162	1,050	1,096	1,170	1,014	1,028
Cruises	2,075	2,151	2,348	2,657	2,409	2,599

Positioning of the Port of Barcelona

Barcelona is located in a peripheral position with respect to Europe, relatively far from large industrial and consumer areas, with the exception of Catalonia itself, and faces difficulties accessing the main European markets of central and northern Europe. Nonetheless, Barcelona is the Spanish Mediterranean port closest to the French border, and is therefore somewhat less peripheral than its closest competitors (Tarragona and Valencia).

In relation to the rest of Spain, Barcelona is also in a peripheral position in the northeast corner of the peninsula. It is also relatively distant from the Suez - Gibraltar axis, a fact that hinders its position in terms of transhipping goods, with the exception of destinations in the Western Mediterranean.

“ Barcelona has the most powerful immediate hinterland in the entire Mediterranean and is relatively close to major markets within a radius of about 600 km. It also has access to Northern Africa and Northern and central Italy in under 24 hours ”

This means that, although it may not be the best port for supplying the Spanish or the French market, it is just about the only one with the capacity to supply both markets simultaneously, plus the growing market of North Africa and the industrial, consumer and tourism base represented by Barcelona and Catalonia.

The significant movements of goods between Barcelona and central and southern Europe that are generated by the industry and consumption in the metropolitan area are an important element for achieving synergies with maritime-based flows to Europe. This combination of continental and maritime traffic is a distinctive element of Barcelona, something none of our competitors have in the main ports; the port can therefore use it to develop mixed rail services. The same synergies can be found with traffic that comes from the south of Spain (Morocco, Andalusia, Murcia), crosses the peninsula and is channelled towards continental Europe.

It is worth mentioning the especially attractive tourism potential of the city of Barcelona, coupled with the development of appropriate infrastructure and the Port Authority’s policy of encouraging loyalty of traffics, which have turned the Port of Barcelona into the European leader for cruise traffic.

The Port of Barcelona is part of the core network of the new Trans-European Transport Network (TEN-T) in the Mediterranean corridor. To date, it is the only port in Spain to connect to Europe using UIC gauge, even though there is much scope for improvement, and its network of strategic corridors is included in the TEN-T.

BALTIC - ADRIATIC
NORTH SEA - BALTIC
MEDITERRANEAN
ORIENT - EAST/MED
SCANDINAVIAN - MEDITERRANEAN
RHINE - ALPINE
ATLANTIC
NORTH SEA - MEDITERRANEAN
RHINE - DANUBE
OTHER CORE NETWORK

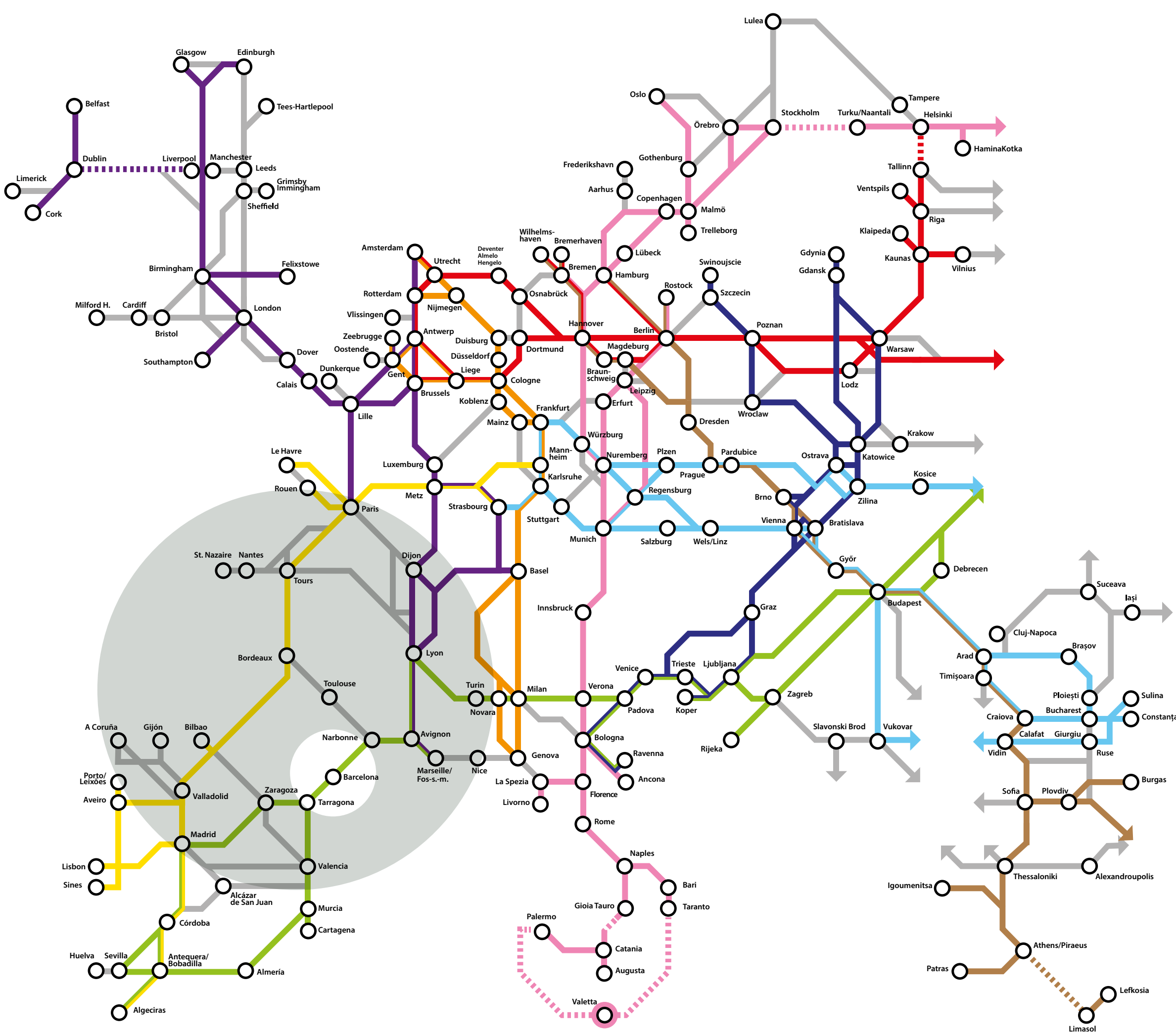


Figure 6: scheme of the Trans-European Transport Network core network

Source: European Commission

Competitive position

The competitive forces that determine the Port of Barcelona's position on the market are defined by the increased bargaining power of suppliers of transport services (shipping companies and global logistics operators); enhanced decision-making ability and power of end users; growing competition with nearby ports; competition from ports in Northern Europe, with much higher capacities and developments, and potential market entrants, basically new ports from the Mediterranean region.

Closest competitors

> "The main competing ports of the Mediterranean have recently enlarged that have increased their capacity"

This fact, compounded by the effects of the economic crisis, which has led to a decline in traffic in the area, has generated an oversupply of port infrastructures that will continue in future; additionally, there is overcapacity of shipping lines that is due to the increased size of vessels, coupled with slowing east-west trade.

This oversupply is forcing ports to develop policies for attracting cargo and to compete more aggressively with each other and with other ports. In any case, traditional port markets cannot currently meet excess port capacity, and neither will they be able to in the future. Therefore we must turn to new markets. Here, we should point to the increased capacity of ports such as Valencia, Tarragona and Marseilles. Joint supply resulting from all these enlargements far exceeds anticipated traffic demand in the western Mediterranean in the coming years. This is particularly significant in the case of container traffic, but also occurs in other traffic like new vehicles or cruises. In this case, we must point to the pressure exerted by competing ports in recent years to position themselves in high-value traffic, which have traditionally been strategic segments for Barcelona (this is the case of container traffic in Tarragona, Algeciras and Bilbao, or cruise traffic in Valencia).

As far as transhipments are concerned, in addition to the aforementioned increases, competition has also increased in Barcelona with the hub ports in the south of the Mediterranean are such Tangier, Gioia Tauro, Algeciras or Pireus.

This competition must, however, go hand in hand with a policy of cooperation between the ports of Europe's Southern seaboard, in order to change the current imbalance of traffic between Northern Europe and the Mediterranean. Initiatives such **Intermed** and **Ferrmed** are good examples of this phenomenon.

> "In the coming years, competition for traffic will be much more aggressive: success will depend on efficient logistics and developing a strategy of alliances, increasing penetration in the captive hinterland of other ports and competing in new markets"

While such cooperation between all the Mediterranean ports is necessary to stand up to competition from the north, in the case of neighbouring ports with which there is a clear overlap in areas of influence, we will need to seek much closer forms of relations, via strategic alliances, to allow more integration in the future and compete to attract traffic from other port clusters.

Let us not forget that, at present, competition occurs between port clusters rather than between ports, which has fostered processes of integration and strategic alliances between world class port authorities. Clear examples of this trend are the merger between Copenhagen and Malmö; collaboration within the Delta Port (Rotterdam and Amsterdam); Georgia Ports Authority (Savannah and Brunswick); the Seine Axis or Haropa (Le Havre, Rouen and Paris) or the newly-created Port Authority of New South Wales (Yamba, Newcastle, Sydney, Port Kembla and Eden.)

Competing Northern European ports

> “ The main ports of northern Europe move 70% of European port traffic with Asia, against the 30% moved by those of the south ”

The logistics and port system in Northern Europe has significant differences over the Southern Mediterranean: in the north they enjoy highly available terrestrial infrastructure; greater use of rail or waterborne transport; a high concentration of ports with shared hinterlands, which include the main European production, distribution and consumption centres; better orientation towards land transport (internal network) and a port sector that is more open and used to working in competition.

In Northern Europe, cargo concentration makes it possible to operate bigger ships with a large volume of operations, making it possible to reduce unit costs per stopover (costs per operation performed).
This concentration also allows greater frequencies and reduces transit times perceived by customers.

This means that port competition is more pronounced in Northern Europe, which forces ports to provide service excellence, seek more loyalty for freight and push deeper into the hinterland. The north of Europe therefore has a transport and services-based approach, and a much more developed intermodal supply, based on two differentiating features: solid **network strategies** and a range of **integrated services**. Despite this greater competition, the concept of **alliances and cooperation** among ports is far more developed than in the south, as evidenced by the strategic alliances between Rotterdam and Antwerp, between Rotterdam and Amsterdam (Delta Port) or between Antwerp, Zeebruge, Ghent and Oostende.

Market served by northern ports ■ Market served by southern ports ■

Figure 7: distribution of Asian traffic between the north and Mediterranean seaboards of Europe

The bargaining power of suppliers

Although the Spanish logistics sector has great potential, bar a few notable exceptions, it is generally characterised by a large number of SMEs that find it hard to act in an increasingly global environment, and Barcelona is no exception to this trend. It is therefore necessary to foster the growth and internationalisation of companies to compete efficiently with the services offered by other ports that involve more global operators.

However, in the terminal sector there has been a process of growth in the size of operators.

The arrival of Hutchison Port Holdings, one of the largest terminal operators in the world, to manage the Port of Barcelona's BEST terminal has changed the balance of forces. Other terminal operators are also growing and becoming more international, such as Grup TCB, Autoterminal and Creuers del Port.

Increasing supplier loyalty requires establishing long-term alliances and strategic partnerships in which power relations are based on strict criteria of market competitiveness, and negotiations on the "win-win" principle.

The bargaining power of customers

> “ The market share of the top ten shipping companies (Maersk, MSC, CMA-CGM, Evergreen, Hapag-Lloyd, CSCL, COSCO, APL, Hanjin and NYK) has increased in containerised traffic ”

All of these companies make stopovers in Barcelona, but the fact that they are defining their strategy from a global perspective and developing a policy of alliances and joint services jeopardises loyalty towards ports, plus the fact that most are now facing financial difficulties and are promoting aggressive cost-reduction policies. Alliances such as 2M or Ocean Three may have important implications for ports and terminals and lead to changes in the ports of call chosen by shipping companies. At present, this sector is characterised by high volatility in terms of decisions concerning routes, stopovers or freight.

Increased supply and growing pressure for service and costs mean that final customers tend to take control of their supply chain, which they are currently able to do thanks to access to more information than only a few years ago.

Meanwhile, the opposite effect is taking place - more outsourcing and end customers farming out their entire logistics activity (3PL, 4PL) and leaving decisions in the hands of operators that base their actions on professional criteria and customer satisfaction.

In the case of large manufacturers, major distributors and multinationals, we are in a situation similar to that of large service providers: they are all taking decisions in accordance with global standards and, therefore, developing their own network strategies.

Port of Barcelona **Third** Strategic Plan **Part Two**

The strategic proposal

The Port of Barcelona's mission and vision

The Port of Barcelona's mission

The Port of Barcelona's mission, which expresses its *raison d'être*, continues to be as defined in the First Strategic Plan:

> **"To contribute to the competitiveness of the customers of the Port by providing efficient services responding to their needs for maritime transport, land transport and logistics services"**

This mission is rolled out according to the following principles:

The Port of Barcelona **must promote the economic development** of its surrounding area, and must be an **instrument facilitating international trade and creating wealth.**

Its principal function is to **provide value to the hinterland** by **improving the competitiveness of companies (importers, exporters and operators)** that use Barcelona as their port.

This competitiveness requires a certain **size** to achieve economies of scale in costs, a critical mass to facilitate connectivity with the strategic foreland and hinterland and, consequently, that it should facilitate international trade operations of the users of the port. An **enlarged port** with sufficient capacity is therefore necessary.

It must guarantee the **efficacy, efficiency, transparency and operational simplicity** of its processes: it must be an **easy port** for the operators of the hinterland.

It must guarantee **sustainable growth** of its infrastructures and traffic, and must **manage its environmental impact responsibly** in all of its areas of activity.

Its actions must respond to the **real needs of the various stakeholders.**

It must be an **innovative port**, meaning it anticipates the needs of its customers, creating new value services in logistics and transport, and promoting the use of the new technologies.

Finally, the Port of Barcelona must be a **global benchmark** in all its areas of management.

The Port of Barcelona's vision

The Port of Barcelona defines its vision as follows:

> “ Barcelona: the European port solution in the Mediterranean ”

Despite the simple wording, this strategic vision has important implications.

To be the European port solution in the Mediterranean means competing with large European and State-run ports, located mainly in the western Mediterranean and the coast of Northern Europe. The model of efficiency and competitiveness is thus defined by these Northern European ports, rather than those in the immediate area. **Barcelona must become an alternative gateway for goods in and out of Europe, especially as regards traffic with Asia and Africa.**

This alternative is possible only with sufficient (physical and commercial) port capacity, adequate access to new markets and value services tailored to the requirements of shippers, with a high operational efficiency and competitive costs. Only with all these elements can Barcelona choose to be a **European logistics solution.**

The requirements of the enlarged hinterland are different to those demanded of the Port up to now, as there are a whole series of alternative and more mature port offers with which Barcelona must compete. To do this, it must orient the supply of port and logistics services to the market, boost port marketing, provide more value to customers than the competition, with attractive costs, and develop a policy of alliances to make it possible to build efficient logistics chains in an enlarged hinterland.

Strategic positioning

Strategic objective

At present, the Port of Barcelona can be considered as the main logistics port in Southern Europe and the Mediterranean. As the realisation of his vision, the Port of Barcelona's strategic objective is:

> “ To become the main euroregional distribution centre in the Mediterranean competing with the ports of Northern Europe ”

Achieving this is a complex task that requires:

Transforming the Port of Barcelona into a concentration, distribution and cargo treatment centre with a more extensive hinterland than hitherto.

Developing the **networked port**, organising multimodal transport corridors and developing inland terminals.

Promoting **alternative modes to road transport**, particularly rail and short sea shipping lines.

Improving port operations and reducing costs to become more competitive in moving goods than other ports can.

Offering shippers **a new value proposition** with full involvement of the entire Port Community.

The current economic situation and market volatility make it difficult to establish reliable traffic forecasts in the short term, but considering the medium and long term; the Port of Barcelona must achieve **70 million tonnes of cargo and 3 million TEU by 2020**, about 70% of which must be general (containerised or conventional) cargo. And by this time, the volume of containers to be handled must exceed **2.3 million TEU from the hinterland** and 3 million TEU in total.

Today, more than 75% of the containerised goods handled by the Port of Barcelona start or end in Catalonia. Even considering a scenario without the economic crisis, growth in the immediate surrounding area will be insufficient to achieve these traffic objectives:

> “ In the future, 50% of cargo must originate from or be destined beyond this immediate hinterland ”

The question, therefore, is how to address growth that will mean doubling current traffic. The fact that half the cargo has to come from outside Catalonia forces us **to enlarge Barcelona's hinterland up to a geographical radius of over 600 km and, in some cases, it will extend 1,200 km.**

The Port of Barcelona's product

Efficient supply chain management is now the main concern of companies; so much so that competition is now understood to occur between logistics chains rather that between companies. Becoming the top Mediterranean logistics port requires recognising this market reality and adopting the door-to-door supply chain (defined as an integrated sequence of transport, storage and added value activities) as the product that the Port of Barcelona must provide to the market.

> " The Port of Barcelona must produce logistics chains tailored to customer needs with attributes that exceed those offered by the competition "

Thus, Barcelona's offer must consist of an integrated ensemble of transport services, storage services, ancillary services and value added services that respond to market demands.

Therefore, the Port of Barcelona's product includes:

Transport services: road, rail and maritime transport, long distance transport, ports, distribution, etc.

Storage services: warehouse services, storage facilities, cargo consolidation and division, etc.

Complementary services: customs, inspection, cargo handling, transport services (including technical and nautical services), etc.

Value-added services: traceability and information services, small assemblies and handling, postponement, and generally speaking all logistics services that can add value to the market.

Strategic foreland

Strategic traffics & markets

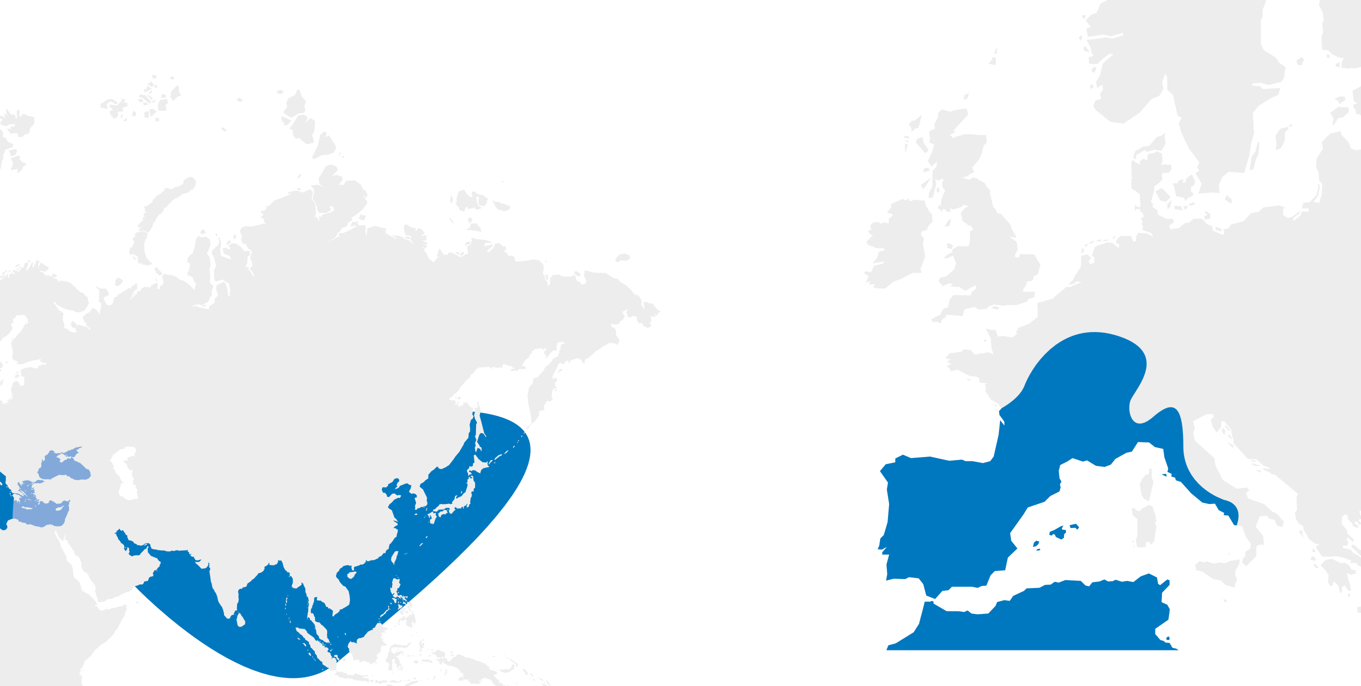
The Port of Barcelona is a diversified, multi-traffic port, which makes it more resilient to market fluctuations. Taking a leading role in a product involves adopting a selective multi-specialisation strategy, focusing activity on a diversified yet small group of cargoes. In this connection, **the strategic priorities for traffic types and geographic markets** are as follows:

The Port of Barcelona must **prioritise high-value products**, such as general cargo (containerised goods, new cars, ro-ro, special cargoes, groupage, controlled temperature, etc.), while maintaining a good level of diversification with the remaining traffic types.

The strategic foreland basically comprises the Asian market (with particular emphasis on China, the Indian subcontinent and the Persian Gulf), **the African market, Latin America** and, to a lesser degree, the rest of the east coast of the Americas and the Eastern Mediterranean.

The **Port's strategic hinterland is the Iberian Peninsula, especially the north and central half, and south and east of France** (with possible extensions to Switzerland and Southern Germany). The strategic hinterland also includes the rest of the **Western Mediterranean** and, more specifically, Italy and the Maghreb.

The expected increase in traffic in the Port's traditional markets (Catalonia and Aragon) is insufficient to achieve its growth forecasts; rather, these must be based primarily on **extending the hinterland** to markets in which it does not have a dominant presence, **especially towards Europe and the centre of the Peninsula.**



Strategic hinterland

The Port of Barcelona's customer

The Port of Barcelona's customer is **the party that designs, uses and contracts logistics chains, basically shipping companies, logistics and transport operators, and importers and exporters** that are able to contract and take the decision to choose a chain passing through Barcelona to the detriment of other logistics chains (or to choose to avoid it passing through Barcelona). This concept includes shipping companies, logistics operators and freight forwarders, importers and exporters, hauliers, etc., as appropriate. The weight of each of these players in the process of deciding on the routing of the goods varies according to the geographic market, kind of product and type of traffic.

In any case, each market segment has its own customer characterisation. For example, in short sea shipping, the basic customers are road hauliers. However, for new cars for export, the main customers are leading manufacturers of the brand in the hinterland. However, they must all consider the Port of Barcelona as a partner, a provider of logistics, with whom to forge strategic alliances. The Port of Barcelona must establish differentiated channels of communication for each customer type.

“ The Port of Barcelona identifies its customer as the shipper of the goods, understood in a broad sense: shipping companies, logistics operators, importers and exporters, etc. ”

Key factors for success

Key factors for success are necessary aspects without which it is not possible to achieve the strategy defined in the Strategic Plan; the elements necessary to achieve the objectives set.

The Port of Barcelona's value proposition

The Port of Barcelona's value proposition, which identifies the specific elements of the Port's product that are most in demand, is based on the following elements:

Shorter routes to Europe for Asian and African markets.

An alternative to ports on the northern seaboard for distribution in the Western Mediterranean.

Integration into the main industrial and logistics node of the Mediterranean.

Economically powerful hinterland.

Network of inland terminals.

Appropriate infrastructures, adapted to future needs.

Good capacity and port operation with careful territorial planning.

Good connections to the hinterland.

Productivity of the terminals.

Commitment to intermodality.

Commitment to sustainability and the environment.

Changes in global logistics models in Europe

The European port system, which was gradually built up over the last few centuries, was based up until the nineteen-eighties on a commercial model that has now changed radically. From the sixteenth to the late twentieth century, the translatlantic routes were the main axis of world trade, fostering the growth and development of the major ports in Northern Europe. At the start of the twenty-first century world trade has turned this paradigm on its head: today the Asia - Europe route moves three times the traffic of the transatlantic route, but this change has not significantly affected the European logistics and port structure.

Today, the vast majority of Asian traffic enters Europe via the Suez route, crossing the Mediterranean after passing Gibraltar and heads to the major ports of Northern Europe, where goods are unloaded and transported to centres of consumption in central Europe, or vice versa. Loading or unloading these goods in the Mediterranean ports would mean sailing between 1,600 and 2,200 nautical miles fewer, depending on the port, with the consequent reduction in consumption and emissions, shortening travelling time by three to seven days, needing fewer ships to maintain the same level of frequency. This paradigm shift already represents a significant reduction in internal and external costs for trade between Europe and Asia.

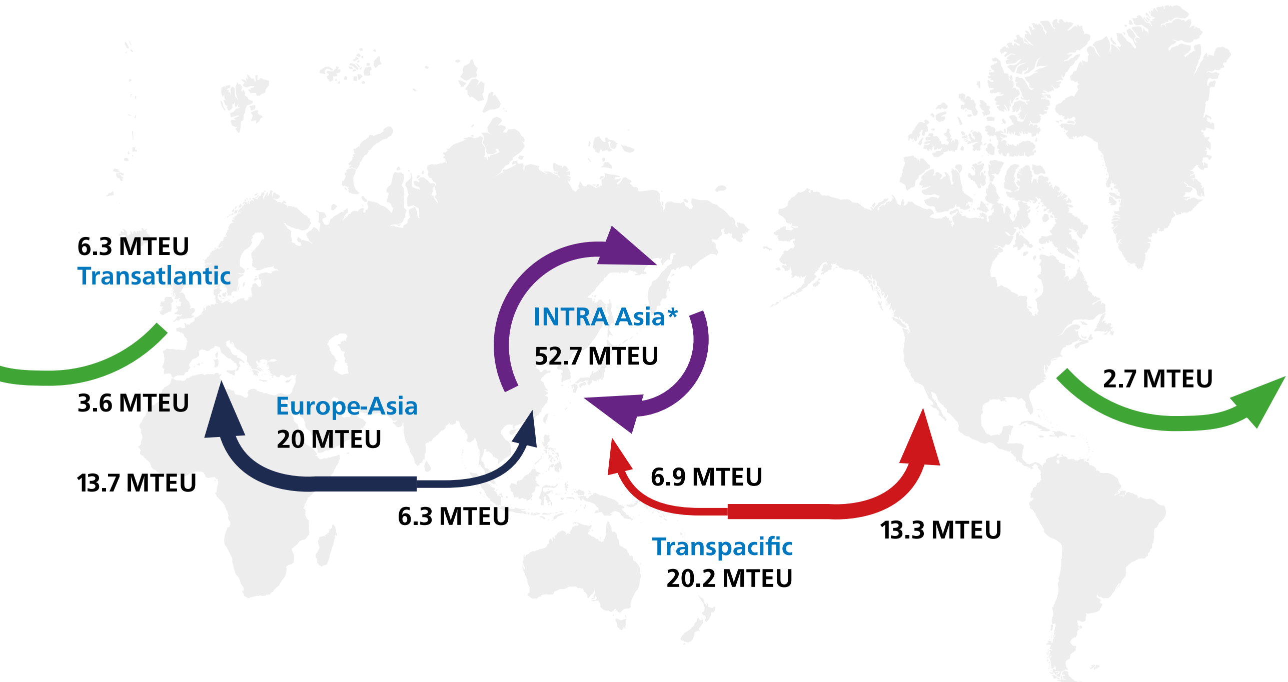
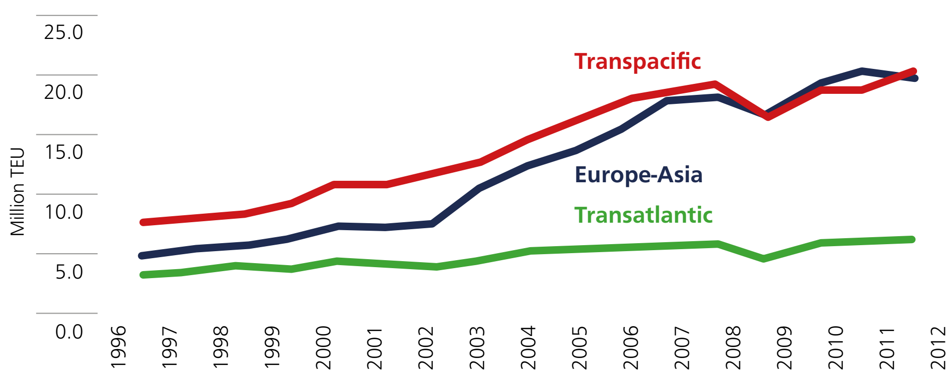


Figure 8: global container traffic. Source: UNCTAD, Review of Maritime Transport 2013 and (*) Drewry Maritime Research, 2012



In 1980, New York was the world's number one container port, followed by Rotterdam. The top ten included four in Asia, three in North America and three in Europe. By 1990, Singapore and Hong Kong had risen to become the top two, and the global top ten included six in Asia, two in America and two in Europe. Rotterdam remained in third place, but New York had dropped to ninth place. **In 2013, the top ten ports are all Asian, Rotterdam is in eleventh place and there are no American ports on the list (New York ranked 26th).**

Why has this not happened yet? There are two main reasons. Firstly, the ports of Northern Europe are more competitive because for centuries they have been developing the practice of serving Europe using a framework of open competition; secondly, physical and commercial accessibility to the markets in the north and centre of Europe is simpler from the north than from the south, also for historical reasons.

So, the European logistics system responds to the global trade flows of past centuries, but a more efficient, more sustainable and less congested transport system must be based on current and future traffic flows, which have and will continue to have their centre of gravity in Asia. Europe's competitiveness therefore requires a change in its global logistics model and the Mediterranean ports must become a real alternative for serving the continent.

The European logistics system must look for alternatives to the congestion afflicting the north, for which it is necessary to open new ways into the continent.

The development of the new Trans-European Transport Network (TEN-T), in which the Port of Barcelona is part of the core network, and increasing pressure from environmental legislation to promote more sustainable modes of transport could foster logistics changes in Europe and boost the ports of the Mediterranean.

In addition, significant changes in the maritime business (concentration and alliances of shipowners, market volatility, development of mega-vessels and a reduction in the number of stopovers, slow steaming and super slow steaming, increased fuel costs, etc.) have just brought about a change in logistics models, which must be taken into account.

Ebro corridor
Iberian transversal corridor
South of France corridor
Mediterranean or European corridor
Motorways of the sea with Italy
Motorways of the sea with the Maghreb

Improving competitiveness in logistics

Despite the differences in terms of volumes, the Port of Barcelona's competitive standard is set by ports like Antwerp and Rotterdam, which are the benchmark ports in the target enlarged hinterland. Their standards of quality and service will also enable us to compete successfully in the peninsular market, especially in areas (centre and west of the Peninsula, east coast) which are more geographically remote from Barcelona than other alternative ports.

These northern European ports have moved from providing port services to offering advanced logistics services along the lines established by the market: operators and authorities actively engage in rail, land transport, advanced logistics, marketing, etc. to provide door-to-door supply chains to customers.

> **" Penetrating the large national and European markets in which Barcelona is not the reference port means developing sophisticated offers of logistics and more market-oriented practices equivalent or better than those offered in Northern Europe "**

Competing with these practices means taking them on board and integrating them into Barcelona's activity and demands standards much higher than those usually found on the local market. The Port of Barcelona must continue to focus on improving its range of services to be a benchmark in the new markets too.

Development of the networked port

Extending the territorial scope of influence of the Port of Barcelona must be achieved by applying the concept of "networked port", in other words, by creating a network of cargo attraction centres distributed throughout the area and connected to the Port of Barcelona using intermodal corridors. The development of a networked port involves setting up a two-pronged strategy:

The nodes strategy
These cargo attraction centres are vital for achieving loyalty of traffic through Barcelona when the elements mentioned above come together.

At the present , the Port of Barcelona has developed two inland terminals in Spain, the Terminal Marítima de Zaragoza (tmZ) and the Puerto Seco de Azuqueca de Henares. It has also implemented an additional logistical node in France and has a stake in the SAEML terminal in Perpignan, in the el Far – Vilamalla rail terminal in the Empordà, and in the planned future Terminal Marítima Centro (tmC) in Yunkera. This strategy, led initially by the Port Authority, is now being followed by operators linked to the Port of Barcelona, which also have a stake in terminals in Aragon, Navarre and Rioja.

> **" To develop port activities and extend the Port's hinterland it requires maintaining and fostering this strategy of dedicated logistics nodes "**

by involvement and participation in the inland terminals in the hinterland to serve areas with the potential for growth of maritime traffic in the strategic markets.

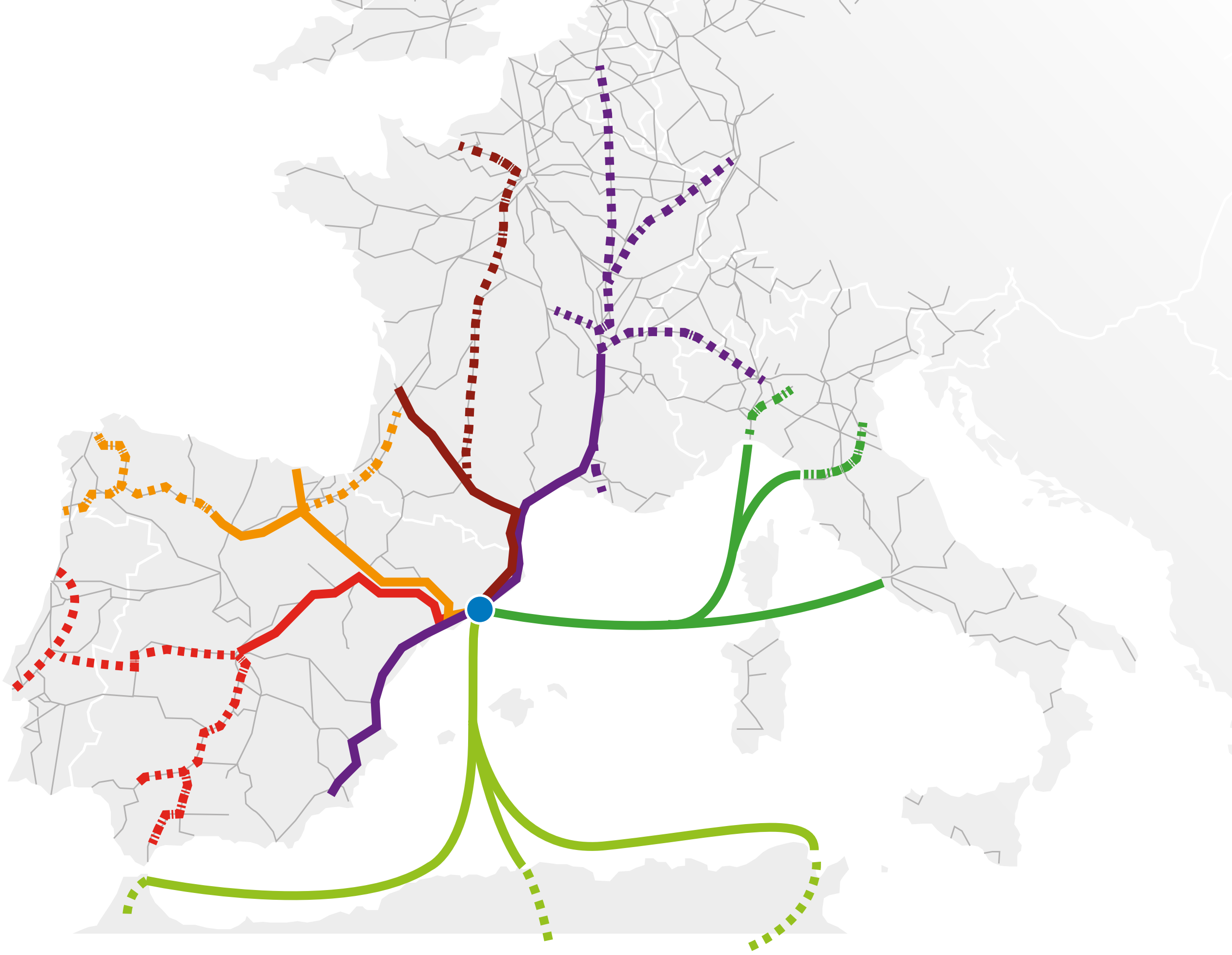


Figure 9: the strategic corridors of the Port of Barcelona network

The corridors strategy
The following six are defined by the Port of Barcelona as basic intermodal corridors of its network, comprising four land and two sea corridors:

Iberian transversal corridor:
Barcelona - Zaragoza - Madrid and the extension in the medium term to Lisbon and southern Spain.

Ebro or northern Spain corridor:
Barcelona - Zaragoza - Pamplona and extending towards Galicia and the Basque Country.

Southern France corridor:
Barcelona - Perpignan - Toulouse - Bordeaux, aiming to serve all of Southern France.

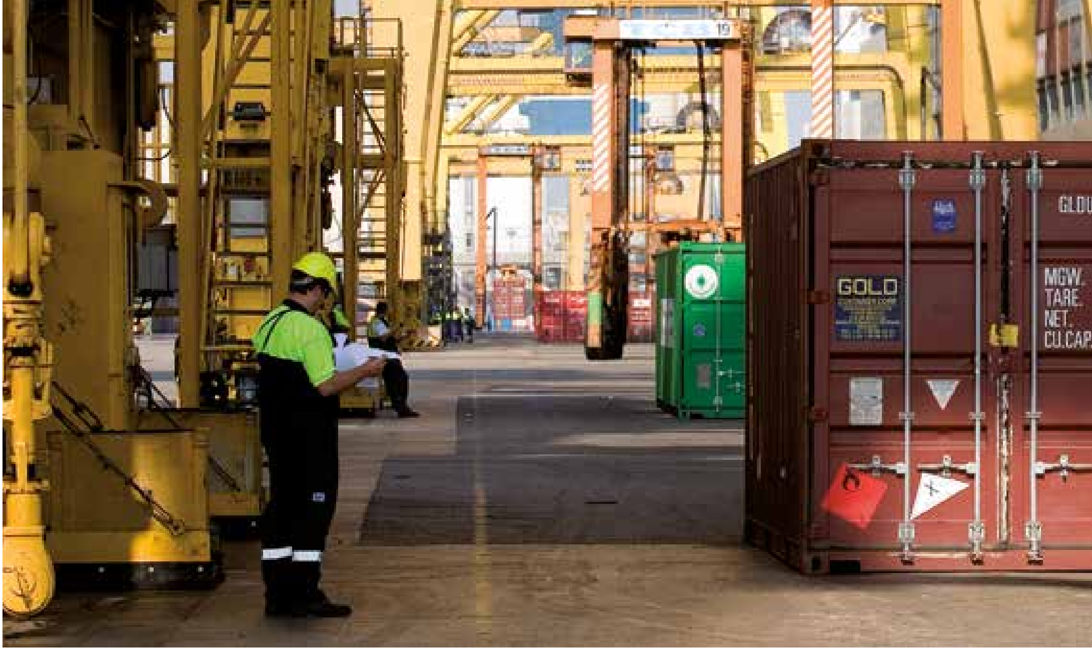
European or Mediterranean corridor:
this corridor runs from the south of the Iberian Peninsula and continues through Barcelona to Perpignan and Lyon, with an extension from Lyon to Eastern France, Switzerland, Southeast Germany and Northern Italy, coinciding with the Mediterranean corridor of the Trans-European Transport (TEN-T) Network.

Motorways of the sea with Italy:
connecting Barcelona with the ports of the east of the Italian peninsula, with potential long term extensions considered to the Adriatic Sea and the Eastern Mediterranean.

Motorways of the sea with the Maghreb:
connecting Barcelona with North Africa (Morocco, Algeria and Tunisia).

The strategy concerning these corridors must include building appropriate transport infrastructures, which are currently inefficient, but also developing efficient and competitive services on the corridors adapted to market requirements.

It should be noted, moreover, that this strategy is fully aligned with the Trans-European Transport (TEN-T) networks, since Barcelona's intermodal corridors pass entirely through the corridors of the new European core network.



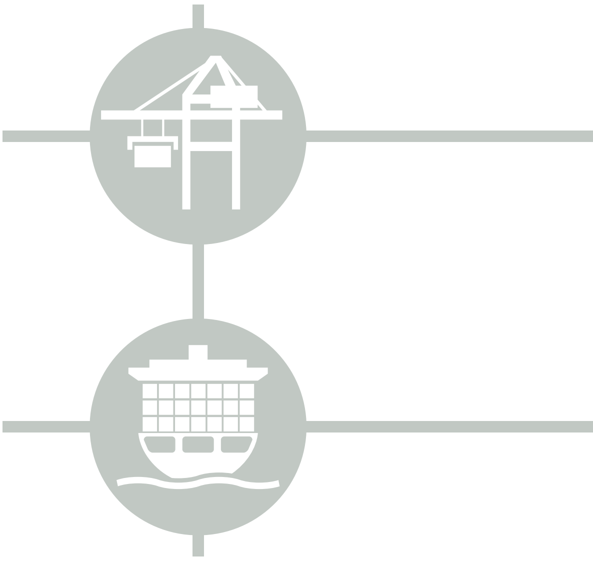
Creating alliances

“ Rolling out the strategy we are proposing here will be possible only within a framework for collaboration among all the stakeholders of the Port Community ”

Creating supply chains that respond to the needs of shippers requires the involvement of all logistics and port companies that ultimately comprise the chain (road hauliers, rail operators, freight forwarders, shipping agents, customs, port authority, inspection services, shipping companies, customs brokers, freight terminals, technical and nautical services, dockers ...), as part of the concept of win-win partnerships within a framework of commercial and information transparency. Service, promotion and pricing policies, inter alia, must be created in a coordinated and integrated fashion to reach the market in the form of value for the customer.

Establishing partnerships is particularly significant in the following cases:

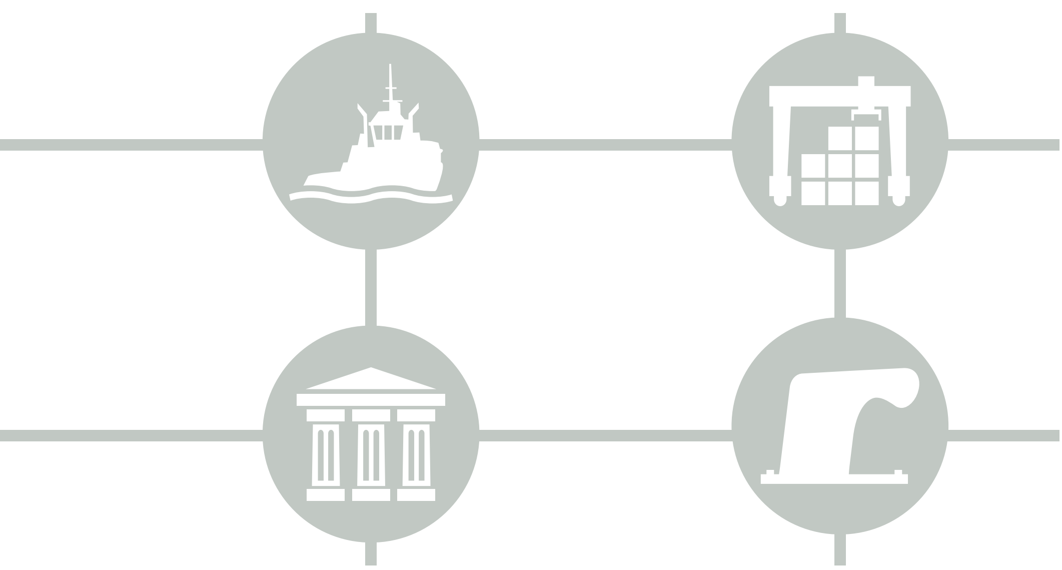
Alliances with terminals
to develop services tailored to the needs of shippers and shipping companies and finding synergies in building the networked port and seeking out joint policies for attracting lines.



Alliances with shipping companies
and other transport operators such as railway operators, to develop new services and improve frequency in existing ones, to facilitate access in competitive conditions to an extended hinterland and to all the strategic points in the foreland.

Alliances with the operators of port services, such as towing services, pilotage, berthing, loading, etc. to develop consistent service and price policies oriented towards attracting market share.

Alliances with the freight forwarders and logistics operators of the hinterland, to design and develop supply chains that use the Port of Barcelona.



Alliances with other public administrations, such as Customs or Inspection Services, to facilitate the passage of goods through the Port.

Alliances with other ports, those closest to home, to develop a powerful port region in Catalonia; and with all the ports in the Mediterranean, to establish joint synergies while attracting European traffic.

The strategic axes

The Port of Barcelona's strategic objectives are organised around three strategic axes.

STRATEGIC AXES

Growth

The recent enlargement of the Port of Barcelona, which is essential to reach new markets and enable better access, berthing and rotation of large ships, was a first step towards achieving the planned future for the Port of Barcelona and has provided a growth capacity that was not possible until now and must be consolidated.

> “ The Port has a current capacity of 3.7 million TEU and 50 million tonnes, and could grow to 5.6 million TEU and 85 million tonnes by 2020 ”

Unfortunately, the timing of this increase in capacity has coincided with a major economic crisis and a proliferation of new port infrastructures in the neighbouring ports, which has generated overcapacity and increased competition. Growth in Barcelona's traditional markets (more than 75% of containerised cargo comes from Catalonia) will be insufficient to feed the new port infrastructures, therefore increasing port traffic means reaching new import and export markets in an extended hinterland and recovering and increasing transhipment traffic.

It should be noted that this growth is not an end in itself: the purpose of the port is to create wealth for its area of influence and this is possible only if it can provide elements of competitiveness for companies, which in the case of transport means, inter alia, an attractive offer (in destinations, quality, frequency, reliability and price) of connections with the foreland. Achieving this is impossible without a critical mass of traffic to keep these connectivities loyal to the brand and to generate significant savings through economies of scale.

Year	TEU	Tonnes
2014	3.7	50
2017	4.4	70
2020	5.6	85
2035	10	130

Figure 10: forecast progression of the Port of Barcelona's capacity (figures in millions)

Growth

Competitiveness

Sustainability

Competitiveness

Growth must therefore come from areas in which Barcelona is traditionally the second, third or fourth port (Madrid, France, Western Spain, Portugal, transhipment ...) therefore we must be more competitive than our competitors.

In this extended hinterland, however, some ports are better located geographically or have a more advanced offer than Barcelona. Competing in these involves making Barcelona's port logistics much more sophisticated and adapting it to new markets since, as newcomers, market share can be achieved only by improving on existing practices. It is essential to improve the efficiency of services in the Port of Barcelona and, in particular, to have a more attractive price range than the competition.

Sustainability

“ The Port's growth must be based on criteria of economic, social and environmental sustainability that can foster the competitiveness of supply in the enlarged hinterland ”

The Port of Barcelona's sustainable development objective must be “to satisfy the needs of the present without compromising the ability of future generations to meet their own needs.” The Port of Barcelona understands sustainability as a broad concept that can be broken down into three areas: economic, social and environmental.

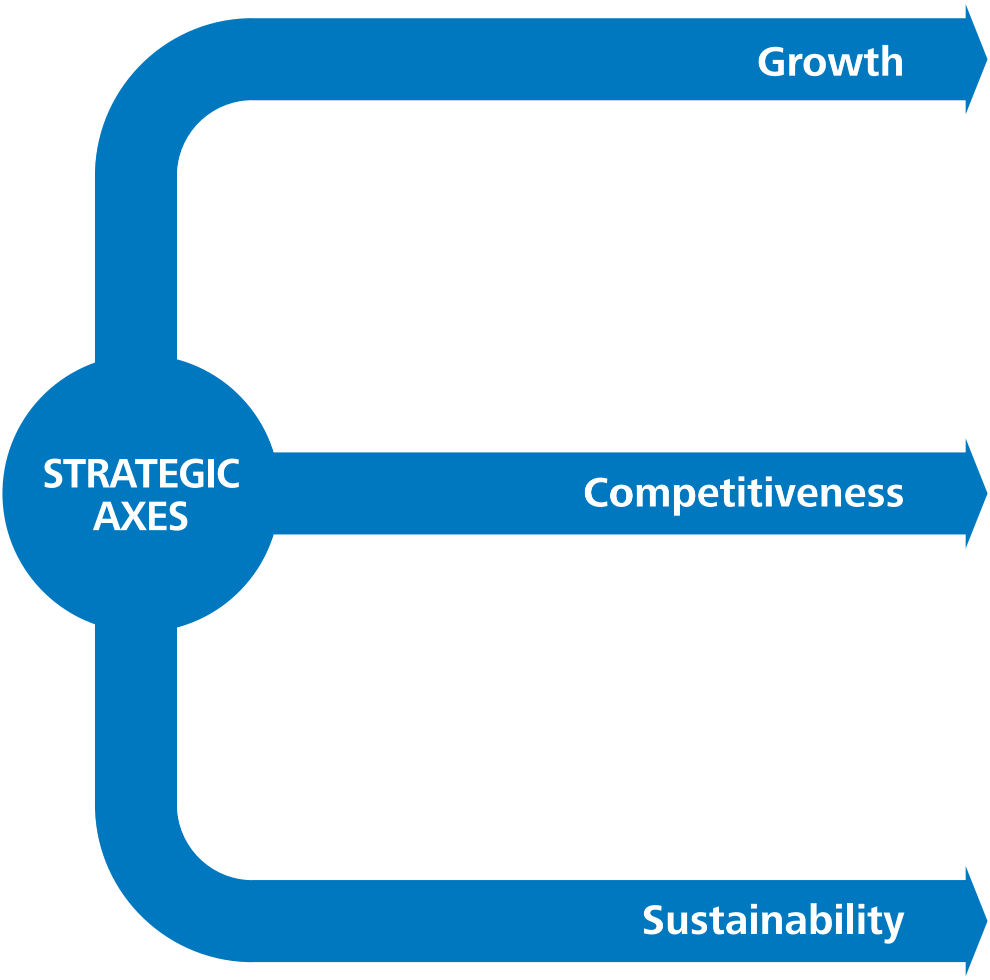
One of the main factors contributing to the sustainability of the Port of Barcelona is intermodality. Indeed, the development of transport services that are complementary to road, sea and rail services is one of its main strategic commitments. Distributing in an enlarged hinterland, in which we are not the reference port, must be achieved through fast and efficient high-capacity intermodal connections making it possible to cover a wider and more distant market where road haulage is insufficient. Furthermore, intermodality enables sustainable growth of port activity and is aligned with EU transport policies and the social and environmental demands of the surrounding area.

The strategic objectives

The strategic objectives must make it possible to strengthen the position of the Port of Barcelona and to progress towards achieving its vision.

The thirteen strategic objectives defined are structured around three strategic axes. These strategic objectives help to guide the priority projects and actions.

For each one, we have defined some objectives to be achieved by 2020, at the end of the period covered by this strategic plan.



SO-1	Increasing strategic traffics
SO-2	Enlarging the Port of Barcelona's hinterland
SO-3	Improving connectivity with the foreland
SO-4	Completing the great enlargement of the Port of Barcelona

SO-5	Improving the efficiency and quality of Port services
SO-6	Reducing the logistics costs of the movement of goods
SO-7	Creating new services and enhancing existing differential services (brand services)
SO-8	Promoting innovation in Port services and processes

SO-9	Improving accessibility and mobility
SO-10	Fostering intermodality
SO-11	Growing sustainably
SO-12	Improve integration between the Port and the city
SO-13	Becoming one of the main centres of the nautical industry in the Mediterranean

STRATEGIC OBJECTIVES

Figure 11: Port of Barcelona strategic axes and objectives

SO-1
Increasing strategic traffics

> “ The main strategic aim of the Port of Barcelona is to attract new traffics, as set out in the First and Second Strategic Plans ”

In this regard, the Port of Barcelona’s commitment to be a port aimed at high-value products remains valid, which implies a selective multi-specialisation approach to increase traffic, focusing on containerised general cargo, new vehicles, ro-ro traffic, general cargo not included in the above specialities (groupage, projects, temperature controlled ...) strategic liquid bulks (especially hydrocarbons) and some solid bulks (especially food products), as well as cruise traffic. This range of products provides an appropriate level of diversification to the Port’s structure.

This increase in traffics will require the Port of Barcelona to:

Be the main gateway for containerised cargo in the Mediterranean. The Port of Barcelona must compete with traffic with the large ports of Northern Europe (Rotterdam, Hamburg, Antwerp ...) and of the Mediterranean (Valencia, Marseilles, Genoa ...).

Boost transhipments. Although the Barcelona’s aim is to be a port of origin and destination of cargo rather than a transhipment facility, developments in the sector mean that it must maintain a sufficient level of transhipment to guarantee the necessary maritime connectivity. This share of transhipment should be over 20% for containerised goods.

Remain the top Mediterranean port for new vehicle traffic. The Port of Barcelona is the leader in Spain and the Mediterranean in traffic of new vehicles and their components. However, given the decline in consumption in the Peninsula, it is necessary to attract new traffic from central and northern Europe and the Mediterranean.

Promote short sea shipping, consolidating services with Italy, attracting more traffic share from Africa and also competing in the Eastern Mediterranean. This commitment is a reflection of two factors: on the one hand, it is a high growth potential traffic and, on the other, it is one of the pillars of action of the sustainability policy, which aims to significantly increase the use of multimodality.

Growth

2020 objectives

70 million tonnes

3 million containers (TEU), of which 2.3 million from the hinterland (TEU)

1.2 million new vehicles

150,000 UTI transported by motorways of the sea (non-domestic ro-ro traffic)

14 million tonnes of hydrocarbons

3 million cruise passengers

Become the first Mediterranean hub for the distribution of energy products. Barcelona is the top port in Spain for liquefied natural gas traffic and the first port without a refinery for traffic of petroleum derivatives. Although it is a very mature and volatile market, the fact that the port precinct has a regasification plant and a combined cycle power plant, each with two 425 MW generators, increased bunkering, the proximity of the airport, with an increasing consumption of kerosene, good berthing facilities and the investments made recently by oil companies position Barcelona as the main distribution centre for hydrocarbons in the Mediterranean.

Remain one of the top five cruise ports in the world as a home port. Barcelona is Europe’s leading port for cruise traffic. Consolidating this position, despite the maturity of the Mediterranean and European market and the diversification of supply to new destinations, must be based upon positioning Barcelona as a port where passengers embark and disembark, thereby maximising the wealth contributed to the city by cruise passengers.

Turn Barcelona into a distribution centre for food from the western Mediterranean. The Barcelona area is home to a significant cluster of food products: the Mercabarna wholesale market and important production areas nearby plus a very important industrial fabric in the food sector. The Port of Barcelona is Spain’s main port for the arrival of certain foodstuffs (coffee and cocoa, soya bean, canned foods, etc.) and is among the leaders in others (fruits and vegetables, wines and spirits, frozen fish, cereals, etc.), and therefore has a huge potential to be a major distribution centre for these products in the Western Mediterranean.

SO-2
Enlarging the Port of Barcelona's hinterland

Attracting new traffics in the Port of Barcelona is based fundamentally on enlarging the hinterland and increasing market share, mainly in the centre and north of the Peninsula and in France, attracting and retaining import and export traffic which, when added to the traffic from the closest hinterland (Catalonia and Aragon, mainly) will consolidate large ocean lines in Barcelona and attract additional transhipment traffic.

The basic strategy for achieving this enlargement is based on the concept of the **networked port**, and on **reducing costs**, as shown in the key factors for success.

In recent years, the Port Authority has led the Port of Barcelona's development in the hinterland. Over the coming years the operators of the Port of Barcelona, especially the terminals, must complete the task of taking over the development of inland terminals and new rail services.

Actively involving port operators in the strategy in the hinterland, especially stowage terminals. Joint work is required to develop both the nodes and the rail corridors that unite them with the Port of Barcelona.

Being present in the strategic markets of the hinterland. Knowledge of new markets is essential to provide appropriate services. We must harness market intelligence, direct contact with shippers and operators and promote business activity, for which we will have to develop a new model for rolling out the Port of Barcelona's presence in the hinterland.

Developing new transport services, especially rail, in the strategic hinterland. Here also there is a need for port terminals to have a direct involvement in operating these services.

Promoting activity in the inland terminals. Taking tmZ as a model for success, it is necessary to promote the growth of traffic to the rest Port of Barcelona's inland terminals and in the new facilities.

Promoting new inland terminals in strategic points of the hinterland with the participation of the port terminals, especially to the west of the Peninsula and towards France.

Growth

2020 objectives

80% of market share in Catalonia

50% of containerised cargo to or from outside Catalonia

55% of market share in northeastern interior (Aragon-Navarre-Rioja)

20% of the market in Madrid

15% of the market in southern France (Toulouse, Bordeaux, Lyon, Perpignan)

300,000 TEU generated by the Port of Barcelona's inland terminals

Extending Port of Barcelona brand services to the hinterland. The inland terminals must be an extension of port activity in which to find not only port services such as customs, inspection, container storage, etc., but also all the brand services that can be developed within the port itself: Efficiency Network, telematics platform, customer care ...

SO-3
Improving connectivity with the foreland

Growth

2020 objectives

130 regular lines

5 countries in the foreland with a commercial representation of the Port

Every supply chain has an origin and destination, and in the case of maritime transport, one of the two lies in the hinterland and the other in the foreland. They thus become two sides of the same coin. The success of the logistics chain will depend equally on both ends.

The link between Barcelona and its foreland is ensured by the shipping companies, since it exists because there is a maritime connection.

> “ Improving connectivity means creating regular high-quality services ”

Increased connectivity means creating regular high-quality services in terms of reliability, journey time, order, frequency, efficiency and cost of stopovers. All of this takes place against a backdrop of overcapacity in maritime transport and growing market dominance by shipping company alliances.

To achieve this improved connectivity requires:

Increasing the number and frequency of regular lines, increasing the number of weekly connections with destinations in the strategic foreland, tending towards a weekly frequency for oceanic and long-distance lines and daily in the case of motorways of the sea. It is important that we achieve direct connections with the fewest possible intermediate stopovers with the entire strategic foreland and provide ourselves with better connectivity than our competitors.

Increasing the loyalty of shipping companies. At present the market for regular services, especially transhipment, is very volatile. The Port of Barcelona made a strategic commitment to public terminals instead of dedicated terminals, which in times of crisis have become a refuge for transhipment by the main shipping companies. The Port of Barcelona will have to find new ways to achieve customer loyalty.

Promoting the development of public and private feeder services in Barcelona allowing the distribution of maritime cargo and therefore increasing the critical mass that facilitates the positioning of ocean lines.

Developing a new model of external representation. The necessary presence of the Port of Barcelona in its strategic foreland must be boosted with a new model of representation with a commercial profile to attract new customers, create new supply chains, retain existing ones and maintain permanent contact with decision-making centres and the regional offices of he shipping companies and the major operators and shippers.

Developing a growing interest in high potential areas such as North Africa, India, Turkey, the Persian Gulf, Mexico, West Africa, etc. and analysing the possibility of setting up in these markets through trade representatives or services offices. Diversifying foreland markets that are still incipient but have great future growth potential, where other port offers are not yet consolidated, must be a basic long-term growth strategy.

Increasing visibility in the strategic foreland, through strategic partnerships, trade missions, presence in international organisations and associations, etc.

SO-4
Completing the great enlargement of the Port of Barcelona

In recent years, the Port of Barcelona has made a considerable investment in its enlargement project. The East and South seawalls were completed in 2008 and produced some 800 new hectares of sheltered waters. The transfer of the Tercat terminal to Prat wharf and the enlargement of the TCB, along with the new Barcelona Grimaldi Terminal on Costa wharf, the investments by Lukoil - Meroil, or by Tradebe on the Energy wharf, involved large investments by private operators that vouch for Barcelona's commitment to growth.

Although the large works are now completed, there are a series of actions still to be performed, the most emblematic of which are:

1. Completing the installation of the BEST Terminal on the Prat wharf.
Finalising the second phase of the implementation of HPH, which will enlarge the existing operating area of the terminal by 100 hectares.

2. Enlarging the Energy wharf.
The Energy wharf is reaching full occupancy. The Port of Barcelona aims to become a hub for energy products. The combination of these two factors requires the Energy wharf to be extended southward, gaining ground from the sea.

3. Building cruise terminal E.
The growth of this traffic, coupled with the growing size of cruise ships, requires the construction of a new cruise terminal in order to retain current traffic and enable the growth of the Port of Barcelona in this sector.

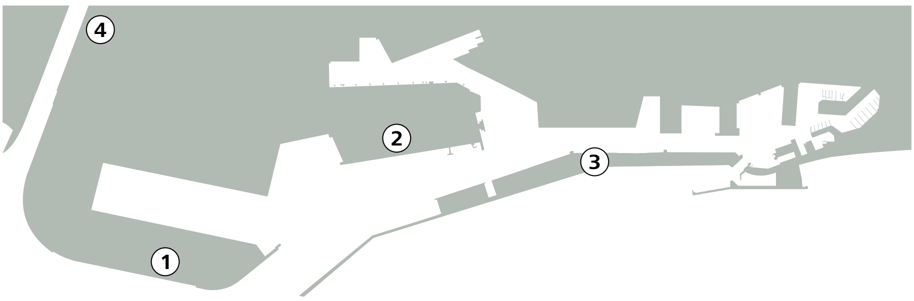
4. Completing the road and rail accesses to the Port and building the Port of Barcelona's intermodal terminal
in the old Llobregat riverbed.
These actions should allow for long-term growth of rail traffic throughout the Barcelona metropolitan region. The first phase of the terminal should be completed by 2020.

Growth

2020 objectives

2017 completion of the BEST terminal enlargement (phases 1B and 1C)

Use of the new cruise terminal E in **2017**



SO-5
Improving the efficiency and quality of Port services

In the furthest distant mainland markets, the Port competes with the services offered by nearer ports or those that are more competitive from a maritime point of view, because they are transport hubs. In non-mainland markets, the Port of Barcelona's offer has to compete with more industrialised ports where logistics practices are more advanced and oriented to market needs. In both cases, the yardstick for Barcelona must be the ports of Northern Europe, such as Rotterdam, Antwerp or Hamburg, where the market is much more open and competition has forced port and logistics companies to develop dedicated and added-value services with which to attract and retain customers.

Especially important for the Port of Barcelona is:

Bringing flexibility to the organisation of stowage work (dockers). Barcelona has the most productive stowage activity in Europe, but difficulties in organising this work and adapting it to the requirements of strategic traffics, along with the high associated overtime costs (working weekends or shifts) detracts from this competitive advantage.

Streamlining Customs and inspection services. The customers of Barcelona Customs and inspection services perceive a lack of flexibility and homogeneity; rigidity; uncertainty and excessive zeal in inspections in comparison to the ports of Northern Europe, particularly in relation to inspection services. Although in the past Barcelona Customs was acknowledged as dynamic and innovative, today it hinders the enlargement of the markets of the Port and of the other mainland ports, especially for non-domestic customers for some special traffics.

Evolving towards becoming a 24/7 Port. Although the sea part is already working around the clock, the port's land operations need to move towards continuous operation to provide service to any customers willing to use the Port at night and weekends, provided there is sufficient demand. This development, which some terminals have already brought into operation, must be extended in the future.

Competitiveness

2020 objectives

Performing **90%** of physical inspections at Customs in under 17 hours

Maintaining leadership in the Mediterranean in the **productivity** of container terminals

Reducing entry barriers for customers from the extended hinterland. Like other ports, Barcelona has a series of practices that could be defined as "localisms" that are not comparable to those of other European ports. Although the nearby market is well adapted to these, such practices act as an entry barrier for new customers, which find them strange.

Improving taxation on foreign trade. The VAT declaration system chosen by Spain, which is different to that of other neighbouring countries, is damaging imports that pass through the country bound for other European countries.

SO-6
Reducing the logistics costs of the movement of goods

In a logistics chain, cost is determined by the sum of the costs of the various sections: basically the cost of the maritime section (freight) plus the cost of passing through the port, the inventory and storage cost and that of the land stretch to the destination.

“ The cost of passing through the port generally represents only a small part of the total cost of the logistics chain, but is fundamental in routing decisions ”

This cost is especially important when we deal with more mature markets, where there is already a consolidated range of services on offer at very reasonable costs.

The cost factor is therefore among the basic criteria when choosing the port through which to route the goods, as is its variability and uncertainty in certain areas.

Knowing the costs. The first step to be able to perform a cost policy is to understand and quantify these costs, especially the most unpredictable ones (overtime, inspections, etc.) which may represent a differentiating (and negative) factor for the Port.

Reducing the most significant costs of the port bill in relation to customers, shipowners or shipping companies and end customers or logistics operators.

Reducing usage costs of areas within the port, taking into account the fall in prices of logistics land resulting from the economic crisis.

Establishing an APB pricing policy aligned with the strategy, both in terms of fee discounts, such as setting maximum prices for port services.

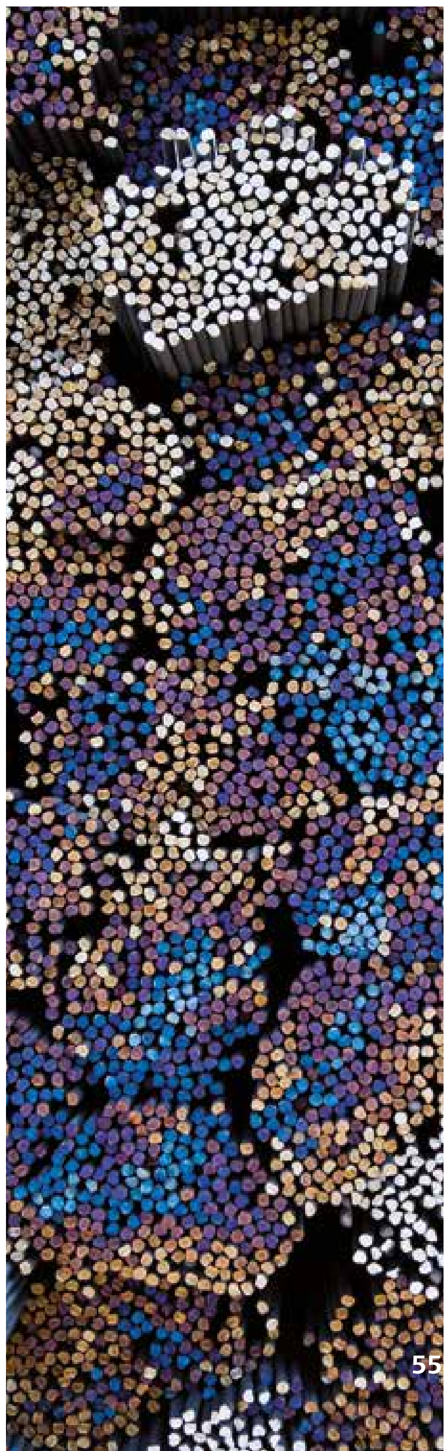
Contributing to greater efficiency in inland transport, as this has a direct impact on port costs.

Competitiveness

2020 objectives

Achieving a **25%** reduction in port costs per m^2 of usage compared to 2012

Achieving a **25%** reduction in container handling costs compared to 2012



SO-7
Creating new services and enhancing existing differential services (brand services)

Brand services are understood as services that distinguish Barcelona's offer of logistics and positively differentiate it from what other competing ports are offering. Barcelona's distinguishing services also include those associated with the inland terminals and intermodal services provided by the Port of Barcelona, analysed in other sections.

> " The Port's brand services are: the Efficiency Network quality label, its port community system and customer care services "

Customer care services include training and information services, personalised care, resolving issues, consultancy, calculating the carbon footprint and eco-efficiency, etc. All these services are considered strategic for the Port of Barcelona.

The Port of Barcelona's Port Community system (PCS). Its mission is to improve the competitiveness of companies in the Port Community using a technological platform to facilitate interaction between them. It is vital to maintain its positioning as a tool for improving internal competitiveness and positioning in the hinterland (and exceptionally in the foreland) to encourage traceability of goods from one end to the other of the logistics chain.

Efficiency Network is the Port of Barcelona's quality label. The companies associated to the label take on service quality commitments in the areas of operational efficiency, safety and transparency of goods, using a predefined set of indicators.

EFFICIENCY NETWORK
Port de Barcelona

Competitiveness

2020 objectives

90% of the Port of Barcelona's documentary procedures conducted electronically

110 member companies of the Efficiency Network

Customer care services. The APB's Customer Care Service (SAC) was established in the 1990s to provide service to final customers, importers and exporters. Its range of services has now developed and is a key element in the Port's relationship with the market.

Promoting new differential services. The Port of Barcelona must have services (known as brand services) that set it apart from its competitors, to complement the traditional supply of port services. As these services are gradually integrated into other port offers it becomes necessary to promote new actions to maintain a leading position in strategic markets.

Promoting the Port of Barcelona brand, which comprises all of the services offered by the Port of Barcelona and must be associated with the Port's vision of being the European port solution in the Mediterranean. The Port's desired brand attributes are:

- A port at the service of its customers
- An innovative port
- A knowledge port
- A responsible port
- A smart port

SO-8
Promoting innovation in port services and processes

Competitiveness

2020 objectives

4 European projects every year involving companies from the Port of Barcelona

In a broad sense, innovation refers to “the ability to transform new ideas into value for the Port Community, its customers and society.”

“ The Port’s vocation is to be a leader in R&D+I ”

and, to achieve this, it must promote it in all services, whether public or private, that are provided at the port.

Moreover, the logistics sector has been slower than other economic sectors in bringing in the ICTs, and the port sector is no exception. A fast port requires the development of information systems and automation to reduce bureaucracy and facilitate the movement of goods.
Achieving this requires:

Innovation, which broadly speaking may involve creating new products or services, but can also mean doing things better (innovation in processes such as service delivery, building infrastructures, marketing or governance).
In this regard, it is necessary to develop structures that encourage innovation and strengthen ties with universities and research centres, and promote participation in national and international R&D+I projects.

Developing infrastructures that respond to the Port of Barcelona’s growth needs. Physical cargo movement activities are impossible without a sufficient accompanying flow of documents and information.
Growth in port activity must go hand in hand with the development of information technologies to facilitate the Port’s economic and commercial activity and simplify processes and procedures. Here it is particularly important to ensure that all port companies have appropriate communications services suited to transmitting data, images and online services to allow them to compete in the digital world.

Extending Barcelona’s port community system all along the logistics chain in the enlarged hinterland, including activities of land transport (road and rail) and inland terminals. Also, extending the traceability of goods into the strategic foreland as far as possible. (See also SO-6.)

Promoting the Port’s automation and sensing (smart port): automated terminals, automatic doors and entrances, vehicle counters, optical character recognition systems, meteorological and environmental quality sensors, RFID, etc. Port automation streamlines processes, helps speed up goods through the facilities, enhances security and improves environmental monitoring.

Promoting participation in national and international R&D+I, with special emphasis on the new European programmes created in 2014 such as Horizon 2020 and the Connecting Europe Facility.

SO-9
Improving accessibility and mobility

It is necessary to ensure that the growth of activities in an extended port is not hampered by congestion at the accesses or exits. This improved accessibility must be applied both in the vicinity (road and rail accesses to the Port of Barcelona) and the connections between the Port and its hinterland. The concept of accessibility refers to infrastructural issues but also to other aspects of technology, information and services.

Sustainability

2020 objectives

Port of Barcelona's southern **rail access** completed by 2018

Port of Barcelona's southern **road access** completed by 2018

Mixed gauge (Iberian and UIC) through a third rail to Port Bou in operation by **2020**

750-metre long railway sidings towards the centre of the Iberian Peninsula by **2018**

Building road and rail accesses to the Port of Barcelona. Road and rail access to the Port of Barcelona is one of the basic pillars for its development. The signing of the agreement with the Ministry of Public Works on 4 September 2013 should allow the start of these infrastructures which have long been demanded by all economic sectors in the hinterland and included the core network of the Trans-European Transport (TEN-T) Network.

Improving access to Europe via the Mediterranean corridor. The Port of Barcelona is the first port in Spain connected to continental Europe in standard UIC gauge. However the current connection, using the high-speed passenger line to Le Perthus has shown to be inefficient for mass freight traffic. A new solution must therefore be implemented using a mixed gauge (Iberian and UIC) third rail to Port Bou that can handle trains longer than 750 m and does not jeopardise the future of traffics using the Mediterranean corridor.

- Access through the river side of the rail ring
- Connection with Can Tunis
- Southern road access to the Port of Barcelona
- Single access line on Prat wharf on the former Llobregat branch
- Closing the rail ring
- Single access line on Prat wharf, new Llobregat branch
- Bundle of reception / dispatch tracks from the rail access and traction substation
- Building a double track from the Port of Barcelona's rail ring
- Building a double track in the access connection to the Port of Barcelona
- Building the Port of Barcelona's Intermodal Terminal
- Building the New Terminal Llobregat

Figure 12: strategic map of the APB

Improving accessibility through the Iberian transversal corridor. The current rail network inland does not allow trains longer than 500 m. Developing more competitive services means adapting the existing sidings to allow railway compositions 750 m. long.

Improving mobility in the Port and its surrounding area. The Port of Barcelona lies in the Llobregat delta, a highly congested area with a high density of logistics infrastructures. The Port enlargement is generating increased traffic that the surrounding area must be able to support and will be hard to reconcile with other uses or with the establishment of physical, legal or timetable obstacles of freight transport.

SO-10
Fostering intermodality

In recent years, the Port of Barcelona has made a strong commitment to intermodal transport, both maritime, through the motorways of the sea, and land, by developing new rail services. These multimodal services must be developed along the Port of Barcelona's strategic corridors.

Creating the main rail hub in Southern Europe where continental traffic is combined with maritime traffic, trains are combined from different origins to different destinations, gauge change can be facilitated or new intermodal offers, such as ferroutage, can be promoted.

Increasing the rail transport share. It is vital to develop new competitive rail services towards the centre and north-east of the mainland and to France (and, in the long term, to Germany, Italy and Portugal). Such services require the cooperation and participation of all the operators, especially rail operators, stowage terminals and the Port Authority.

Increasing short sea shipping traffic, improving operations, increasing the frequency of existing lines and creating new ones, especially with North Africa, but also with the eastern Mediterranean.

Improving the competitiveness of the road transport sector. Although in the future the railways must represent a 30% share of origin - destination transport, in the long term (20% in 2020), road transport will continue to account for the rest, therefore optimising this mode is essential.

Sustainability

2020 objectives

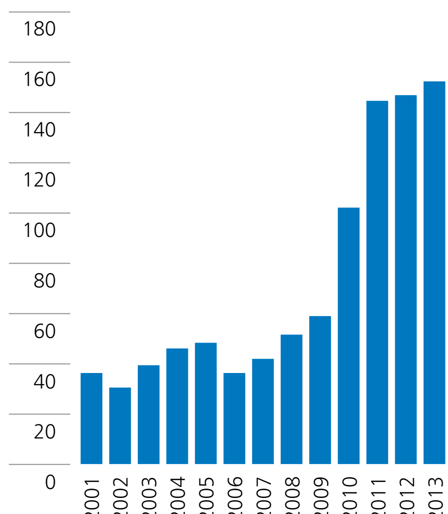
20% rail share of container traffic

40% rail share for new vehicles

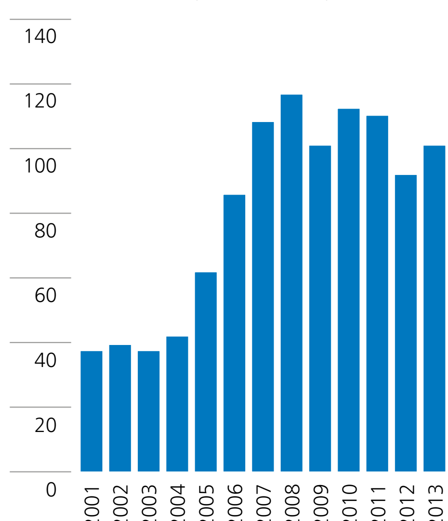
150,000 UTI transported by motorways of the sea (non-domestic ro-ro traffic)

1 ferroutage terminal operational at the Port of Barcelona or nearby

Rail traffic (thousand TEU)



Short sea shipping traffic, domestic ro-ro cargo (thousands UTI)



SO-11 Growing sustainably

The sustainability of the Port should be understood in three dimensions: economic sustainability, social sustainability and environmental sustainability.

As regards **economic sustainability,** the Port's activity as a services infrastructure directly affects economic development in Catalonia and Spain, as it moves approximately 73% of the value of Catalan maritime trade and 22% of Spain's.

However, the Port's economic influence is much greater: if it were not able to offer its services, the production and sales capacity of the companies that use it, their competitiveness, and ultimately the wealth generated by the economy as a whole would be weakened. With this in mind, as a great service infrastructure the Port of Barcelona directly generates gross value added of € 2.29 billion, 1.4% of the Catalan total, and generates a propagating effect to other economic sectors equivalent to 5.7% of Catalonia's GVA.

The great milestone in this area is for the growth in activity to come to represent a 2% contribution to Catalan GVA by 2020. To achieve this will mean:

Increasing the Port's economic activity, creating new businesses and developing existing ones, facilitating the internationalisation of the economy of its hinterland, and increasing the port's weight within the economy. Here, we must create a virtuous circle: greater penetration into the hinterland increases traffic and fosters implementation around large distribution centres, which provide wealth and related industries and in turn help to bring new traffic.

As for **social sustainability,** the Port of Barcelona is one of the biggest generators of employment in Catalonia; although the Port's success also depends on intangible factors, such as public trust, image and reputation, knowledge sharing, transparency and good practices, etc., we need to:

Maintain and create jobs. The Port of Barcelona, through all its businesses (commercial port, logistics port and port-city), generates 13,000 direct jobs, accounting for 5.4% of employment in Catalonia, considering indirect and induced jobs. It is the Port of Barcelona's responsibility, especially in these current times of crisis, to maintain these levels of employment and to create new jobs.

Sustainability

2020 objectives

2% increase in Port of Barcelona's contribution to Catalan GVA

150 million of annual savings in externalities

Develop social initiatives and charity activities, promote social participation and volunteering, establish agreements with other organisations committed to defending social conditions and the environment, implement specific policies on issues of great social relevance (such as equal opportunities), promote training, develop our own cultural project, ensure the welfare of the people working in the Port Community, etc. The Cares Foundation is a shining example of best practice in this regard.

As for **environmental sustainability,** the Port of Barcelona is aware of the magnitude of the activities that take place there, of the impact they can have on the environment, and the Port's proximity to the city of Barcelona. It is therefore necessary to:

Promote the use of more efficient and sustainable routes for freight. Thus, at European level, it is particularly important to promote the Mediterranean coastline as a point of entry of goods originating in Asia or Africa, because the routes and, therefore, the emissions and external costs are significantly lower than the alternative of using the ports of Northern Europe.

Reduce greenhouse gas emissions using active energy-saving policies.

Promote the use of alternative energy sources, especially liquefied natural gas (LNG). One of the Port of Barcelona's main strategic commitments in the coming years should be to develop LNG as a fuel for the port side (supplying ships) and the land side (supplying trucks, port machinery, etc.). The availability of a regasification plant at the port and the growing interest by shipping companies to adapt to sulphur emission reduction regulations make Barcelona the ideal port for developing gasification initiatives in the Mediterranean.

Promote intermodality, to transfer cargo from roads to less polluting modes of transport. (See SO-10).

SO-12
Improving integration between the Port and the city

Sustainability

2020 objectives
20 million visitors to the Port Vell

Integration between the Port and the city happens primordially at the Old Port area, or Port Vell. This is a unique area that recovered part of the port that had become obsolete for commercial port uses and turned them over to public use, opening Barcelona to the sea. The success of the Port Vell should be based on three dimensions: it must provide social and economic benefits to the city; be financially self-sufficient; and strengthen the positioning of the Port of Barcelona to the general public. To achieve this, the range of activities on offer must sustainably balance the various uses of this area and must be driven by creation of wealth for the city and Port of Barcelona by offering services that are complementary to the Port's commercial activity.

Developing pending infrastructure and urban development projects, such as the final phase of the north entrance mouth area, the refurbishment of the Fisherman's Wharf, the recovery of the historic Portal de la Pau building, redevelopment of the former Union Naval Barcelona workshops and the urban development of the buildings and areas next to the redevelopment of the Espanya wharf.

Enhancing the cultural and architectural heritage of the Port Vell, which now has a significant number of museums, outreach centres, training centres, unique buildings of historical interest, and unique monuments and sculptures.

Involving the Port of Barcelona in nautical activities and sports; just as Barcelona opened to the sea in 1992, now it is necessary to take a step further forward and involve the Port in the leisure and sport nautical activity.

Developing a range of services consistent with the purpose of the Port Vell. The Port must provide the public with a significant cultural offer to provide a territorial balance to the Port Vell and keep local people coming back. The area around the Port Vell must be consolidated as a recreational and cultural centre, raising awareness of the maritime, port, boating and fishing environment through permanent and unique activities and provide a range of leisure options to help the public to get closer to the sea, a high-quality tourism and an appropriate offer of services and mobility between the different areas of the Port Vell.

SO-13
Becoming one of the main centres of the nautical industry in the Mediterranean

Sustainability

2020 objectives

100 million in turnover related to the nautical industry in the Port of Barcelona

More than 950 berths for yachts

Over 80 berths for megayachts (over 25 metres long)

Competition sailing and pleasure boating represent one of the major wealth generators in the maritime sector, especially as concerns the maintenance and repair of superyachts. At the end of 2011, the fifty ports and marinas of Catalonia accounted for 30,406 berths (23.3% of the total for Spain), making it the top Autonomous Community of Spain, ahead of the Balearic Islands, Valencia and Andalusia. Barcelona must commit to the wealth-generating potential of its surrounding area by using the industrial and services potential that this industry can generate and becoming one of the main nodes of development of this industry that can compete with others in the Mediterranean.

Unfortunately, the nautical sector is also hit by the economic crisis, like so many other sectors of our economy, but the crisis seems to have a lesser effect on megayachts than on shorter vessels.

> “ The Port of Barcelona aspires to be a global leader in the nautical sector ”

This requires:

Promoting the megayacht repair and maintenance industry and boosting the activity of the companies already established in the Port (Marina Barcelona 92, S.A., Barcelona Nàutic Center, S.L.) and developing all of its auxiliary industry.

Promoting Barcelona as a mooring centre for megayachts. The Marina Port Vell renovation project and construction of the new Marina Vela must make Barcelona a prime location for mooring megayachts in the Mediterranean. These facilities, together with the Reial Club Marítim de Barcelona and the Reial Club Nàutic de Barcelona, will form one of the main nautical centres of the Mediterranean.

Developing Barcelona Nautical Cluster to position the coast of Barcelona as a benchmark for the nautical sector in the Mediterranean so that companies can achieve a higher level of competitiveness and productivity.

Continuing to hold the Barcelona Saló Nàutic international boat show, based exclusively in the Port Vell, following the format started in 2012. **Maintaining and promoting the celebration of iconic regattas in Barcelona,** such as the Barcelona World Race, the Conde de Godó Sailing Trophy, the Puig Vela Classic or others.

Turning Barcelona into a nautical tourism destination, as one of the city's key tourist segments.


PORT DE

Port of Barcelona **Third** Strategic Plan **Part Three**

Barcelona Port Authority

Barcelona Port Authority

Barcelona Port Authority is a public body with its own legal personality and assets and full capacity to act. It answers to the Spanish Ministry of Public Works, through Puertos del Estado, and is governed by its own specific legislation, the applicable provisions of the General Budget Law and, additionally, by Law 6/1997 of 14 April 1997 on the organisation and functioning of the General State Administration.

Legislative Royal Decree 2/2011 of 5 September 2011 approving the recast text of the Law on State Ports and Merchant Marine governs ports which, like Barcelona, are the responsibility of the General State Administration; regulates their planning, construction, organisation, management, economic and financial system, and the port police force; regulates the provision of services in these ports, as well as their use; determines the organisation of the state port system, providing the ports of general interest with a functional management regime to exercise the powers conferred by this law and regulates the appointment by the Autonomous Communities of the governing bodies of port authorities.

Powers of the Port Authority

Article 25 of the aforementioned Legislative Royal Decree 2/2011 sets out the powers of port authorities and can be summarised as follows:

Planning, construction and management of the territory, including basic infrastructures (Article 25(b) (c) and (d) of LRD 2/2011).

Coordinating and ensuring the efficiency and quality of port services: own services, concession services and, generally speaking, coordinating all operations within the port area (Article 25(a) (d) and (g) of LRD 2/2011). It should be noted that the APB's function in the provision of port services is to manage direct services, regulate and control concession and authorised services and to coordinate, lead and measure the efficiency of all port services.

Promoting the commercial port and the services provided there, fostering and coordinating industrial and commercial activities performed there and establishing coordination between modes (Article 25(f) and (g) of LRD 2/2011).

Managing security and environment, both on land and in services (Article 25(a) of LRD 2/2011).

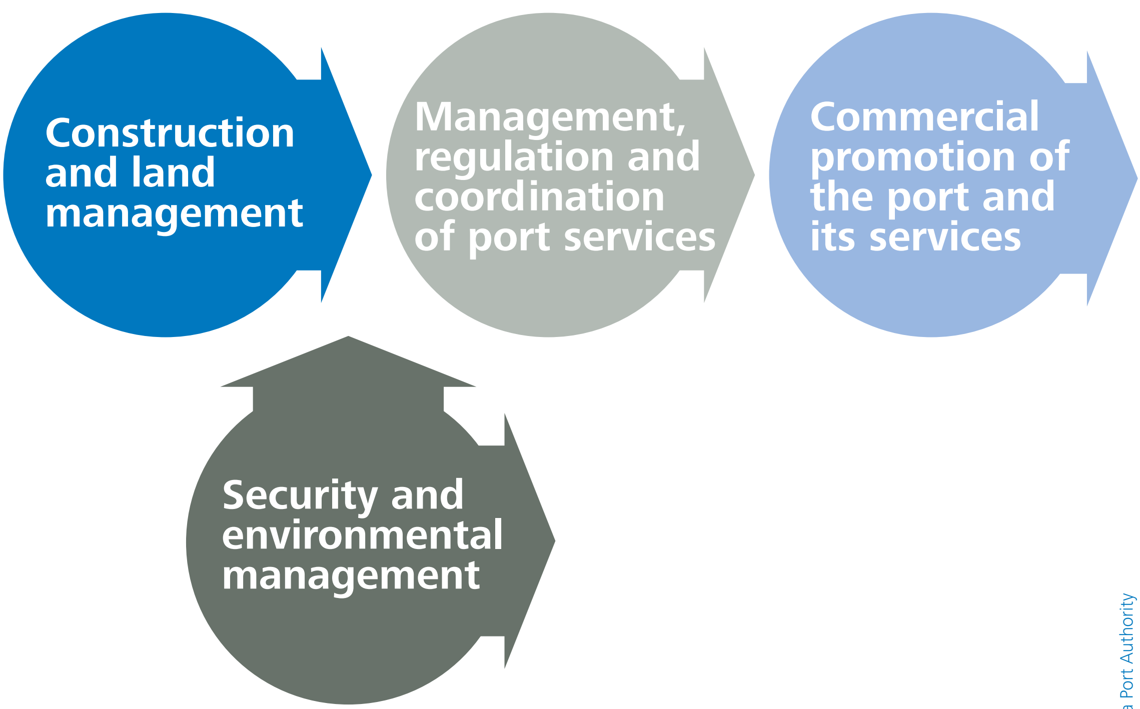


Figure 13: APB's business processes

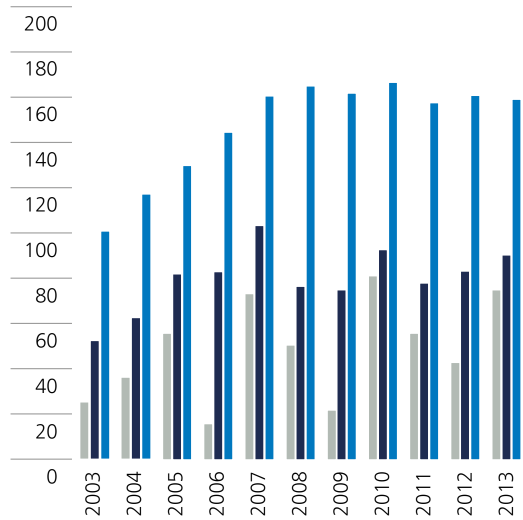


Figure 14: economic data from the Port Authority of Barcelona (in € million)

Net profit | Cash flow | Turnover

Barcelona Port Authority financial regime

The economic regime of the Spanish port system is characterised by financial self-sufficiency. Article 156 of RDL 2/2011 establishes that "the economic regime of state-owned ports shall respond to the principle of economic self-sufficiency of the port system as a whole and of each port authority within the economic and financial management of public port bodies." In this way, the investments made by the APB are financed from its own cash flow and bank debt. Furthermore, Puertos del Estado sets an annual profitability objective of 2.5% for port authorities, which may be revised under the State Budget Law.

> **" In the case of the APB, and despite the economic crisis, the key economic indicators have remained steady in recent years. "**

Thus, turnover for 2013 was € 158.9 million, with resources of € 91.4 million and profit for the year was € 74.8 million.

The Port's financial strategy also includes additional sources of financing corresponding to capital grants from the European Union for non-revenue generating infrastructure such as seawalls. The main funds concerned are the European Regional Development Fund (ERDF), the Cohesion Fund, the TEN-T and EFC funds - and private financing for profitable infrastructures (terminals).

It is also worth mentioning that this financing of the Port of Barcelona enlargement maintains a good balance between public and private investment; the public part is used primarily for infrastructures and the private part to superstructures, facilities and handling equipment.

Despite this good economic and financial health, the APB has been affected by budget cuts imposed by the Spanish Government, which have limited its spending and hiring capacity.

Organisational structure of the APB

El Article 29 of RDL 2/2011 stipulates the following management bodies of port authorities.

- The Management Board and President as the governing bodies
- The Director as a management body
- The Board of Navigation and Port as a support body

The Management Board consists of the President of the organisation, appointed by the Government of Catalonia; one vice president, appointed by the board members on a proposal from the President; the General Director of the APB, the secretary and 13 members.

Likewise, the internal organisation of the APB is divided into five sub-directorates general:

- **Strategy and Business,** which includes the Commercial and the Business Development directorates
- **Port Operations and Planning.**
- **Infrastructures and Conservation.**
- **Economic and Financial affairs.**
- **Internal Resources and Organisation,** comprising three directorates: Organisation and Business Consulting, People Management and Information Systems.

In addition, the Presidential area includes:

- **The General and Legal Secretariat,** which includes the Legal Services Directorate
- **The Deputy President**
- **The Communications Directorate**
- **The Internal Audit Directorate**

And the General Management area, which includes:

- **The Corporate Security Directorate**

It is worth mentioning that, although the management bodies of the Port Authority are defined by RDL 2/2011, it corresponds to these governing and management bodies to define the other internal structures of the organisation and, in this regard, the roles and responsibilities of the various sub-directorates and areas of the organisation.

Here we should also mention the Steering Council for the Promotion of Barcelona Port Community, which embodies the spirit of cooperation between the Port Authority and all the public and private institutions that perform its activity within the port area of Barcelona in order to participate in its future development.

Mission, vision and values of the APB

Stakeholders served by the Port Authority

The Stakeholders served by the Port Authority are:

- End customers: importers/exporters
- End customers: shipping companies
- End customers: passengers
- Transport and logistics operators: shipping agents, freight forwarders, hauliers, railway operators...
- Concession holders and authorised service provider companies
- Institutions and governments (Puertos del Estado, Ministry of Public Works, Government of Catalonia, Barcelona and El Prat de Llobregat City Councils, Customs, other inspection services, Harbourmaster's Office, etc.).
- Public and general users of the port
- Suppliers
- Employees
- Media

Naturally, end customers (importers/exporters, shipping companies and passengers) expect an appropriate and competitive range of services:

- Competitive prices.
- Operational efficiency (reliability, regularity, security, productivity, resilience, quality, transparency, etc.).
- Safety of people, vehicles and goods.
- Proper infrastructures.
- A wide offer of regular shipping lines, rail services and road transport.

But, in addition to ensuring the competitiveness of the Port of Barcelona, the Port Authority is a public administration answering to the public and must respond to the demands of all stakeholders.

The APB's mission

The APB's mission, as a statement describing the main purpose towards which every member of the organisation works, identifies its *raison d'être* and explains why its very existence is closely linked to the mission of the Port of Barcelona, since it is the entity that manages it:

> **" To lead the development of the Port of Barcelona, generate and manage infrastructures and guarantee reliable services to contribute to the competitiveness of customers and create value for society. "**

The APB's vision

The APB's vision, as a statement describing what the organisation aims to be in the future and the ideal image it intends to project in the coming years, is shared with that of the Port of Barcelona

> **" Barcelona: Europe's port solution in the mediterranean. "**

The APB's values

The APB's values, as basic principles that identify the behaviour expected of the organisation and a benchmark for its members are:

Personal appreciation and commitment: the company will appreciate people, but these people must also commit. Here, the stress is on two-way transmission (company-workers, and vice versa).

Ethical and professional management: relevant individual attitudes will be promoted because the entire management deserves these epithets.

Customer orientation: thinking of the end customer, whether internal or external, when performing tasks specific to the organisation.

Social responsibility: the members of the organisation should be aware that the specific nature of the organisation requires constant attention to the impact on society.

Innovation: constant concern to improve what is done and how.

APB’s key factors for success

Key factors for success are aspects that have to be taken into account to develop a strategy to achieve the mission and vision and should serve as a source of inspiration when formulating strategic objectives.

We have identified four key factors for internal success at the APB, which are necessary conditions for achieving the Port of Barcelona’s objectives: market orientation, leadership of Barcelona port logistics community by the APB, excellence in management and internal coordination and compliance with the legal framework and autonomy of management.

Market orientation

The Port of Barcelona can undoubtedly be considered as one of the State ports with the greatest orientation to its stakeholders. A long list of actions have been carried out in recent years (creation of the Logistics Activity Area; development of the Quality Plan, which has evolved into the Efficiency Network; the commercial approach towards shipowners; the creation of the Customer Care Service; the port’s representatives in the hinterland and foreland; the creation of the Port Vell; the promotion of the inland maritime terminals; the establishment of the Steering Council for the Promotion of Barcelona Port Community and its working groups, trade missions, etc.), all of which seek to bring the port closer to its stakeholders and are therefore orienting the APB towards the market.

Today, however, the advanced state of the enlargement works, with more space available, the investments made and the loss of certain traffics as a result of the economic situation have substantially changed the role to be played by the APB as regards as attracting cargoes, which in coming years will need to be much more active. Furthermore, when we compare ourselves to other ports around us, this clearly commercial positioning of the Port is weakened when we compete in more mature markets where port marketing tools are much more highly developed and integrated into the entire logistics community.

> “ Orienting the APB to the market implies that the entire organisation must be aware of the situation in the surrounding area and work in an integrated way to offer and sell a competitive product. ”

Leading the logistics community

Providing port services requires the coordinated intervention of several administrations and private companies: Customs, Harbourmaster’s Office, border inspection services, shipping agents, freight forwarders, hauliers, customs brokers, stowage terminals, port services, basic railway services, etc. Increasing traffic depends on the competitiveness of services, which in turn depends on the combination of price and efficiency of each of the players in the logistics community and the coordination between them.

The Port Authority has the capacity to regulate only some of these activities, essentially cargo terminals and basic port services; however it is responsible for the governance of the Port and therefore, directly or indirectly, the competitiveness of the services provided there.

This means that the Port Authority must coordinate services and lead projects and actions to achieve greater competitiveness. However it is only possible to achieve sectorial leadership of businesses and administrations over which it has no direct influence through a policy of partnerships and common projects that benefit all the parties. Recognition of the APB’s leadership by the administrations and companies that make up the logistics chains and having appropriate structures to manage this leadership (such as the Steering Council for the Promotion of Barcelona Port Community) are a key factor for achieving the desired results.

Excellence in management and internal coordination

Efficient service provision and control of authorised or concessionary services contributes to customer loyalty and to reducing internal expenditure, an efficiency that is a duty that we, as a public entity, also have towards the citizenship.

Improving this efficiency will require properly aligning the organisation's activities with its strategy, performing good personnel training, well-designed work processes and good internal coordination between departments.

To achieve this would ideally involve moving towards a process-oriented organisational structure and taking on internal coordination instruments, such as thematic coordinating committees or cross-cutting structures to facilitate horizontal communication.

Likewise, the strategic objectives and their achievement through the annual Business Plan must be taken on board by all departments of the APB and by the companies, to the relevant extent. The annual planning of projects and initiatives must always focus on attaining these objectives, and ensure the allocation of sufficient resources for to attain them. Proper dissemination and implementation of the objectives and effective internal leadership are vital to achieve this alignment.

Management autonomy

The port authority model at the Port of Barcelona is that of an advanced landlord rather than the traditional model, since it has adopted a more active role in the areas of promoting and marketing port activity, ensuring greater competitiveness for the entire Port of Barcelona.

In spite of this desire, as a public entity the APB is subject to a specific legal framework that defines its functions and powers, with which it is obliged to comply. However, a comparison of the port management model incumbent upon the Port Authority with that of other European ports shows that current laws limit the Port Authority's capacity to develop tools to facilitate its growth in competition with other European ports, especially in the north, where they generally enjoy greater autonomy of management and find it easier to develop commercial tools to facilitate the promotion of the port and its services.

APB's strategic objectives

As a consequence of the Port Authority's mission to "lead the development of the Port of Barcelona, generate and manage infrastructures and guarantee reliable services to contribute to the competitiveness of customers and create value for society" the authority must take on board its own strategic objectives set by the Port of Barcelona, as a leader of the port logistics community even though its capacity for action is limited in some of these objectives. It must generally take on a role as facilitator, coordinator and promoter to allow it to achieve them. In addition to these, there are three strategic objectives specific to the Port Authority that must be achieved and can be seen in the following diagram:

PA-1
Improving the efficiency and customer orientation of internal processes at the APB

2020 objectives

< 0.02% of **complaints** accepted for invoices issued by the APB

Average response time to complaints for APB invoices less than **7 days**

For some years now, the management of the APB has placed special emphasis on improving the efficiency of its internal processes and orienting them to the (internal or external) customer. It is important to continue in this approach and achieve excellence in internal management, which will make it necessary to develop the lines of action shown below.

Fostering internal coordination between the various departments. To achieve this requires strengthening the roles of process and product managers. However, it is essential to know what the functions of the Port Authority are and which activities should be developed to achieve these, as reflected in the process map.

Developing and implementing management support tools, which aim to align the APB's objectives and, indirectly, its human, technical and economic efforts.

Carrying out projects to improve processes: on an interdepartmental level, in other words including several departments, and on an intradepartmental one, i.e. affecting the inner workings of a department.

PA-1 Improving the efficiency and customer orientation of internal processes at the APB

PA-2 Adapting the APB's resources to the Port of Barcelona's objectives

PA-3 Maintaining the capacity to generate resources

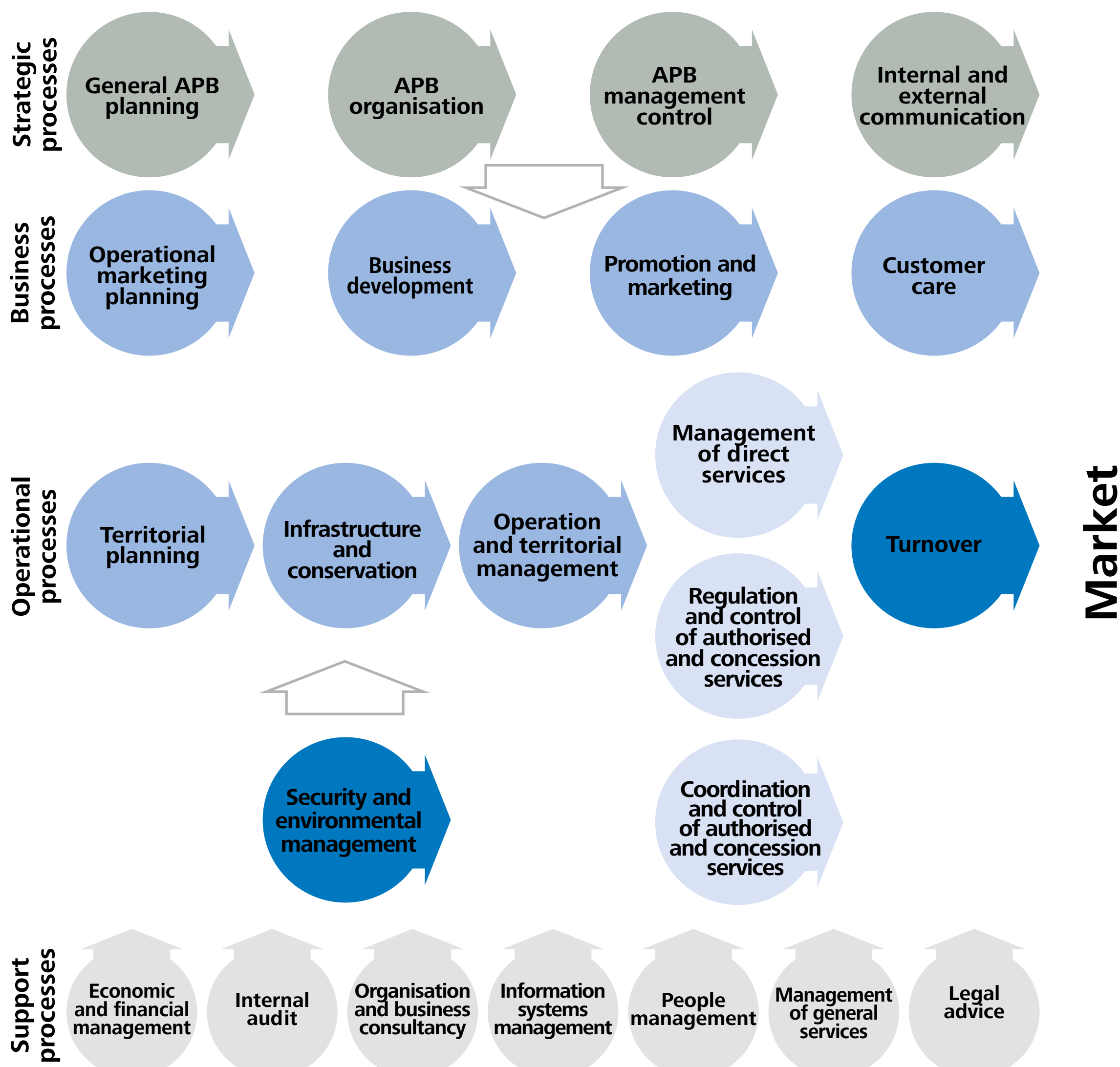


Figure 15: APB process map

PA-2
Adapting the APB's resources to the Port of Barcelona's objectives

When we refer to the resources of the Port Authority of Barcelona, we are basically thinking of three types: economic, human and technological. This defines three sub-objectives:

- Adapting economic resources to the Port of Barcelona's objectives
- Adapting human resources to the Port of Barcelona's objectives
- Adapting technological resources to the Port of Barcelona's objectives

2020 objectives

Providing coverage and access to quality data in more than **90%** of port territory

Improving the perception of orientation to efficacy and results of the APB within the work environment survey by **10%**

Adapting economic resources to the Port of Barcelona's objectives

Economic self-sufficiency and the requirement of a minimum profitability for the entire port system mean special care must be taken of financial resources. The APB must ensure that these resources are properly managed and administered within a framework of management autonomy and applying criteria of effectiveness, efficiency and sustainability.

The main actions to be developed in the area of economic resources are:

Aligning budgets with the strategic objectives defined in the Third Strategic Plan, drafting the annual budget of expenditures and investments in accordance with the Business Plan initiatives (particularly the non-consolidated expenditure or investment).

Adjusting the rate of investment to the Port of Barcelona's needs. In accordance with the previous point, and bearing in mind that the Port of Barcelona's main enlargement actions have finished, investment needs to be brought in line with the short-term situation and adapted to the port's priorities in a context of shrinking resources.

Concentrating investments in companies that are strategic for the Port of Barcelona. Stakeholder companies are an instrument for developing the Port of Barcelona's policy and strategy and consequently these investments make sense only if they add value to the port's strategy and serve as an instrument for development.

Aligning investments with the Port of Barcelona's business strategy. For the same reason, as a partner of these companies, the APB must ensure that its actions are aligned with the Port of Barcelona's strategy and can become a real instrument for its implementation.

Adapting human resources to the Port of Barcelona's objectives

In the area of human resources, the budget cuts required by the Spanish government have severely affected the APB's capacity to hire new staff. Although this policy may yet be relaxed once we exit the crisis, it seems that for now the cost containment approach will remain in the long term, beyond the duration of the crisis. Therefore, by 2020 we need to work within a scenario of maintaining the current workforce, rather than growing it, which will require allocating existing resources to the needs of the Port strategy and placing special emphasis on individual performance.

This means that we have to strike a balance between the functions of: planning, regulation and management of the port areas and the activities performed there; monitoring and improving the competitiveness of the port and its operations; and commercial promotion and market approach. If the Port of Barcelona is to reach 3 million TEU and 70 million tonnes by 2020, it will have to adapt its organisational structure to market requirements because the increased activity will not be accompanied by a proportional increase in resources. Efficiency, versatility, transversality and market orientation are the main thrusts of the future human resources policy. The organisation's human resources strategy is thus divided into three main lines of action.

> “ The APB must move towards an internal structure that allows us it develop the advanced landlord management model. ”

Managing performance and professional development.
The APB needs human resource efforts to focus on three critical areas: performance, talent and internal leadership management. This means that improving results related to personnel management within the organisation means promoting the acquisition of skills that can enhance employee performance and, consequently, achieve the business strategy.

Forward planning. It is well known that facing organisational changes in a reactive way involves great effort and drains time and resources. In the interests of forward planning, therefore, human resources should be focused on four critical areas: managing commitment, organisational design, organisational learning and trust.

Strengthening organisational processes. This line of action seeks to strengthen operations and requires efforts to be focused on human resources in both operational and strategic processes. Consolidating operational processes is related to the fact that ordinary operations should not be compromised, in order to contribute value to the organisation through operational and administrative excellence by strengthening the occupational health and safety culture and seeking the sustainability and effectiveness of the human factor and budget efficiency. Moreover, consolidating strategic processes is related to legal compliance and contributing to management results.

Adapting technological resources to the Port of Barcelona's objectives

In the technological area, it is worth pointing out that the APB's management affects not only its internal resources but also the Port of Barcelona network and provides support to other administrations and players in the Port Community.

> “ We need to provide solutions in the information technologies area - infostructures - to contribute to the competitiveness and efficiency of both the APB and the Port of Barcelona. ”

To do this, it is essential to:

Respond to the growing needs for infostructures. Port activity is increasingly based on technology and communications, which is generating a growing demand from the Port Community and other port users for appropriate information services, the infostructure of which, in many cases, depends upon the APB. It is also necessary to ensure the security of communications and transactions between the various players in the Port Community. Technology is developing exponentially, therefore there is a need to define management models based on the use of cloud services, which many specialised companies offer and can turn key investments into costs for use.

Developing eGovernment at the APB. The APB's customers and suppliers must be provided with eGovernment infrastructure to expedite processes and improve quality. It is worth pointing out that the APB has a large amount of publicly acquired information that can be useful to third parties - research centres and the public or entrepreneurs - for social purposes. Within the concept of e-government, in addition to automating procedures, it is necessary to define and implement the APB's open data strategy.

Providing intelligence for business. In recent years there has been an exponential increase in available information, both that generated by sensors and external information available on the social networks. This information should be used, along with the technologies available for analysing it, to achieve a more efficient port and a better quality of service that can head off problems before they occur.

Encouraging the collaboration and mobility of employees and customers of the port. Executing processes in mobility can encourage the circulation of information in real time and ensure a 24/7 service independently of whether staff are physically present. Using social networking and collaboration tools increases the information available to the community, while allowing such information to be processed and used more efficiently.

Moving towards a paperless APB, removing and simplifying unnecessary procedures and, when this is not possible, using tools to support the processes and activities of its employees.

Standardising technology. It is necessary to rationalise the use of different technologies to optimise the resources invested and coordinate the development of new tools to generate synergies, improve interoperability and reduce maintenance costs.

PA-3
Maintaining the capacity to generate resources

Economic self-sufficiency is one of the guiding principles of the Spanish port system, and is something the APB has integrated into its management.

> “ The APB must be able to meet its expenses and investments with the required minimum profitability, using its own resources. ”

Furthermore, its mission as the leader of the Port of Barcelona and its reality as a public administration mean that generating revenue or obtaining profit is not a goal of the Port Authority in itself. Thus, from the economic standpoint, the APB must maintain its capacity to generate resources without having to inflate port costs.

Growth

2020 objectives
€ 185 million in turnover
€ 95 million in cash flow
€ 285 million in debt

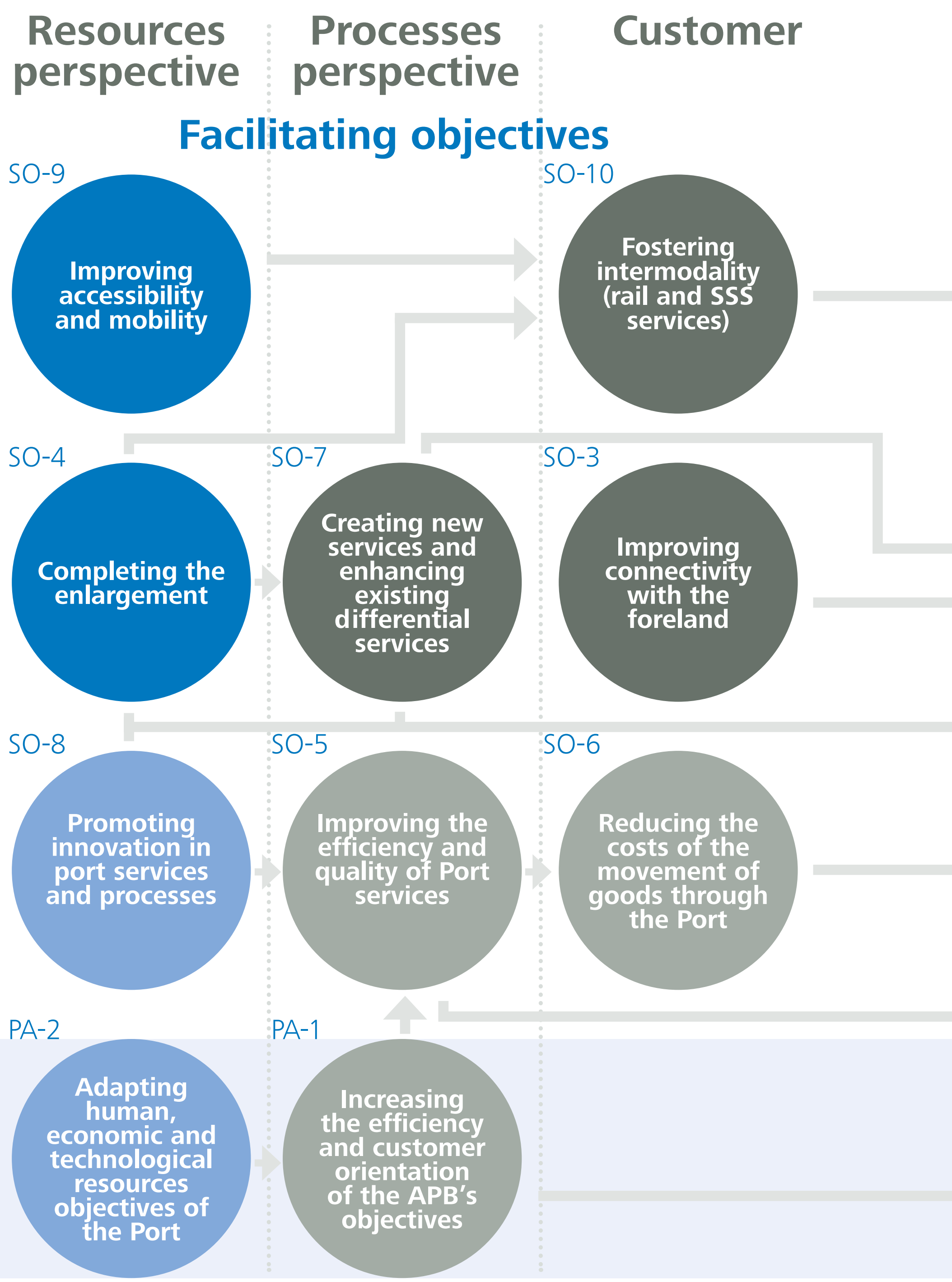
Obtaining a turnover in accordance with the APB’s increased activity. Whatever happens, any increase in APB turnover must be a result of increased activity and of the financial needs of the organisation rather than an increase in charges and fees. The APB has tended, within the bounds of the law, to maintain and increase revenues while simultaneously bringing down port costs through a sufficient policy of discounts and price setting.

Reducing debt. A debt-reduction policy has been rolled out since 2010, when accumulated debt reached a record € 494 million as a result of the intense investments for the Port’s enlargement, leading it to fall to € 448 million in 2013. It is worth pointing out in this connection that the repayment periods for certain financial investments will finish shortly.

Maintaining cash flow generation. Considering the need to reduce the APB’s debt, the new investments will have to be financed from cash flow.

Strategic map of the APB

The strategic map of the APB is a graphical representation of all of the organisation's strategic objectives explaining the explicit cause-effect relationships that exist between them, which help to understand the strategy. With the objectives defined, and considering that the Port Authority must take on board the objectives established by the Port of Barcelona, the strategic map of the APB is as follows:



Managing human, economic and technological resources
Construction and land management
Competitiveness of services
Offer of services

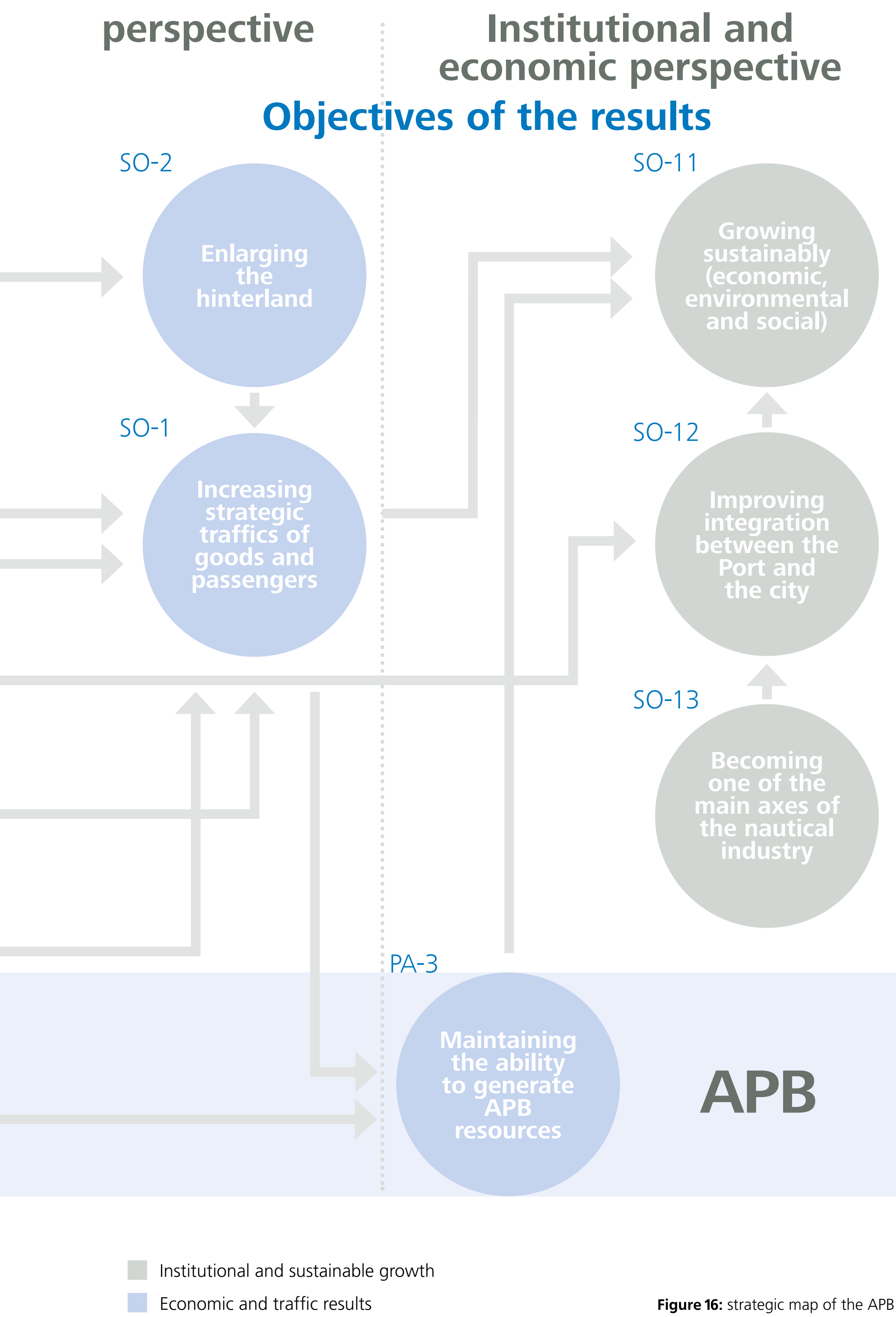


Figure 16: strategic map of the APB

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