



Newsletter

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CLIENT RECRUITMENT

FIRST QUAY FOR ROTTERDAM WORLD GATEWAY

The first container terminal of Maasvlakte 2 to be taken into operation has been awarded to the Rotterdam World Gateway consortium. This was announced by Hans Smits, CEO of the Port of Rotterdam Authority, after the winner had been informed of the decision. Rotterdam World Gateway is a consortium consisting of stevedore DP World (Dubai) and shipping companies Mitsui OSK Lines (MOL, Japan), Hyundai Merchant Marine (HMM, Korea), APL (Singapore) and CMA CGM (France).

In April 2005, the Port Authority offered interested parties the opportunity to take part in an open assessment procedure for the exploitation of the first container terminal on Maasvlakte 2. Fourteen shipping companies and stevedores applied for this 156 ha terminal. They quickly began forming consortia so that the parties were in a position to submit better joint tenders. The Port Authority has now chosen the tender that exceeded its expectations where both finance and sustainability were concerned.

CRITERIA

The Port Authority used four criteria when assessing the offers: finance, strategy & marketing, technology and sustainability. The

Port Authority is particularly pleased with the results of the open assessment procedure with respect to sustainability. Hans Smits: "When it comes to both air pollution caused by the terminal and the modal split we have agreements in black and white which, as far as we know, go further than any other European terminal. The new port area will therefore be truly sustainable. Without an assessment procedure in which consortia know that they are competing with each other for a highly coveted terminal, it is much more difficult to agree on both a good price and sustainable operations. Aspects of sustainability include the 'modal split' (relationship between rail, inland shipping and

truck in hinterland transport), emissions from the terminal itself and the vision of sustainable enterprise. The relevant agreements made in the contract are accompanied by fines should the consortium fall short.

TERMINAL

The terminal will have a capacity of approximately 4 million TEUs (standard measurement for containers) and will become operational in 2013. The transfer area will have a sea quay 20 metres deep and 1,900 metres long, a quay for inland shipping and feeder ships measuring 550 metres, and its own rail terminal with a connection to the Betuwe Line. The area can be put into operation in phases from the

second half of 2013 onwards. APM Terminals, which acquired a (future) area on Maasvlakte 2 last year, will start shortly thereafter. In total, about 40% of Maasvlakte 2 has been awarded, although the first site will only come into use in 6 years time.

CONSTRUCTION

At the end of this year, it will be clear which consortium of contractors will construct Maasvlakte 2. Two candidates are competing for this contract in the last phase of the tendering process. The land reclamation will cost a total of EUR 2.9 billion. A number of licensing procedures are ongoing. Construction is planned to start in the middle of 2008. Until the first container is loaded/unloaded on the quay of Maasvlakte 2 in 2013, the container sector can still expand in the existing port area. For instance, the Euromax terminal will come into operation next year with a total capacity of approximately 3 million TEUs. A combination of the shipping companies Cosco, 'K'-Line, Yang Ming and Hanjin is participating in this terminal.



ROTTERDAM WORLD GATEWAY

In 2006, Dubai-based DP World took over P&O Ports, thereby assuring its position as third largest 'global terminal operator'. The four shipping companies are among the top globally operating container shipping companies. Shipping companies APL, HMM and MOL co-operate closely on operations in 'The New World Alliance', whereas CMA CGM operates both independently and with partners in specific sailing areas.

ANSWERS TO PUBLIC ENQUIRY REACTIONS IMMINENT

The public enquiry regarding, amongst others, the new zoning plan for Maasvlakte 2 and the Environmental Impact Assessments for Construction and Zoning resulted in 66 reactions. This was announced by the Public Enquiry Centre which collected the reactions. The competent authorities are now preparing answers to the reactions. It is intended that once it has been dealt with by the Court of Mayor and Alderman, the Report of Answers (Nota van Antwoord) will be available at the beginning of September. All the public enquiry reactions are combined in the report and are answered or explained in it. All those who reacted will receive a copy. The report will also appear on the websites of the various parties involved, amongst others on www.maasvlakte2.com.

NEW PUBLIC ENQUIRY FOR MAASVLAKTE 2

A new round of public enquiry into the plans for Maasvlakte 2 will start in the middle of October. The Ministry of Transport, Public Works and Water Management (Rijkswaterstaat) and Rotterdam Municipality will then present drafts of licences and Zoning plans that could be granted or determined next year. Amongst others, this concerns permits for the extraction of sand from the sea, the realisation of land reclamation, adaptation of the zoning plan for the current Maasvlakte, and the design of a zoning plan for Maasvlakte 2. Further information regarding this round of public enquiry will follow in newspapers and journals after the summer.

RWG HAPPY WITH MAIN HUB

Happy with this decision, happy with Rotterdam and happy with this location on Maasvlakte 2. That was the first reaction of the Rotterdam World Gateway (RWG) consortium when it was made known that RWG had walked away with the contract for the first operational terminal on Maasvlakte 2. Senior executive Mohammed Sharaf of DP World expects that the new terminal will play a role in reducing the current congestion on the transfer sites. Henri Archambeaud of CMA CGM expects that the RWG terminal will become a new standard for handling future mega-containerships. 'As our main hub in Europe, this terminal will contribute to the speed, scale and flexibility that clients want from us today. This investment is a particularly welcome addition to our worldwide network in the container sector,' was the first reaction of Ronald D. Widdows of APL.

CEO OF THE PORT OF ROTTERDAM AUTHORITY:

'SUSTAINABLE MAASVLAKTE 2 IS NOW TAKING SHAPE'



Hans Smits, CEO of the Port of Rotterdam Authority, is particularly pleased that the Rotterdam World Gateway consortium is coming to Maasvlakte 2. In his opinion this is a top offer which will make the sustainable character of the port extension even stronger.

WAS IT DIFFICULT TO CHOOSE BETWEEN THE TENDERS OF THE LAST TWO CANDIDATES?

'Yes, absolutely. Both were top offers. Both candidates offered us more on all subjects than we had expected. Adding up the points scored turned the scales, but it was a close finish.'

ARE YOU HAPPY ABOUT THE COMPETITION THAT IS NOW MANIFESTING ITSELF?

'Competition in the port is not a goal in itself. It is a means of getting companies to achieve their very best and making Rotterdam a top quality port. The economic mechanism of market forces and competition has provided a good result for this tender. I expect that we shall not only allocate the Maasvlakte 2 sites in this way, but that we will also tender in the existing area more often. It is a good way of sharing out a scarce commodity.'



There was a great deal of interest in the official opening of the Betuwe Line. The railway, made exclusively for the transportation of goods, will play an important role in transporting the containers arriving in Europe at Maasvlakte 2 from 2013 on. The policy is fewer goods by road, and more by rail and inland shipping. This is already taking shape in the contracts that the Port Authority is concluding with stevedoring companies that will be located on Maasvlakte 2.

HOW DID THE CANDIDATES PROVE THE SUSTAINABILITY OF THEIR PLANS?

'On the question of sustainability, the tenders were mainly concerned with the emissions caused by the terminal and the activities around it. The emissions stated in the proposals are lower than we expected. The modal split also turns out better in the final year of 2033 than we had calculated in the Environmental Impact Assessments. And this is definitely not wishful thinking by the consortium. They have guaranteed it, and have also signed the penalty clauses contained in the contract. The contract also states that the terminal operator will negotiate service agreements with inland shipping and the rail carriers. There is absolutely no room left for interpretation. A sustainable Maasvlakte 2 is now taking shape.'

LARGE PROJECTS ALWAYS TURN OUT MORE EXPENSIVE THAN ESTIMATED. WILL THE SAME APPLY TO MAASVLAKTE 2?

'Financially, the business case we have for Maasvlakte 2, to which we keep adding all this information, is still positive. In the long term therefore, Maasvlakte 2 is simply a healthy enterprise for the Port Authority.'

LOOKING TOWARDS THE FUTURE, WHAT DO YOU SEE?

'Between now and 2033, Rotterdam is going to experience an increase in container transfer of 3.5 to 4 times the volumes being handled now. This is an increase in scale that is only possible with Maasvlakte 2. I know that right now 55 to 60 ships are on order worldwide which can each transport more than 12,000 TEUs. We are therefore on the eve of a huge development which will lead to a daily visit to Rotterdam by one of these giants of the sea.'

MAASVLAKTE 2 AND ACCESSIBILITY

The roads around Rotterdam are becoming increasingly busy. During the rush hour, traffic jams and congestion are common. People living nearby are afraid that the construction of Maasvlakte 2 will aggravate the problem. However, research has shown that proportionally, Maasvlakte 2 will only contribute in small measure to the traffic problem. It is mainly the autonomous increase in the amount of traffic in the region that is causing the problems.

Whether or not Maasvlakte 2 will be constructed, it is a fact that all traffic (home/work, business and recreational) on the motorways and highways around Rotterdam will increase in the future. The influence of Maasvlakte 2 on traffic as a whole will not be very great. The port and industrial areas to be constructed will be responsible for 29,100 motor vehicles per working day in the final situation (2033). Approximately two thirds will consist of transportation of goods (18,800 vehicle runs). At the level of Vaanplein, the amount of traffic contributed by Maasvlakte 2 will only be two percent of the total traffic volume (4,400 of the 176,500 motor vehicle runs), and six percent of the transportation of goods (3,200 of the 52,100 goods runs).

ACCESSIBILITY IS HIGH ON THE AGENDA

Even though the effect of Maasvlakte 2 is limited, improving accessibility is high on the Port Authority's agenda. One of the solutions is a better distribution of transport over the available modalities. This is referred to



as modal shift. The starting point is to reduce the relative amount of trucks in favour of transport by rail and water. Based on the figures of the current Maasvlakte, Maasvlakte 2 will stimulate a decrease in road transport from 47% (2005) to 35% (2035) of the total volume. Rail transport would have to increase from 13% to 20%, and transport by water from 40% to 45%.

HOW TO ACHIEVE MODAL SHIFT?

There are several ways of achieving a shift in transport, for instance by making hard and fast agreements in client contracts, regarding the share of road transport with respect to other modalities (modal split). The Port Authority is very satisfied with the agreements that were made recently with the operator of the first container terminal to be built on Maasvlakte 2. 'We have concluded written agreements on both air pollution and the modal split which, as far as we know, go further than those of any other European terminal', CEO Hans Smits commented.

Another way of influencing the modal split is determined by the design of the new site. It must provide sufficient facilities for rail and inland shipping, such as waiting and mooring berths for inland shipping, sufficiently long quays, rail facilities such as emplacements, etc. The Port Authority is also playing an active role in improving hinterland transport, for instance by participating in the Betuwe Line.

WHAT IS THE GOVERNMENT DOING?

In the meantime, the government has also been active. From 2015, the A15 will be widened in several places. Improvements to traffic flow on the A15 will also result in a better flow on the nearby highroads. The Midden Delfland section of the A4 is also on the list. It is expected that Maasvlakte 2 will also be accessible by public transport.

WHAT IS THE PORT OF ROTTERDAM AUTHORITY DOING TO CREATE BETTER ACCESSIBILITY?

- Location policy – priority is given to companies who convey a part of their hinterland transport via rail or inland shipping (or pipelines)
- Container transfer centre in the hinterland – whereby more containers can be transported by inland shipping
- Greater use of collective transport by companies in the port
- The use of the Port Authority's own road network (part of which runs parallel to the A15), for instance as an emergency route.

CREATE YOUR OWN FUTURE

Two years ago, we used the slogan Create your own future in the advertisement used to make container companies around the world aware of the possibilities of Maasvlakte 2. We can now conclude that the slogan hit the nail on the head. Companies formed consortiums and offered us tenders to be the first to operate a terminal on Maasvlakte 2. The international consortium of companies under the name of Rotterdam World Gateway (RWG) that won the contract thought long and hard about its future, and then made an offer that is also good for the future of Maasvlakte 2 and that of the Port of Rotterdam.

GUARANTEE

RWG guarantees for instance a modal split for the removal of containers which more than amply fulfils our sustainability requirements. Where 47 percent of the containers are transported by truck at present, in 2035 not more than 35 percent of the containers coming from Maasvlakte 2 will be transported by road. The remainder will reach their final destination by train and inland shipping. You may wonder whether these are hollow phrases. Not in the

least. These are hard and fast contractual agreements which include penalties, just in case ...

STANDARD

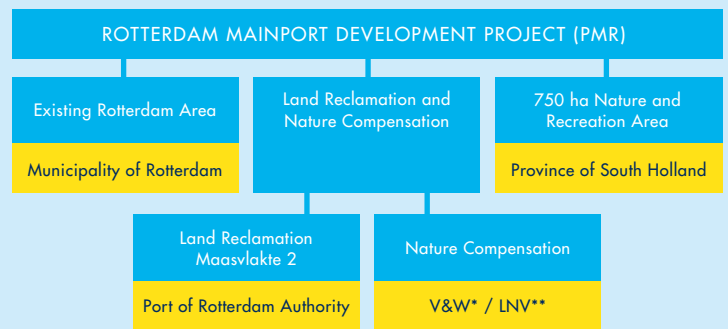
In addition to this guarantee regarding the way transport will be tackled, RWG is also guaranteeing the manner in which the terminal will be operated: modern, efficient and extremely sustainable, without a shadow of a doubt. The company ultimately intends to dispatch around 4 million TEUs annually. Where emissions into the air are concerned, these will remain well below the current norm. RWG is hereby setting a standard that will make Maasvlakte 2 the most sustainable port site in Europe. That is precisely what we mean when we say create your own future!



Ronald Paul
**Managing
director
Project
Organization
Maasvlakte 2**

PLAY AND WIN WITH DOCKS!

For a couple of months now, prizes are being won on the www.maasvlakte2.com site with the online port game DOCKS! Marco Brugman, aged 23, has already won the title Docksmaster of the month twice in succession. In June he scored a dazzling 38,180 points! This earned him a game voucher of 50 euros and free tickets to the Maritime Museum. Marco is still playing regularly and has already beaten his own record. This means he has a good chance of becoming Docksmaster of the year, a title which will be rewarded with a games computer. Who can beat Marco?



* Ministry of Transport, Public Works and Water Management

** Ministry of Agriculture, Nature and Food Quality

The construction of the new port area, Maasvlakte 2, is part of the Rotterdam Mainport Development Project (PMR). The project also involves the nature compensation linked to the construction of Maasvlakte 2, the construction of a 750-hectare nature and recreation area, and the improvement of the Existing Rotterdam Area. PMR is a cooperative venture between the central and regional governments and the Port of Rotterdam Authority. See also www.mainport-pmr.nl



Looking for baby fish (juveniles) in the North Sea to determine later on whether sand extraction at sea for the construction of Maasvlakte 2 will have any effect on the growth of young fish. That is the purpose of the research being carried out on a fishing vessel, at 100 locations along the coast between Den Helder and Walcheren. The Port Authority will repeat this research during the coming years.

COLOPHON

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CONTACT AND MORE INFORMATION

T +31 (0)10 252 11 11

F +31 (0)10 252 11 00

E info@portofrotterdam.com

W www.maasvlakte2.com