



Cluster Maritime Polynésie Française

*Le Faire-Savoir Maritime
The Maritime Voice*

PORT OF TAHITI:

UPGRADE AND MODERNIZATION

TO MEET THE NEW MARITIME STANDARDS
AND ITS FUTURE ECONOMIC DEVELOPMENTS





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OVERVIEW OF THE ECONOMY OF FRENCH POLYNESIA

An Economic Model

FROM A STATE-SUBSIDISED ECONOMY TO TODAY'S RECESSION

- **1960 – 1996 : Economic growth driven by consumption,** fueled by French subsidies, transfers and spendings during the nuclear experimentation programs
- **1996 : End of the nuclear testing program**
=> gradual decrease of military spending
- **1996-2004: Massive investments** in Tourism, Pearl farming and Fishing development
- **2004-2014: Global crisis (2008), combined with 7 years of local political instability**
=> the economy plunges into deep recession

The economic programs launched are insufficient to restore growth

Evolution of the GDP: 2005-2011

PIB et taux de croissance

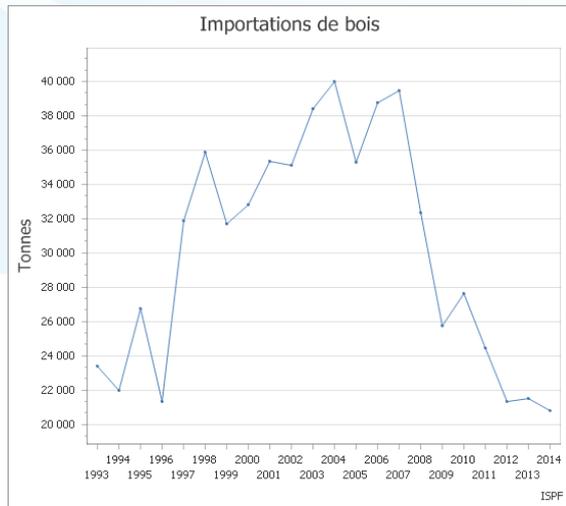


- Produit intérieur brut nominal (en millions de FCP)
- Produit intérieur réel (en millions de FCP - Base 2005)
- - - Taux de croissance nominale
- - - Taux de croissance réelle

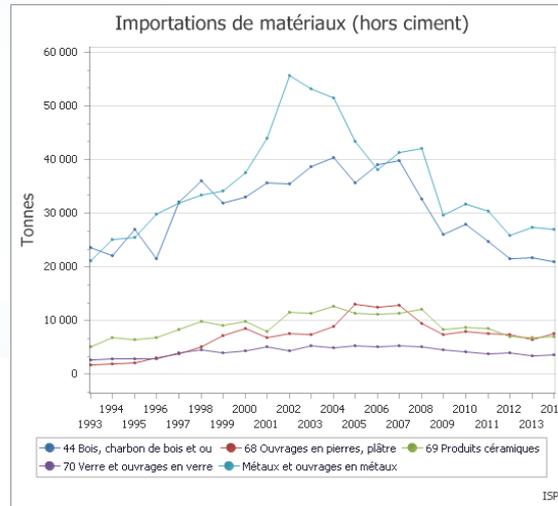
Source : Comptes économiques - ISPF

Evolution of importations 1993-2014

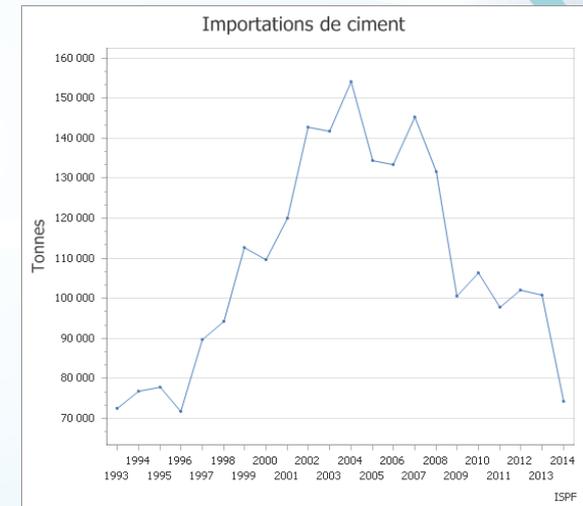
Wood



Materials (other than cement)



Cement





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THE MARITIME BLUE ECONOMY OF FRENCH POLYNESIA

A driver for economic recovery

SYNERGIES

DRIVEN BY THE MARITIME CLUSTER

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Une zone économique exclusive aussi vaste que l'Europe

Transport, Nautisme, Tourisme, Pêche, Aquaculture, Perliculture, Recherche, Environnement, Formation, Sécurité, Financement, Plaisance, Équipement, Construction, Énergies, Droit, Assurances, Compagnies maritimes, Conseil, Off-Shore, Services



le française
Polynesia
au



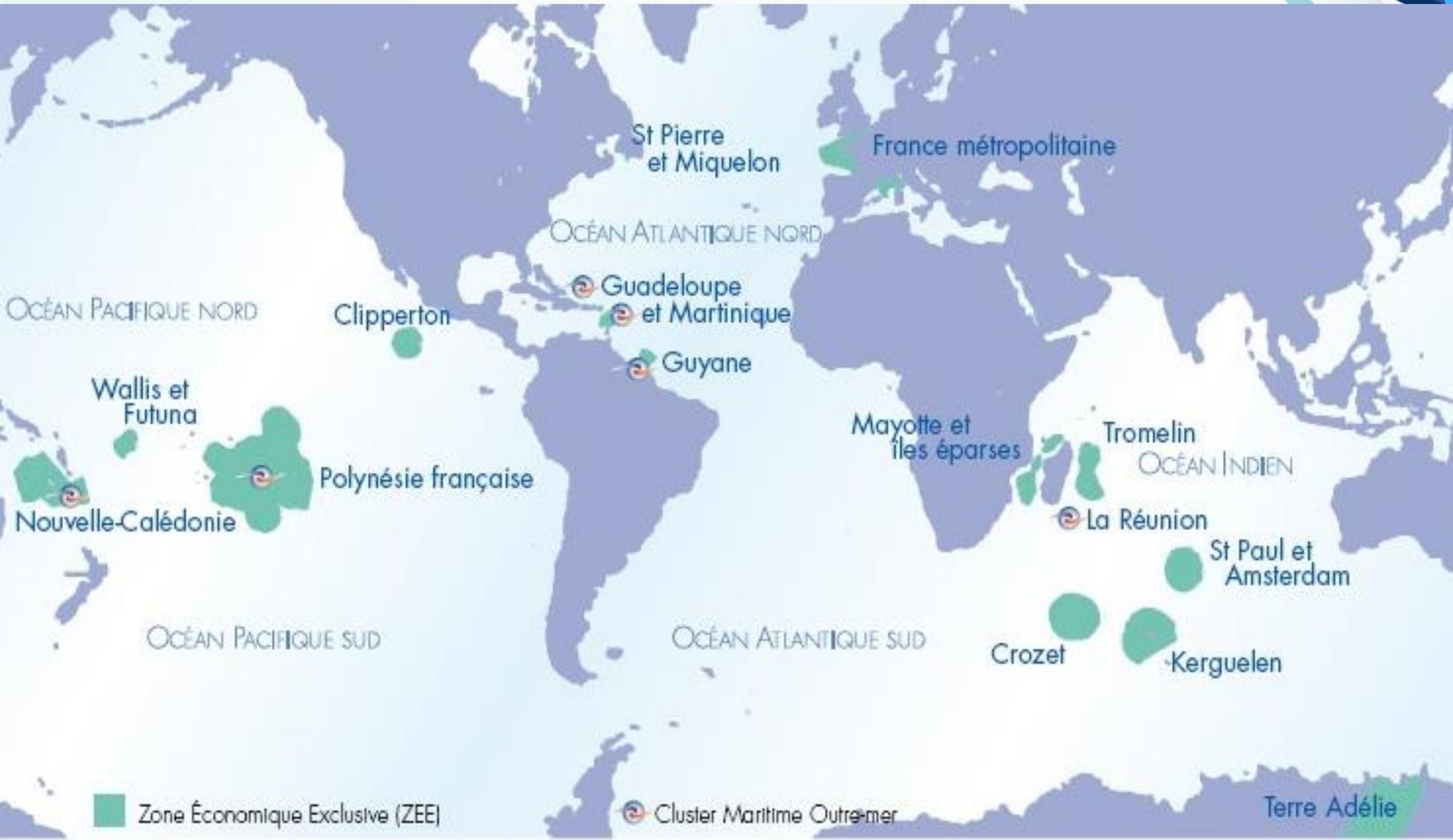
An EEZ AS WIDE AS EUROPE



5.5 Millions km²

47% OF THE FRENCH EEZ (2ND LARGEST IN THE WORLD)

CENTRALLY LOCATED IN THE PACIFIC OCEAN



THE BLUE ECONOMY, HIGH POTENTIAL GROWTH AREAS FOR FRENCH POLYNESIA

- **International maritime trade, Port operations**
- **Inter-islands transport trade** (freight and passengers)
- **Cruising** : from large cruise ships to private yatching
- **Ship building**, maintenance, repairs, deconstruction
- **Fisheries** : production, processing and fish export
- **Pearl farming and Aquaculture** (Hao project)
- **Marine pleasure boating**, trade, marina and sports activities
- **Insurance**, financing and onshore services
- **Off-shore Marine Renewal Energy** (SWAC, OTEC)
- **Marine school, training and research**
- **Maritime defense, surveillance and safety**



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THE PORT OF PAPEETE, TAHITI

**The heart of the Country's whole economy
facing new challenges**



Port of Papeete

"at the heart of the Blue Economy"

- **The only entry port for French Polynesia :**
 - Energy, Food, Construction, Equipment and consumer goods
 - Inter-islands transportation for passengers and freight
 - Fishing fleet
- **Main port of call for cruise ships**
- **Surveillance, safety and naval defense base for the EEZ**
- **Only base for large ship maintenance and repairs**
- **Port of Papeete, French Polynesia's capital city port**

Facing new challenges (1)

→ Designed and completed in 1966, the Port of Papeete faces pressures to modernize :

- **External challenge :**

- *New maritime shipping routes and vessels,*
- *Necessity to adapt port infrastructures and organization*
- *Changes for the next 30 -50 years.*

- **Internal challenge :**

- *To drive the economy through higher productivity*
- *To meet French Polynesia's future large projects: Hao Aquaculture, Mahana Beach...*
- *To move in line with the growth of the Blue Economy*

Facing new challenges (2)

- The Maritime Cluster of French Polynesia has addressed these stakes by organizing in October 2015 a 2-day workshop gathering private and public actors, users of the Port and experts :

- Importers
- Shipping companies and agents
- Freight forwarders
- Stevedores
- Experts in environment
- Port Navy and Custom authorities
- City and Government representatives
- And more

- **4 ROUND TABLES**

1. INFRASTRUCTURES
2. PORT LAND OPTIMIZATION AND USES
3. INFORMATION SYSTEMS
4. GOVERNANCE, Port governing bodies



1. INFRASTRUCTURE UPGRADES

- **Major changes in the maritime trade**

- *Opening of the 3rd lock of the Panama canal (+ later on Nicaragua canal)*
- *Will bring through large container ships, with a capacity > 15 000 TEU*

→ **EFFECTS :**

- *Pressure on a lower cost of freight between direct call carriers and feeder services*
- *Cascading effects : increase in the size of cargoships calling to PPT (from 4000 to 5500 TEU)*

→ **Port of Papeete :**

- *the actual draft and width of the pass are insufficient for ships bigger than 2300 TEU*
- *Ships up to 5500 TEU are expected in the decades to come*

→ Risk of increased feederization of Papeete

- Additional 15 days transit time to European goods
- Lesser capacity to import fresh products from Europe
- Less direct line services + increased costs
- Lesser export capacity
- Higher dependancy on the Auckland hub, with added risk of logistics rupture in case of social tensions
 - (Auckland hub, today's main hub for all goods from Asia / can also become the main hub for most European , East Coast USA and South America goods)

→ Papeete to become a secondary Port with very limited direct calls

→ Facing the international challenge

- **October Round Tables looked at 3 development options :**
 1. No change / adapt to feeding services
 2. To upgrade the harbour draft
 3. Extension of the Port
- **Recommandations**
 - **Option 1 : not an option**
 - **Upgrading of the actual harbour to allow up to 5000 TEU ships :** short to medium-term project, autofinanced by the Port
 - **Extension of the Port to the East :** long term project with large economic & urban benefits but with close attention to environmental effects and financing
 - **4th option :** combination of short term & long term project
- **Launching of economic studies by Port authorities**
- **Results provided to port actors and users :** March 2016
- **Definition of the process for implementing the project :** Sept. 2016

2. HOW TO IMPROVE SPACE EFFICIENCY

Recommandations

(Constrained by limited land space)

- **Provide space and support to maritime activities with high potential and economic values** (cruise ships, megayachts, charter tourist boats, private yachts)
- **Relocate non maritime operations** (waste operations)



→ Optimization of Port Spaces



- Relocation of old oil storage activities
- Relocation and development of international fisheries activities
 - New SeaFoodHub in Faratea
- Building a modern Naval Maintenance & repair Center
- **Creation of a Steering Committee** to supervise environmental hazards and reduce their impact

3. IMPLEMENTING A NEW INFORMATION SYSTEM

**Terminal
Operating
System**



3. IMPLEMENTING A NEW INFORMATION SYSTEM

- **Need to use a common platform** (too many and non integrated operating systems between port operators)
- **Improve confidentiality and transparency of data exchanges**
- **Improve efficiency and security**
- **Improve the supply chain management**
- **Reduce cost of Papeete cargo logistics**

→ ***Recommendations:***

- **Creation of a Steering committee** for the harmonization of information systems CCS/TOS (*Nov. 2015*)
- **New customs information system (e-Biscus)** (*Nov 2016*)

4. PORT GOVERNANCE

- Politically governed, the Port development program has been impaired by 7 years of political instability, while Port actors were not organized with structured actions.

→ *« its present governance is no longer adapted to meet today's challenges and would need a rebalancing between public and private actors »* - **Louis Remy Budoc, CESE, oct. 2015**

- Round Table recommendations :

→ **Modernization of the governance** of the Port with a better representation of its users and operators in its governing bodies

→ **Renaming** the Port Council « Development Council »

→ **Changing** its by-laws to ensure a better coordination and understanding between port users and port authorities

CONCLUSION

Necessity of transiting from a politically managed authority to creating a real PORT OPERATORS UNION

with a combined-expertise of private and public users and authorities.

And Linked this union with the City of Papeete and other National and Regional Port Operators Unions





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