



Boxes Over Breakbulk

Caribbean Ports Face Infrastructure Challenge

BY PAUL SCOTT ABBOTT

When it comes to providing sufficient infrastructure for handling outside-the-box cargoes, ports of the Caribbean region are finding themselves boxed in – in more ways than one.

Figuratively, Caribbean ports are boxed in due to limited funding,

especially for facilities for non-containerized activity, while they are often more literally boxed in due to lack of room for port expansion.

“The entire focus has always been containers,” consultant John C. Martin said of the emphasis of port development in the Caribbean region over the last half-century. “There is clearly opportunity for other cargo, and it has not been addressed at all,” continued Martin, who holds

his doctorate in economics and who has conducted more than 1,000 port studies throughout the world over the past 40 years. He is president of Lancaster, Pennsylvania-based Martin Associates.

Patrick Bird, managing director and global head of advisory at the Edison, New Jersey-based Seabury Maritime unit of Seabury Capital, the New York-headquartered specialty finance and investment firm, pointed to private financing providing a potential boost. But in light of limited non-containerized cargo



John C. Martin
Martin Associates

ABOVE: At the Port of Bridgetown in Barbados, a decline in intraregional breakbulk trade means transit shed facilities along shallow-draft berthing are not as busy as they once were. / CREDIT: BARBADOS PORT INC.



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A new multipurpose cargo terminal is envisioned for La Brea on the island of Trinidad, where existing port facilities have run out of room for affordable expansion. / CREDIT: MARTIN ASSOCIATES.

volumes, he cautioned, “the ability to secure capital becomes quite an issue when looking to upgrade or address these challenges.”

Glenn Roach, executive secretary of the Port Management Association of the Caribbean, said lack of available acreage for expansion of existing port facilities exacerbates challenges.

“The port infrastructural challenges regarding breakbulk and project cargoes is really space,” he said. “There is nowhere really to expand the ports, because they are kind of hemmed in by the city.”

Roach added options include reclaiming land from coastal waters, as was done in Barbados with expansions of the Port of Bridgetown in the 1960s and 1970s, or construction of a



Patrick Bird
Seabury Maritime



Glenn Roach
Port Management Association of the Caribbean

new port, as is advancing on the island of St. Vincent in St. Vincent and the Grenadines.

SPACE TO EXPAND

A few Caribbean ports are blessed with neighboring property available for expansion. A notable example

is in the British overseas territory of Anguilla, where 2.4 acres to the immediate south of the existing Port of Road Bay have been acquired, with a new multifunctional jetty being built with the assistance of the British government, and where plans call for future acquisition of an additional 1.4 adjoining acres.

In another British overseas territory, Turks and Caicos, where breakbulk activity continues to

constitute the majority of tonnage, storage has been moved off the port, with most cargo delivered directly to importers, Roach said.

Space constraints for storage of breakbulk and project cargoes are of particular concern in the region during peak season periods, such as around Christmas, he added.

In his home port of Barbados, Roach said the shallow-draft facility at the Port of Bridgetown, which once was dedicated to intraregional breakbulk trade, has seen the annual number of ship calls drop to about 100 from a high of 400 in the mid-1990s.

In 2005, Barbados Port stopped dedicating that facility and its on-dock transit sheds to breakbulk commerce, and the port’s master plan calls for eliminating two existing transit sheds and replacing them with a 75,239-square-foot container freight station.

“Even among the smaller ports that still handle breakbulk cargo, they are looking at development in terms of the containerized cargo,” Roach said. “Overall, the intraregional cargo,



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which is the main source of breakbulk, seems to be diminishing, so that is the challenge now.”

And that gets back to Bird’s point, as, particularly following 2016 completion of Panama Canal expansion, container-handling infrastructure gets the lion’s share of interest.

“Big container investments typically get the greater attention put on them,” Bird said. “But I think there’s still strong demand in the region for breakbulk or project cargo.

“The problem is there’s very little money that you can invest on the back of small volumes, or it makes it harder to do so, so it’s all about trying to find innovative financing solutions or technological advantages,” he said.

TECHNOLOGY CAN HELP

Ports lacking room to expand must make the most out of the acreage they do have, and modern information technology can be productively deployed in this regard, according to

Bird, who said, “Implementing clever IT programs can certainly help port authorities to better plan and utilize the infrastructure that they have.”

Often, the private sector can not only bring in dollars, but can also introduce technological and operational advances – if investments are made.

Many countries in the region have colonial ties to European nations, including as independent commonwealth countries. But, as Bird said, “Unfortunately, they don’t have access to a ton of the affiliated country funding. It would be great if they did.”

Private capital is very interested in the marine space, an example in the U.S. being investments of the Ontario Teachers’ Pension Plan in container terminal facilities at the Port of New York and New Jersey. However, Bird said, pension funds, banks and other potential investors may perceive greater risks in the Caribbean, ranging from relative economic instability to remote location.

Ironically, a factor that may boost

project and breakbulk cargo volumes relates to devastating storms, as Hurricane Irma and Hurricane Maria in 2017 combined to inflict more than US\$100 billion of damage in the region, plus projections indicate further heightened severe storm activity in the region in the future thanks to global climate change.

“These ports are right in the way of some of the worst weather,” Bird said. “On the flipside, as it relates to breakbulk or project cargoes, I think we’re going to see an increase in the demand, particularly as the rebuilding effort continues. Much of these cargoes come via relay from the other ports in the region, so, in some ways, the capacities of these ports to support the rebuilding need to grow in lockstep with one another.”

THE DARKER SIDE

However, efforts to rebuild following storm devastation have led to concerns on several islands. For example, Roach noted, once cargo was able to get into port on Tortola, the

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largest of the British Virgin Islands, there was not enough quay-proximate space to accommodate the deluge of tonnage.

In the West Indies, Antigua and Barbuda is rebuilding following Hurricane Irma devastation with funding from China, which also, back in 2016, put a US\$100 million loan toward redevelopment of the deepwater facility at Antigua's St. John's Harbor.

Also, some money for port infrastructure is coming from the Caribbean Development Bank, but most CDB projects deal with even more rudimentary endeavors, from street lights and roadways to solid waste management and flood mitigation.

Martin Associates' Martin concurred that staging for cargoes involved in hurricane relief and rebuilding offers opportunities, saying, "The demand for high-and-heavy is driven by natural disasters."

The offshore energy industry also provides opportunities, Martin added, honing in on demands for steel pipe

and rig repair in LNG-rich Trinidad and Tobago.

The planned Brighton International Terminal at La Brea, on vast undeveloped land in southwestern Trinidad, is "clearly the most interesting possibility" for meeting multiple cargo demands that Trinidad's longtime ports at Point Lisas and Port of Spain are unable to fulfill because of lack of channel depth and insufficient landholdings onto which to affordably expand.

At Brighton, for which an operator is being sought, Martin envisions a facility that not only handles containers, some for transshipment, but also takes advantage of vast tracts for project and breakbulk activity, including vehicle distribution. A highway is being built linking La Brea with the capital city of Port of Spain and other Trinidad population and industrial centers.

Another Caribbean property Martin sees as having potential for handling breakbulk and high-and-heavy cargoes, including those

involved in hurricane relief, is the Port of Ponce, which has failed to meet expectations as a container hub on the south side of Puerto Rico.

Meanwhile, offshore Caribbean transshipment hubs in which global container lines have invested, such as those of Jamaica's Kingston and the Bahamas' Freeport, have become less relevant as 50-foot depths have become available at multiple U.S. East Coast ports.

A recent Port Management Association of the Caribbean communiqué aptly summed things up this way: "To be sure, marine port development and effective maintenance present severe challenges to the governments of the Caribbean and Central America. But, paradoxically, port development also creates opportunities for growth and economic advancement of a people." **BB**

A professional journalist for nearly 50 years, U.S.-based Paul Scott Abbott has focused on transportation topics since the late 1980s.

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