

IAPH'S MANAGING
DIRECTOR OF
POLICY AND
STRATEGY
PATRICK
VERHOEVEN

'CAN PORTS
FACE EXTREME
VESSEL GROWTH
BY THEMSELVES?'

Patrick Verhoeven stepped into an uncharted role within IAPH in September 2017, changing his career's course from European ports and harbours to oversee the industry from a global perspective. After spending a combined 24 years with the title of Secretary General for diverse European port and shipping associations, he is now steering his accumulated policy-making experience into the issues which impact ports worldwide.

Photo: Noortje Palmers

World Ports Sustainability Program will have a much broader focus than the World Ports Climate Initiative had, which was very closely related to environment and climate.



Why did you leave behind your role as Secretary General of ECSA and become IAPH's Managing Director of Policy and Strategy?

I had been doing European affairs for almost 25 years, primarily looking at the different interests of stevedores, port authorities and ship owners. I wouldn't say I was 'bored' with Europe, but in terms of the procedures of defending European cases and lobbying, after 24 years, I had seen it all. Things also come back around, creating a certain repetition. At some point I thought 'I need a bit more excitement' and that's what I have now.

When this opportunity came along, I thought it could be interesting to take the step to the global level for the first time. In addition, the idea of going back to the ports world but from a worldwide perspective is what attracted me. Those were the main reasons for me to take on this new position.

What kind of opportunities do you see in IAPH?

The major opportunity was actually conceived before I joined. IAPH decided to launch the World Ports Sustainability Program (WPSP). It will have a much broader focus than the

World Ports Climate Initiative had, which was very closely related to environment and climate.

These are major global issues, but they do tend to get more attention from European and US ports. Widening the scope from an environment and climate-leaning programme to an all-encompassing sustainability programme will allow IAPH to address issues like transparency, infrastructure development and better connectivity. These are issues that reflect a broader range of interest. Enabling an exchange between developed and developing countries is another area where IAPH can play a prime role, especially with different global regions comprising our membership.

In addition, IAPH's non-governmental organisation (NGO) status with International Maritime Organization (IMO) and other UN institutions makes IAPH pretty unique. For instance, IAPH is the only port authority organisation with NGO status with IMO, therefore we can make our agenda more visible there and get our message across on trade facilitation, digitalisation and use of single windows.

What kind of opportunities do you see in your role?

I am undertaking an entirely new role at IAPH, aiding its effort to give the organisation a new sense of purpose and a focused work programme. I like to do this kind of strategic work which addresses questions such as 'what are IAPH's unique selling points compared to other organisations?', 'where do our members want IAPH to go?' and 'how should IAPH be reintroduced as a professional organisation?'.

I hope to reshape and update the role of IAPH for its members through these three pillars: forming a better strategy for what IAPH offers its membership in terms of practical tools; enhancing IAPH's network by looking at the diverse needs of its different regions; and fully realising IAPH's role with intergovernmental institutions like IMO and others.

What are the challenges you are facing in your role?

The challenge in this role is really finding IAPH's sense of purpose. IAPH is a relatively old organisation – dating back to 1955 – and throughout the decades, the association was

Meet Patrick Verhoeven

Based in Antwerp, Belgium, he is currently serving as IAPH's first Managing Director of Policy and Strategy. Through his previous roles as Secretary General for ECSA and ESPO, he honed his expertise in the areas of port governance and policy, shipping policy, transport and shipping, public affairs, and lobbying. He currently teaches courses on Port Economics & Business at University of Antwerp and in the past has taught at Ghent University.

primarily for networking. It was *the way* for port managers from around the world to meet each other. That was certainly very useful in the organisation's early decades, but today people meet each other regardless of being a member of an association. The mobility of people today is much greater than it used to be, also because of digital communications. People can easily get in touch with each other, they don't need an 'IAPH' for that.

How can IAPH continue to stay relevant for its members?

Our unique selling points as an industry-oriented organisation are two-fold. One is the diverse variety of products IAPH can offer to ports to help in the facilitation of their daily work. Of course we have done certain projects and delivered tools for ports in the past through the WPCI, such as the Environmental Ship Index which is a tool to let port authorities evaluate whether a ship is green enough to receive an incentive, such as a reduction in harbour dues, a system for LNG accreditation and guidebook on the application of international maritime law for port professionals, prepared by our Legal Committee.

We should promote and validate these existing tools more and develop new ones, under the framework of the World Ports Sustainability Program. In addition, we should make sure IAPH has a voice in the important global

developments that impact the port sector, think for instance of the Chinese 'Belt and Road' strategy that will be a main feature at our upcoming annual conference in Baku.

What have you enjoyed about your role at IAPH so far?

What I especially like about port authorities is that they are not considered a purely commercial business or governmental entity, they are somewhere in between. There is a kind of cross-over between commercial interests and business development while executing the role as an authority – a public authority or entity – which most ports in the world still are considered today. An interesting challenge for ports worldwide is the matter of matching those interests, and I've always found that balance fascinating. It was also the subject of my PhD.

In what way does your role at IAPH intersect with your research and teachings?

The subject of my research and teaching is port economics with a strong emphasis on governance and reform. I studied the European case because it was easier to combine my research with the subject that I was also working with on a daily basis.

Port reform came up as a potential topic which IAPH should be closer involved in. Since the topic is within my academic field, I already have

quite a network of people as well as other colleagues in the academic world currently dealing with this subject. In the past, there has been a lot of focus on Europe in the area of port reform, but I think the more dynamic and bigger reforms are taking place in other parts of the world at the moment, and they are going in very different directions than we have seen in Europe.

There is also a bigger influence of privatisation. IAPH focused on this area more than two decades ago resulting in some studies and reports. This may be an area worth picking up again to see what is topical now on reform in different parts of the world and how we can potentially learn from each other.

It could also be part of the WPSP because one of the programme's main themes is governance and ethics. Who would be held accountable when the port is corporatised, or how is the relationship between public authorities and non-commercial stakeholders? That is a big area where a lot of ports are struggling, even still in Europe. I see it as a clear advantage that I have a network knowledgeable in this area. It could also be interesting to engage this network through collaborations, especially since there are a couple of universities and research institutes that are associate members of IAPH.

What can IAPH do for ports to help them address the challenges they are facing today?

One area where there is still a lot of uncertainty as to what the future will bring and was specifically labelled a challenge by every region in the world – including IAPH's members and unaffiliated ports – was digitalisation and automation. Everyone talks about block-chains and internet of things but there are few people that really understand what this means and what the impact is. Actually a few independent ports and entities have come together already to address this challenge.

Consolidation combined with better cooperation between ports will be a major topic for the future.

The second one is more complex: to find the gaps. What are we missing at the moment and in which fields? Identify those and then develop – with other organisations wherever possible – the tools, studies or analysis that would be needed to fill those gaps.

The third – which is of great importance and is partly political – is in relation to the outside world: to report the state of sustainability and ports on a broader level, demonstrating current progress on subjects like environmental management and social issues and generating an annual momentum. Of course that's a communication or 'lobbying' role, promoting what ports are doing and summarise its progress into a single window of information.

The real *challenge* will be how innovative IAPH can be in delivering these three things. That will heavily depend on who engages with the development and realisation of WPSP, both from within IAPH as well as other organisations and industries.

Who are you hoping to engage with WPSP?

Since the initiative was conceived, the idea has been that WPSP should begin with the port authorities. We started out by collaborating with four other organisations that have port authorities in their membership: the European Sea Ports Organisation (ESPO), the American Association of Port Authorities (AAPA), World Association for Waterborne Transport Infrastructure (PIANC), and the Association of Cities and Ports (AIVP). We also want to work together with other parties that relate to ports such as customer or service providers, so it's still an open programme in this regard.

Do you see potential for the dredging industry to participate in the sustainability programme?

We need each other, most ports need dredging although some do dredging in-house and others work with external contractors. We should continue to have a close relationship, especially since there has been a lot of progress over the years in sustainable dredging. Together we should conceive a number of tangible, concrete projects that will help port authorities in their daily management along the lines of ESI and the LNG accreditation system. With a few well-established projects related to dredging, this programme would become more interesting for both industries.

Is the World Ports Sustainability Program related to IAPH's first sustainability-related push, the World Ports Climate Initiative?

WPSP was designed last year as a successor of the World Ports Climate Initiative (WPCI). Started back in 2008, WPCI led to a number of projects – like ESI – which will continue but instead as IAPH projects under the WPSP umbrella.

The fundamental difference is that WPSP will have a broader focus than WPCI. The new programme's topics are derived directly from the United Nation's 17 Sustainable Development Goals. Of course, ports can relate to all 17 goals, but after analysis, we made a relevant selection and grouped some together. Six themes will guide the overall direction of the WPSP.

The themes that we will develop are: climate and energy, future-proof infrastructure, safety and security, community relations, governance and ethics as well as reporting and innovation. These themes are broad enough to sufficiently cover the needs of all regions. For instance, African ports may be more interested in future-proof infrastructure and governance, whereas US ports will be more focused on air quality and impact of climate change.

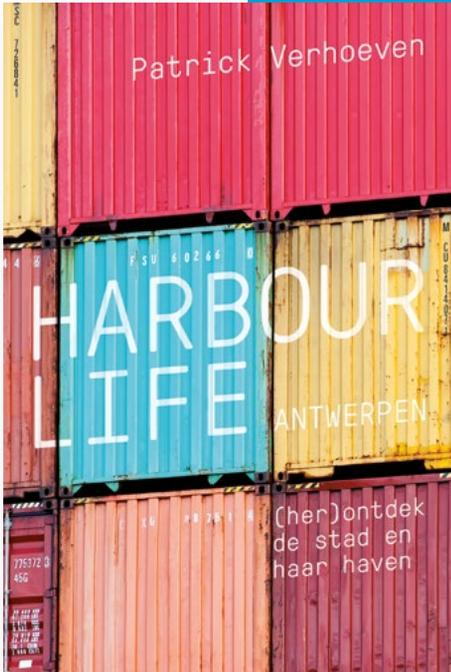
What role do you expect ports will play in the future? What factors will impact their role?

Ports must respond to the ever-growing scale increase and consolidation in the shipping and logistics industry. The role of ports very much depends on what happens in shipping and logistics. There has been a continued scale increase despite the fact that the end of this growth has been predicted a couple of times, especially in the general cargo and container market. And even still, ships are always getting bigger. We must be aware that behind the shipowners' strategy is not just a drive for economies of scale, but also a competitive drive, to outperform their competitors, until one is left standing.

The real question is can ports face vessel growth by themselves or do ports need to look for stronger collaboration? This is already a big topic today and for the future. I predict it will become even more important because there are many, many ports out there. Some form of consolidation will have to take place from the side of port authorities. Big operators and stevedore companies are operating ports

What is the aim of the soon-to-be-launched World Ports Sustainability Program?

It's a combination of things. First of all, through the World Ports Sustainability Program (WPSP), IAPH wants to bring people together, beyond the association's initial goal of networking. There are many stakeholders and port organisations that together can help develop a platform or single 'window' where people that want information about the various areas of sustainability can get access to it. That is one objective which is probably the simplest, collecting information together in one place.



Harbour Life

'My new book is a guide to the Port of Antwerp called *Harbour Life*. It has two city walks and two bicycle tours through the port area. Each chapter starts with a map and highlights port references that you can still find in the city and concludes with an interview with somebody that has some relationship with the port. There are 28 diverse interviews including one with the organ player of the church of Doel – the small village that is threatened with demolition for the port expansion – as well as a nature conservationist who is actually complaining about the Council of State's decision which opposed the Port of Antwerp's proactive masterplan. I've included an article on the court decision and why it was decided.

The book is available in Dutch and English at <http://harbour-life.com>.

worldwide but the port authority still oversees most ports as local entities, and remain local entities because of public ownership. In the private sector, consolidation is already happening.

And how can ports optimise the infrastructure that is currently there? That is the other problem. In the 1950s, 60s and 70s, ports could just extend and expand without any social implications. Today, that is impossible. There are ecological and nature assessments as well as societal factors such as the people that live around your port. The space is there but everyone is competing for the same space. Ports must try to find optimal partnerships with other ports which is happening already. A recent example is the publicly-owned ports of Ghent and Zeeland that are now working as one entity, North Sea Port. My prediction is more moves like this will occur in the future simply because the economic, environmental and social factors

at play are driving the industry in that direction. The societal and environmental impact generated by new capacity and expansion are a very difficult issue for most ports around the world. Consolidation combined with better cooperation between ports will be a major topic for the future.

Do you foresee an increase of vessel sizes up to 50,000 TEU?

Twenty years ago, people said a 10,000 TEU ship was nonsense. Ever since then, people have been predicting the end saying 'this is really now the point where you cannot go bigger'. Now I don't dare to make these predictions. If a 50,000 TEU ship is something that will come within the next ten years, then clearly there will be only a select few ports that will be able to receive it. Then it begs the question, do we need to make sure that all ports can receive this size ship? That is simply impossible. Ports will need to consolidate and find a way

of having mega-ports that are able to accept these mega-vessels. Some ports could be promoted to the status of regional or local hub or go into niche markets like RoRo or others.

While difficult for institutional and political reasons, cooperation will be unavoidable if this market development becomes a reality. Or should it simply be a matter of the strongest survives and then some ports may either become niche ports or feeder ports for regions?

What opportunities can arise from collaboration between the ports and dredging industry?

Some ports have the possibility to expand through land reclamation. The issue about how to do that in a sustainable way is an interesting one. Of course in Europe, we are bound by European regulation in that respect. If you 'destroy nature', you have to find a way of

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compensating or mitigating. Is compensating and mitigating the best way forward or should we try to plan *with* nature from an early stage? While these two philosophies are currently on the table, it is not a straightforward choice.

Recently, there were two decisions – one in 2016 and another in 2017 – taken by the Council of State in Belgium about a masterplan for the Port of Antwerp which was entirely inspired by the idea to work *with* nature and do *proactive* development of both port infrastructure and nature, and the court dismissed it. The decision determined the proactive, nature-driven approach was not according to European

Resumé

2017-Present
Managing Director of Policy and Strategy of International Association of Ports & Harbors (IAPH)

Founded in 1955, the International Association of Ports and Harbors (IAPH) is a non-profit global alliance of approximately 170 ports and 140 maritime companies and institutes representing about 90 countries. The IAPH is dedicated to fostering cooperation among ports and harbours and promoting the vital role they play in creating a peaceful, more prosperous world. Based in Tokyo, IAPH is recognised as the only voice speaking for ports around the globe. With Consultative NGO Status from the United Nations, IAPH is active in developing international trade and maritime policy. The organisation's member ports are responsible for nearly 70 per cent of world container traffic and more than 60 per cent of international maritime trade.

www.iaphworldports.org

2013-2017
Secretary General of European Community Shipowners Association (ECSA)

ECSA represents the national shipowner associations of the EU and Norway. The organisation promotes the interests of European shipping so the industry can best serve European and international trade and commerce in a competitive, free enterprise environment to the benefit of both shippers and consumers.

2000-2013
Secretary General of European Sea Ports Organisation (ESPO)

ESPO represents the common interests of European port authorities, port administrations and port associations with the institutions of the European Union. Based in Brussels, the organisation's members consist of about 800 ports in EU member states and neighbouring countries.

law and the mitigation and compensation principle was to be used. The whole masterplan has been sent to the bin and it must be developed all over again.

When it comes to the EU nature conservation directives, there seems to be an apparent difference between the spirit and the letter of the law. Everyone was very surprised by the

court's decision, as it was opposite to what EU officials have recommended to the industry for years: 'be proactive and plan ports and nature from an early stage.' While laws will be different in other parts of the world, generally speaking, the philosophy of developing projects in a proactive way is best for nature, people and the industry. Unfortunately, the legal framework does not always allow for this to happen.