



# Effective and Competitive Port Development and Management

## Public Private Partnerships in **Latin America and the Caribbean** Ports

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Public-Private Partnership Single Window  
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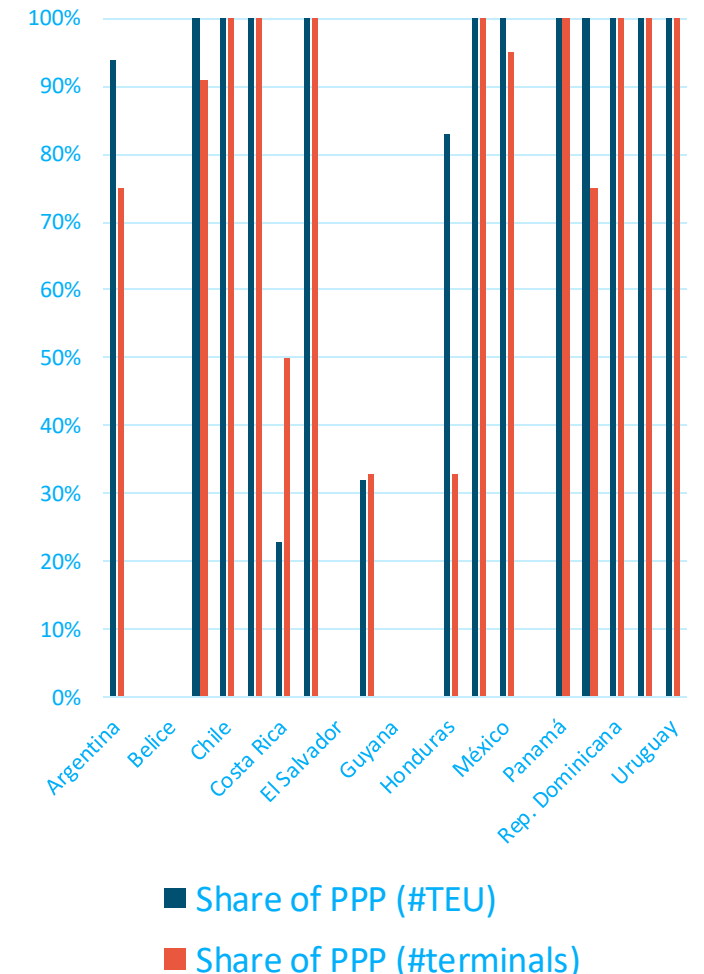
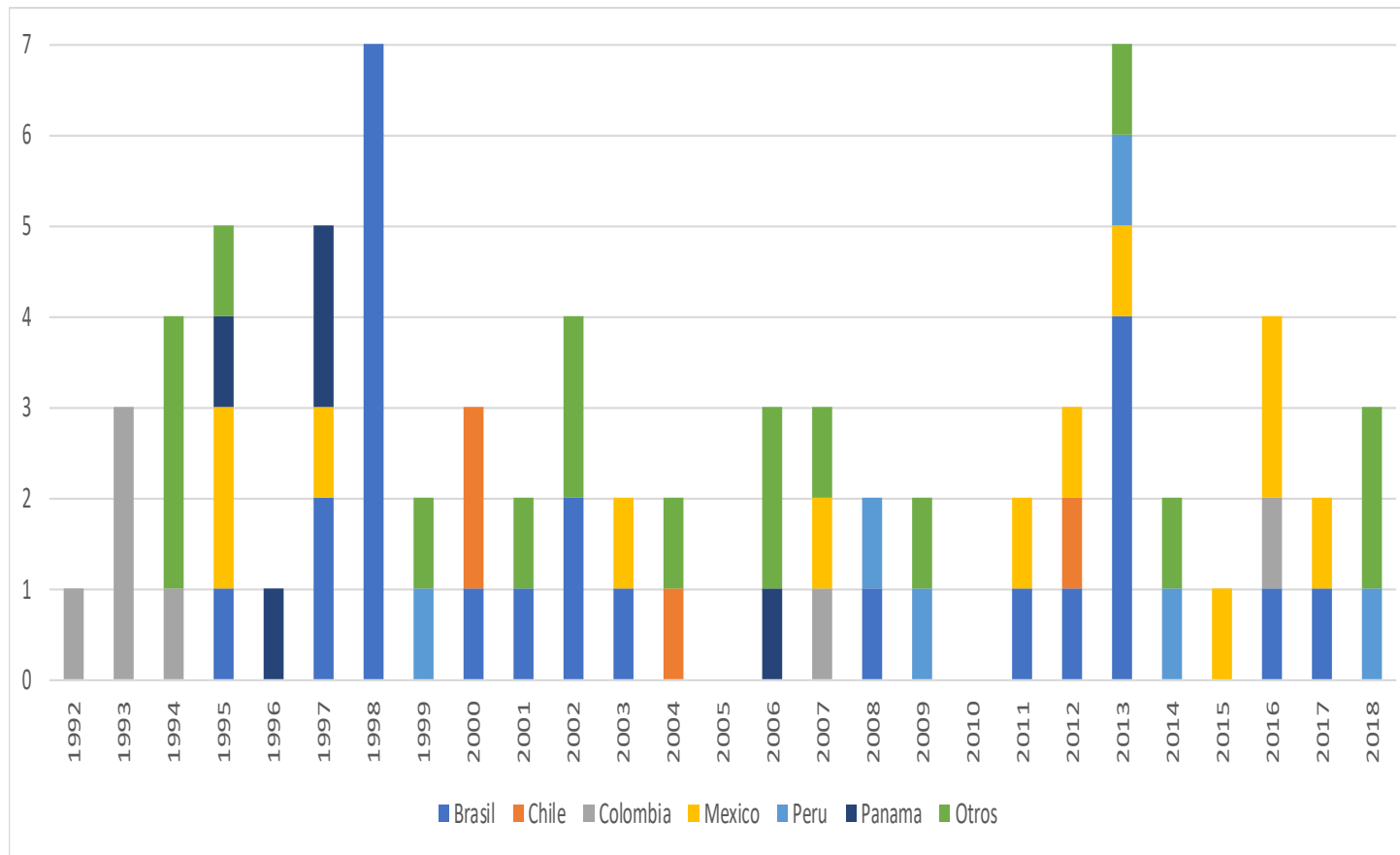


# Public-Private Collaboration in Latin America and Caribbean Ports

PPP is the norm when it comes to ports in the Region: Evolution

92% of TEUs, 83% of container terminals

Private participation in LAC ports over the last three decades (# ports)

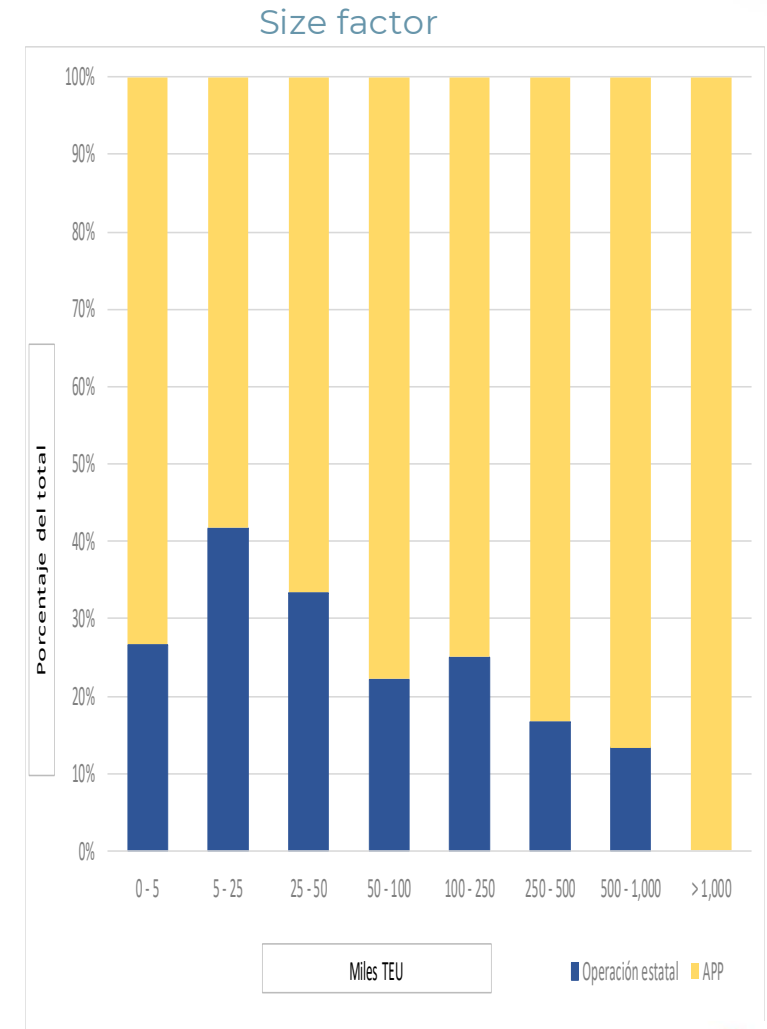
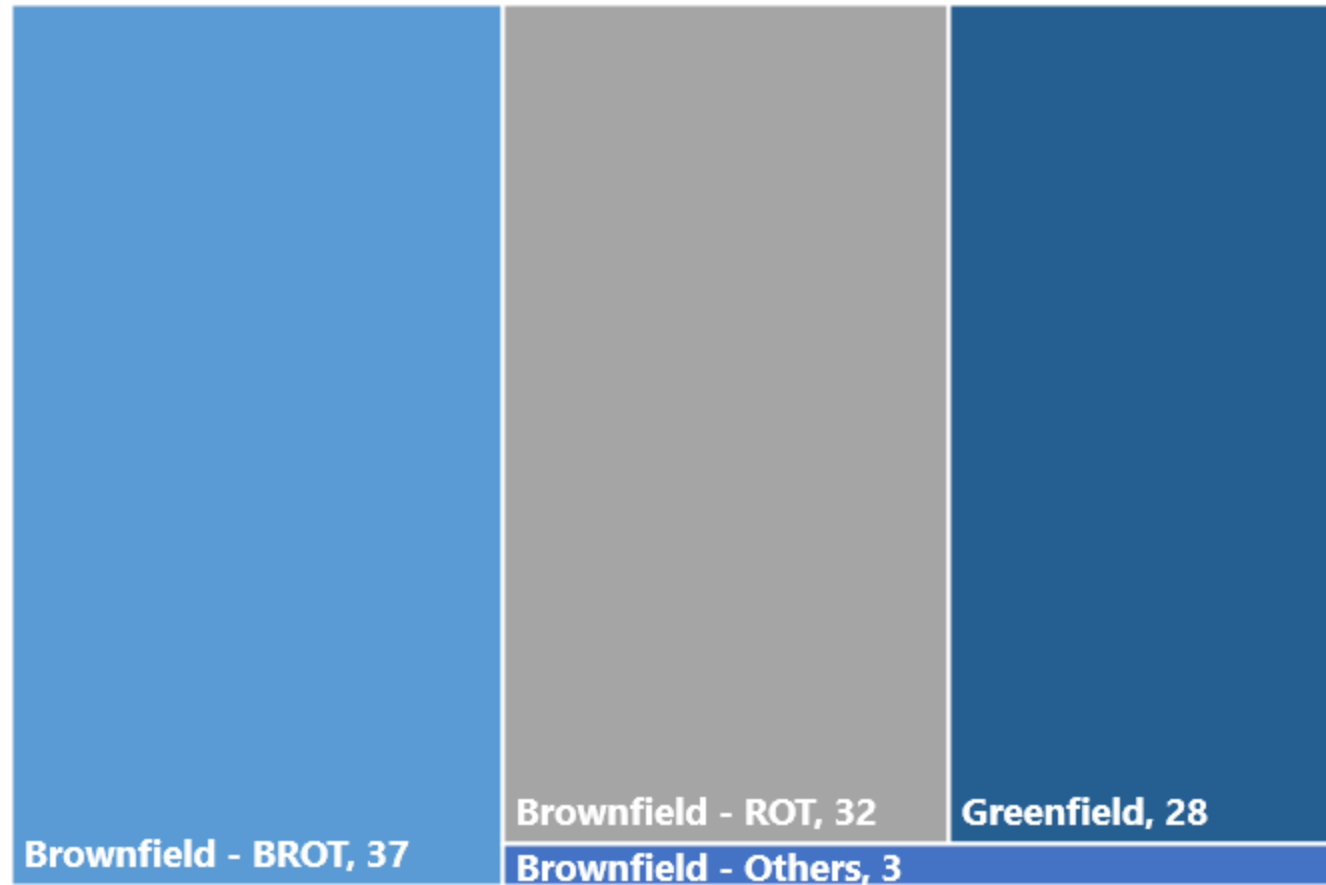


Source: Suárez-Alemán et al (2021)

# Public-Private Partnerships in LAC port development

PPP is the norm when it comes to ports in the Region: Types of projects

Type of PPP port projects (72% of analysed port projects)

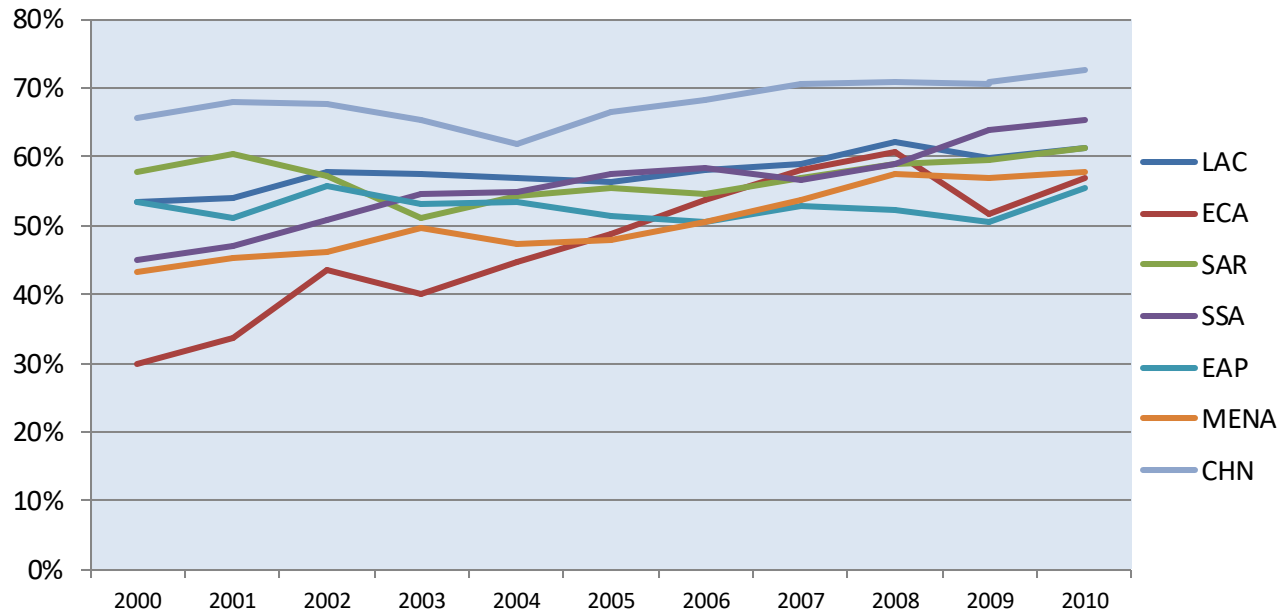


Source: Suárez-Alemán et al (2021)

# Public-Private Partnerships impact on port productivity and efficiency

The positive effect of the private sector involvement in public ports' performance

Evolution of Average Technical Efficiency by Region



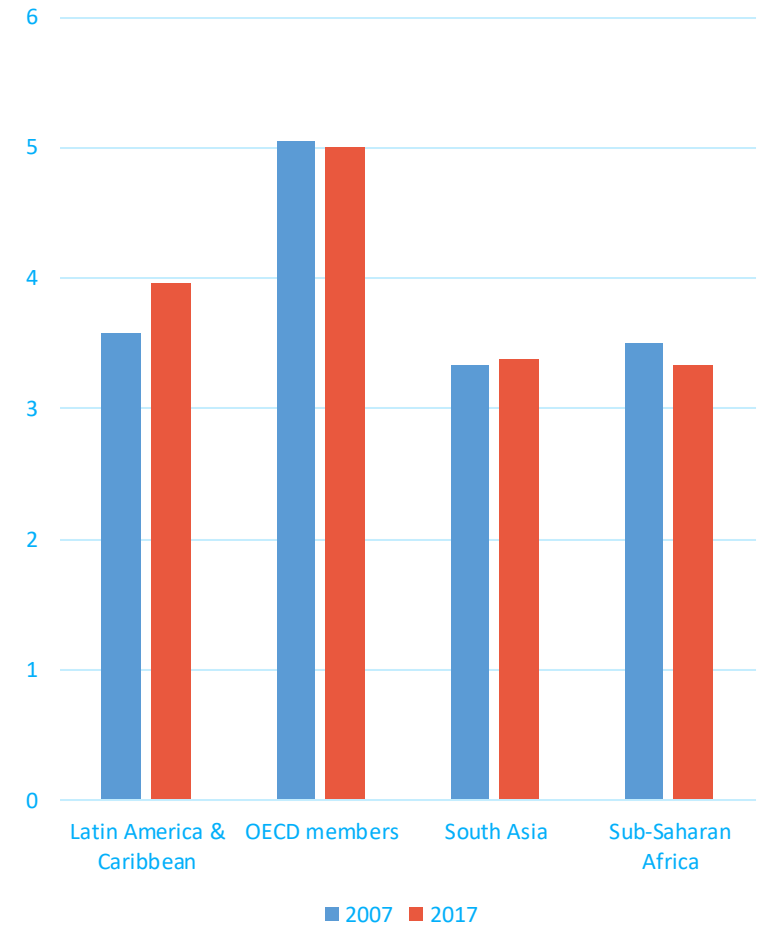
**1.9%** Overall compound annual growth rate

*+ Impact of landlord port model (more efficient statistically significant)*

Region	Average	Median	Minimum	Maximum	Standard Deviation
LAC	55	59	8	85	19
ECA	46	45	20	73	17
SAR	55	57	16	80	20
SSA	54	60	16	78	21
EAP	50	55	7	79	23
MENA	49	46	11	79	18
CHINA	67	73	21	85	15
Total	54	58	7	85	20

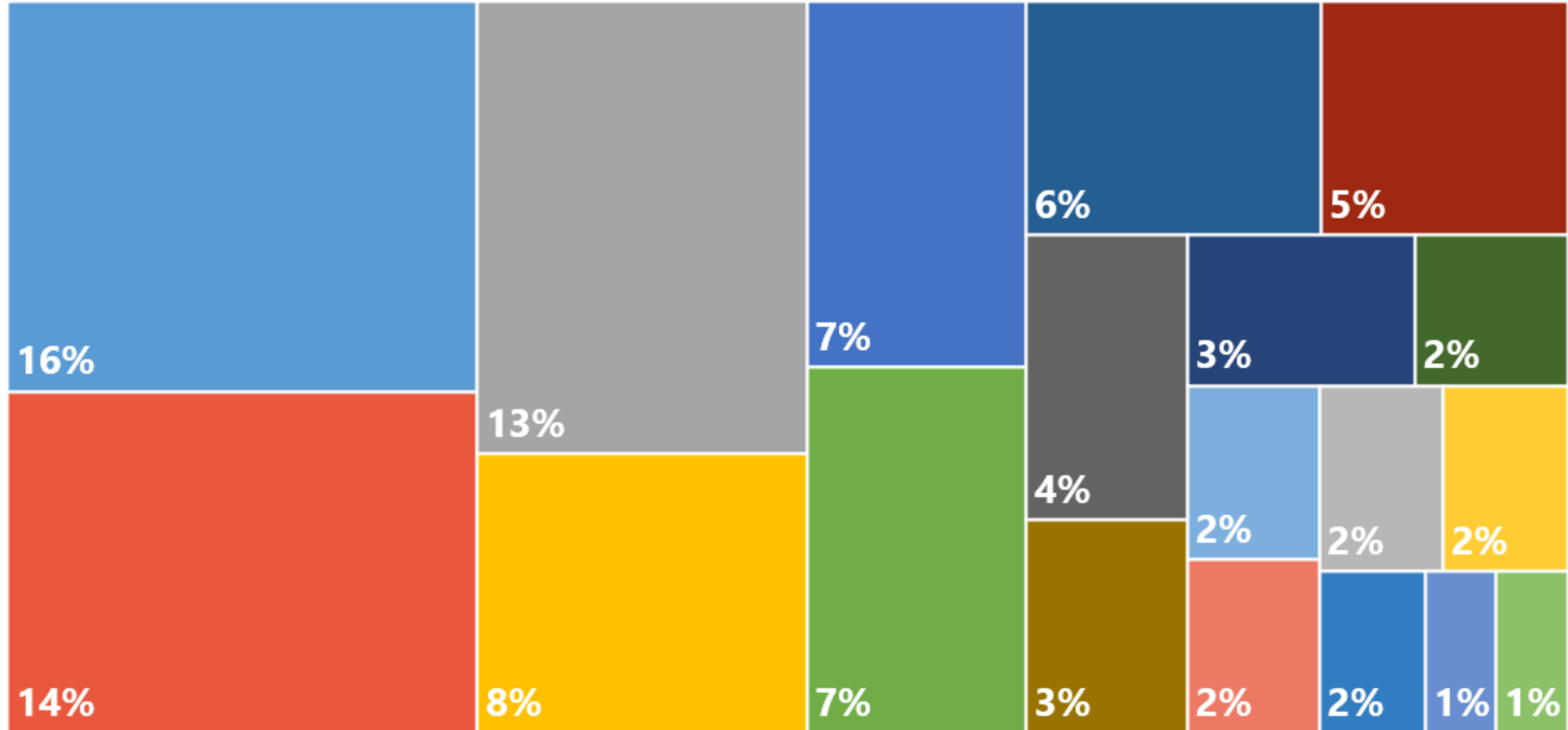
Note: LAC = Latin America and the Caribbean; ECA = Europe and Central Asia; SAR = South Asia Region; SSA = sub-Saharan Africa; EAP = East Asia and the Pacific; MENA = Middle East and North Africa. Source: Prepared by the authors.

Infrastructure port quality – LAC closer to OECD economies after 10 years



# Market characteristics – industry concentration

PPP in LAC ports – main terminal operators (top 10 = +70% market share)



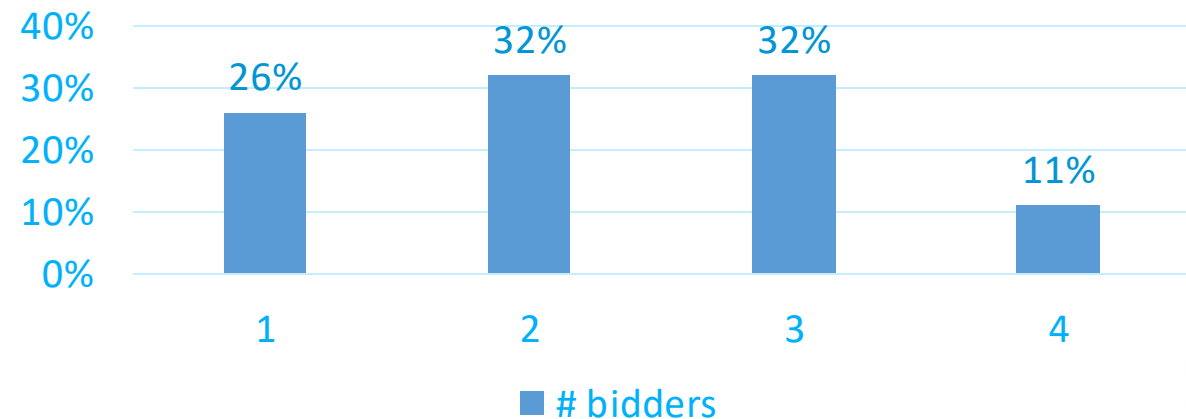
Source: Suárez-Alemán et al (2021)

# Promoting Effective Competition at ports (key for performance)

PPP by tendering process – Competitive process vs. direct negotiation



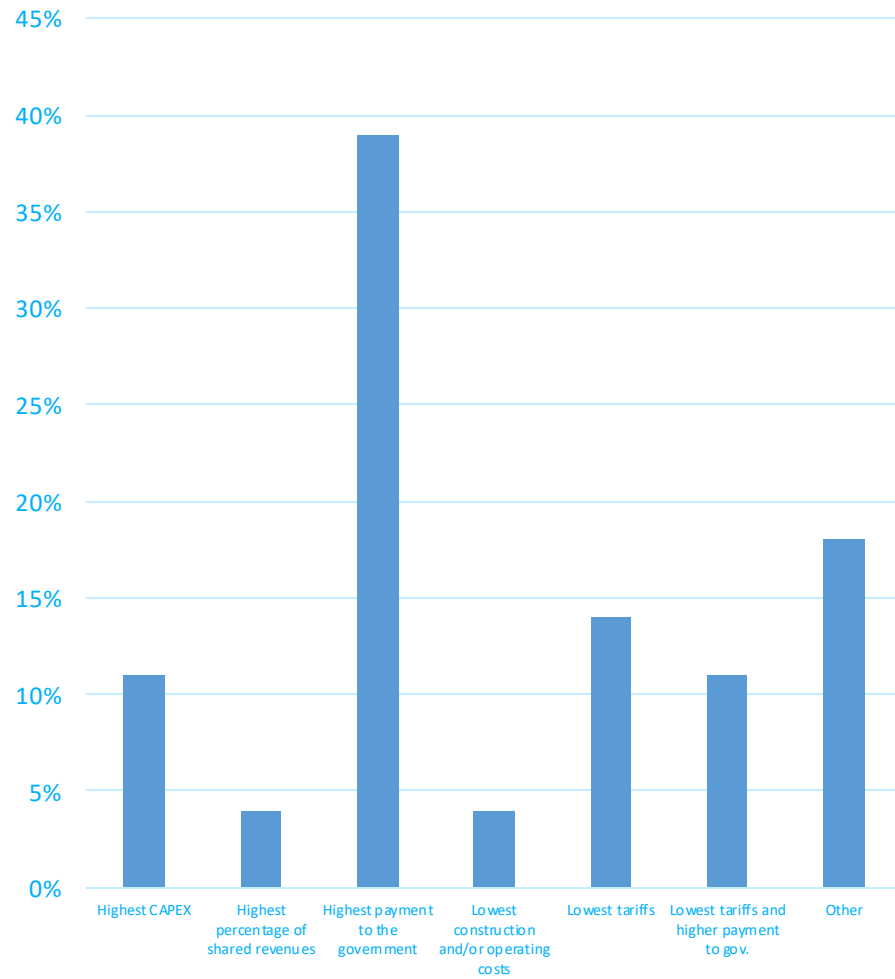
Most frequent number of bidders in a sample of countries



Source: Suarez-Arenán et al (2021)

# Maximizing Social Welfare from tendering and contract development

## Awarding criteria and some examples of payment to Government



	Revenues	Payment to Gov	Payment to Gov / Revenues
	(USD m 2018)		
<b>Port</b>			
Santos SBP (Terminales en Imbituba y Santos) (Brasil)	271	18	7%
Callao APM (Perú)	194	15	8%
SPR Buenaventura (Colombia)	160	ND	ND
DP World Callao (Perú)	147	6	4%
Matarani (Perú)	120	11	9%
San Antonio TI (Chile)	94	20	21%
Terminal Pacifico Sur (Chile)	81	17	21%
COMPAS (Colombia)	58	4	7%
SPR Santa Marta (Colombia)	44	13	30%
Paíta (Perú)	25	2	6%
TCVAL (Chile)	22	0.7	3%
Panul (Chile)	17	ND	ND
Paranagua Volkswagen (*)	ND	1.3	ND
Paranagua TCP	ND	1.6	ND

Source: Suárez-Alemán et al (2021)

# Effective port management = Effective risk allocation and management

Examples of risk allocation in a sample of LAC ports



<p>Land Availability, Access and Site Risk</p> <p>Public risk</p>	<p>Social Risk</p> <p>Public risk, Shared risk</p>	<p>Environmental Risk</p> <p>Shared risk, Private risk</p>
<p>Design Risk</p> <p>Private risk</p>	<p>Construction Risk</p> <p>Private risk</p>	<p>Early Termination Risk</p> <p>Shared risk</p>
<p>Operating Risk</p> <p>Private risk</p>	<p>Demand Risk</p> <p>Circumstance dependent risk</p>	<p>Force Majeure Risk</p> <p>Shared risk</p>

Renegotiations are part of the process (68%) – focused on construction phase

In our sample:

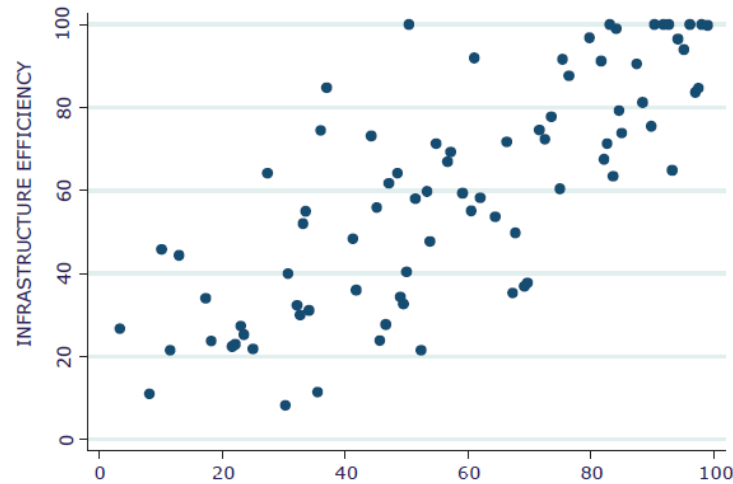
- 90% of the cases in the sample had at least one addendum.
- More than 25% of the addenda were signed during the first 3 years of operation.
- In 57% of cases the terms or values of payments to the government were modified



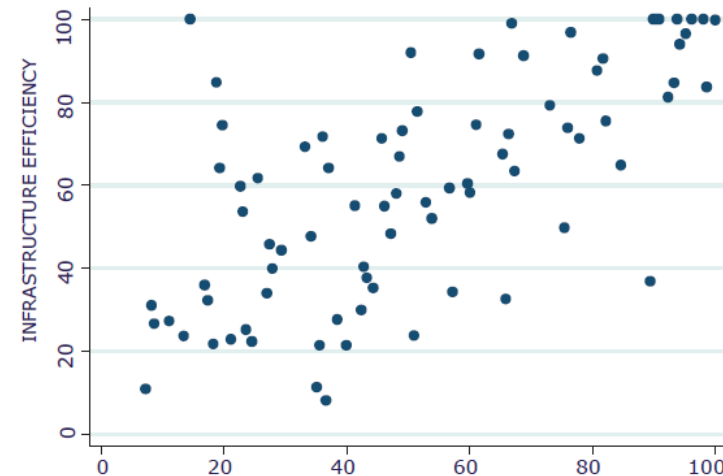
# A key role of the public sector is vital to ensure competitiveness

Contract management and monitoring – strong regulation and governance

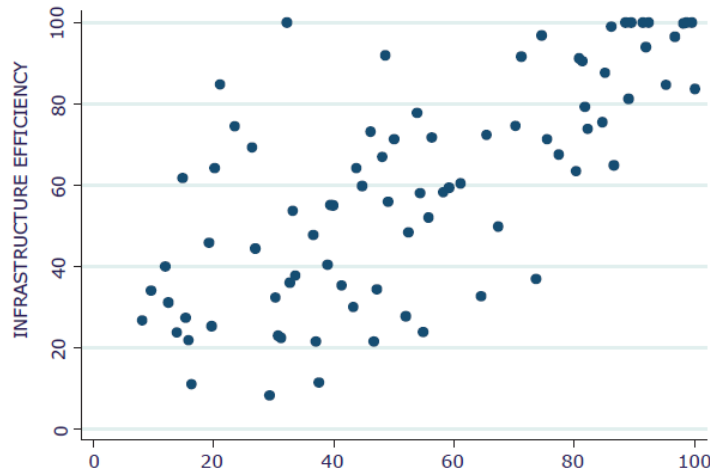
A. INFRASTRUCTURE EFFICIENCY AND REGULATORY QUALITY (2016)



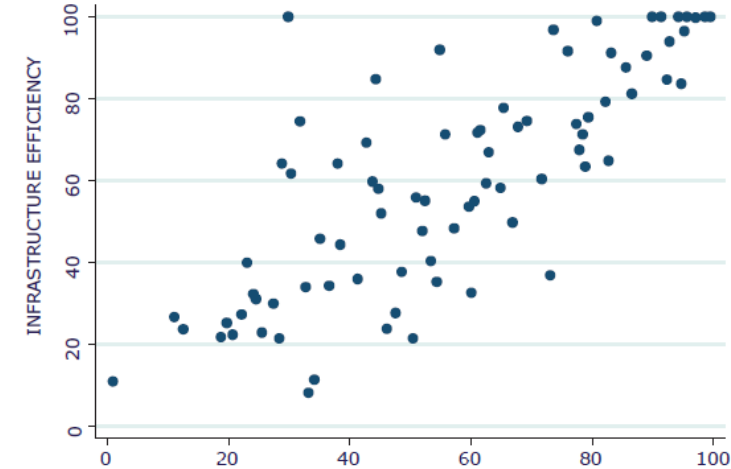
B. INFRASTRUCTURE EFFICIENCY AND COMPLIANCE (2016)

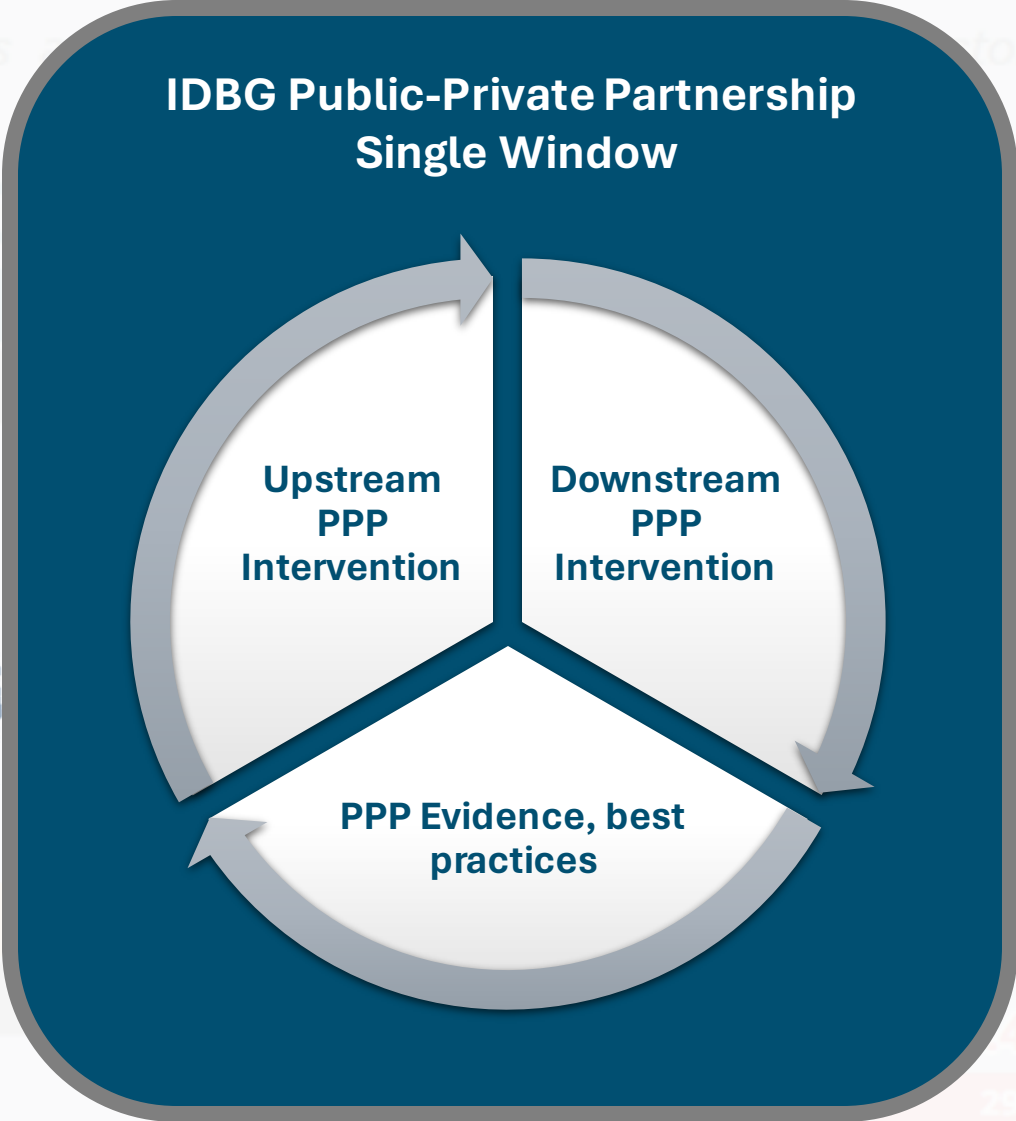
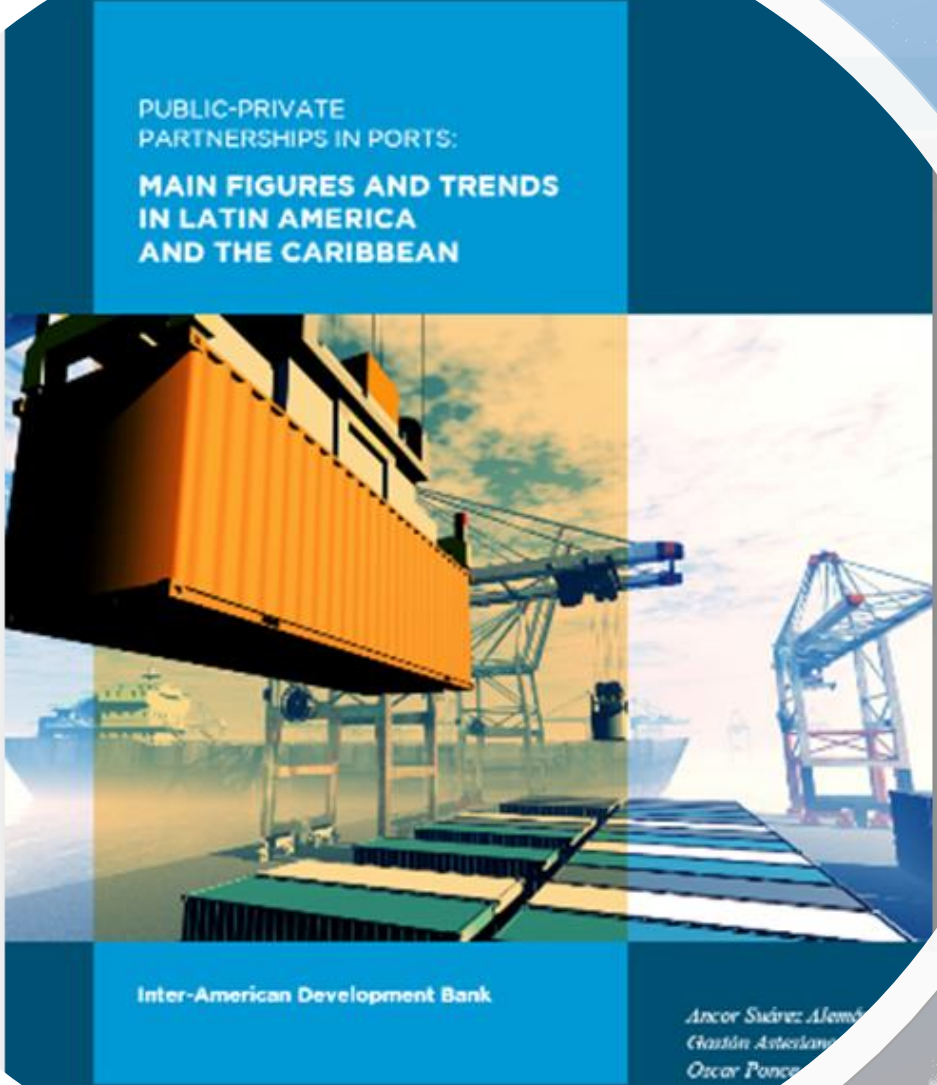


A. INFRASTRUCTURE EFFICIENCY AND RULE OF LAW (2016)



B. INFRASTRUCTURE EFFICIENCY AND GOVERNMENT EFFECTIVENESS (2016)







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