

Robust growth boosts Mersin

Business holding up well after record container volumes last year

Clive Woodbridge - Monday 13 July 2009

IN THE two years since the joint venture of PSA and Akfen Holdings took over Mersin International Port, in May 2007, Mersin has demonstrated robust growth, strengthening its position as one of the busiest container ports in the eastern Mediterranean.

Container volumes in 2007 exceeded 800,000 teu for the first time, up 24% compared with 2006, while last year throughput hit a new record of 868,000 teu, a further 7% increase.

This year is likely to see this growth pattern reverse in the face of the unprecedented global economic crisis and the slowdown in Turkey's trade with the rest of the world. Over the first five months, Mersin's container throughput declined 8%, as the regional liner shipping business experienced a sharp contraction.

Even so, Mersin's container business is holding up relatively well compared with other ports in the region. The port of Izmir, for example, experienced a 20% drop in throughput over the same period.

Indeed, since privatisation the fortunes of the two Turkish ports have contrasted strongly. Whereas in 2006 Izmir handled around 200,000 teu more than Mersin, in 2008 Mersin's throughput was virtually the same as that of Izmir and it remains to be seen who will handle more this year.

The increase in container activity at Mersin in recent times reflects MIP's success in winning new container services, as well as the buoyancy of the local economy. Regular callers now include Europe-Far East services, operated by CMA CGM and MSC, and regional services for the Arkas group's EMES shortsea operation.

Mersin's record in the non-container sector has been equally impressive. Remarkably, in the prevailing economic circumstances, MIP handled 27% more general and dry bulk cargo between January and May, compared with the same period in 2008.

This follows record general and dry bulk cargo volumes in both 2007 and last year. Dry bulk traffic increased particularly strongly from 2.9m tonnes in 2007 to 4.1m tonnes in 2008.

MIP's general cargo business has this year received a further boost with the start of a new weekly service operated by UN RoRo. This operation, which started in April, carries road haulage vehicles between Mersin and Trieste in Italy, and offers a convenient route for transit traffic to Iraq and Syria.

PSA and Akfen stress that they remain “totally committed” to further expansion of MIP. Despite the global economic downturn, the port is forging ahead with a bold programme to improve existing facilities and invest in additional capacity to accommodate expected future growth.

MIP’s quay cranes are being refurbished, a new container yard is being created and eight new rubber-tyred gantry stacking cranes are on order.

A new computerised Terminal Operating System is also being implemented and this is expected to further improve crane productivity rates and customer service levels. The system will also be linked directly to the Turkish Customs IT system, making Mersin the first port in the country to offer its customers this capability.

Other enhancements under way include upgrading the terminal gates with a camera system for automatic container number identification, as well as damage inspection and truck and chassis licence plate recognition, to allow trucks to enter and leave the port more speedily.

Since taking over the terminal in 2006, MIP has added three mobile cranes, eight reachstackers and an empty container handler. Dredging work has also been undertaken to increase the maximum draught of the MIP container terminal to 13.5 m, thereby allowing post-panamax ships of up to 7,000 teu capacity to call.

In the long-term, MIP’s strategy is to work closely with major customers to persuade them of the benefits of containerisation and so encourage a switch from traditional general cargo handling methods.

It is also working in partnership with major customers to develop new markets, including the transit trade to Iraq and Iran and to further boost transshipment volumes by establishing MIP as a regional hub.

Currently, more than 90% of Mersin’s traffic is import or export, but MIP is confident that the port could also offer carriers a viable option for transshipment activity.