

ADPL

AT THE HEART OF PORTUGAL'S
MODERN MARITIME INDUSTRY



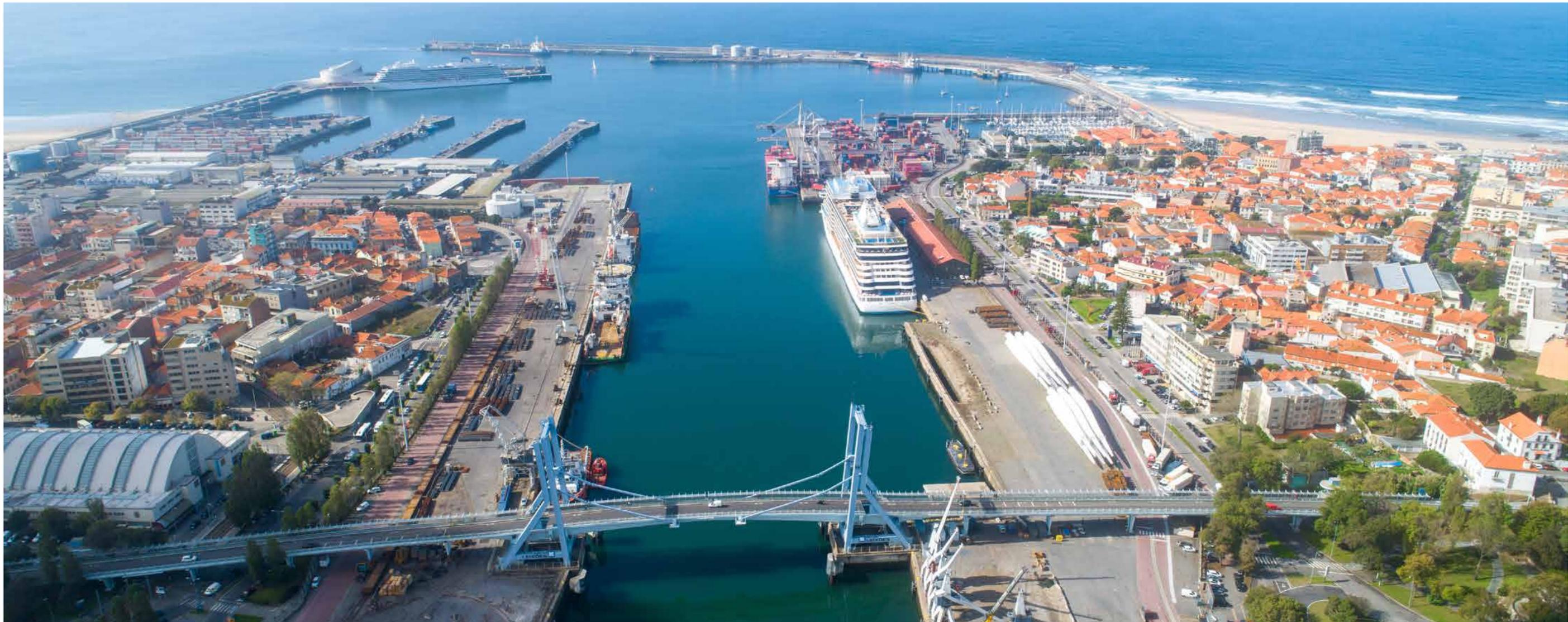


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RESEARCH BY *Eurides Lopes*



Portugal has a proud maritime history. In 1494, the country signed a treaty with Spain, brokered by the Vatican, to share the global navigation routes between the two countries. Under this agreement, Portugal dominated those routes. In 1498, it discovered a previously unknown route to India (around the southern coast of Africa). In 1500, a Portuguese fleet commanded by Pedro Álvares Cabral, was the first documented fleet to land in Brazil.

Today, although the age of discovery has long since passed, maritime trade thrives in Portugal. That is partly down to companies of

the like of APDL (Portuguese: Administração dos Portos do Douro, Leixões e Viana do Castelo, S.A.), which manages the largest port in Northern Portugal - Leixões. Located just 10 kilometres outside the UNESCO world heritage city, Porto, Leixões plays a significant role in Europe's trade, being on the continent's Atlantic seaboard.

In 2018, 19.1 million tonnes of cargo was loaded and unloaded in the docks of Leixões, just shy of the port's record of 19.5 million tonnes set the year before. Located next to Portugal's industrial heartland, APDL's assets, which also include the ports of Viana de Castelo and Douro,

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and the Douro gateway, play a pivotal role in the Portuguese economy. Business Excellence recently sat down with Prof. Guilhermina Rego, Chairman of the board at APDL to learn more about the company at the heart of Portugal's modern maritime industry.

From shelter to port to tourism provider

The strategic location of Leixões on the bank of the Atlantic has historically made it a trusted shelter for boats navigating the Atlantic, but it wasn't until the second half of the 19th century that a structured port began



BUILDING THE FUTURE

These last years, GABRIEL COUTO was awarded and therefore completed two major works promoted by APDL (Administration of the Ports of Douro, Leixões and Viana do Castelo).

These works were the "General Earthworks, Hydraulic and Electric Infrastructures, Pavement and Entrance of the no. 1 Centre of Leixões Logistic Platform and the Construction of the new unit of the Logistics company Luís Simões in Center no. 2.

The first work had an intervention area of approximately 30 hectares and will definitely be an asset in terms of boosting the development of the logistic and industrial activity associated to the operation of the Port of Leixões and the Francisco Sá Carneiro airport.

The second work was a new industrial facility executed to increase the activity of the Luís Simões company in Center 2.

We are very proud of these two projects that emphasize the confidence that APDL has in our company.

In 2018, Gabriel Couto celebrated 70 years of activity. It is one of the oldest construction companies in the Country operating in the sector of road, rail, port and airport infrastructures. Likewise, its activity extends to all kinds of hydraulic infrastructures. In the building sector, one must highlight the public and private residential, commercial, industrial, school and hospital construction. These past years, the company has developed significant operations in the field of renewable energies, in particular in wind energy, being that it is still currently responsible for some operations as it carried out Civil Engineering works - foundations, accessibility and infrastructures - in about 30% of the Country's installed power.

Gabriel Couto has extended its activity beyond Portugal, being currently present in Africa - Angola, Mozambique and Zambia - and in Central America - Honduras and Nicaragua. In these two continents, it has been executing important enterprises funded by major multilateral institutions - European Union, World Bank, African Development Bank, Central American Bank for Economic Integration and Millennium Challenge (American Sovereign Wealth Fund), among others.



to arise, primarily to cater to Portugal's wine industry, the families of which nearly all live in the nearby city of Porto. However, as is often the case, the project suffered a series of delays, and it wasn't until 1914 that a port - still a relatively humble one due to budgetary constraints - was developed. This was the genesis of what is now dock at at Leixões.

This was further developed to the extent that, by 1940, it was 550 metres long and had two berths totalling 1,000 metres. From there, a phase of extraordinary growth began, which goes some way to explaining how today, it is what Ms. Rego calls: "the second largest port in Portugal in tonnes handled and the largest gateway port in containerized cargo." In addition, she says, it is "one of the most competitive and versatile multi-purpose ports in the country."

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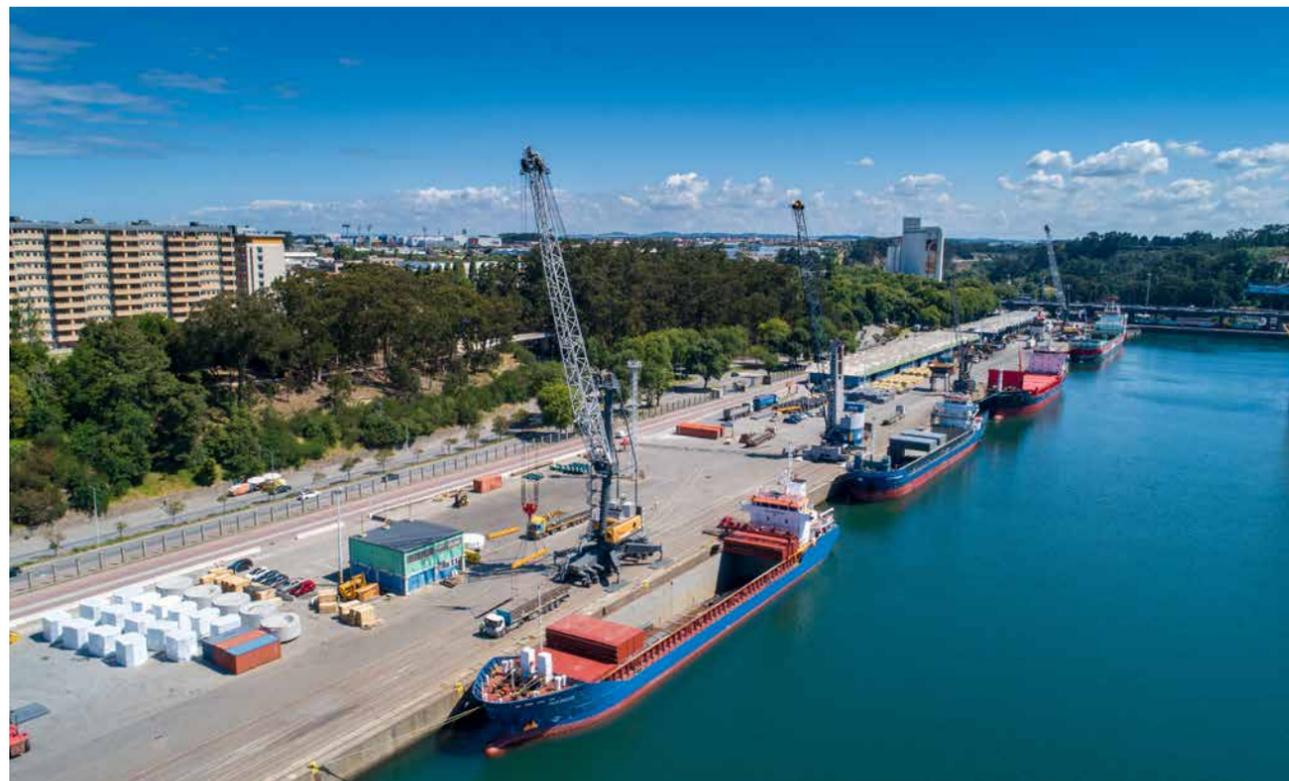
All of that isn't to overlook the remaining assets in the APDL portfolio. Of these, Ms. Rego points out: "The Port of Viana do Castelo has installed capacity and conditions to meet the current demand. The construction of the new road access is already under way, which will improve accessibility to port infrastructure, strengthen its competitiveness and widen its hinterland."

She continues: "Our inland waterway of Douro, which runs from Barca de Alva to Porto, is increasingly a sustainable alternative to freight transport. A true river freeway, in which cargo and tourist vessels navigate

side by side." This reflects a much wider change in Portugal over the past century: What was once a truly industrial river, with boats transporting port in barrels from the Douro Valley is now home to a burgeoning tourism industry.

Tourism is booming in the north of Portugal in general. Ms. Rego says: "The opening of the new Cruise Pier in 2011 and the Cruise Terminal in 2015 opened opportunities for growth in the port and the region as a Tourist Destination. Porto's tourism potential along with the other Atlantic maritime-port cities favors the

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development of a diversified and differentiated product in relation to the offer of other destinations and regions."

She continues: "Another key factor for Leixões is its proximity to Francisco Sá Carneiro International Airport with direct connections to various European destinations, the US and Brazil, and the hotel capacity available at Porto, which allows the Porto Cruise Terminal to be selected as a port of turnaround, that is, the start and end port of cruise voyages."

Strategic Development Plan

APDL has initiated a number of steps which will ensure that the company's operations continue to develop as they have done over the past period. These

Did you know?

Earlier this year, the port authority (APDL) launched the public tender for the extension of the outer breakwater and maritime accessibilities of the Port of Leixões. The contract has a value of €141m and a lead time of 30 months

form the company's strategic development plan, of which Ms. Rego says: "Earlier this year, the port authority (APDL) launched the public tender for the extension of the outer breakwater and maritime accessibilities of the Port of Leixões. The contract has a value of €141m and a lead time of 30 months."

She continues: "With this project, the port authority will improve safety conditions and navigability in the access to the port as well as in the manoeuvring zone for ships. It will also create conditions for access of larger cargo vessels, namely those in the 300 m long, 40 m beam and 13.7 m draught class. The improved accessibility to Leixões will enable another important project to create



“Exporting to 184 countries is only possible due to the wide network of more than 50 shipping companies”

a new terminal in the South Mole of the port, with a private investment of €70m, featuring depths of 14.8 m and a 360 m berth on a 16-ha embankment.”

In addition to this, she says: “The South Container Terminal is being refurbished and by March 2021, it will have its capacity increased by 210,000 teu per year following a €43.4m investment by Yilport. Hence, terminal capacity will rise to 660,000 TEU and overall port capacity will hit 800,000 TEU. Capacity expansion will be achieved through the expansion of the full container yard and handling platform, enhancements in the terminal layout, and improvement of container handling equipment. The work is essential for the Port of Leixões and for the market it serves.”

Sustainability

APDL works actively to improve the sustainability of its activities. In its annual sustainability report, it outlines a series of measurable milestones that it intends to achieve by 2030. Ms. Rego says: “The Port of Leixões has been guiding itself by the principle of mitigating environmental impacts resulting from the port activity. We implemented systems to manage and oversee environmental impacts such as noise, air quality and waste collection. We also have been successfully promoting the reduction of water and energy consumption.”

Partners

As with all of the best port operators, APDL works with a range of industry players, each bringing their own expertise to the task at hand. To illustrate this, Ms. Rego says: “The

Container Terminal, granted to Yilport Leixões, that handles almost 700 thousand TEU’s per year; the Break-bulk and Solid Bulk Terminal, granted to TCGL – Terminal de Carga Geral e Granéis de Leixões, that handles 2,6 million tonnes of Solid Bulk and 1,1 million tons of Break-bulk per year. Finally, the Oil Terminal, granted to Galp Energia handles around 8 million tons per year.”

Conclusion

It’s clear from speaking with Ms. Rego that APDL sees its role as a facilitator of tourism as much as traditional logistics. Being located so closely to Porto, APDL has a symbiotic relationship with the city and its requirements. Ms. Rego tells us: “Leixões serves the most important industrialized area in Portugal, where 70% of the Portuguese small and medium size companies are located. We are an export ports par excellence and we are able to serve an hinterland of 14 million inhabitants,.”

She concludes: “Exporting to 184 countries is only possible due to the wide network of more than 50 shipping companies that provide daily and weekly regular services to the nearby hub ports. Therefore, we have the clear ambition of maintaining our current high standards of service and continuing to be the port of reference. **BE**”

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