

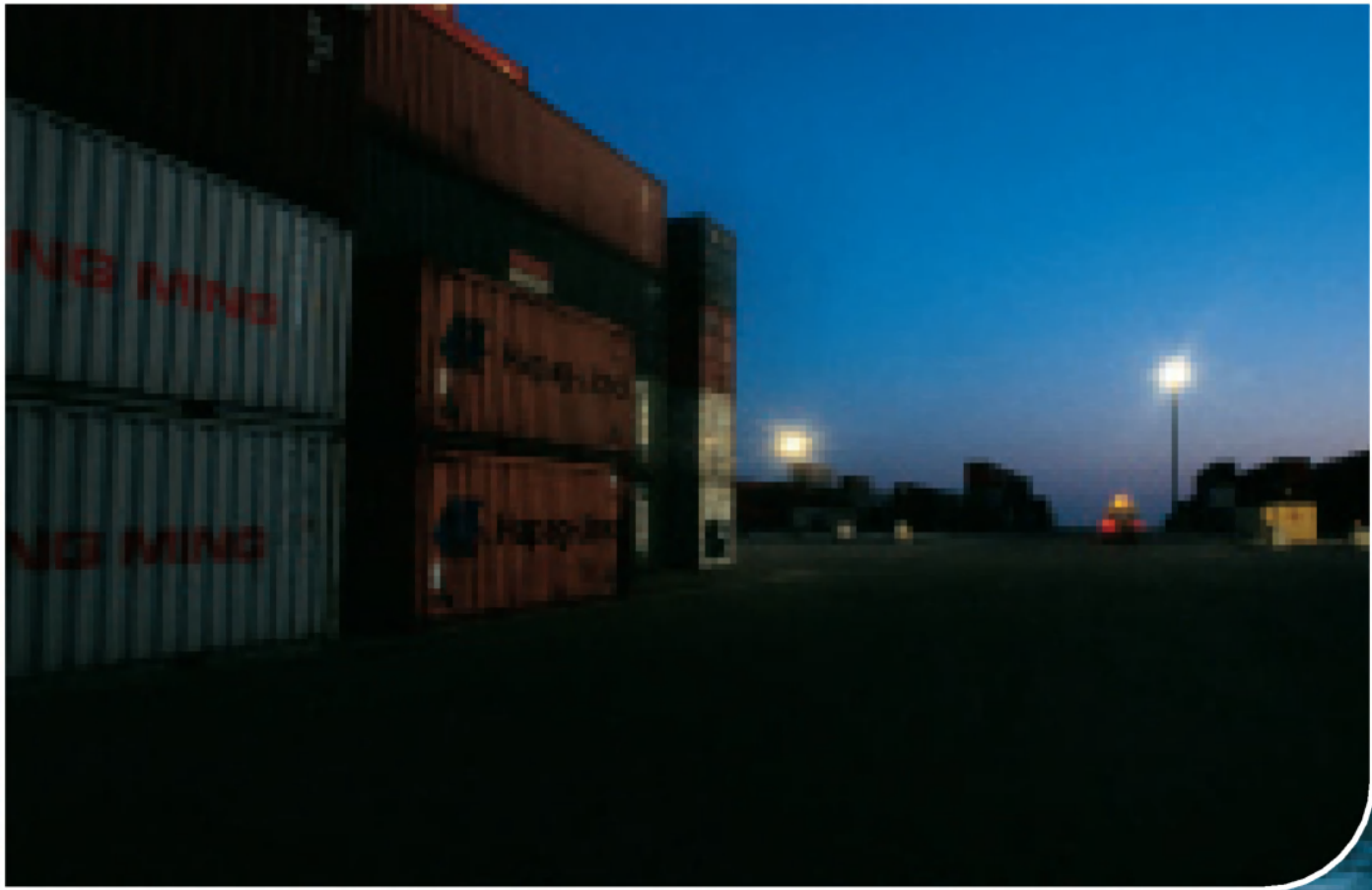
# ANTWERP PORT AUTHORITY

A N N U A L R E P O R T 2 0 0 0



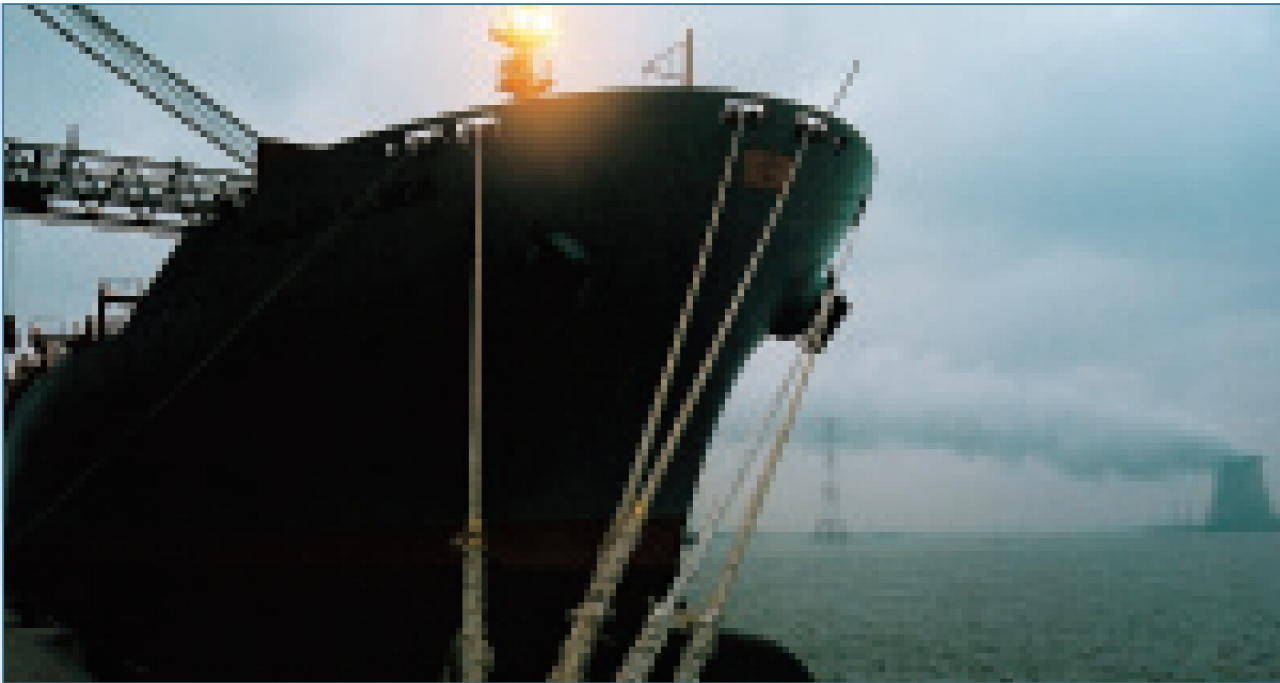
The Port Authority's core statement revolves around maximising the added value to its fullest on a long lasting basis in and around the port. With special attention given to environmental matters, the strive is for optimal valorisation in the areas of maritime, industrial and logistic potentials.

The Port Authority nourishes the ambition not only to re-enforce the port's competitive position on the market-place but also to implement pioneering work leading to a long-lasting development. The Port Authority has a unique role to play in the guidance regarding the micro-economic management of the private sector within the port, in relation to the overall interests of the port. The safeguard of a healthy business climate is therefore imperative. Without the full support and co-operation of the workers the Port Authority will be unable to fulfil its mission and ambition.



In the year 2000, the movement of goods in the Port of Antwerp reached a new peak with in excess of 130 million tonnes. Compared to 1999 traffic rose by just under 15 million tonnes, representing a 12,9% increase. The trend which manifested itself during these last few years, namely the strong growth in the container traffic sector, persevered in 2000 also. In comparison to the previous year we recorded an increase of 12,9%. The 4 million TEU threshold had been crossed. In the non-containerised general cargo sector where a substantial decrease had been registered for 1999 a renewed growth was noted in 2000. Additionally bulk goods also enjoyed growth during the year 2000.

Antwerp once more confirms its status as a world port, not only regarding overall traffic but also the intercontinental destinations and origins of same.



The most recent survey carried out by the National Bank of Belgium (ref. Financial year 1999) calculated that the Port of Antwerp generated an added value of 6.016,8 million EUR. The port's annual contribution to the Treasury amounts to 3.535,7 million EUR. Investments for the year 1999 amounted to 1.075,3 million EUR.

The increase of traffic also reflected positively on overall employment in the port. The survey carried out by the National Bank calculated that, for the financial year 1999, there were a total of 54.046 direct jobs. In 2000 there were approximately 6% more jobs available for the port workers. This indicates that the direct employment in the port is experiencing an upward trend, showing a total of around 55.500 jobs.

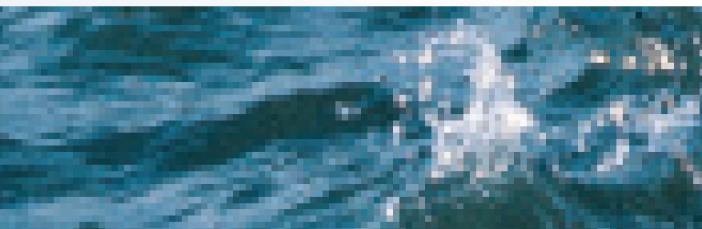
Only through the optimal utilisation of the hinterland modal will the mainport be able to function efficiently. An environmentally friendly modal split is therefore of utmost importance.

With a total volume in excess of 70 million tonnes, inland navigation represents 27% of the transport to and from the Port of Antwerp and is responsible for 39% of the industrial traffics. In the Masterplan for the promotion of mobility in and around Antwerp, investments in waterways beneficial to the inland navigation, are estimated at 9 billion BEF.

Rail in the future will also play a more prominent role. In 2000 the transport of goods to and from the port showed an increase in excess of 9%. An additional increase will be dependent on the planned investments. Top priorities in this field are a second rail opening and the construction of a new Scheldt rail-tunnel. Both these projects were included in the Belgian National Railway Transport long-term investment plan.

Maritime accessibility remains of fundamental importance for the future long-term development of the Port of Antwerp. After an initial deepening programme it is patently obvious that additional deepening is essential. Concerning the elaboration of an integral navigation management of the Scheldt, both Flanders and The Netherlands commissioned the issue regarding the deepening problems to be included in the framework of a long term vision. Flanders opted seemingly unanimously for a tide-independent draft of 12,8 m. The Netherlands will also make its standpoint known before the end of 2001.

Environmental concern in and around the port is demanding increased attention from the Municipal Port Authority. Not only within the port area, but also outside, it is trying to bring about the long-term development of an 'ecological infrastructure' as also the on-going concern for the safeguard of nature reserves to ensure a long-lasting development of the port. The top priority remains the meticulous weighing up of the pros and cons regarding the economic and ecological concerns.

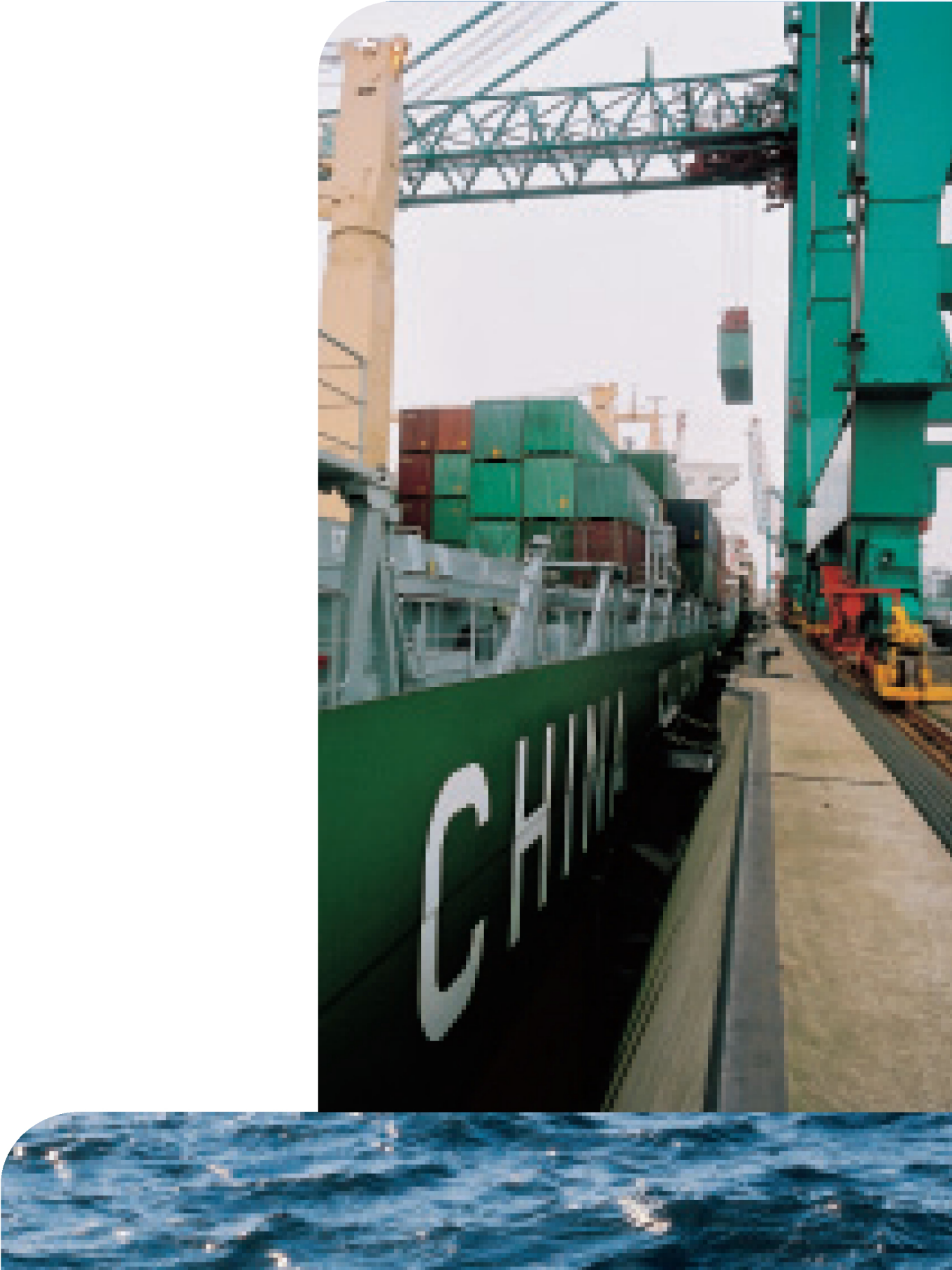




To a considerable extent the port of Antwerp is influenced by both the competition emanating from the other West European seaports in the Le Havre-Hamburg range as also the general tendencies of the world economy.

#### **The port of Antwerp and the trends in the world economy**

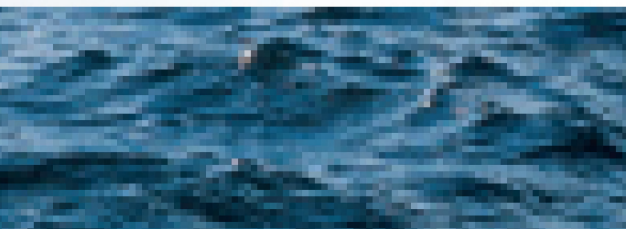
In 2000 the port sector distinguished itself with exceptionally good results, as a result of an extremely positive economic situation. During 2000 the Western world registered a growth of 4%. The United States were the exception, showing a 5,2% growth of their GNP. The Asian countries seem to be recovering from the Asian crisis registering a 1,5% growth of their GNP. In Europe for the year 2000, the GNP increased by some 3,5%; for Belgium the growth actually amounted to 3,8%. It goes without saying that this positive development is naturally reflected on the world trade: an overall world growth of export and import volumes amounting to approximately 13,5% was recorded for the year 2000. ○



A positive evolution is predicted for the future, both in the short and middle terms. A growth of approximately 3% in the EU and the OECD countries and roughly 3,5% for the United States is the prediction. For Belgium in the coming years, a growth factor of 3,2% of the GNP is foreseen. International bodies forecast a further growth of world trade: an annual increase of between 8% and 9% seem to be the probable figures projected. Additionally the strong growth in world trade has a highly positive influence on the traffic being handled in the various sea ports. With this in mind the Antwerp port traffic growth will be significantly higher than the expected Belgian economic growth percentage.

International growth can also suffer from negative political developments on a world scale as also from currency exchange influences. Notwithstanding the undeniable influence this provokes both on the port as also the traffic generated world-wide, all the international instances expect a lasting expansive growth and view the impact of negative aspects as limited.

Regarding the port of Antwerp the most prominent evolution was in the container traffic sector. International research showed that international container transport is for a major extent determined by the level of world trade. Considering that future global world trade will increase, it is presumed that the number of transported containers will also rise considerably. This is highly positive for the port of Antwerp, which over the last few years registered the strongest growth of the all major West European container ports, increasing its market share during the last decade by more than 5% (from 16% in 1990 to 21,2% in 2000).



Within the container shipping sector it has been observed that a smaller number of shipping companies are operational in the transport of containers. As a direct result of alliances and formation of joint-ventures, the objective is to concentrate and consolidate the overall container transport via a limited number of 'global players' in this sector. These bodies also increasingly exert pressure on the logistic activities. It has been noted that by means of a vertical integration these same organisations are not only operational in the maritime transport sector but frequently want to be responsible for the logistic handling and distribution of containers through to the hinterland.

Even though this tendency toward concentration is also found amongst the goods handlers efforts are made to retain a healthy degree of internal competition. Only a lasting form of competition will guarantee that an optimum service and acceptable price-quality ratio for services rendered is retained for the future.

## ***THE ECONOMIC POSITION OF THE PORT OF ANTWERP***

### **Traffic**

The port of Antwerp ended the year 2000 with an extremely positive result.

The total traffic of maritime goods grew to 130.530.660 tonnes. In comparison to 1999 this represents an increase of just under 15 million tonnes or 12,9%. Never in the annals of the port has such an annual increase been recorded. Even in comparison to the previous record year of 1998, the increase amounts to almost 11 million tonnes.

Container traffic showed the strongest growth in individual traffic. With a total of 4.082.334 TEU container traffic rose by 12,9%. With broadly 44,5 million tonnes of container freight, 34% of the port's total transshipments were handled in containers. Over a combined period of the last two years container traffic has risen by a quarter, and over the last seven years it has more than doubled.

Presently Antwerp is 8 years ahead of the forecast established setting out the plans related to the tidal container dock on the Left Bank, a forecast made only six years ago.

The additional TEUs registered during 2000 are a direct result of not only the growth of existing lines but also the creation of new services. One such example is MaerskSealand which since December provides new sailings to the Far-East.

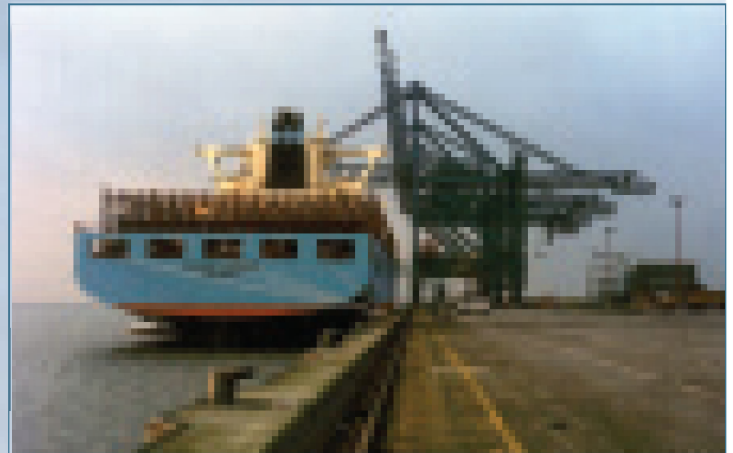
Transshipment of non-containerised general cargo once more experienced a substantial increase: the roll on-roll off traffic rose by 4,4%, conventional general cargo by 20,5%.

Not since 1995 has the transshipment of steel exceeded the 10 million tonnes mark. An increase of 30%, bringing the annual tally to 10.414.042 tonnes. These additional traffics originate from Europe (Romania, Bulgaria, Italy), Korea, South Africa and Iran.

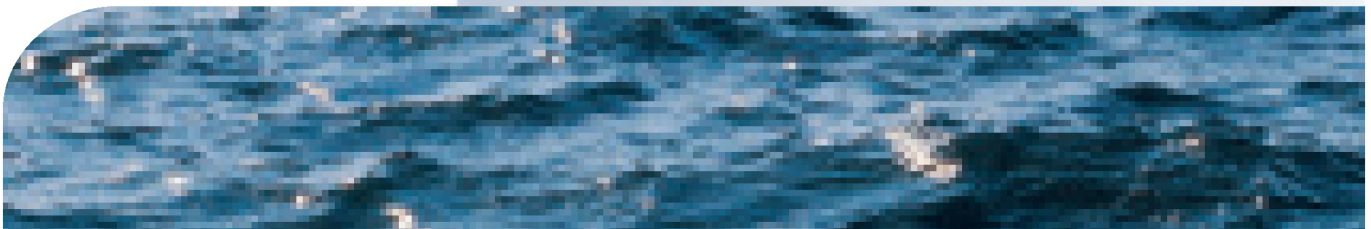
A larger quantity of steel was loaded in Antwerp for the automotive industry in the United States. Brazil, Chile, Iran, India and Pakistan all imported more steel. This provided the increased export.

The non-containerised transshipment of paper and wood cellulose (4.509.989 tonnes) rose by 6,6%, approaching the 1998 record (4,6 million tonnes).

Transshipment of rolling stock also rose (+3,4% to 1.623.094 tonnes). The number of vehicles handled rose to 765.969 units. This slight increase is the result of two opposites. The partial departure of the Transatlantic-Wallenius traffic is compensated: even though import declines, the export increases. This is largely thanks to the Grimaldi traffic, and provides a positive bottom line.



First call of the 'Sealand Illinois' at the North Sea Terminal.





The handled volumes of wood (+16,8% to 776.357 tonnes) as also fertilisers and chemicals (+6,5% to 457.808 tonnes) grew once more after the decrease of 1999. The increase in the import of wood originates mainly from Indonesia and Malaysia. The increased fertiliser figures are a direct result of industry's demand within the port. The increased volume of imported fertilisers originate from Morocco and Russia.

The port also registered increased resh Shipments of non-containerised flour and sugar.

The decline in the transshipment of fruit (-8%) is as a direct result of the general decline in import of bananas into Europe, due to a lower consumption as also a few failed crops (a/o. in Chile and South Africa).

Transshipment of ores and coal rose by 17,5% to approximately 7.730.239 tonnes. Fertilisers in bulk registered a growth of some 10%, or 4.489.600 tonnes.

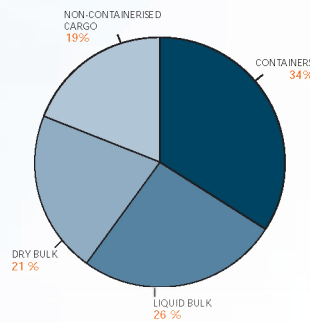
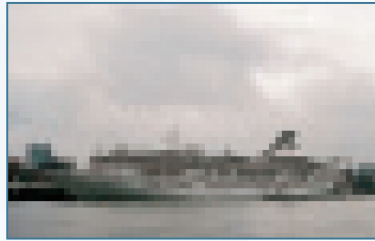
In the liquid bulk goods sector substantial increases were registered both for the import of raw materials by ship as also the traffic of derivative products. The overall package of liquid bulk goods grew by 16,5% to 34.039.155 tonnes.

### Sea-going vessels

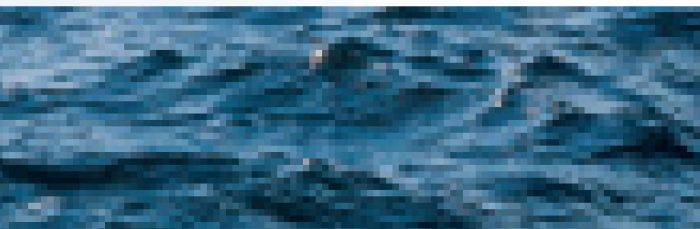
16.105 sea-going vessels were loaded and/or discharged in the port. This is 612 or 4% more than during 1999. For the first time the vessels' gross tonnage exceeded the 200 million gross tonnage mark.

### Cruise vessels

The exceptional mooring berth at the Scheldt quays, within walking distance of the heart of the historic city has resulted in an influx of cruise ships calling at the port of Antwerp. During 2000, 23 cruise ships visited the port. It is expected that this number will double during 2001.



The Grimaldi Group decided to centralise its services at the west side of the Verrebroek dock.



### MARITIME CARGO IN THE PORT OF ANTWERP

(tonnes)	1999	2000	difference
Totals	115.654.020	130.530.626	+12,9%
Liquid bulk goods	29.213.289	34.039.155	+16,5%
Dry bulk goods	26.141.675	27.754.305	+6,2%
General cargo (total)	60.299.056	68.737.166	+14,0%
Containers	39.442.240	44.525.643	+12,9%
Roll on-roll off	5.714.604	5.966.936	+ 4,4%
Conventional	15.142.212	18.244.587	+20,5%

## INDUSTRY AND LOGISTICS IN THE PORT OF ANTWERP

After Houston, Antwerp has the largest concentration of petrochemical companies. The diversification of this petrochemical cluster is quite unique in the world. It also generates an important pole of attraction for lasting investments, employment and added value.

Together with the Belgian chemical federation Fedichem the Port Authority carried out a survey regarding Antwerp's competitiveness on the market place. The report concluded that based on volume of the 39 most important chemical products, Antwerp lives up to its reputation as the world's second largest chemical cluster; after Houston in the United States, but ahead of Rotterdam, Teesside (United Kingdom) and Singapore. Additionally it proves that in the 39 top chemicals segment, Antwerp shows the largest diversity. Based on this fact Antwerp has every right to call itself number one.

The recent wave of investments support a new model, namely the Antwerp Integration Model. Not only does Antwerp offer optimum supply channels, but also excellent synergy opportunities and disposes of industrial host sites. On these industrial estates new investors avoid the heavy classic location costs of energy, expensive ground and high labour costs by making full use of the existing infrastructure. This concentration formula offers many advantages. Through sharing the costs of energy consumption, safety planning, waste processing and such like, the overall price tag of the investment is greatly reduced.

In Antwerp, the major chemical companies are manifesting themselves as monopoly breakers. Companies such as BASF, BAYER and Solvay are major electricity and gas consumers. Through their volumes, they could cater for a breakthrough to a whole series of other companies and sectors.

The interaction between industry and logistics caters for a variety of interesting spin-offs. The force of attraction of the Antwerp tank storage at an international level as also the handlers of plastic granulates in the port are proof of this. In 2000 Celanese decided that its total West-European transport streams should run entirely via the port of Antwerp.

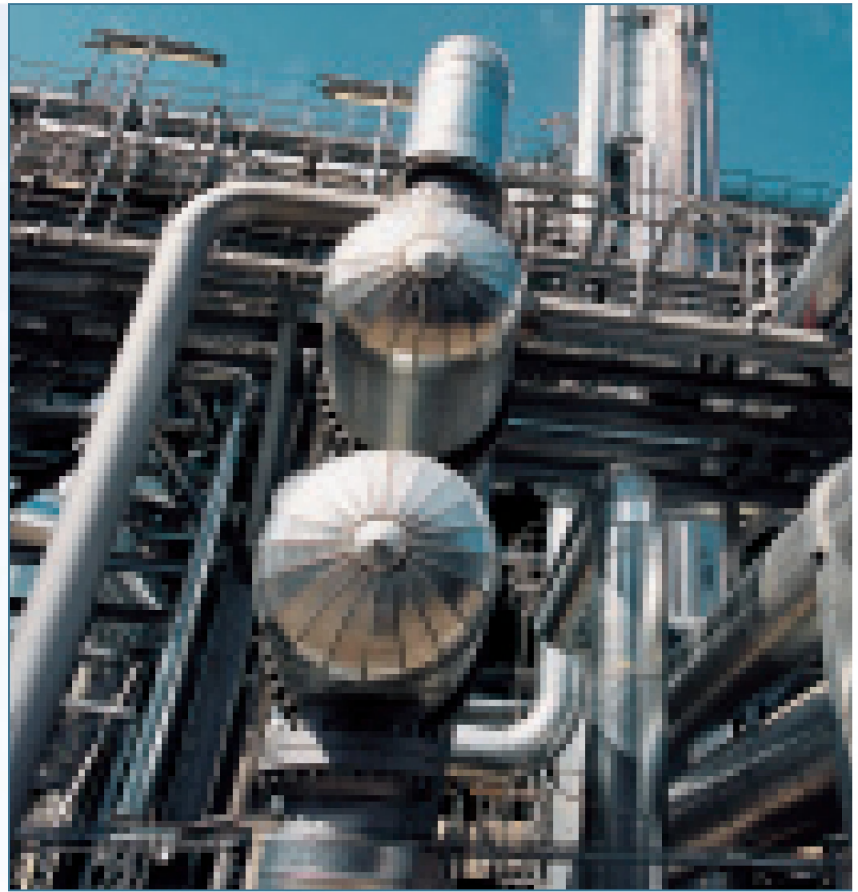
During the past year Degussa, Bayer, BASF, Ineos and Petrofina all decided to invest substantially in the port area.

The Japanese companies also followed. Apart from Kuraray, Nippon Shokubai also plans significant investments on the Left bank. Tokyo Kasei Kogyo Co Ltd. are building a brand new distribution centre. We estimate the additional traffic generated from these planned investments to be in the region of 2 million tonnes per annum.



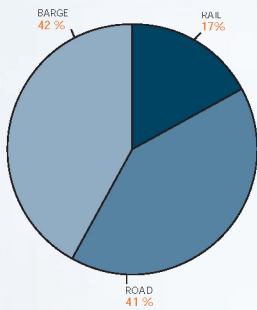
Antwerp is not only a major maritime and industrial centre but in addition offers a wide scope of logistics services. With a covered warehousing area of 480 ha – which is more than the ports of Rotterdam, Amsterdam, Hamburg and Bremen together – the port plays an important role in the field of 'Warehousing'. An adapted warehousing infrastructure is available within the port for almost any type of goods. These warehousing facilities in the port allow shippers in the hinterland to organise their stock management in a more creative manner. In this way the port forms a sort of buffer whereby the company's incoming and outgoing raw materials and goods during periods of high and low economic situations can be fine tuned to the demands of the market place.

In 2000, in companies located in and around the port approximately 5,5 million tonnes or 440.000 TEU were 'stuffed' (loaded) and 'stripped' (emptied), representing 12,3% of the containerised cargo or 10,8% regarding TEU. These activities generate an added value approximately four times bigger than a classic transshipment operation (and even five times more labour intensive). Noticeable is the growing integration between the goods handlers and the port industry in the field of industrial logistics. Antwerp companies such as Katoennatie, Zuidnatie and Werf- en Vlasnatie have built up a world-renowned reputation in this field.



**THE PORT AND ITS HINTERLAND:  
FAVOURABLE MODAL SPLIT**

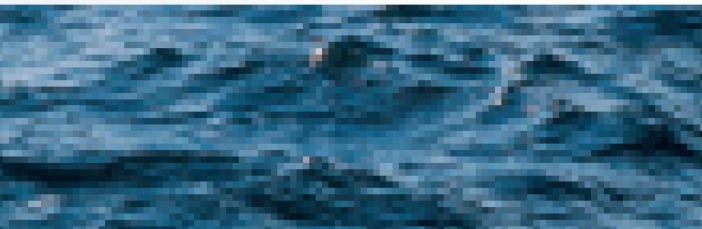
The port of Antwerp can be characterised by its evenly balanced distribution of transported tonnage over the three traditional modes of transport.



Inland navigation, with 42% of the total tonnage present in the port of Antwerp is by far the most important transport mode. Road transport represents 41% of the total volume. The remaining 17% is transported by rail.

If pipelines and transshipments were taken into consideration, the pipelines would take 21% of the total transported tonnage for their account. Inland navigation would then represent 32% of the transport, closely followed by road with 30%. The rail share follows with 12% and transshipments taking 4% of the total tonnage.

Looking to the future the port of Antwerp will work further on a modal shift. The decision makers are striving for a significant reduction in the share of road transport to the hinterland. Both the rail and inland navigation shares must increase substantially; namely through doubling rail transport and increasing inland navigation by approximately a quarter.





Considering the social importance of a further modal shift to the advantage of these environmentally friendly modes of transport, the port of Antwerp stresses the need for an adequate investment policy for these transport modes. The NMBS's long range investment plan foresees in the second rail link, the Liefkenshoek rail tunnel (twin tracks), the Iron Rhine, line 11, various essential infrastructure works on both the left and right banks. Substantial investments are also planned for the inland navigation. To meet the ever increasing demand for environmentally friendly transport top priority has been given to the widening of the Albert Canal and the modernising of the Royers and Van Cauwelaert locks.

Regarding containers, Antwerp, in comparison to other European ports, still retains a special place. The modal split of the container transport in the European ports indicates road transport – with approximately 52% of the transported volume – as the most used mode of transport. European container transport by rail amounts to 31% in Europe as compared to 9% in Antwerp. Should the planned investments as prescribed in the NMBS's long range investment plan come to a timely fruition, the rail would see its share in the transport of goods double.

On the other hand European inland navigation is poorly represented; 17% of the transported volume is by inland navigation as opposed to Antwerp with 28% today and even 35% foreseen in the future.

In 2000 more than 15,4% (630.000 TEU) of the container transshipment to seagoing vessels took place as compared to 13,7% (498.000 TEU) in 1999.





## ADDED VALUE OF THE PORT OF ANTWERP

The most recent survey carried out by the National Bank (financial year 1999) calculated that the port of Antwerp generated a direct added value of 6.016,8 million EUR. The port contributed an amount of 3.535,7 million EUR to the Treasury. Investments for the financial year 1999 amounted to 1.075,3 million EUR. In 1999 direct employment within the port represented 54.046 jobs.

## ANTWERP AND ITS COMPETITORS

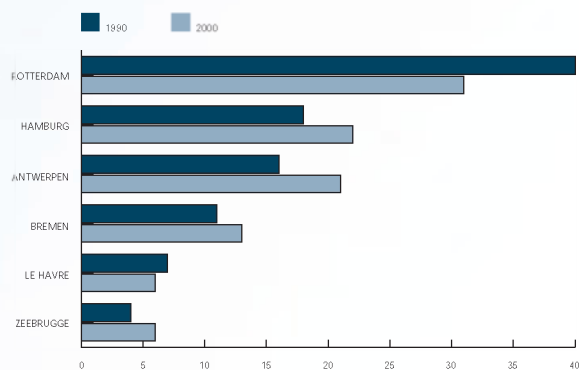
### The ranking of Antwerp in the Hamburg-Le Havre range

The total transshipment of maritime goods for the nine ports rose from 754 to 819 million tonnes. Practically all ports presented better results than those for 1999.

Antwerp with a result of 130,5 million tonnes registered the highest percentage growth (+12,9%). Antwerp grew significantly faster than the average within the range (8,5%). Other strong growth contenders are Hamburg (+5,1%) and Le Havre (+4,8%).

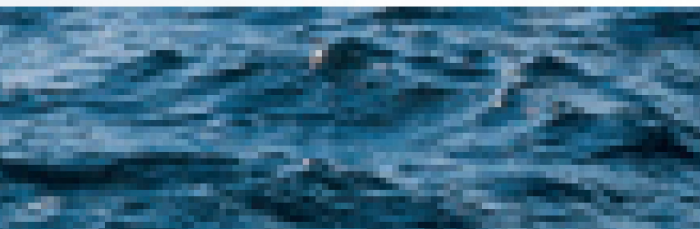
Taken on a global scale, Antwerp retains its position as fourth international port and tenth container port.

CONTAINER TRAFFIC: MARKET SHARE IN THE HAMBURG-LE HAVRE RANGE



TOTAL TRAFFIC: MARKET SHARE IN THE HAMBURG-LE HAVRE RANGE

Port	Total 2000 (1000 tonnes)	Share of total traffic (%)
Rotterdam	322.073	39,3%
Antwerpen	130.531	15,9%
Hamburg	85.093	10,4%
Le Havre	67.492	8,2%
Amsterdam	64.051	7,8%
Dunkerque	45.284	5,5%
Bremen	44.968	5,5%
Zeebrugge	35.475	4,3%
Gent	24.040	2,9%
Hamburg-Le Havre range	819.007	100,0%





Since the formation in 1997 of the Municipal Autonomous Port Authority and the independence associated with it, the Port Authority has been in a position to fulfil its business objectives not only toward the authorities but also the players on the world-wide market.

The present market tendencies such as the increasing competition between ports and the shipping companies' inclination toward concentration demand continual and immediate efforts in the fields of cost management and service. The new legal entity with its own corporate identity allows the Port Authority to evolve toward a real corporate culture where the results are felt daily both in the commercial traffic as also the rapidly evolving social part which the Port Authority plays.

Considering impact of the Flemish ports on the economy, the implementation of a well balanced and overall port policy is of crucial importance. Through the port decree dated 2<sup>nd</sup> March 1999 the relations between the Flemish authorities and the ports' authorities are regulated.

### **Administration, supervision and organisation of the Port Authority**

The port's strategic options, management orientation and the democratic control of the port policy are entrusted to the Board of Directors of which at least half, by law, must be members of the local council, as representatives of the sole shareholder, the City of Antwerp.

The Alderman of the Port Baron Leo Delwaide presides the Board of Directors. Eddy Bruyninckx, CEO of the Antwerp Port Authority seats as Managing Director. During 2000 the following took a seat; Marcel Bartholomeeussen, Member of Parliament; Edward Beysen, Member of European Parliament; John Cordier, Chairman and CEO n.v. Telindus; Philip De Winter, Member of Flemish Parliament; Gust Deckers, Lawyer; Leona Detiège, Mayoress; Dirk Geldof, Alderman for Emancipation, Population, Cemeteries, Youth, Development Co-operation, Land and green-belts, Purchasing policy; Alfons Geeraerts, Trade Union Secretary; Dr. Patrick Meire, Scientific researcher UIA; Erwin Pairon, Alderman for Territorial survey, Environment and Waste management; Jan Penris, Member of Flemish Parliament; Robert Restiau, General Director Antwerp Port Community; Hugo Schiltz, Lawyer, Alderman for Finances, Economy and Tourism; Ludo Van Campenhout, Member of Federal Parliament; Marc Van Peel, Member of Federal Parliament.

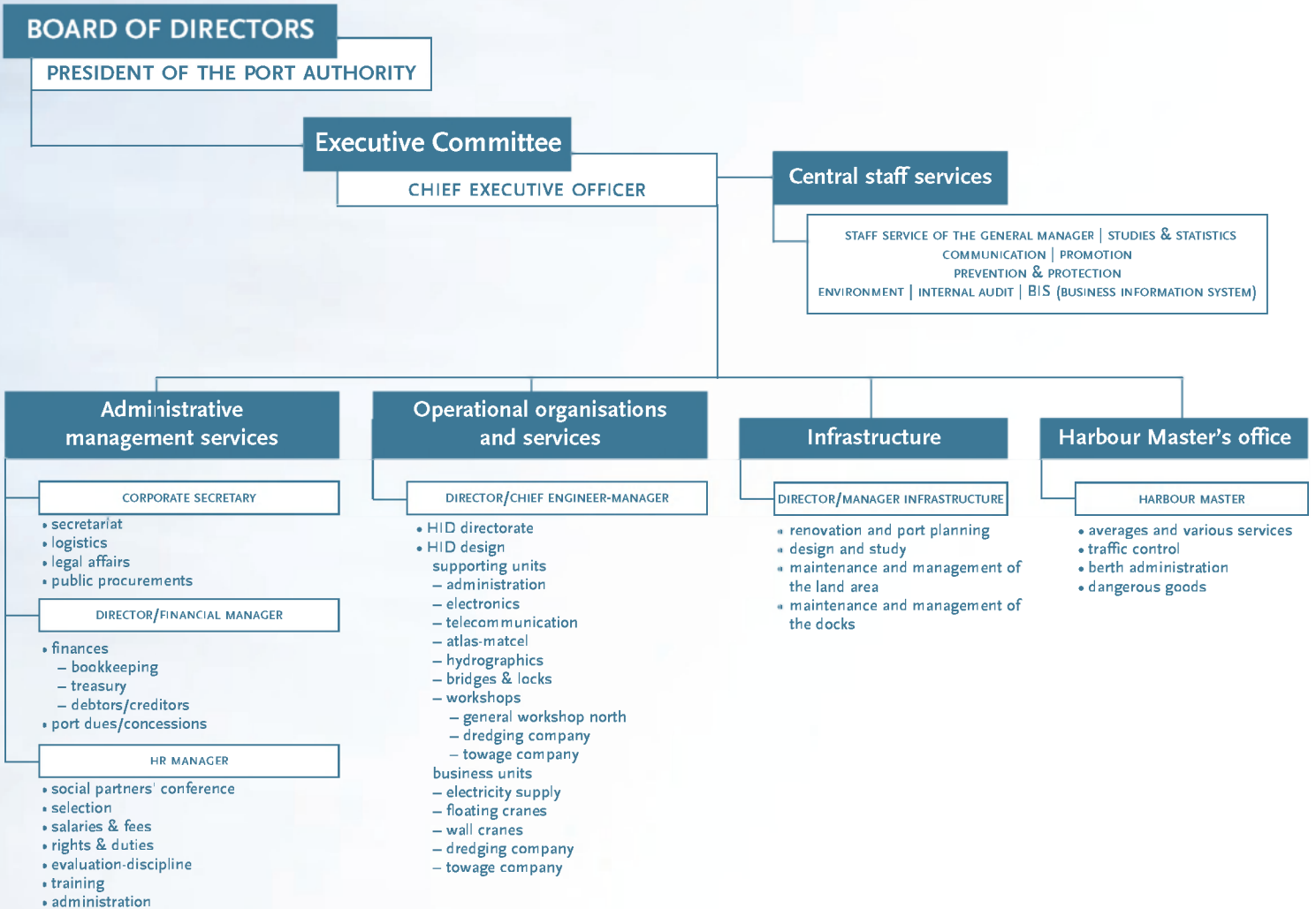
Following the local elections of October 2000 a new Board of Directors was installed on 20th February 2001. Its composition is mentioned in the annual accounts of the financial year 2000, which were approved by the new Board of Directors.

The Port Authority's daily management is in the hands of an executive committee, chaired by Eddy Bruyninckx, CEO. Ivo Koeklenberg, Chief Engineer-Manager; Greet Bernaers, Manager Infrastructure; Guido Van de Wal, Administrative and Financial Manager and Henri Mertes, Personnel Manager make up the Management Committee. Dirk de Kort was Secretary. The Harbourmaster-Commander Jan Verbist was appointed as assessor.

Supervision of the financial management is carried out by a council comprised of three commissioners who were appointed by the City council: KPMG Chartered Accountants represented by Eric Clinck and the local councillors Laurent Daems and Joseph Van Leemput. With the composition of the new Board of Directors the local councillors Hans Coveliers and Luc Lemmens were appointed as commissioners.

### Structure and Organisation

- The Municipal Port Authority is divided into four clusters;
- Administrative management services;
  - Operational organisations and services;
  - Infrastructure;
  - Harbourmaster's services with police powers.





To achieve a business operation in a European context without forgetting the social aspects, the staff count, between 1983 and 2000 was reduced from 3.088 to 1.693 workers.

Last year the Port Authority, in close consultation with the social partners, carried through some important restructuring. Both the Port Authority as also the trade union representatives are fully convinced that in order to retain the port of Antwerp's appeal, efficiency and effectiveness are essential elements. With this in mind, they fully intend to collaborate with the further development and have since the beginning of the new millennium concluded a collective agreement which guarantees social peace for the duration of the agreement.

It goes without saying that in a European context the maritime services cannot be omitted and will increasingly be affected by the workings of the market.



At the beginning of 2000, the Port Management and the social partners signed a collective agreement.

With this concern in mind the recognised and representative unions also offered their full co-operation in connection with the implemented reorganisation processes. The reorganisation of the towage services became factual on 1<sup>st</sup> January 2000. The biggest challenge of the past year for the Harbour-master's services was definitely the implementation

of a new method of working at the locks combined with a reorganisation of the services rendered by the dock masters as a direct result of traffic displacement. This was implemented as from 1<sup>st</sup> October 2000.

Additional reorganisation procedures will be handled with the same constructive spirit. Main priority for the year 2001 will be the reorganisation of the dredging services, the quay service and the department bridges and locks.

Since the liberalisation of the electricity market, and in order to meet the requirements laid down the electricity company will also be restructured.

One of the major challenges for the future of the Port Authority is the constitution of the pension fund, which retains an adverse balance in the region of 28 billion BEF. At the time of the formation of the Port Authority it was stated in the statutes that the Port Authority took over the pension burden, not only of its own staff but also that of all pensioners whom at the end of their careers had been employed in one of the port services. For these pension liabilities, which according to an actuarial calculation amounted to 30,2 billion BEF at the time of formation, the City did not transfer the reserves to the Port Authority. During the financial year, an amount of 2,078 billion BEF was paid out in pensions.

The financial services elaborated the recommendations resulting from an investigation carried out at the end of 1999. During the course of 2000 an internal audit department was set up.

During the past year an action plan regarding the implementation of the Euro and the disappearance of the Belgian franc was carried through. As from the 1<sup>st</sup> October 2001 the Port Authority will be ready for the Euro and should allow for a smooth and problem free transition to the new monetary unit.

The number of industrial accidents has fallen over the last few years, which thanks to the efforts made by the prevention and protection services was also the case in 2000. The number of accidents during the past year declined from 169 in 1999 to 117 in 2000. As a direct result of this, the number of lost working days was reduced by a third.

During the past year the Antwerp port community manifested itself almost everywhere throughout the world. Antwerp was also prominently visible at all the major maritime and logistic gatherings.

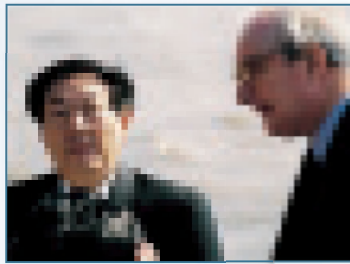
In collaboration with the private sector the Municipal Port Authority participated in the most important French transport trade fair, namely SITL as also the "Intermodal" fair in Sao Paulo.

Highly successful port days were organised in Düsseldorf, London, Lille and Vienna.

Without a doubt one of the highlights during 2000 was the visit in the month of June of Mr. Zhu Rongji, Premier of the Peoples Republic of China.

The Indian Transport Minister, Mr. Raj Nath Singh visited the port of Antwerp in September.

In November the "International Rubber Study Group" were



Prime Minister Zhu Rongji of the People's Republic of China during a visit in Antwerp.

guests in Antwerp. The port was able to advise them on its facilities and investment opportunities.

The Antwerp port community received the visit of the Finnish sea-ports Kotka and Hamina. Shanghai's expanding port visited Antwerp to clarify their trade-free zone.

During the Autumn the "Belgian Coffee Federation" saw the light of day in Antwerp, a major turntable in the world for coffee.

The Port Authority attended various overseas promotion trips organised by the Belgian Foreign Trade Office or by Export Flanders. The interests of the Antwerp port community were represented in Japan, Korea, China, Estland, Argentina, the United States and India, both from an industrial as also a maritime aspect.

The Port Authority participated for the first time in the Companies' Open Door Day. The 125 year old Towage service and the department Bridges and Locks attracted approximately 5000 visitors to the port.



The Belgian Coffee Federation was founded in 2000.



### *Infrastructure*

In order to achieve and maximise the desired added value on a long term, it is the Port Authority's duty to provide the port users with an adequate basic infrastructure. To meet the needs of the various modes of transport and provide sufficient overall capacity, the basic infrastructure must be both safe and functional.

The largest extension works at this moment are being carried out in the Waasland harbour, on the Left Bank of the Scheldt. Here the construction of the new tidal dock along the Scheldt is in progress, namely the Deurganck dock. The work at the Deurganck dock is being carried out in three phases. The first phase was allocated to the provisional association of Aertssen and Cordeel, who after having received a construction permit on 4th October 1999 started the building works. The second phase was granted to the provisional association of CFE/MBG-Van Laere-Dredging International. The construction works were started on 1<sup>st</sup> March 2000. The third and last construction phase of the Deurganck dock is momentarily awaiting approval from the Flemish Region prior to putting same out to tender.

The first construction phase of the Verrebroek dock was completed end 1999 and dredged free. During June of last year, the first part of the Verrebroek dock was taken into commission for commercial shipping. The second phase is almost completed and is presently being dredged. The third and final phase of the dock will be started as and when the traffic evolution requires this. In September of last year the Grimaldi Group and the Municipal Port Authority reached an agreement regarding a long-term collaboration. Grimaldi will centralise its services on the west side of the Verrebroek dock. Both the existing Euro-Med Service and the new traffic which Fiat will generate will be housed here. The terminal is a joint-venture between the Grimaldi Group and the Mexiconatie n.v.



between the Grimaldi Group and the Mexiconatie n.v.



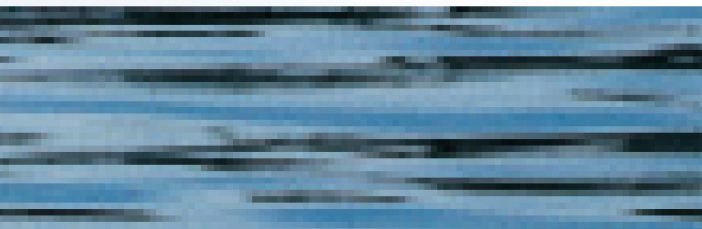
Apart from the extension works on the Left Bank, various renewal projects were carried out in the old port area.

The Melsele bridge was reopened at the end of September 2000 after reconstruction work to the road surface and painting of the entire artwork. In November 2000 similar works were started on the Farnese bridge. It is expected that this bridge will be fully operational in July 2001.

During last year 1170 m of quay wall was renovated along the Hansa dock and the fourth harbour dock. Additionally at the entrance channel to the Van Cauwelaert lock and the Boudewijn lock, respectively 1 and 2 steel mooring posts were fitted to replace heavy collision damaged wooden and concrete mooring posts.

For safety reasons the road surfaces on the Londen, Oosterweel, Frederik-Hendrik and the Van Cauwelaert bridges were all resurfaced.

There were also substantial investments in the services buildings. During 2000 the Dry Infrastructure department, responsible for the management and maintenance of the Port Authority's buildings and grounds were allocated a brand new complex where the Road and Ground management as also the Concessions and Buildings are housed. The Towage service were also allocated new offices during 2000. The modern building at water's edge located at quay 602, was officially inaugurated in the Autumn.

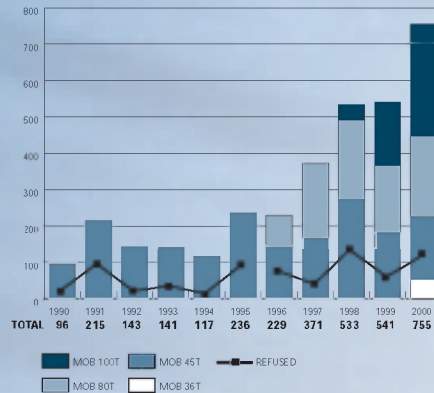


### Operational and Service departments

During 2000 the Towage company continued with the modernising of its fleet. The Municipal Port Authority commissioned the SKB company to build three new powerful tug boats. These new tug boats develop a pulling power of 55 tonnes and will be operational in 2002. They are equipped to service the largest container ships and can operate throughout the port area. The IDP company based in Ostend refurbished the series 80 tug boats. During 2000 towage assignments increased by 9%.

During last year the company handling the Quay Cranes increased its turnover by 10%. Trade was exceptionally brisk for the mobile cranes. To meet the ever increasing demand the company purchased a 100 tonnes mobile crane and decided to rent a 36 tonnes mobile crane as from the second half of the year. To recruit and train candidate crane operators for the first mentioned crane, they called upon the services of the Flemish Employment Office and Job Training.

USE OF MOBILE CRANES 1990-2000



The Dredging company have started an environmental trial project regarding the recycling of dredged mortar. The project foresees the construction of a landscape dike with cement dredged from a discharge quay near the Magershoek residential area at the Zandvliet lock (see further). Additionally the test project regarding the mechanical silt treatment, to accelerate the drainage of maintenance dredged mortar, was completed successfully. This method of silt treatment does not require any artificial shallow pool treatment. The technique ensures that the volume of silt is limited in size resulting in a reduction of environmental risks. Additionally the dredged spoil obtained can be recycled. This project lends itself also to various other areas, leading to a definite long-lasting development.



In collaboration with NMBS B-Telecom, the Telecommunications department started work on the glass fibre network ONAP (Optical Network Antwerp Port). This new network is 75 km long and replaces the old cable system. The Hydrographic department decided to purchase a multiple beam gauge installation. The Electronics department ensured that the trunkingnet was operational in 2000.

Work was carried out at the Oosterweel and Wilmarsdonk bridges to centralise the workings of both bridges. The sixth radar tower in the port area was completed.

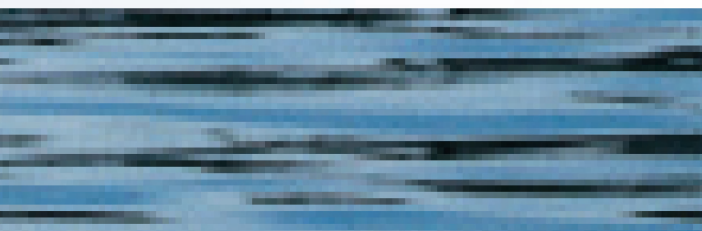
#### *Harbourmaster's services*

The Harbourmaster's services, taking into consideration the economic and safety factors, ensure that the maritime traffic runs smoothly and safely. During 2000, a total of 16.105 seagoing vessels and 97.475 inland navigation ships called at the port of Antwerp.

Regarding the destinations of the latter 57.791 were for the port and 39.684 were passing through. 13.869 seagoing vessels made use of a lock, resulting in 39.649 lock movements.

The Vessel Traffic Service together with the dock masters monitored approximately 40.000 ship movements. During 2000, the hazardous goods department received a total of 182.147 applications for the handling of same.

In order to develop the flow of information the Harbourmaster's services decided to extend the spreading of the shipping bulletins to the port also, which up till then had only been available on the river. The Van Cauwelaert lock was as from 1<sup>st</sup> October reserved for the inland navigation. This was one of the measures taken to stimulate this environmentally friendly mode of transport.



## COLLABORATIONS

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### Apec-Antwerp/Flanders Port Training Centre

As compared to 1999 Apec's activities increased by 39% last year. 214 participants attended seminars ranging from 1 day to 2 weeks.

The organisation's aims and objects, namely the conveying of existing port knowledge and port expertise to international port circles, have now been realised.

Apart from the eight practical standard courses teaching port management, which in the meanwhile have become world-renowned, Apec are now also offering five made to measure seminars for international companies connected with various port related subjects. The Flemish region, the Antwerp Provincial authorities, AGHA and the Municipal Port Authority of Antwerp are all providing financial and logistic support to this organisation.

### Amaris

Amaris, the Municipal Port Authority's information technology supplier is an indispensable partner. With the transition to the year 2000 the dreaded millennium bug was professionally intercepted. Hundreds of programmes were adapted and approximately 5.000 computer programmes were recompiled.

APICS nautical package was fine tuned and completed.

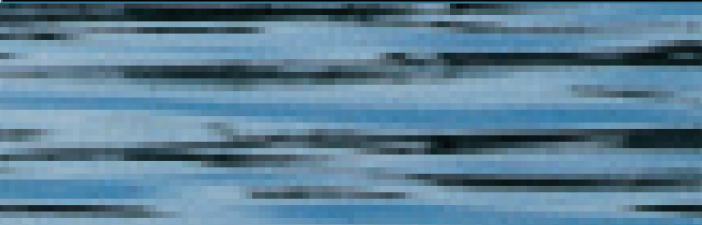
Since March 2000 all the Port Authority's business centres have the Euro compatible Purchase 2.0 for their logistic and administrative support.

Major adjustments were made to the 'inland navigation' and 'shipping' electronic port dues systems, allowing both these services to work more efficiently and therefore be able to offer improved services.

In the Autumn of 2000, Electra, the new application for the electricity provision was set up. Electra allows the drawing up of inventories and management of the hardware and connections, the reading and control of consumption as also the issuing of the invoices.

During last year Amaris also made the necessary electronic preparations regarding the Port Authority's intranet, due to be operational in the course of 2001. Additionally Amaris also developed various interesting and user-friendly tools such as BRIO (correspondence follow-up) and BPRS (dredging production registration system). 'Water-balance', the automatic data processing regarding the water 'housekeeping' of the docks was also created.

Since last year the Gis-cell (geographic information system) disposes of the latest software available; ArcInfo.





## *INSTITUTIONAL ENVIRONMENT*

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### **The Antwerp Port Authority and the City**

Legislation regarding the Autonomous Municipal organisations automatically foresees a lasting link between the autonomous organisations and the local authorities. Amongst other this manifests itself in the compilation of the Board of Directors, where the majority of the mandates are assigned to members of the local Council. Additionally each political group, sitting on the local Council is represented on the Board of Directors of the Port Authority.

It was also decided to continue organising public council commissions for the port. Considering the major social importance it was thought opportune to openly exchange opinions regarding the pursued port policy. The general economic situation of the port, the social climate, the future projects regarding the infrastructure and border overrunning issues are brought up on a three-monthly basis. The Council commission is comprised of 25 councilors; Mrs. Ivonne Julliams, Messrs. Roger Wouters, Marcel Bartholomeeusen, Mrs. Antoinette Pecher, Messrs. Luc Bungeneers, Laurent Daems, Johan Van Brusselen, Mrs. Hilde De Lobel, Messrs. Robert Hulstaert, Marc Van Peel, Corneel Masson, Edward Beysen, Philip Dewinter, Emile Verrijken, Mrs. Nahima Lanjri, Mr. Louis Wyns, Mrs. Nadine Peeters, Messrs. Hugo Verhelst, Jan Penris, Boudewijn Muts, Jozef Thijs and Maurice Van Tongerlo, Jan Claes and Emiel Hermans. In 2000 the Council commission was chaired by Alfons Geeraerts.

Leo Delwaide, Alderman of the Port is judicially a member.

On 1<sup>st</sup> December 1999 an agreement was concluded between the City and the Port which amended the existing policy agreement dated 29th June 1998 regarding the financial relations between the City and the Port. The agreement foresees the allocation of the former dividend. Namely, the Port Authority commits itself to the execution of a series of infrastructure works on the "Eilandje", planned between 2000 and 2005 for an annual amount of 83,5 million BEF.



### **The Port Authority and the Antwerp Port Community**

The Consultative Council's aims and objects are to consider and safeguard the interests of the entire Antwerp port community. The council is composed of representatives from the Municipal Port Authority and the City of Antwerp as also representatives from the employers and employees organisations, the various transport modes and the Company for the Management of Land and Industrialisation of the Left Bank.

The Council has an advisory function regarding the general port policy wishing to offer a forum for all port related matters and future challenges. The consultation adds to the assurance for an excellent understanding between all parties concerned as also a healthy social climate.

### **The Antwerp Port Authority and the Flemish Region**

During the last year various preparatory discussions were held concerning the Port Decree's implementation resolutions.

Striking were the preparatory consultation meetings prior to the official talks between Flanders and The Netherlands in connection with the deepening of the river Scheldt.

Additionally and at regular intervals, a technical consultation meeting is held between the Administration Hydraulics and Maritime Services of the Flemish Region and the Municipal Port Authority to jointly supervise various projects.

### **The Antwerp Port Authority and the other Flemish ports**

Apart from the bilateral meetings, most of the contacts with the other Flemish ports in 2000 were held at the Flemish Port Commission and its study groups. The Flemish Port Commission is the pre-eminent meeting platform for the four Flemish ports. The Flemish Port Commission is responsible for amongst others the co-ordination of the management of the four ports and strives to re-enforce the collaboration between the ports.





## Green port

In the Flemish Governments' decision taken on 20th January 1998 regarding the construction of the Deurganck dock, the initiative was also made to set up a study group assigned to draw up a strategic plan for the further development of the Scheldt Left Bank area as also the Waasland harbour. Several years after the coming about of the "Flanders Environmental Master Plan", this meant that all interested regional and local administrations were required to draw up a new long term planning regarding the Scheldt Left Bank area, with a time horizon up to 2030. The study group called on the expertise of a broad range of institutions and research institutes. The principles for this plan were laid down on 29th April 1999 in a document undersigned by the most important interested parties; the Antwerp Municipal Port Authority, the Company for the Management of Land and Industrialisation of the Left Bank and the Beveren local authority. In this "Strategic Plan for the Left Bank", approved by the Flemish Government on 25th May 1999, a new delicate equilibrium was elaborated between the area's various functions: the economic mission, the quality of life in the villages, farming and nature.

The document defines the definitive borders of the seaport area with rigid external borders within which a noise buffer is constructed. The quality of life within the villages situated outside the seaport area is guaranteed through distance buffers, noise buffers and environmental zoning. Around the port area a large nature belt will be planted. Additionally various measures taken during the phase planning regarding the cutting off of the nature reserve, as also mobility, silt processing and development of the environmental infrastructure will improve the quality of the area.

With the implementation of the "Strategic Plan for the Left Bank", and in full accordance with the principle of lasting development, the Port Management carried out substantial research in the field of buffering, silt processing, environmental infrastructure within the port area and management of nature reserves outside the port area. During the year 2000 a number of these projects were realised.

### ***COLLABORATION WITH THE VZW NATUURRESERVATEN (NATURE RESERVES)***

#### **Taking stock of the environmental infrastructure**

One of the Port Authority's important objectives is the creation of an 'ecological infrastructure' within the boundaries of the port area. In the "Flanders Environmental Master Plan", – regarding the port areas – a distinction is made between on the one hand 'ecological infrastructure' and 'structured nature' on the other.

The port development is limited both in space and time regarding the intimation of structural and structured elements of nature.



Stefan Versweyveld, Willy Ibens (vzw Natuurreservaten Antwerpen Noord), Leo Baron Delwaide and Eddy Bruyninckx signed an agreement.



The “Flanders Environmental Master Plan” signed on 23<sup>rd</sup> September 1997, foresees that the environmental surface area infrastructure which is not of use for seaport activities, should amount to 5% of the seaport's surface area.

With this in mind the Municipal Port Authority concluded a co-operation agreement at the end of 2000 with the ‘vzw Nature Reserves’. In the co-operation agreement it was agreed on that the ‘vzw’ on assignment from the Port Authority would make a thorough inventory of the existing environmental infrastructure within the port area, both on the left and right banks. The ‘vzw’ will also analyse where the best opportunities exist to further develop the ecological infrastructure, going out from the viewpoint that the development and preservation of this infrastructure must remain in harmony with the port developments requirements. This stock taking should result in a ‘green desirability card’ which would serve as a template for the development of an environmental infrastructure network. The Port of Antwerp is fully determined to create this network and

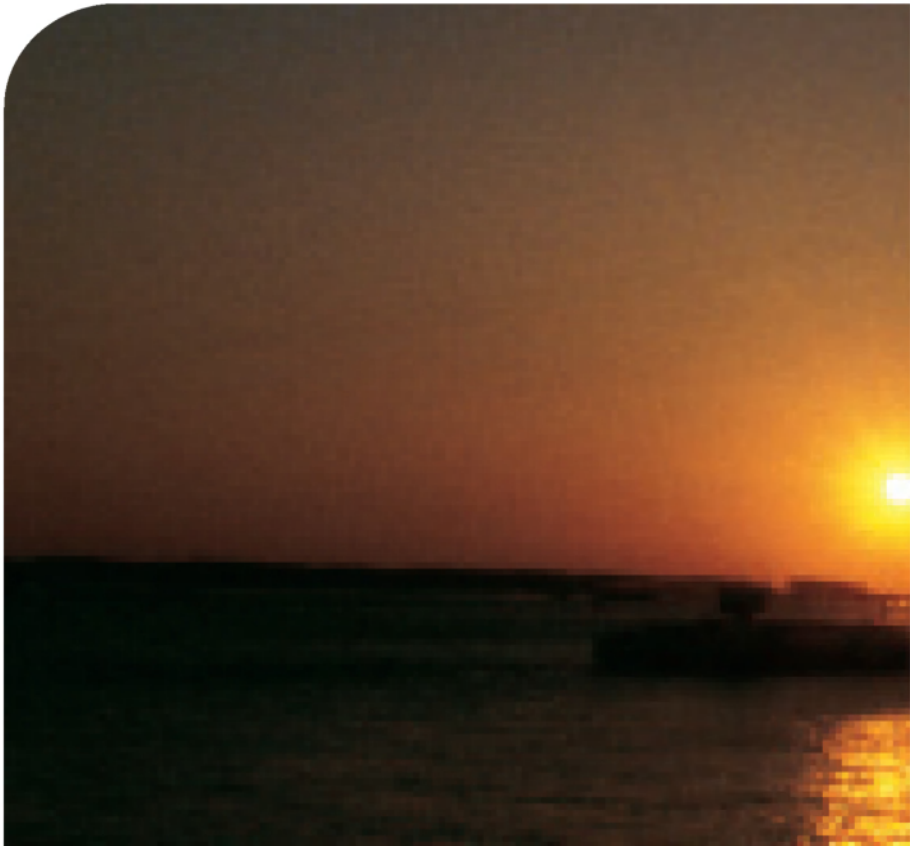
attain the 5% norm as laid down in the “Flanders Environmental Master Plan”.

### **De Grote Kreek**

Attention is also being drawn to the strengthening of the natural structure surrounding the port area, which constitutes a principle of the Strategic Plan Left Bank.

As such the Port Authority have concluded a management agreement with the ‘vzw Nature Reserves’ for the management of the nature reserve “Grote Kreek”. This non-profit-organisation has been given the management of this area for a renewable period of 7 years.





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#### **INITIATIVES IN COLLABORATION WITH THE FLEMISH REGION**

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##### **Noise buffer around the Waasland harbour**

A major potential candidate to be incorporated in the environmental infrastructure on the Left bank area is the noise buffer. Under the impetus of the Port Authority an agreement was reached in September 2000 with the authorities concerned regarding the implant of this noise buffer in the south-western part of the Waasland harbour at the height of Verrebroek. On instructions of the Flemish region a landscape study was started regarding the actual implementation of this noise buffer. As a priority attention will be given to the fact that the pure environmental area of this buffer will act as a nature counterbalancing element for the loss of nature values as a direct result of the port development. Upon request of the Port Authority the 'vzw Study Group Nature Reserves Left Bank Waasland' were called upon to follow this major project closely.





### **Ecohydrological study of the “De Putten” site**

With the regional plan amendment dated 8th September 2000 a portion of the “De Putten” site will be destined as seaport area, and temporarily as a 'valley area'. With this the Flemish authorities wish to emphasise the quality and character of this area, not omitting the fact that in principle this area remains available for further port developments.

### **Southern Green Belt**

Under the impetus of the Port Authority a study was started on the Left Bank with as objective the drawing up of a plan for the area to the West of the R2 and North of the N49, which through the recent regional plan amendment of 8th September 2000 had been declared a green area, named the “Southern Green Belt”.

Considering that this zone is a breeding area for birds, this area has to be taken as a sub division of the overall compensation plan regarding the loss of nature within the port area of the Left Bank.



### Recycling of dredged spoil

During 2000 the Port Authority started a trial project for the recycling of dredged spoil. To the North of the Magershoek residential area, near the Zandvliet lock, spoil dredged from a nearby discharge quay was used for the construction of a landscape dike. In collaboration with the 'Forestry Laboratories of Gent University' as also the 'Institute for Nature Conservation' a study was carried out to find the most appropriate vegetation for this particular subsoil. Measures have also been taken to avoid the spreading of any eventual environmental pollution from the silt. As such the risks for the environment are fully eliminated. Eventual possibilities are also continually being analysed to buffer the port through means of a mound or dike. Simultaneously a study is being carried out how the buffer, through growth development, could be integrated into the landscape. The useful application of the dredging material cement could then be linked to the development of the environmental infrastructure.

The breeding season of the (migratory) birds has been taken into account regarding the dredging at the discharge quay. In the Spring of 2000, infrastructure work in progress in a demarcated zone was stopped due to the presence of a colony of black-headed gulls. Work was only resumed at the end of August, after the breeding season had finished. In addition nature lovers were able to ring the birds.

During 2001, the dikes in various parts of the port area will be adapted to offer this species of bird an appropriate nest.

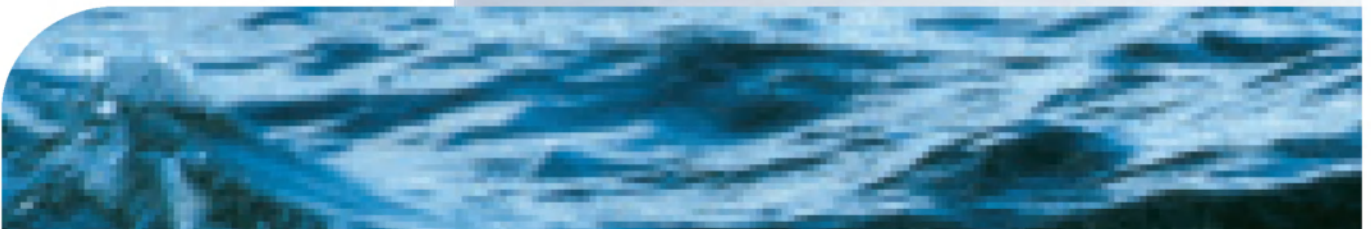
### Mechanical silt treatment

In the meantime the mechanical silt treatment trial project was completed successfully. This type of silt treatment consists of accelerating the drainage of maintenance dredged mortar whereby the volume of silt is limited resulting in a reduction of risks for the environment. This project lends itself also to various other areas, leading to a definite long-lasting development.

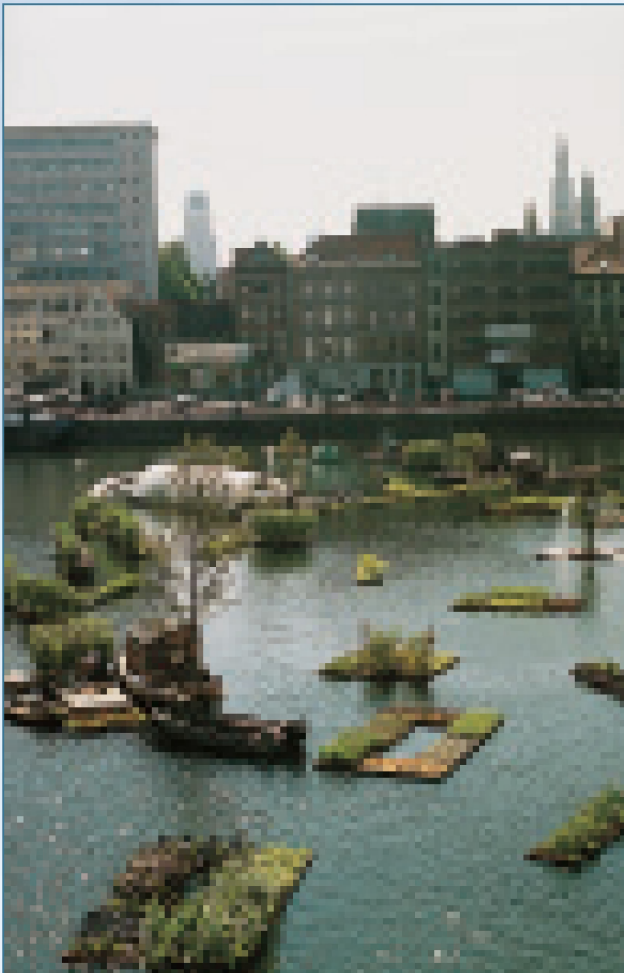
### Economical use of space

The plotting of concessions occurs more and more frequently with a critical eye. Space is scarce and needs to be used to an optimal degree. The type of activity, the solvency, the degree of utilisation and future prospects are decisive criteria for the allocation of ground.

On the Right bank more than 16 million m<sup>2</sup> of ground, 22.686 m<sup>2</sup> of warehousing and more than 8 million m<sup>2</sup> of quays and shelters have been provided on a concessionaire basis. On the Left bank 573.214 m<sup>2</sup> of ground and more than 4 million m<sup>2</sup> of quays and shelters have been given in concession.







'Floating gardens' at the Bonaparte dock.

## EILANDJE

The "Eilandje" is characterised by its past port activities. Due to the relocation of the port related activities to a more Northern area, this site in certain parts gives the impression of a desolate and degenerated area.

The target objective of the City of Antwerp and the Municipal Port Authority is to restyle this transitional area between the City and the port into a trendy neighbourhood, located in amongst the docks, classified buildings and warehouses.

The "Eilandje" has in fact been partitioned into various districts such as the Montevideo district, Old Docks, Cadix

district and Dry Docks island. Here and there various projects have been put forward. A few of these have already been completed or are in the process of being carried out. Initiatives of a private nature have also been started.

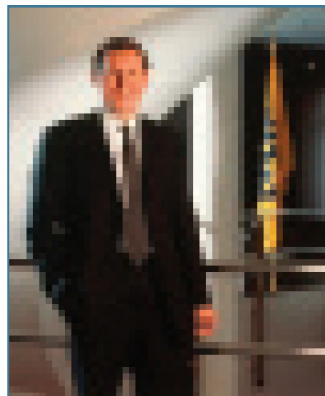
The authorities are also investing substantial amounts in the site's public domain. Amongst others the demolition of the Kattendijk bridge and the integration of a yacht lock are planned. Every year both the City and port through their investments support the infrastructure works. Overall management is in the hands of the Municipal Port Authority. The daily co-ordination and follow-up of this refurbishing project is carried out by Buro 5 led by Mr. Daniels, City architect.

In the last year the rebuilding of the Napoleon quay was completed. The building of a heavy goods vehicle park at the Kempisch and Asia dock ensured that trucks were removed from the residential and office street areas having been allocated their own space. The yacht marina in the Willem dock was also completed in 2000 and the first clients sailed in during the month of May.

The classified building, the Pump House, located at Dry Dock 7 was given in concession and will house a catering business.

The rebuilding of the Godefridus quay and the construction of an underground car park were granted to the building company nv Antwerpse Bouwwerken.

The sale of the "Montevideo" hangars, the "Red Star Line" warehouses, the former recruitment premises, also known as the "Shop" and a portion of the West Quay of the



Kattendijk dock are the next sub-projects to be realised.

The continued development of the "Eilandje" is going ahead in close consultation with the various departments of the Flemish Minister for Environmental Planning, Economy and Media, Dirk Van Mechelen.





## Antwerp Mobility Master Plan

On 15<sup>th</sup> December 2000, the Flemish government gave its approval in connection with the Master plan which regulates the mobility in Antwerp. The plan foresees that the problems of mobility in Antwerp would be resolved in the future. The plan has a ten year time span and has a particularly important impact on the port of Antwerp. The total costs of the projects are estimated at 60 billion BEF (circa 1,5 billion EUR). According to the authorities the plan has been formulated to find a balance between economic and environmental objectives, between road safety and a smooth, unhindered through flow of traffic.

The closure of the small Ring via the Oosterweel connection (fourth Scheldt bank connection) will receive top priority and has therefore been included in the Master plan.

The Oosterweel connection is a ring road with a tunnel under the Scheldt, allowing the major motorways to be linked to each other and as such offering an alternative to the Kennedy tunnel.

The road traffic accessibility of the port for both the delivery and collection of goods would be greatly enhanced by this. The major portion of the investment budget is taken up by this road connection project, namely 24 billion BEF.

In addition the plan foresees – regarding road transport – the under tunnelling of the cross roads on the Singel, the redesign of the regional roads, investments in a bicycle infrastructure and the extension and modernising of a suburban tram network.

No specific budget has been foreseen in the normal budget to bring out these projects. As a result a system of alternative financing will be essential, with the eventual possibility of implementing a toll system on the Antwerp Ring. A correct analysis on the exact location of such a toll system will be carried out at a later date. The attention has also been drawn to the necessity to investigate a public private collaboration. To this end the Antwerp Mobility Infrastructure works (MIA) organisation was founded, a daughter company of the Flemish Holding Company. Considering that MIA will be mainly involved in the financing of the projects a separate management company was set-up, the Antwerp Mobile Management company (BAM). BAM will handle the support and management of the projects.

### Inland Navigation

The previously-mentioned Masterplan, approved on 15<sup>th</sup> December 2000 also pursues various crucial projects which will be advantageous to the waterways and especially the inland navigation. Renovation works to the Royers and Van Cauwelaert locks as also the modernising of the Albert canal between Wijnegem and the Straatsburg dock are included in the Masterplan.



During a meeting in the Harbour House, the Prime Minister Guy Verhofstadt addresses the management of the largest companies, situated in the port area.

The renovations of the Royers and Van Cauwelaert locks (4,2 billion BEF) and the necessary improvements to the Albert canal (4,9 billion BEF) are budgeted at in excess of 9 billion BEF.

### Deepening of the Scheldt

With its deep inland location Antwerp is fully dependent on the navigability of the Scheldt for goods traffic. Due also to Antwerp's inland location the traffic can take advantage of a longer and cheaper sea journey and have less call on other modes of transport (especially road) for transport to the hinterland. This also implies a considerable reduction of external environmental costs in comparison with, for example, coastal ports. Maritime accessibility of the port is extremely important for Antwerp's future development: Antwerp can only retain its reputation as a world port if sufficient larger ships can be accommodated.

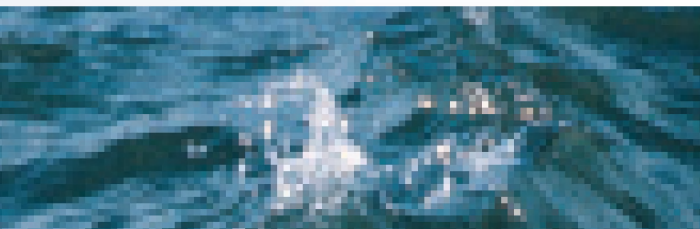
The Scheldt was deepened in a first phase with 'the Water Treaty' dated 17th January 1995. The so-called 38'/43'/48' programme ensured that the navigability of the Scheldt to Antwerp was substantially extended increasing the draft to 11,6 meters. This allows container ships of 5.500 TEU and more to call at Antwerp. A deep-lying ship can only reach the port in one sailing at high tide (short tide scope). Consequently an additional deepening of the Scheldt is absolutely essential to allow the new generation of container

ships to reach or leave the port of Antwerp without incurring any waiting time.

In the "Treaty regarding the widening of the waterway of the Scheldt" an additional deepening phase is foreseen, the so-called 50'/40' deepening. Two years ago the Technical Scheldt Commission gave The Netherlands Administration for the Department of Waterways as also the Administration of Hydraulics and Maritime Services the assignment to carry out a study of the entire Scheldt estuary, and this for a 30 year period, taking into account safety, environment and accessibility as starting point. This study, the so-called Long Term vision was completed at the beginning of 2001 and contains an overview of various possibilities regarding deepening, where the economical, ecological, the nautical morphology and safety aspects are taken into account. In a memorandum which the Flemish Minister Stevaert and his Dutch counterpart Netelenbos signed at the beginning of 2001, they emphasise the wish to work out an integral waterway management of the "Westerschelde". With this in mind a punctual planning is being set-up regarding the decision procedures surrounding the deepening issue. Flanders made its quasi unanimous standpoint known addressing an official question to The Netherlands in order to obtain on a short term a non-tidal draught of 12,80 m. The Netherlands will make its viewpoint known on 1<sup>st</sup> December 2001. This will then provide clarity concerning the scenario and ensuing planning to be followed.



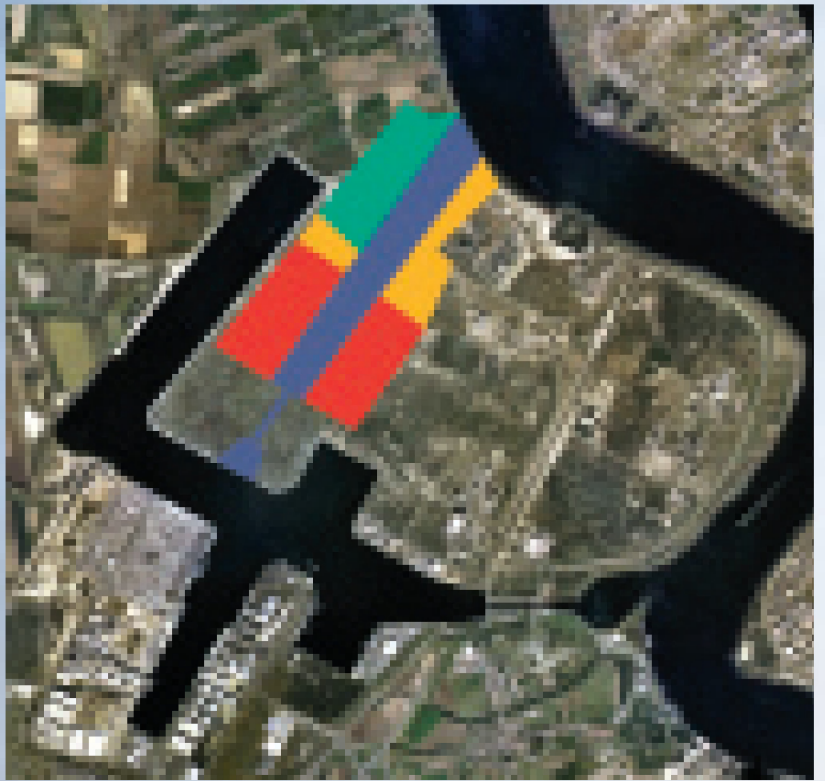
At the beginning of 2001 the Flemish Minister for Mobility, Steve Stevaert and his Dutch counterpart Netelenbos came to agreements regarding the further decision making procedures for the deepening issue.



■ phase 1

■ phase 2

■ phase 3



## Deurganck dock

To meet the exponential growth of container traffic, a new container handling capacity has been foreseen on the Left bank, namely the Deurganck dock. The two main advantages offered lie in the accessibility and the capacity.

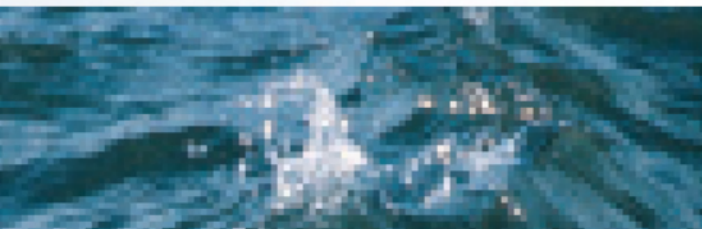
The dock was constructed in three different phases. The first phase has a surface area of 74 ha and is scheduled for the year 2002. This phase is located on the West side and retains a quay length of 1.250 meters. Phase 2 totals 70 ha and is sub-divided into 19 ha on the West side (quay length of 400 meters) of the dock and 51 ha on the East side (quay length of 1.350 meters). This phase should be available by the year 2003. The size of phase 3 amounts to 111 ha, of which 53 ha is situated on the West side and 58 ha on the East side of this tidal dock (both with a quay length of approximately 1.100 meters) and will be operational by the year 2005. At the beginning of June 2000 following a request from the Flemish Minister for Environmental Planning, Economy and Media, Dirk Van Mechelen, the Antwerp Port Authority issued instructions to cease all construction work to the Deurganck dock, as a direct result of the suspension of the regional plan amendment and therefore the construction permit by the State Council on 31<sup>st</sup> May 2000. Works were resumed on 13th June 2000 after Minister Van Mechelen had issued a new construction permit based on the second temporary regional plan amendment.

On the 7th March 2001, the State Council suspends the second construction permit. Two days later instructions are issued once again to cease the works. Only essential safety work is carried out to prevent any eventual harm to the inhabitants of Doel and the built-up and undeveloped neighbouring areas. These procedures can have repercussions for the above-mentioned data.

The Municipal Port Authority has taken decisions regarding the allocation of concessions at this tidal dock. The first concession was granted to the joint-venture Hessianatie/Mediterranean Shipping Company.

The second phase consists out of an extension of this terminal, as also a terminal on the Eastern side of the dock. The Western part of the second phase is reserved for an extension of the Hessianatie/MSK terminal. Hessianatie will handle the consolidated traffic from the Canadian Pacific Ships on the Eastern side. The third phase is comprised out of two parts. The portion on the West side is reserved for the merge venture Hesse-Noord Natie, presently in formation. The area along the East side of the dock is granted to the P&O Ports/P&O Nedlloyd/Duisport consortium. With this decision the Antwerp Port Authority wished to ensure that a high degree of competition in the container handling sector is maintained, imperative to retain the port's attractiveness not only for its existing clients but also potential new clients.

Exceptionally high productivity ratios are expected from this dock. Especially along the West side of the dock are expected, as a result of high technology handling techniques (automatic transtrainers), productivity ratios well in excess of the European averages, which could be a benchmark for future terminals. With a full complement of the terminal it is estimated that the first phase of the tidal dock will generate approximately 2 million TEU, the second phase another 1,3 million TEU and the final phase in 2005 2,3 million TEU. This would bring the total handled TEU number to approximately 5,6 million TEU at this dock.



## The Iron Rhine

In existence since the 19th Century, the Iron Rhine is the direct rail link between the Port of Antwerp and the German Ruhr area. With a total distance of 162 km, the Iron Rhine runs through three countries: 96 km through Belgium, 48 km through The Netherlands and 18 km through Germany. Up until the early 90's, the rail line was only modestly used over its entire length. Since then only relatively short sections are out of use. In general the existing line is in perfect condition and in a short period of time could be reusable once again. The main advantage of this existing historic route lies in the fact that it is substantially shorter than the alternative routes via Montzen (217 km) and Eindhoven (206 km) and the linear profile is far flatter.

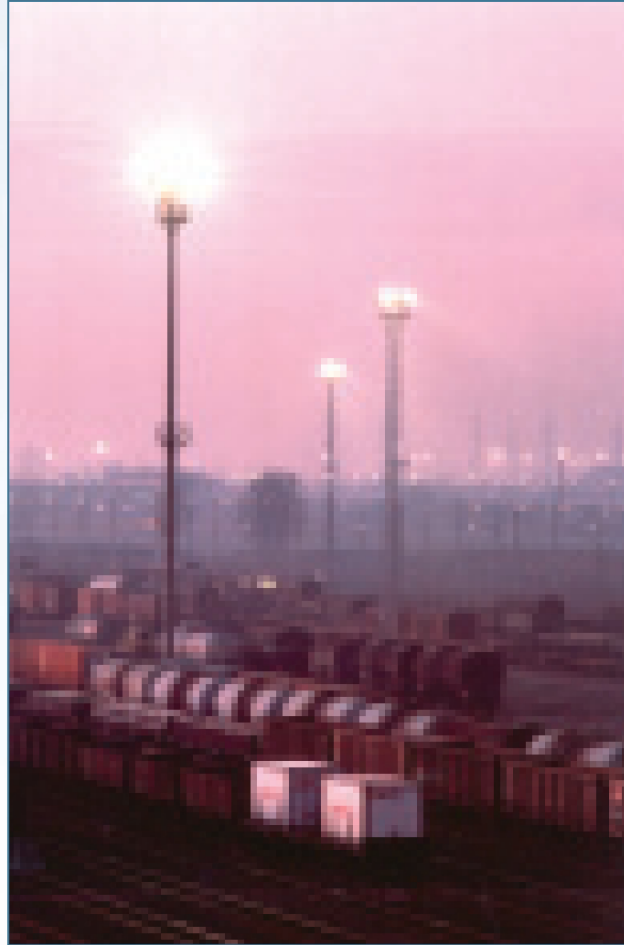
As a result of the interest shown by the business community to incorporate the Iron Rhine for transport to the hinterland, it could be assumed that a reactivation of this rail line might play an important role in solving the mobility problems. Additionally the line is of strategic importance to both the port of Antwerp and the Ruhr area, as not only could the cost price of transport and environment be reduced but the connection quality to the hinterland improved. Previously the port of Duisburg, P&O Ports and the Municipal Port Authority had subscribed to a 'memorandum of understanding' in which all parties resolutely support optimising the transport of freight through means of an environmentally friendly mode of transport between the regions. The development of an intermodal terminal in the Rhine-Ruhr port requiring a direct link with the Port of Antwerp, is at the source of this letter of intent.

In March 2000 a decision was taken by the Prime Minister Guy Verhofstadt, the Federal Minister for Mobility and Transport, Isabelle Durant and the Dutch Government to temporarily reactivate the Iron Rhine on the historical route. It allows for a maximum of 15 trains per day once the necessary infrastructure improvements to the cross sleepers and rails have been completed. This temporary measure will be implemented until such times that a consensus is reached regarding the most advantageous route to be taken in the future. Results of a MER relating to the consequences of rail traffic on the 'De Meinweg' nature reserve near Roermond are also eagerly awaited. This environmental research will be finalised in the spring of 2001 which hopefully should result in the Iron Rhine being operational by 2002.

## Second rail opening and rail tunnel for the Port of Antwerp

Approximately 20% of the port of Antwerp's entire traffic is transported by rail to the hinterland. It is also expected that this share will increase in the future. At this present moment all rail transport of goods, representing 300 trains per day, pass through one central rail link between the port and the hinterland. As a result of the ever increasing container traffic in the Port of Antwerp, the capacity of this line will on a short term become saturated. On the other hand, safety and accessibility must be safeguarded. Therefore the Flemish Government decided on 23<sup>rd</sup> June 2000 to approve the construction of a second rail opening for the port. The decision also details the route via the formation station North in the Port of Antwerp, Ekeren, Schoten, Wijnegem, Wommelgem, Ranst and Lier. The line also ensures a link between the Port of Antwerp and Montzen-Aken via Herentals. The construction of the goods line was linked to a number of structural terms and conditions, more specifically the decision to construct the entire length of the line underground. Only at the beginning and the end as also the areas where it is technically impossible, is an aboveground location permitted. Additionally various environment technical requirements are included such as the protection of the Muizenbos. The choice of the underground solution resulted in a cost price of 29,5 billion BEF (730 million EUR) for the project. The actual rail opening is planned to be put into use in 2010.

Apart from the second rail entry to the port, another important rail project is receiving a high priority. With the expected development of the port's Left bank a second rail tunnel is an absolute necessity to handle the flow of goods generated both safely and swiftly to the hinterland by rail. This twin track Liefkenshoek rail tunnel is inextricably linked to the second rail opening. The cost price is estimated at between 20 and 25 billion BEF (495-620 million EUR).



The NMBS's long range investment plan foresees the second rail link, the Liefkenshoek rail tunnel, the Iron Rhine, line 11 and various essential infrastructure works on both the left and right banks. Should these investments be carried out on a timely basis, the rail share in the existing modal split would be substantially increased, if not doubled. With the implementation of the long range investment plan it will be examined whether, and in which measures, certain projects qualify for alternative financing.







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## 1. Preamble

The Antwerp Port Authority's financial position for the year 2000 was predominantly influenced by three factors. The record achieved in the traffic of goods is reflected in the increase of revenue. On the other hand the obligations regarding pensions, which the Port Authority took over from the City of Antwerp when it was converted in an Autonomous Municipal Port Authority, remain a heavy burden on the profitability. Additionally, problems encountered with the Deurganck dock and the ensuing financial risks influence negatively the result for the financial year 2000. Hereunder in succession the following are commented on: the Profit and Loss account, the Balance sheet, the cash-flow overview and relationship with the City and workers.

## 2. Profit and Loss account

The Port Authority's summarised Profit and Loss account is as specified under:

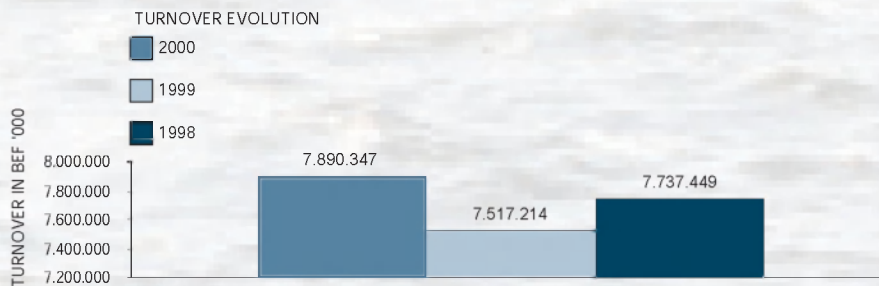
(in BEF'000)	Financial year	Financial year	Financial year
	2000	1999	1998
Operating revenues	8.707.839	8.338.274	8.483.745
Operating costs	(8.961.658)	(8.589.484)	(8.872.517)
Operating loss	(253.819)	(251.210)	(388.772)
Financial revenues	585.968	555.188	768.522
Financial costs	(228.171)	(158.095)	(186.204)
Profit for the exercise	103.978	145.883	193.546
Exceptional revenues	52.298	78.441	9.438
Exceptional costs	(62.033)	(60.684)	(30.982)
Profit before taxes	94.243	163.640	172.002
Taxes	(1.465)	1.349	(1.921)
<b>Profit for the financial year</b>	<b>92.778</b>	<b>164.989</b>	<b>170.081</b>

Overall the result remains stable and also negative. The latter especially due to the capital subsidies, representing a substantial intervention regarding past investments, that in accordance with the accounting legislation, were allocated under other financial revenues (BEF 533 million in 2000, BEF 540 million in 1999 and BEF 723 million in 1998) whilst the depreciations are booked under operating costs. The result for the financial year not only fell as a result of high costs for provisions (BEF 571 million) but also because from the financial year 2000 on, the engagement has been entered into with the Insurance Control Service (CDV in Flemish) with a view to achieving acceptable pension

reserves to allocate the profits over and above the sum of BEF 92.777.778 (namely a reference dividend of BEF 83,5 million increased with the required statutory 10% reserves from the profits of the financial year) to the Port Authority's Pension Fund. In order to meet this agreement, under the operating costs heading an additional pension obligation amounting to BEF 39,9 million has been booked relating to the financial year 2000. This is an especially modest contribution considering the fact that to meet the minimum financing requirements, according to the CDV norms, the contribution should have amounted to BEF 629 million.

## 2.1 Operating Revenues

Revenue consists for 90% of turnover. The evolution is detailed hereunder:



The major components of the **TURNOVER** are shipping, inland navigation and towage dues (approximately 50% of the turnover), concessions and harbour dues (approximately 35% of the turnover), electricity (approximately 12% of the turnover) and quay and floating cranes (2% to 3% of the turnover). Overall the turnover increased by BEF 373,1 million. This increase is spread in general over the different categories.

Tariff measures for the shipping dues, oriented toward offering faithful clients a rebate and wishing to promote the handling of labour-intensive general cargo were more than offset by the increase in volume of goods transshipments. For the inland navigation dues a tariff reduction was implemented seeing the cost price for the distribution of drinking water had dropped. The towage dues also experienced the favourable influence of increased activity, even though commercial rebates were applied here with a view to competitiveness.

The availability of more land on the Left-Bank resulted in an increase of revenue from concessions. The slight increase in tariffs also played a small part.

The electricity supply also experienced a good year due to the increase of activity, resulting in higher kWh units being sold.

The quay and floating cranes jointly experienced a slight increase of their turnover, more specifically the floating cranes as a result of the increase of goods transshipments.

The **FIXED ASSETS GENERATED** remained almost unaltered, being composed of own activities related to the electricity organisation.

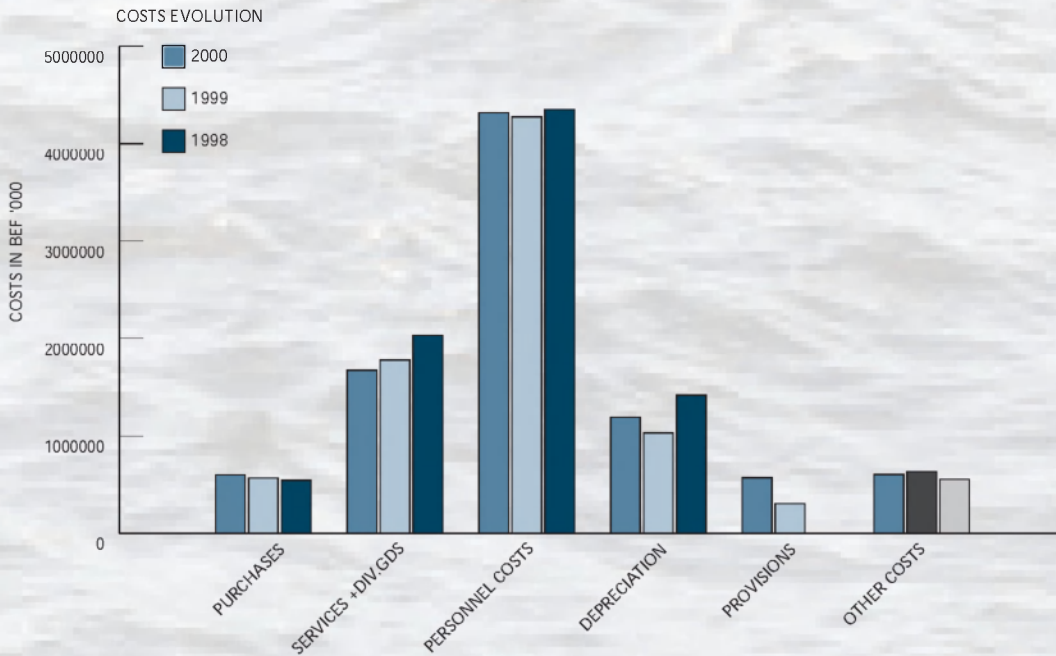
The **OTHER REVENUES** remain stable for the period 1999-2000 at approximately BEF 725 million. They are comprised mainly of:

- the attribution of the Port Authority's pre-paid real estate withholding tax to the concessionaires: BEF 357,6 million;
- levy on water supply: BEF 196 million;
- reclaim for damages sustained to port installations: BEF 72 million.

## 2.2 Operating costs

The heading PURCHASES OF COMMODITIES AND RAW MATERIALS, apart from smaller amounts for fuel, is mainly composed of electricity which is distributed in the port area by the electricity supply department.

The heading SERVICES AND DIVERSE GOODS, apart from the operational working costs, is also composed of the costs incurred in the supply of personnel by the City for an amount of BEF 658,5 million (BEF 776 million in 1999 and BEF 1.039 million in 1998). Without these costs, which are in nature personnel costs, an amount of BEF 1.017 million operational costs remain, which is comparable to 1999 (BEF 1.003 million) and 1998 (BEF 993 million). This proves that the operational costs are strictly under control with an increase ratio lower than the inflation percentage.



The PERSONNEL COSTS, including the charges for the supply of personnel, amount to BEF 4.977 million. For the year 1999 this comparable cost amounted to BEF 5.051 million and in 1998 BEF 5.389 million. This real drop is connected to the re-organisation implemented, mainly in the towage services and at the locks. For the financial year 2000 BEF 2.078 million was paid out for pensions or more than 26% of the turnover (BEF 2.063 million in 1999 and in 1998 BEF 1.982 million).

At the time of the foundation it was laid down in the articles of association that the Antwerp Port Authority took over the pension expenses from the City, not only those of their own port personnel, but also of all pensioned persons who at the end of their careers had been employed in one or other of the port services. For these pension liabilities, which according to an actuarial calculation amounted to 30,2 billion BEF at the time of foundation in 1996, the City did not transfer any reserves to the Antwerp Port Authority. For this reason the Port Authority are now paying out pensions and transferring the contributions into a specially constituted pension fund for port personnel which is subject to the rules and supervision of the CDV. To obtain CDV recognition the pension fund has to meet minimum financing requisites. The immediate compliance with these requisites is beyond the Port Authority's financial strength. Hence, and as from the financial year 2000, the agreement with the CDV for a partial exemption is linked to the condition that the revenues from real estate and profits over and above the reference dividend and the required statutory 10% reserves from the profits must be carried over to the pension fund. In this way the employer's contribution already paid amounting to BEF 2.038 million will be sup-

plemented with BEF 39,9 million. As mentioned earlier this represents a modest contribution and in the coming years this will necessitate a catching-up manoeuvre. In order to comply with the minimum financing requisite's schedule, BEF 629 million should have been paid in 2000, followed by topping-up payments of BEF 426 million in 2001, BEF 404 million in 2002, BEF 388 million in 2003 as also additional payments during the following years.

The DEPRECIATIONS are in line with the growth of the fixed assets.

Under PROVISIONS there is net a reduction for the provisions regarding major maintenance, repairs and environmental risks. For pending litigations (main file being the Deurganck dock) and the redundancy settlement for lock personnel, additional provisions have been made. Financial risks in connection with the Deurganck dock are foreseen and have entirely nullified the financial year 2000's positive result evolution. Additional details on this matter are to be found on pages 18 and 25 of the annual accounts. The Board of Directors wishes to emphasise that it will take the necessary measures to recover the damages incurred by the Port Authority from third parties who carry responsibilities for this file. From the annual account perspective these recovery possibilities cannot as yet be considered as definite revenues, and by way of precaution these may therefore not be included in the annual account 2000. Should the claims related to the Deurganck dock eventually be recovered, these would then, in application of the agreement with the CDV, be used for the financing of the Pension fund.

The OTHER OPERATING COSTS contain, as in the previous financial year, the costs regarding paid real estate withholding tax, water tax and damages to third parties.

### 2.3 Other costs and revenues

From 1997 up to and including 1999 no additional outside financial means were attracted. For the entire financing, including investments, own means sufficed. Influenced by the higher pace of investments and as a result of the limitation of auto financing due to the pension file, a loan amounting to BEF 2,5 billion was taken in the financial year 2000. On the one hand this results in an increase of the financial expenditure. The presently unused portion of the loan is invested resulting in a slight increase of the financial revenues. Additionally, a dividend amounting to BEF 14 million from the Company for the Management of Land and Industrialisation of the Left Bank of the River Scheldt was accounted for.

The capital subsidies amounting to BEF 533 million are allocated under other financial revenues.

The exceptional result is closely linked to the fixed assets. Obsolescence gave rise to costs, whereas adjustments to capital subsidies to income.

The tax costs incorporate the paid withholding tax on movables, arising from the implementation of the corporate tax to which the Port Authority is subjected.

## 3. Balance sheet

The summarised balance sheet is detailed hereunder:

(in BEF'000)	31/12/00	31/12/99		31/12/00	31/12/99
<b>Assets</b>			<b>Liabilities</b>		
III. Fixed assets	30.190.295	28.127.257	I. Capital	12.388.774	12.388.774
IV. Fixed financial assets	25.688	25.688	III. Revaluation surplus	769.599	647.899
V. Receivables > 1 year	437	761	IV. Reserves	367.975	304.526
VI. Stocks	116.116	126.143	VI. Capital subsidies	9.470.011	8.688.166
VII. Receivables < 1 year	1.677.231	1.895.731	VII. Provisions	3.424.068	2.853.169
VIII. Investments	1.229.925	128.000	VIII. Debts > 1 year	4.765.552	2.560.664
IX. Cash & banks	976.058	677.946	IX. Debts < 1 year	1.994.582	2.808.115
X. Deferred charges / Accrued income	9.106	10.290	X. Accrued charges / Deferred income	1.044.295	740.503
<b>Total</b>	<b>34.224.856</b>	<b>30.991.816</b>		<b>34.224.856</b>	<b>30.991.816</b>

### 3.1 The financial structure

During three years the Port Authority had no need to call upon outside means. Through a combination of the social liabilities and the rapid investment rhythm, the degree of liquidity ratio fell in 1999. Due to the planned investment programme the necessity arose to call upon additional external financing. To this end a loan amounting to BEF 2,5 billion was taken up in August 2000, also with the foresight of financing the heavy investments regarding the Deurganck dock. With the rescheduling and suspension of the works a substantial amount of the loan remains available and is reflected under the investments and cash and banks headings. At year end this resulted in the Port Authority showing a very healthy liquidity position. At first sight the balance sheet shows a strong solvency ratio, namely 67%. However consideration should be given to the

Port Authority's pension responsibilities, estimated at BEF 28 billion (see page 19 of the annual accounts), which have not been incorporated in the balance sheet. The Port Authority also have plenty of long term assets to finance.



### 3.2 Assets

The value of the fixed assets rose by BEF 2.063 million, influenced by the following movements:

	Millions BEF
- investments	3.172
- depreciation and decrease in value	(1.236)
- revaluations	184
- disposals	(57)

The investments are related mainly to:

	Millions BEF
Verrebroek dock	472,14
Deurganck dock	1.154,84
Renovation 3 <sup>rd</sup> Harbour dock	189,48
Modernising towage fleet	145,78

The financial fixed assets are composed of the Port Authority's share in the Company for the Management of Land and Industrialisation of the Left Bank of the River Scheldt, amounting to 93.750.000 BEF of which one third or 23.437.500 BEF is paid up, and an amount of 2.250.000 BEF capital share in APEC Antwerp Port Consultancy n.v. Additionally the Port Authority retains close ties, without being shareholders, with the following non-profit associations: APEC Antwerp Flanders Port Training Centre, Portival 2002 and the "Pension Fund for retirement and survivors' pensions of the Municipal Port Authority Antwerp's staff and their rightful claimants".

The 7,3% increase in trading receivables is partially due to the increased turnover and the fact that the amount still to be invoiced at the end of 2000 lay higher than that of 1999. The other receivables dropped substantially (-28%), explained by the lower amount of subsidies due. Further there is a notable increase regarding financial investments and the liquidity as a direct result of the previously mentioned loan.

### 3.3 Liabilities

Equity rose mainly as a result of the amount of capital subsidy taken up. In fact, for major infrastructure work such as the Deurganck dock and Verrebroek dock the Port Authority receive capital subsidies.

Regarding the revaluation, the circular from the Ministry of the Flemish Community dated 23.1.1986 to the inter municipal and municipal companies obliges them to re-value their assets based on laid down methods and coefficients. In a circular dated 17.11.2000 the revaluation coefficient was set at 1,018. The amount from the re-valued portion which is written off must be booked under unavailable reserves. Additionally, in accordance with art.38 of the articles of association, 10% of the financial year's profit was allocated to the legal reserves.

The increase for provisions is linked to the additional provisions for litigation and personnel redundancy settlements. We would refer to our comments regarding the profit and loss account as also pages 18 and 25 of the annual accounts where the financial risk with regard the Deurganck dock litigation is clarified.

A long term loan amounting to BEF 2,5 billion has caused the increase of the long-term debts but on the other hand this has also reduced various short term debts, such as financial debts to the finance companies. Debts regarding taxes and remunerations dropped due to various debts which last year were settled after the year end have now been settled before the year end.

The rise of the overspill account liabilities is mainly related to a long-term agreement in which the total amount is receivable in one payment whereas the yield has to be spread over the entire period of the agreement.

## 4. Cash flow summary

<b>Investments and cash and banks 31/12/1999</b>	<b>805.946</b>
(in BEF'000)	
Profit after tax	92.777
Depreciation and provisions	1.794.705
Capital subsidies	(532.855)
Elimination debt costs/dividends/ yield current assets	195.259
Elimination pension costs	2.077.905
Changes in working capital	(214.107)
<b>Cash flow generated from operating activities</b>	<b>3.413.684</b>
Investments	(3.110.971)
Subsidies received	1.314.700
<b>Cash flow allocated to investment activities</b>	<b>(1.796.271)</b>
Costs debts/dividends/ yield current assets	(195.259)
Instalments loans and financial debts finance companies	(444.212)
Pension costs	(2.077.905)
New loan contract	2.500.000
<b>Cash flow allocated to financing activities/pensions</b>	<b>(217.376)</b>
<b>Net cash flow for the financial year</b>	<b>1.400.037</b>
<b>Investments and cash and banks 31/12/2000</b>	<b>2.205.983</b>
(position as at 31/12/1999 increased with the cash flow of the financial year)	

The above table shows that the increase in investments and liquid assets is due to the BEF 2,5 billion loan taken out. The level of investments, even taking into account the subsidies received, and the paid pension costs have clearly

exceeded the cash flow generated from the operational activities in the last year. In addition the net debt costs amounting to BEF 195 million still required settlement.

## 5. Fulfilment of obligations toward the City of Antwerp

With the conversion of the Port Authority to an autonomous public entity the Minister decided the City should not suffer any disadvantages from this operation. Having taken over the social liabilities, an obligation was imposed to transfer annually an amount to the City. In the policy agreement for 2000 the City declared itself in agreement to renounce the settlement of a reference dividend amounting to BEF 83,5 million with the condition that this sum would be diverted to the execution of the long term planning on the Eilandje. As a result of the proposals for redevelopment, the annual accounts take into account the obligation to pay out a dividend of BEF 83,5 million to the City as the Port Authority were not carrying out any work on the Eilandje.

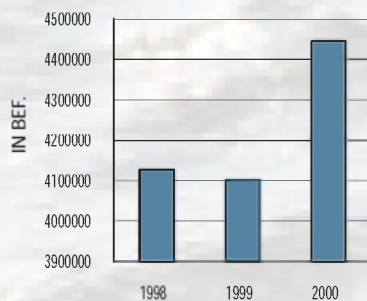
Regarding the social liability obligations undertaken by the Port Authority, the latter have during the last year transferred amounts to the pension fund which on the one hand were directly used for the payment of current pensions and on the other to start building up reserves.

Notwithstanding these heavy obligations positive results are being achieved through the favourable evolution of activities as also the control of the running costs.

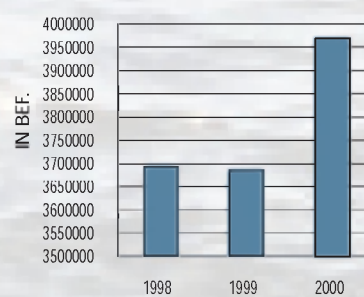
## 6. Fulfilment of obligations toward the personnel

The Port Authority have social obligations toward their personnel. The first assignment to be completed is establishing reserves for the pension fund. This has already been fully detailed. To guarantee future employment in a market which is being liberalised it is essential to remain competitive. Various services have been fully screened and reorganised. The towage services and the locks plateau are two such examples where full consideration for the social aspect was taken into account. The Collective Labour Agreement 2000-2001 regulates the relations and consultations between employers and employees. It also contains conditions regarding Saturday work allowance, luncheon vouchers, hospitalisation insurance, stand-by allowance and participation in public transport costs. Detailed hereunder are the evolution of the ratios for turnover per staff member as also added value per staff member:

TURNOVER PER STAFF MEMBER



ADDED VALUE PER STAFF MEMBER



## 7. Other compulsory statements

Apart from the facts detailed in the annual report there were no additional major occurrences after the balance sheet date. The points regarding research and development as also branch offices are not applicable. No procedures were carried out under application of article 523 of the Companies Code. KPMG, Chartered Accountants & Auditors for the Port Authority, carried out additional services amounting to BEF 2.724.387 in connection with assessments and specific checks. Professional bodies with whom KPMG Chartered Accountants hold close professional ties rendered fiscal advisory services amounting to BEF 174.000 and consulting services amounting to BEF 3.849.120.

The annual report is available in Dutch, French and English at the Antwerp Port Authority, Communication Department.

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