It has been nearly a decade since the Busan Port Authority was restructured to become a public corporation, how much of an impact do you feel this has had on the development of the port?

Since the inauguration of Busan Port Authority (BPA), there have been made significant developments and improvements in Busan Port. At first, in the rapidly evolving environment of ports and logistics industries, BPA has reacted against the fierce competition in an aggressive and speedy manner. BPA has made the utmost efforts to enhance Busan Port’s productivity and efficiency by constructing state-of-the-art new container terminals and modernising port facilities. That’s why the container cargo handling capacity increased by 15 million TEU in 2012 from 6.7 million TEU in 2004. Together with the productivity increase per berth, carriers’ weekly services at Busan Port have been increased from 217 calls in 2004 to 358 in 2012.

BPA has also strengthened its PR and marketing activities to promote the current status of Busan Port and to attract more cargo and logistics companies. By the end of 2012, in the case of tenants at the distripark at Busan New Port, 30 logistics consortiums from home and abroad operate at the facility, creating more than 611,000 TEU cargo and 1,300 of new jobs. With this, BPA has developed Busan Port into the hub port of Northeast Asia, contributing to the local economic development of South Korea as well as strengthening national competitiveness.

Busan Port recorded the highest growth rate of any of the top 10 global container ports in 2011. How did the port fair in 2012?

The global economic downturn in 2012 hindered Busan Port’s growth. Busan Port handled an estimated 17.02 million TEU, up 5.2 percent from the year before. Among the figures, transhipment cargo increased 10.5 percent to 8.13 million TEU, while on the other hand, local cargo showed exceptionally slow growth, with only a 1.1 percent increase from the year before. The growth of transhipment cargo was the driving force behind Busan Port maintaining its position as the world’s fifth busiest container port. This was also helped by BPA’s proactive marketing efforts toward global carriers. BPA has implemented various measures to attract transhipment cargo since 2004.

Busan New Port is scheduled to be fully completed in 2019. How is the project coming along?

As of now, 23 berths including one multi-purpose and one Ro-Ro berth are under operation in Busan New Port with annual handling capacity estimated at 9.44 million TEU. Six terminal operators are running these 23 berths, with eight more container berths scheduled to be constructed by 2019. According to the National Third Port Development Plan released in July 2011, Busan New Port will have a total 45 berths in the future, although since this announcement a further 15 berths have been added to the original plans.

With the continued expansion of Busan’s New Port are there plans in place to enhance transhipment links to North Port terminals?

In terms of transhipment cargo, cost and time is the most important factors. That’s why, in order to provide more convenience and speedy transportation of transhipment cargo between New Port and North Port, BPA has provided subsidies for carriers, transporting transhipment cargo by truck between two ports. Also, BPA has provided financial support to the domestic carriers, transporting other carriers’ transhipment cargo between New Port and North Port.
In 2012, Busan Port’s BNCT became Asia’s first vertically automated terminal. Is the idea of fully automated terminals a concept that the BPA would encourage in Busan?

The first vertical-automated terminal in Asia was designed to be one of the most advanced container facilities. It is seen as the Asian ‘blueprint’ for other operators in their search for automated container yards. We believe that the automation at the terminal is indispensable to increase port’s productivity in this fierce competition among mega ports.

In the case of BNCT, a privately invested terminal, the operator chose the automation system to increase its competitiveness by itself.

Busan Port prides itself as being Northeast Asia’s logistical hub. What competitive edge do you feel Busan has over its neighbours?

We believe that Busan Port has five competitive edges over its neighbouring ports. Firstly, Busan Port boasts a strategic geographical location being located on the main trunk route, connecting Asia to both Americas and Europe. Second, the sophisticated feeder network is fully enough to efficiently transport cargo to and from Japan, China and Russia. Third is the excellent connectivity. As of December 2012, 358 weekly services are available from Busan to ports throughout the world, showing how Busan is now a globally connected port. Fourth is deep water. Busan Port is capable of accommodating the world’s largest vessels with a current depth of 15 metres and plans in place to increase this to 17 metres from 2017. Finally we have our favourable weather, as we have less fog and fewer storms compared to out competitors helping us to minimise port closure.

How will the Panama expansion affect the Port of Busan?

Busan Port has keen interests in the Panama Canal expansion. When it comes to US bound cargo, particularly to the East Coast of US and South America bound cargo; Busan Port has played a pivotal role on these routes as the last port of call. Considering the dramatic increase of trade volume between Northeast Asia and the Americas, the Panama expansion will make carriers deploy bigger vessels on these routes, which I believe will bring more cargo to Busan Port.

Finally, the BPA recently signed a MoU with PSA International. What do you hope to gain from the agreement?

The BPA and PSA International agreed to share knowledge and techniques on port development, management and operation. In addition, BPA and PSA International are going to exchange information and ideas to improve their mutual capabilities. Furthermore, both parties agreed to organise regular staff visits to broaden exposure and enhance learning. As you may know, there has been a decline in maritime traffic at global ports and they have faced further difficulties caused by the global economic downturn. However, BPA and PSA International will work together and wisely attend to those matters by exchanging their experience and expertise. I firmly believe that this MoU will serve as a stepping stone to mutual success and development.