Taiwan’s Ports Governance

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Past vs. Present

Past
- Taichung Harbor Bureau
- Hualien Harbor Bureau
- An-ping Harbor Bureau
- Kaohsiung Harbor Bureau

Present
- Taipei
- Keelung
- Su-ao
- Hualien
- Taichung
- An-ping
- Kaohsiung
- TIPC
Past vs. Present

Reasons for the Change:

✓ The bureaucratic system and law limitations made the original system inflexible for business operations and port development.

✓ Four harbor bureaus operated independently and competed with each other in the past.

✓ Reorganization helped integrate all the resources of the seven ports into one port cluster. That made the governance of Taiwan's ports more effective.
Past vs. Present

The Change of Governance

MOTC

Keelung Harbor Bureau

Taichung Harbor Bureau

Kaohsiung Harbor Bureau

Hualien Harbor Bureau

MOTC

Maritime and Port Bureau (MPB)
※ Port Authority

Taiwan International Ports Corporation (TIPC)
※ Port Business Operation

● Maritime Affairs Supervision
● Port Affairs Supervision

● Port Business
● Infrastructure Construction
● Facilities Construction
● Land Utilization

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## Past vs. Present

### TIPC Profile

<table>
<thead>
<tr>
<th>Establishment</th>
<th>• March 1\textsuperscript{st}, 2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employees</td>
<td>• 2,620</td>
</tr>
<tr>
<td>Ports</td>
<td>• Keelung, Taipei, Taichung, An-ping, Kaohsiung, Hualien, Su-ao</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Port Name</th>
<th>Keelung</th>
<th>Taipei</th>
<th>Taichung</th>
<th>An-ping</th>
<th>Kaohsiung</th>
<th>Hualien</th>
<th>Su-ao</th>
<th>Sum.</th>
</tr>
</thead>
<tbody>
<tr>
<td>2013 Cargo Throughput (Million Tons)</td>
<td>21.4</td>
<td>17.5</td>
<td>70.1</td>
<td>1.4</td>
<td>115.0</td>
<td>13.1</td>
<td>4.9</td>
<td>243.4</td>
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<tr>
<td>2013 Container Throughput (Million TEUs)</td>
<td>1.61</td>
<td>1.03</td>
<td>1.47</td>
<td>N/A</td>
<td>9.94</td>
<td>N/A</td>
<td>N/A</td>
<td>14.05</td>
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The Governance of Taiwan’s Ports

- Port Business
- Port Planning & Construction
- Land Utilization
- Organization Structure
- Financial Source and Funds
The Governance of Taiwan’s Ports

Port Business

All seven ports are still state owned but operated by TIPC. TIPC adopts diversified business models:

✓ Invite private sector companies to invest in and operate port business.

✓ Lease facilities to private sector companies to run their own port business.

✓ Some businesses are remaining operated by TIPC.
TIPC regularly sets up a Master Plan and sends it to MOTC for approval, as the guideline for ports construction and operation.

TIPC follows the Master Plan to carry out the construction and maintenance of the ports.

The Master Plan will be reviewed and adjusted every five years based on the needs and requirement of the latest global shipping market.
The Governance of Taiwan’s Ports

Land Utilization

Ownership

ROC (Taiwan)

Management

MOTC MPB

Utilization & Operation

TIPC

Utilization Modes

BOT

Leasing

Own use

Private Sector

Superficies / Leasing
The Governance of Taiwan’s Ports

Organization Structure

Shareholder (MOTC)

Policy and Strategy Committee

Board of Directors

Port Business Committee

Supervisors

Auditing Office

President

Port of Keelung
  - Taipei
  - Su-ao

Port of Taichung

Port of Kaohsiung
  - An-ping

Port of Hualien
The Governance of Taiwan’s Ports

Financial Source and Funds

Source of Capital
- Port Due
- Rental Income & Royalties
- Distributed Earning
- Net Operating Earnings

Type of Funds
- Port Construction Fund
- Operating Fund

Application
- Infrastructure
- Operating Facilities
The Governance of Taiwan’s Ports

Business Performance

Container Throughput

Cargo Throughput

Number of Passengers

(Million TEUs) (Million tons) (in Thousand)

<table>
<thead>
<tr>
<th>Year</th>
<th>Container Throughput</th>
<th>Cargo Throughput</th>
<th>Number of Passengers</th>
</tr>
</thead>
<tbody>
<tr>
<td>2009</td>
<td>11.71</td>
<td>235.7</td>
<td>576</td>
</tr>
<tr>
<td>2010</td>
<td>12.74</td>
<td>246.5</td>
<td>670</td>
</tr>
<tr>
<td>2011</td>
<td>13.42</td>
<td>244.4</td>
<td>665</td>
</tr>
<tr>
<td>2012</td>
<td>13.88</td>
<td>238.9</td>
<td>699</td>
</tr>
<tr>
<td>2013</td>
<td>14.05</td>
<td>243.5</td>
<td>991</td>
</tr>
</tbody>
</table>
Conclusions

✓ TIPC has the support of financial funds from the central government for the ports infrastructure, that facilitates the sustainability of ports development.

✓ TIPC adopts a multi-mode port business model, that promotes the flexibility of ports management.

✓ Representatives from the local government join Board of TIPC, that creates better communication among ports and cities.
Thank you for your attention!!

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