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Port venture paves way for expansion

FLINDERS Ports and Dubai-based port operator DP World have announced a joint venture arrangement for the operation of DP World's Adelaide terminal.

The terminal, based in Port Adelaide, is South Australia's main container terminal and has been operated by DP World since 2005.

The joint venture will give DP World a 60 per cent holding in the company with Flinders Ports taking a 40 per cent stake. The arrangement will be in place until 2039.

No financial details of the deal were released.

DP World Adelaide managing director Andrew Towers said the deal would enable the company to expand its operations as needed.

“As more business and shipping comes to the state the business will prosper (and) we are always vying for new business,” he said.

Mr Towers said while the terminal was not immune from the downturn, he was confident of increased activity once the economy recovered. He said the growth potential of the agricultural and resources sectors was particularly promising.

“Right at the moment things are down but we have just got to keep plugging away to keep the business expanding. The more people can work outside of the port to increase their growth, the more that will increase our business as well.”

Flinders Ports chief executive Vincent Tremaine said he looked forward to “a long and fruitful partnership” with DP World.

DP World, which has more than 49 terminals across 31 countries, employs 180 people at the Port Adelaide terminal. In 2008, DP World handled more than 46 million TEU (twenty-foot equivalent container units) across its portfolio from the Americas to Asia - an increase of 8 per cent on 2007.

The company expects its handling capacity to rise to around 95 million TEU in the next 10 years.