



Port Infrastructure Charges

Pricing Strategy 2022 to 2026

15th September 2021

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Summary

1. Dublin Port Company (DPC) is a self-financing company owned by the State. DPC is responsible for the development and operation of Dublin Port
2. The development of Dublin Port is guided by [Masterplan 2040](#) and, over the 30 year period from 2010 to 2040, investment in port infrastructure at an estimated cost of €1.6 billion is required to bring the Port to its ultimate capacity by 2040.
3. Capital investment by DPC in the five years from 2016 to 2020 was €365m. Budgeted investment for 2021 is €76m and, for the five years from 2022 to 2026, further investment of €386m is planned.
4. National Ports Policy precludes exchequer support for DPC's capital projects and the company relies on debt finance to enable the required infrastructure to be built in time to meet projected future demand.
5. To date, DPC has relied primarily on growth in volumes to increase profits to a sufficient level to sustain the debt levels required to finance the Masterplan's capital investment programme. However, the company has now reached a point where increases in **port infrastructure charges** are also needed.
6. Port infrastructure charges comprise charges on cargo and passengers (**Goods Dues**) and charges on ships (**Ships Tonnage Dues**).
7. National ports legislation (Harbours Act, 1996) permits the company to apply charges to ships, cargo and passengers.
8. The EU Port Regulation (2017/352) requires Member States to ensure that port infrastructure charges are levied by port companies. It also requires port companies to *ensure that users of the port infrastructure are informed of any changes in the nature or level of the port infrastructure charges at least two months in advance of the date on which those changes come into effect*. The Regulation further states that *the structure and the level of port infrastructure charges shall be determined according to the port's own commercial strategy and investment plans*.
9. This Pricing Strategy provides a framework for annual increases in port infrastructure charges over the five years to 2026. In each year, revised schedules of port infrastructure charges will be published not less than two months before coming into effect, as required by the Regulation.
10. Port infrastructure charges in Dublin Port generate 73% of DPC's revenues.
11. Over the two five year cycles from 2012 to 2016 and from 2017 to 2021, there have been no increases in port infrastructure charges in most cases and, where there have been increases, they have been very low. Indeed, port infrastructure charges for the largest part of DPC's business - unitised goods (trailers and containers) – are lower today than they were when Dublin Port Company was corporatised in 1996.
12. DPC will increase port infrastructure charges over the five year period from 2022 to 2026.

13. The main increases in Goods Dues are summarised in **Appendix 3** and include:
- a. Goods dues on empty containers and trailers are currently at a level of 26% of the rate for laden units. However, empty and laden containers and trailers require the same port infrastructure investment. DPC will increase the level of charges for empty units in equal tranches in each of 2022 and 2023 so as to bring them to the same level as laden units.
 - b. There will a single increase of 12.5% on the level of goods dues for unitised goods in 2024 with no further increases in 2025 and 2026.
 - c. The goods dues rate for trade vehicles (primarily imported new cars), bulk liquid commodities (primarily petroleum products) and bulk solid commodities will increase by no less than 2.5% in each year from 2022 to 2026.
 - d. Charges for ferry passengers and tourist vehicles will increase by no more than 2.5% in each year from 2022 to 2026.
 - e. No price increases are planned for cruise passengers over the five years from 2022 to 2026.
14. DPC will publish a **revised schedule of Goods Dues** before the end of the year and the new charges will take effect from **1st April 2022**. Revised schedules will also be published for each year from 2023 to 2026 in advance of future price increases taking effect.
15. The increases in Ships Tonnage Dues are shown in **Appendix 4** and, with the exception of cruise ships, charges for all other categories of ships will increase by no more than 2.5% in each year from 2022 to 2026.
16. DPC will publish a **revised schedule of Ships Tonnage Dues** before the end of the year and the new charges will take effect from **1st April 2022**. Revised schedules will also be published for each year from 2023 to 2026 in advance of future price increases taking effect.
17. Because port infrastructure charges are so low by comparison to the value of goods imported and exported, the increases in these charges over the five years from 2022 to 2026 will have no perceptible impact on consumer prices.
18. For reasons of geography, there are weak competitive forces between ports and DPC does not believe that the increased levels of port infrastructure charges will cause any significant movement of volumes to other ports such as Rosslare, Waterford and Cork.
19. There are strong competitive forces among the seven unitised terminals in Dublin Port and market forces will determine whether the small increases in port infrastructure charges are passed on through the supply chain or not. To the extent that they are, this would – as noted above - have no perceptible impact on consumer prices.
20. In addition to port infrastructure charges, DPC operates a dwell time regime in one of Dublin Port's seven unitised terminals (**Appendix 5**), the container terminal operated by DSG under a licence agreement with DPC. This regime allows a set number of free days after discharge or before loading before charges are levied on a daily basis. The purpose of this dwell time regime is to reduce the time containers and trailers spend in Dublin Port before being loaded or after they are discharged. The faster units move, the greater the port's throughput capacity.

21. The other two container terminals in Dublin Port are operated by DFT and MTL under long term leases. DPC is seeking to negotiate arrangements with these companies which will result in similarly robust management of dwell times in their terminals.
22. In order to achieve the required high levels of land utilisation in the port's four Ro-Ro terminals, DPC will, by 2023, introduce appropriate dwell time regimes in these terminals.
23. Over the subsequent years from 2024 to 2026, DPC's objective is to reduce free periods for all unitised goods in all terminals to 24 hours. Progress towards this objective will be facilitated by a port digitalisation initiative including the development of a Dublin Port Community System over the next five years.

Background

Dublin Port Company (DPC) is a self-financing company owned by the State and is responsible for the development and operation of Dublin Port, the country's single most important transport infrastructure asset.

DPC operates under provisions of both Irish law and EU law.

Section 13 of the [Harbours Act, 1996](#) permits the company to raise charges on ships, cargo and passengers.

Article 13 of the [Port Regulation](#) (2017/352) obliges Member States to ensure that port infrastructure charges are levied by port companies such as DPC.

The Regulation also requires port companies to *ensure that users of the port infrastructure are informed of any changes in the nature or level of the port infrastructure charges at least two months in advance of the date on which those changes come into effect.*

The first set of price increases over the five year period from 2022 to 2026 set out in this document will take effect from 1st April 2022.

The Regulation further states that *the structure and the level of port infrastructure charges shall be determined according to the port's own commercial strategy and investment plans.*

The rationale for the increased charges is explained in this document by reference to the company's capital investment programme and to the company's finances.

Introduction

The development of Dublin Port is being carried out in accordance with [Masterplan 2040](#).

Masterplan 2040 has two objectives:

- To increase the capacity of Dublin Port to handle an increase in throughput from 28.9 million gross tonnes in 2010 to an ultimate level of 77.2 million gross tonnes by 2040 (**Appendix 1**)
- To reintegrate Dublin Port with Dublin City

The Masterplan requires an unprecedentedly large capital programme estimated to cost €1.6 billion over the 30 years from 2010 to 2040 (**Table 1**).

Table 1: Trends in capital investment by DPC 2010 to 2020 and projected from 2021 to 2040

Period	# years	Capex
2010 to 2015	6	€ 68 m
2016 to 2020	5	€ 365 m
Past 10 years		€ 433 m
2021 to 2025	5	€ 398 m
2026 to 2040	15	€ 769 m
Next 15 years		€ 1,167 m
Total	30	€ 1,600 m

National Ports Policy precludes exchequer support for DPC's capital projects and the company relies on debt finance to enable the required infrastructure to be built in time to meet projected future demand.

The company's debt facilities include a 20 year [loan](#) from EIB of €100m (2015) and a 30 year agreement with Allianz for a €300m [facility](#) (2019).

In order to support the level of debt required to deliver Masterplan 2040, DPC must generate sufficient cash from profits each year.

To date, the company has relied primarily on growth in volumes to increase profits. However, the company has now reached a point where increases in port infrastructure charges are also needed.

This document sets out the level of port infrastructure charge increases to be applied over the five year cycle from 2022 to 2026.

Masterplan 2040 and DPC's five year strategic plans

The proposed level of port infrastructure charges in Dublin Port for the five years from 2022 to 2026 are based on the port's investment plans and based on the commercial strategy required to generate the revenues and profits to implement these plans.

The port's investment plans are derived directly from Masterplan 2040.

Masterplan 2040 is being implemented over the period of six five year strategic plans and the five year period of each plan is characterised by a number of dominant themes (**Table 2**).

Table 2: Dominant themes in the strategic plans over the 30 year period of Masterplan 2040

Plan no.	Period	Dominant themes
1	2012 to 2016	<ul style="list-style-type: none"> Rebuilding stakeholder trust in DPC Aligning staff resources and expertise with our strategic objectives Commencing a long-term capital investment programme
2	2017 to 2021	<ul style="list-style-type: none"> Implementation of major construction projects, notably the ABR Project Development of Dublin Inland Port to facilitate the relocation of non-core activities from the Port Designing, securing consents and commencing construction of the second tranche of major Masterplan projects Securing customer co-operation to achieve land utilisation targets for unitised cargo (containers and trailers) Securing certainty on the long-term possibility of delivering additional port capacity on the Poolbeg Peninsula
3	2022 to 2026	<ul style="list-style-type: none"> Achievement of land utilisation targets for unitised modes Implementation of major construction projects, primarily on the north side of the Port Digitalisation Environmental management Climate change adaptation
4	2027 to 2031	<ul style="list-style-type: none"> Implementation of major construction projects, primarily on the Poolbeg Peninsula
5	2032 to 2036	<ul style="list-style-type: none"> Final implementation of Masterplan projects required to provide capacity to 2040 Commencement of projects to provide capacity post 2040
6	2037 to 2041	<ul style="list-style-type: none"> Completion of projects to provide capacity post 2040

The delivery of Masterplan 2040 requires planning permissions for three Strategic Infrastructure Development (SID) projects from An Bord Pleanála. Two of these three projects are underway:

- **ABR Project** - PL29N.PA0034 - 10 year grant - 8th July 2015 - consented and under construction
- **MP2 Project** - PL29N.304888 - 15 year grant - 11th July 2020 – foreshore and dumping at sea consents applied for - works currently being planned with construction due to commence in 2022

The third and final Masterplan SID is the **3FM Project (Appendix 2)**. The company has commenced pre-application consultation with An Bord Pleanála in advance of submitting a planning application in early 2023.

In addition to these projects, the company is developing **Dublin Inland Port** to provide facilities to enable the relocation of port-related but non-core activities from Dublin Port in accordance with the company's [Franchise Policy](#) published in 2014.

Over the five years from 2022 to 2026, the primary drivers of investment are the ABR Project, the MP2 Project and the development of Dublin Inland Port. The projected level of investment over this period is €386m. This will be financed from existing debt facilities supported by earnings based on projected volumes at the increased levels of port infrastructure charges.

Table 3 summarises the volumes, revenues, EBITDA and capital expenditure projected for the five years from 2022 to 2026. This summary analysis is based on the proposed increased levels of port infrastructure charges.

Over the five years to 2026, the company's net debt is projected to increase from €133.3m at end 2020 to €293.2m at end 2026.

Table 3: Summary volume, financial and investment out-turns projected from 2022 to 2026

	2020 <i>Actual</i>	2021 <i>Budget</i>	2022 <i>Projected</i>	2023 <i>Projected</i>	2024 <i>Projected</i>	2025 <i>Projected</i>	2026 <i>Projected</i>
Gross tonnes	36.9m	36.8m	37.7m	39.2m	40.8m	42.4m	44.1m
Revenue	€ 86.6m	€ 83.3m	€ 89.5m	€ 95.2m	€ 104.9m	€ 109.0m	€ 113.3m
EBITDA	€ 54.7m	€ 47.8m	€ 53.5m	€ 58.7m	€ 67.7m	€ 71.3m	€ 74.9m
Capex	€ 56.9m	€ 76.0m	€ 96.7m	€ 79.5m	€ 66.9m	€ 71.2m	€ 71.2m
Borrowings	€ 293.4m	€ 388.2m	€ 382.9m	€ 377.6m	€ 372.4m	€ 367.1m	€ 361.9m
Cash	€ 160.1m	€ 220.6m	€ 160.2m	€ 121.5m	€ 103.2m	€ 84.1m	€ 68.6m
Net debt	€ 133.3m	€ 167.5m	€ 222.7m	€ 256.1m	€ 269.2m	€ 283.0m	€ 293.2m

Port Infrastructure Charges, 2012 to 2021

Dublin Port's port infrastructure charges comprise charges on goods and passengers (**Goods Dues**) and charges on vessels (**Ships Tonnage Dues**). The prevailing levels of these charges and the basis for applying them are published on the company's web site ([link](#)).

In 2020, port infrastructure charges accounted for 72.7% of the company's revenues (**Table 4**).

Table 4: Analysis of DPC's revenue, 2020

Goods dues	€ 50.5m	58.3%
Ships tonnage dues	€ 12.4m	14.3%
Rents, licences and dwell time charges	€ 16.0m	18.5%
Marine services	€ 7.4m	8.6%
Others	€ 0.3m	0.3%
Total	€ 86.6m	100.0%

Goods dues

Goods Dues are the largest source of DPC's revenues and, in 2020, they generated €50.5m and accounted for 58.3% of all revenue.

The unitised modes (Ro-Ro and Lo-Lo combined) generated €36.4m and Bulk Liquids contributed €10.6m (**Table 5**).

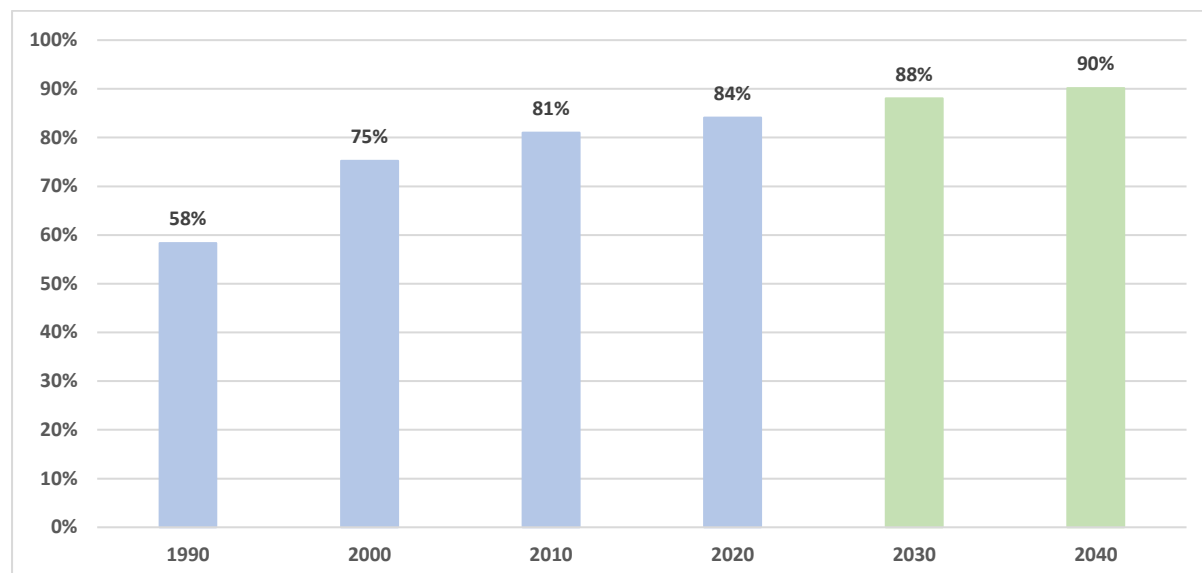
Table 5: Goods dues by mode, 2020

Mode	Revenue	%
Ro-Ro ¹	€ 27.7m	54.8%
Lo-Lo	€ 8.7m	17.3%
Bulk Liquid	€ 10.6m	21.0%
Bulk Solid	€ 2.6m	5.1%
Break Bulk	€ 0.4m	0.7%
Passengers	€ 0.3m	0.6%
Other	€ 0.2m	0.4%
Total	€ 50.5m	100.0%

¹ Revenue for Ro-Ro includes containers, trailers, tourist vehicles on ferries and trade vehicle imports

There is an established trend of Dublin Port becoming, more and more, a unitised port. Where unitised goods accounted for only 58% of total throughput in 1990, this proportion had risen to 84% by 2020 and is projected to reach 90% by 2040 (**Figure 1**).

Figure 1: Proportion of total cargo throughput accounted for by the unitised modes (Ro-Ro and Lo-Lo)



Goods dues are charged on a per tonne basis or a per unit basis as appropriate and virtually all revenues generated from these charges fall into four categories:

- Unit loads (trailers and containers) in the Ro-Ro and Lo-Lo modes
- Imported trade vehicles
- Tourist traffic
- Bulk Liquid and Bulk Solid commodities

In the unitised modes (Ro-Ro and Lo-Lo), goods dues are, today, at the same level as they were ten years ago. Looking back even further to when DPC was incorporated in 1997, charges today are 5% lower than they were then.

Table 6 shows, for the two previous five year cycles from 2012 to 2016 and from 2017 to 2021, that charges for containers and trailers in the unitised modes have not changed at all over the last ten years.

Table 6: Goods dues on containers and trailers in the Ro-Ro and Lo-Lo modes, 2012 to 2021

	2012	2016	Increase over five years	2017	2021	Increase over five years
<i>Laden containers and trailers (per unit based on length)</i>						
Not exceeding 6.1m (20')	€ 14.12	€ 14.12	0.0%	€ 14.12	€ 14.12	0.0%
Between 6.1m (20') and 9.15m (30')	€ 21.19	€ 21.19	0.0%	€ 21.19	€ 21.19	0.0%
Exceeding 9.15m (30')	€ 28.25	€ 28.25	0.0%	€ 28.25	€ 28.25	0.0%
<i>Empty containers and trailers (per unit based on length)</i>						
Not exceeding 6.1m (20')	€ 3.62	€ 3.62	0.0%	€ 3.62	€ 3.62	0.0%
Between 6.1m (20') and 9.15m (30')	€ 5.43	€ 5.43	0.0%	€ 5.43	€ 5.43	0.0%
Exceeding 9.15m (30')	€ 7.24	€ 7.24	0.0%	€ 7.24	€ 7.24	0.0%

In addition to containers and trailers, the unitised cargo modes include imports of trade vehicles comprising, for the most part, new car imports. **Table 7** shows the changes in goods dues for this category of trade over the ten years to 2021.

Table 7: Goods dues on trade vehicle imports, 2012 to 2021

<i>per unit</i>	2012	2016	Increase over five years	2017	2021	Increase over five years
Passenger cars	€ 12.00	€ 12.30	2.5%	€ 12.61	€ 13.25	5.1%
Other road vehicles	€ 4.08	€ 5.00	22.5%	€ 5.13	€ 5.13	0.0%

Just as there have been no price increases for containers and trailers over the past ten years, so also there have been no increases in goods dues charges on tourist traffic on ferries (**Table 8**).

Table 8: Goods dues charges on tourist traffic, 2012 to 2021

	2012	2016	Increase over five years	2017	2021	Increase over five years
Tourist traffic (per unit)						
Motor cars	€ 2.14	€ 2.14	0.0%	€ 2.14	€ 2.14	0.0%
Motor cycles	€ 2.14	€ 2.14	0.0%	€ 2.14	€ 2.14	0.0%
Trailers	€ 2.14	€ 2.14	0.0%	€ 2.14	€ 2.14	0.0%
Caravans	€ 4.34	€ 4.34	0.0%	€ 4.34	€ 4.34	0.0%
Dormobiles / mini-buses	€ 4.34	€ 4.34	0.0%	€ 4.34	€ 4.34	0.0%
Coaches and buses	€ 10.08	€ 10.08	0.0%	€ 10.08	€ 10.08	0.0%
Passengers (each)						
Passengers	€ 0.48	€ 0.48	0.0%	€ 0.48	€ 0.48	0.0%
Port-of-call cruise passengers	nil	nil	n/a	nil	€ 1.50	n/a
Turnaround cruise passengers	nil	nil	n/a	nil	€ 3.50	n/a

It is only in the Bulk Liquid and Bulk Solid modes that there have been any increases over the past ten years (**Table 9**).

Table 9: Goods dues on selected bulk commodities, 2012 to 2021

	2012	2016	Increase over five years	2017	2021	Increase over five years
Selected Bulk Liquid Commodities (per tonne)						
Petrol	€ 2.82	€ 3.13	11.0%	€ 3.21	€ 3.41	6.2%
Diesel and Kerosene	€ 2.23	€ 2.46	10.3%	€ 2.52	€ 2.72	7.9%
Bitumen	€ 1.60	€ 1.78	11.3%	€ 1.87	€ 2.17	16.0%
Molasses	€ 1.49	€ 1.53	2.7%	€ 1.57	€ 1.57	0.0%
Selected Bulk Solid Commodities (per tonne)						
Animal feed and cereals	€ 1.00	€ 1.00	0.0%	€ 1.20	€ 1.60	33.3%
Ores and concentrates	€ 1.16	€ 1.16	0.0%	€ 1.19	€ 1.19	0.0%
Scrap metal	€ 1.10	€ 1.10	0.0%	€ 1.13	€ 1.13	0.0%
Cement fines	€ 0.91	€ 0.91	0.0%	€ 0.91	€ 0.91	0.0%

Where there have been increases over the past ten years, the average annual level of these increases has been as shown in **Table 10** and these increases arose due to particular circumstances.

Table 10: Average annual increase in goods dues for selected categories of cargo, 2012 to 2021

Commodity	Average annual increase
Petrol	1.9%
Diesel and Kerosene	2.0%
Bitumen	3.1%
Molasses	0.5%
Animal feed and cereals	4.8%
Trade vehicles	1.0%

The increases in goods dues for **petroleum products** were introduced for the most part to remunerate a 2013 investment by DPC of €10m in a sea water fire main to provide enhanced firefighting capacity for petroleum storage facilities throughout the port.

In the case of **animal feed and cereals**, there had been a decrease from €1.56 to €1.00 in 2011 to provide a market incentive to attract additional volume to Dublin Port. This decrease did not have the desired effect and charges were, therefore, brought back to their previous levels.

For **trade vehicles**, charges today are 10% higher than they were a decade ago and the average annual increase has been 1.0%. Charges for trade vehicles were first increased in 2014 to remunerate a €4m investment to provide a dedicated 4.4 hectare trade car import facility (T6).

The general increases in goods dues over the five year period from 2022 to 2026 are being introduced against a background of no or very low increases over the past ten years.

Ships tonnage dues

Ships tonnage dues are applied based on the greater of a ship's Net Tonnage (NT) or half of its Gross Tonnage (GT), and the rates vary depending on the type of ship.² **Table 11** below shows the revenues generated by ships tonnage dues across the four dominant modes in 2020.

Table 11: Ships tonnage dues by mode, 2020

Ro-Ro	€ 7.1m	57.1%
Lo-Lo	€ 2.4m	19.5%
Bulk Solid	€ 1.5m	12.3%
Bulk Liquid	€ 1.3m	10.2%
Total	€ 12.4m	100.0%

The levels of these charges at the start and end of the previous two five year cycles (2012 to 2016 and 2017 to 2021) are shown in **Table 12**.

Table 12: Ships tonnage dues, 2012 to 2021

	2012	2016	Increase over five years	2017	2021	Increase over five years
Lo-Lo	€ 0.578	€ 0.578	0.0%	€ 0.578	€ 0.578	0.0%
Bulk Liquid	€ 0.702	€ 0.702	0.0%	€ 0.720	€ 0.720	0.0%
Bulk Solid	€ 1.100	€ 1.140	3.6%	€ 1.170	€ 1.170	0.0%
Break Bulk	€ 1.100	€ 1.140	3.6%	€ 1.170	€ 1.170	0.0%
Ro-Ro Car / Freight	€ 0.079	€ 0.079	0.0%	€ 0.079	€ 0.079	0.0%
Ro-Ro Car Carriers	€ 0.329	€ 0.329	0.0%	€ 0.337	€ 0.337	0.0%
Ro-Ro High Speed Ferry	€ 0.097	€ 0.097	0.0%	€ 0.097	€ 0.097	0.0%
Cruise Ships	€ 0.317	€ 0.179	n/a	€ 0.183	€ 0.193	5.5%

For the most part, ships tonnage charges have not increased for a decade and where they have, the level of increase has been low. For example, ships tonnage charges in the Bulk Solid and Break Bulk modes are, today, only 3.6% higher than they were ten years ago.

The proposed increases in ships tonnage dues over the five year period from 2022 to 2026 are being introduced against a background of virtually no increases over the past ten years.

² Cruise ships are an exception to this and, since 2016, ships tonnage dues have been applied on GT.

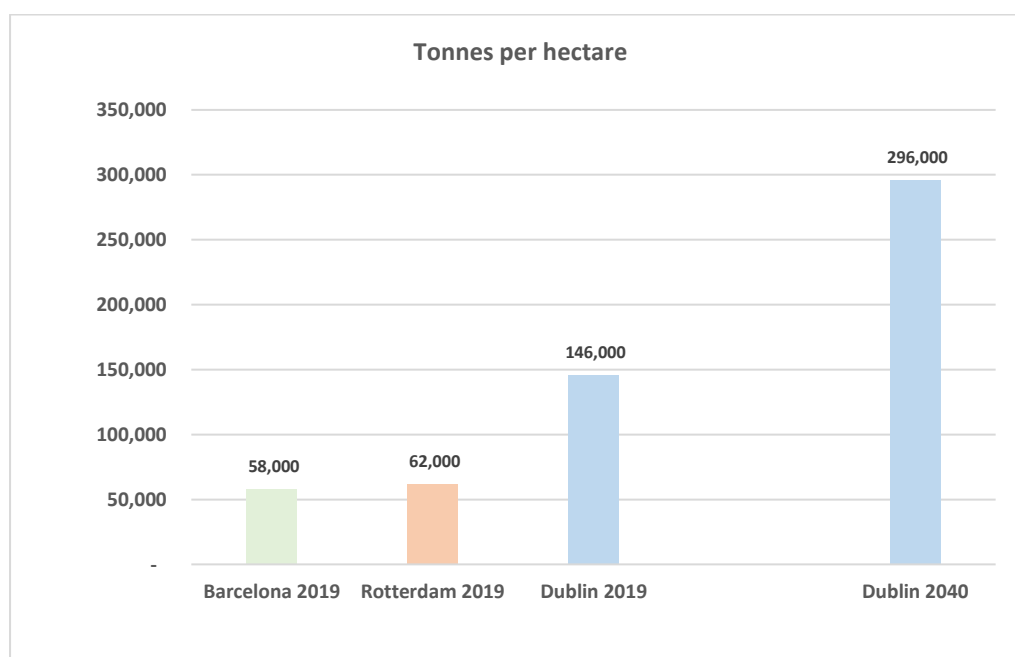
Land utilisation and trade imbalances

The achievement of the capacity throughput targets in Masterplan 2040 requires not only the construction of large port infrastructure projects. It also requires changes in supply chain behaviour to ensure that high levels of capacity utilisation are achieved in Dublin Port. The proposed increases in port infrastructure charges have been designed to not only increase revenues, they are also intended to provide pricing signals to supply chain operators and to remove the implicit subsidising of structural inefficiencies in international supply chains.

DPC is developing Dublin Port based on principles of proper planning and sustainable development. The company's objective is to maximise the throughput of Dublin Port's current brownfield lands so as to obviate, for as long as possible, the requirement to build additional new port infrastructure at another location on the east coast once Dublin Port reaches full throughput capacity by 2040.

Land utilisation in Dublin Port is already high by international standards (**Figure 2**) and, under Masterplan 2040, it is planned to double this level.

Figure 2: Dublin Port's current and planned land utilisation compared with Barcelona and Rotterdam



Achieving high levels of land utilisation is challenging and is compounded by structural imbalances in Ireland's international merchandise trade (**Table 13**).

Whereas Ireland has a substantial surplus in value terms, we import more than twice what we export in volume terms.

Table 13: Analysis of national merchandise trade volume and values, 2020

	Volume	Value	Value per tonne
Exports	18.2m tonnes	€ 160.8 billion	€ 8,835
Imports	40.0m tonnes	€ 85.0 billion	€ 2,125
Difference	21.7m tonnes	€ 75.8 billion	

The large imbalance in trade volumes means that a high proportion (17.1%) of trailers and containers are empty (**Table 14**). In 2020, 14.0% of all trailers and 24.9% of all containers that moved through Dublin Port were empty.

Table 14: Analysis of laden and empty unit loads in Dublin Port, 2020

	Ro-Ro	Lo-Lo	Total
Laden	912,774	318,232	1,231,006
Empty	148,205	105,483	253,688
Totals	1,060,979	423,715	1,484,694
% empty	14.0%	24.9%	17.1%

DPC has historically charged considerably less for empty units than for laden units (**Table 15**).

Table 15: Comparison of empty and laden goods dues rates, 2021

	Empty	Laden	Difference
Not exceeding 6.1m (20')	€ 3.62	€ 14.12	€ 10.50
Between 6.1m (20') and 9.15m (30')	€ 5.43	€ 21.19	€ 15.76
Exceeding 9.15m (30')	€ 7.24	€ 28.25	€ 21.01

The rate for an empty unit is 26% of the rate for a laden unit.

The average goods dues revenue from a laden container or trailer is €26.96 whereas the average revenue from an empty unit is €6.64 (**Table 16**).

Table 16: Analysis of Ro-Ro and Lo-Lo units and goods dues revenue, 2020

	Units	Goods dues revenue	Revenue per unit
Laden	1,231,006	€ 33.1m	€ 26.96
Empty	253,688	€ 1.7m	€ 6.64
Totals	1,484,694	€ 34.8m	€ 23.46

Given that the cost to DPC of infrastructure is the same for laden units as for empty units, the current differential in goods dues charges for ladens and empties reduces DPC's revenues by €6.9m from what they should be. The pricing strategy for the unitised modes for the period 2022 to 2026 will first focus on the equalisation of charges for laden and empty unit loads over a two year period.

In addition to the proposed changes in port infrastructure charges, DPC will use other pricing mechanisms (**page 22**) to reduce the dwell times of containers and trailers thereby effectively increasing the capacity of existing port infrastructure.

Proposed port infrastructure charges, 2022 to 2026

Against a background of low levels of price increases in each of the five year periods from 2012 to 2016 and from 2017 to 2021, DPC is proposing increases in port infrastructure charges as shown in **Table 17** (for goods dues) and in **Table 18** (for ships tonnage dues).

The main price increases for **goods dues** arise for unitised goods (trailers and containers) whereby the differential in the charges for empty units and laden units will be closed over two years, 2022 and 2023. The only other change for unitised goods would be a one off increase of 12.5% in 2024.

These increases for unitised would be the maximum increases that would be applied over the five years to 2026.

Table 17: Summary of pricing changes for goods dues, 2022 to 2026

Laden containers and trailers	<ul style="list-style-type: none"> Single increase over the five years 2022 to 2026 of 12.5% (in 2024) 	Max
Empty containers and trailers	<ul style="list-style-type: none"> Close gap between laden and empties by 50%: <ul style="list-style-type: none"> 20' rate increases from €3.62 to €8.87 30' rate increases from €5.43 to €13.31 40' rate increases from €7.24 to €17.75 Complete the closure of the gap between laden and empties: <ul style="list-style-type: none"> 20' rate increases from €8.87 to €14.12 30' rate increases from €13.31 to €21.19 40' rate increases from €17.75 to €28.25 12.5% increase in 2024 	Max
Trade vehicles	<ul style="list-style-type: none"> 2.5% in each year from 2022 to 2026 	Min
Bulk liquid commodities	<ul style="list-style-type: none"> 2.5% in each year from 2022 to 2026 	Min
Bulk solid commodities	<ul style="list-style-type: none"> 2.5% in each year from 2022 to 2026 	Min
Tourist vehicles	<ul style="list-style-type: none"> 2.5% in each year from 2022 to 2026 	Max
Passengers	<ul style="list-style-type: none"> 2.5% in each year from 2022 to 2026 (ferry passengers) No increase for cruise passengers over the five years 2022 to 2026 	Max

For other cargo types, there will, at a minimum, be annual increases of 2.5% in each year from 2022 to 2026.

DPC's goods dues tariffs have traditionally been structured based on the *Standard International Trade Classification* (SITC) system. Given that Break Bulk cargoes have all but disappeared and given that 84% of goods passing through Dublin Port are carried in trailers and containers (charges for which are not in any way related to the nature of the goods being transported), DPC will restructure its tariffs and will remove SITC classifications. Instead, the main cargo commodities passing through Dublin Port will be identified in the tariffs for 2022 and beyond and provision will be made to provide new tariffs for specific commodities as and when required in the future.

For ferry passengers and tourist vehicles on ferries, there will be annual increases to a maximum of 2.5% in each year from 2022 to 2026.

Finally, there will be no increases in charges for cruise ship passengers over the five years to 2026.

The schedule of goods dues charges for 2022 will be published before the end of 2021 and it will include the charges shown in **Appendix 3**.

Table 18 below summarises the price increases that will be applied in each year from 2022 to 2026 for *ships tonnage dues*. These increases are the maximum increases that will be applied in each year. The schedule of ships tonnage charges for 2022 will be published before the end of 2021 and it will include the charges shown in **Appendix 4**.

Table 18: Summary of pricing changes for ships tonnage dues, 2022 to 2026

Lo-Lo	• 2.5% in each year from 2022 to 2026	Max
Bulk Liquid	• 2.5% in each year from 2022 to 2026	Max
Bulk Solid	• 2.5% in each year from 2022 to 2026	Max
Break Bulk	• 2.5% in each year from 2022 to 2026	Max
Ro-Ro Car / Freight	• 2.5% in each year from 2022 to 2026	Max
Ro-Ro Car Carriers	• 2.5% in each year from 2022 to 2026	Max
Ro-Ro High Speed Ferry	• 2.5% in each year from 2022 to 2026	Max
Cruise Liners	• No increase for cruise passengers over the five years 2022 to 2026	Max

Economic impact of the proposed increases in port infrastructure charges

In 2020, the total value of national merchandise trade (imports and exports) was €246 billion (Table 13).

In that same year, DPC's revenue was €86.6m. This included €62.9m from port infrastructure charges.

The scale of DPC's port infrastructure charges is negligible by comparison to the value of goods moved through the port. The economic impact of the proposed increases in port infrastructure charges on prices will, therefore, be all but invisible to consumers. For example, the increase in port infrastructure charges over the five year period to 2026 will be €0.33 per tonne (Table 19) or one-thirtieth of one cent per kilogram.

Table 19: Revenue and port infrastructure charges per tonne, 2020 to 2026

	Revenue	Port infrastructure charges
2020	€ 2.35	€ 1.71
2021	€ 2.27	€ 1.69
2022	€ 2.37	€ 1.78
2023	€ 2.43	€ 1.85
2024	€ 2.57	€ 2.01
2025	€ 2.57	€ 2.01
2026	€ 2.57	€ 2.02

DPC measures port throughput in **gross tonnes**. Gross tonnage includes the weight of goods, their immediate packaging and (for the unitised modes) the tare weight of containers and freight trailers. Gross weight is derived from ships manifests and differs from the weight of goods shown by the CSO in its statistics.

The CSO reports **net tonnes** in the unitised modes. Net tonnage does not include the tare weights of containers and freight trailers.

Table 20 compares DPC's gross tonnage figures with CSO's net tonnage figures for 2020.

Table 20: Analysis of gross tonnes and net tonnes of cargo, 2020

	'000 gross tonnes	'000 net tonnes
<i>Source:</i>	<i>DPC</i>	<i>CSO</i>
Ro-Ro	23,877	13,902
Lo-Lo	7,126	5,477
Bulk Liquid	3,871	3,852
Bulk Solid	1,958	1,946
Break Bulk	33	33
Total	36,864	25,210

Using CSO's net tonnage figures for 2020, the increase in port infrastructure charges over the five year period to 2026 would be €0.46 per tonne or just over one-twentieth of one cent per kilogram.

Looking at practical examples of consumer goods imported in trailers and containers:

- The proposed goods dues increase for a 40' container or for a 13.6 metre trailer over the five years to 2026 is €3.53
- For a 15 tonne consignment of tins of tomatoes, the increased goods dues would be equivalent to €0.0001 or one one-hundredth of one cent per tin
- For a 15 tonne consignment of wine, the increase would be €0.0292 or three cents per bottle
- For petrol or diesel, the respective increases of €0.45 or €0.36 in goods dues per tonne would be equivalent to about one-twentieth of one cent per litre at the pump
- The average price of a new car in Ireland in 2020 was in excess of €33,000. The increase in goods dues on a new car over the five years to 2026 would be €1.41

The most significant change in port infrastructure charges is the increasing of the goods dues for empty containers and trailers to the same level as the charges for laden units over two years.

Table 21 shows the full year increase in DPC's revenues which the progressive closing of the price gap between empty and laden units increases in 2022 and in 2023 would generate.

The impact of fully closing the gap would be to increase the cost of consumer goods by one eightieth of one cent per kilogramme of goods imported (or exported).

Table 21: Impact on DPC revenue of increase in the rates for empties, 2022 and 2023

	2022	2023
Gross tonnes	37.7m	39.2m
Additional DPC revenue	€ 2.4 m	€ 4.8 m
Cost increase per kg of cargo	0.006 cent	0.012 cent

Finally, there are proposed increases in charges for ferry passengers of €0.06 per passenger and €0.28 per tourist vehicle over the five years to 2026. Based on published accounts, ferry companies earn an average of €75 per passenger and, if the proposed increases in DPC's charges to 2026 for ferry passengers and tourist vehicles were fully passed on to customers of the ferry companies, it is inconceivable that there would be any impact on tourism volumes.

Impact on supply chain operators

Whereas the proposed price increases would have no impact on consumers, they would have an impact on supply chain operators who pay the port infrastructure charges to DPC. These operators include ferry companies and container lines. If these operators can pass the increased cost of DPC's proposed price increases on to their customers, then the proposed price increases will have no impact on their profits.

The extent to which DPC's increases in port infrastructure charges can be passed on by supply chain operators will be determined by market forces, both inter-port and intra-port.

Inter-port market forces are weak for reasons of geography and, as a result, DPC does not anticipate any loss of volume (either for itself or for customer shipping lines) as a result of the proposed modest price increases. How modest these increases are can be gauged by comparing the level of increase to the cost of transporting goods in and out of the port.

The price of diesel per kilometre for a HGV hauling a 40' container or a 13.6 metre trailer is €0.38. The proposed price increase over the five years to 2026 for a laden unit is €3.53. This is equivalent to the price of diesel for 9.3 kilometres.

For an empty unit, the price increase is larger at €24.51, equivalent to the price of diesel for a journey of 64.5 kilometres.

The only ports to which volume might be displaced are between 160 kilometres and 260 kilometres distant from Dublin.

Dublin Port's geographical location means that the proposed price increases will not make it more attractive to move goods through other ports such as Rosslare, Waterford and Cork. That being the case, supply chain operators might be able to pass the increased costs through to their customers without fearing loss of business to other ports. However, the extent to which they can do this will be determined by the strong **intra-port** competition within Dublin Port between the competing terminals and shipping lines. Time will tell whether these competitive forces are such as to force supply chain operators to take the impact of DPC's small price increases.

In some sectors of the shipping industry, it is clear that there is low demand side price elasticity. For example, in the container shipping sector, deepsea prices are at an all-time high and sea freight rates for a 40' container from the Far East to Continental Europe have, in many instances, increased more than fourfold from less than \$2,000 in 2019 to more than \$8,000 today in the last two years.

Dwell Time charges

In addition to the port infrastructure charges on ships and on goods, DPC also uses dwell time charges on unitised goods, where possible, to encourage the faster movement of containers and trailers through port lands thereby increasing port capacity.

There are seven unitised terminals in Dublin Port (**Appendix 5**) and DPC is only able to apply dwell time charges on containers and trailers passing through the terminal operated by DSG under licence.

Elsewhere, the port's other two container terminals are operated by DFT and MTL under long-term leases and these companies raise and collect dwell time charges at their discretion.

In recent years, DPC has commenced an initiative to decrease free periods and increase charge levels for DSG (**Appendix 6**). This has created the potential for competition between container terminals based on the inefficient use of port lands to provide no cost or low cost storage for shippers and consignees.

DPC is seeking to negotiate arrangements with DFT and MTL which will result in similarly robust management of dwell times in those terminals to incentivise the more efficient use of port lands over the five years from 2022 to 2026 and beyond.

Dublin Port's three container terminals account for 48% of all unitised cargoes as shown in **Table 22**. DPC's dwell time charges on the DSG terminal cover 25% of all unitised movements through Dublin Port. Subject to DPC agreeing suitable arrangements with DFT and MTL, 48% of Dublin Port's volumes would be subject to dwell time charges.

Table 22: Analysis of unitised volumes through Dublin Port's seven unitised terminals, H1 2021

Category of terminal	#	Units H1 2021	%
Container terminals	3	334,846	48%
Ro-Ro ferry terminals	4	357,503	52%
Total	7	692,349	100%

Since Brexit, the proportion of unitised loads which are driver accompanied (and which, therefore, have very low dwell times) has decreased significantly from 23% to 17% as shown in **Table 23**. Changing trading patterns will most likely continue to increase the proportion of unitised loads which are unaccompanied.

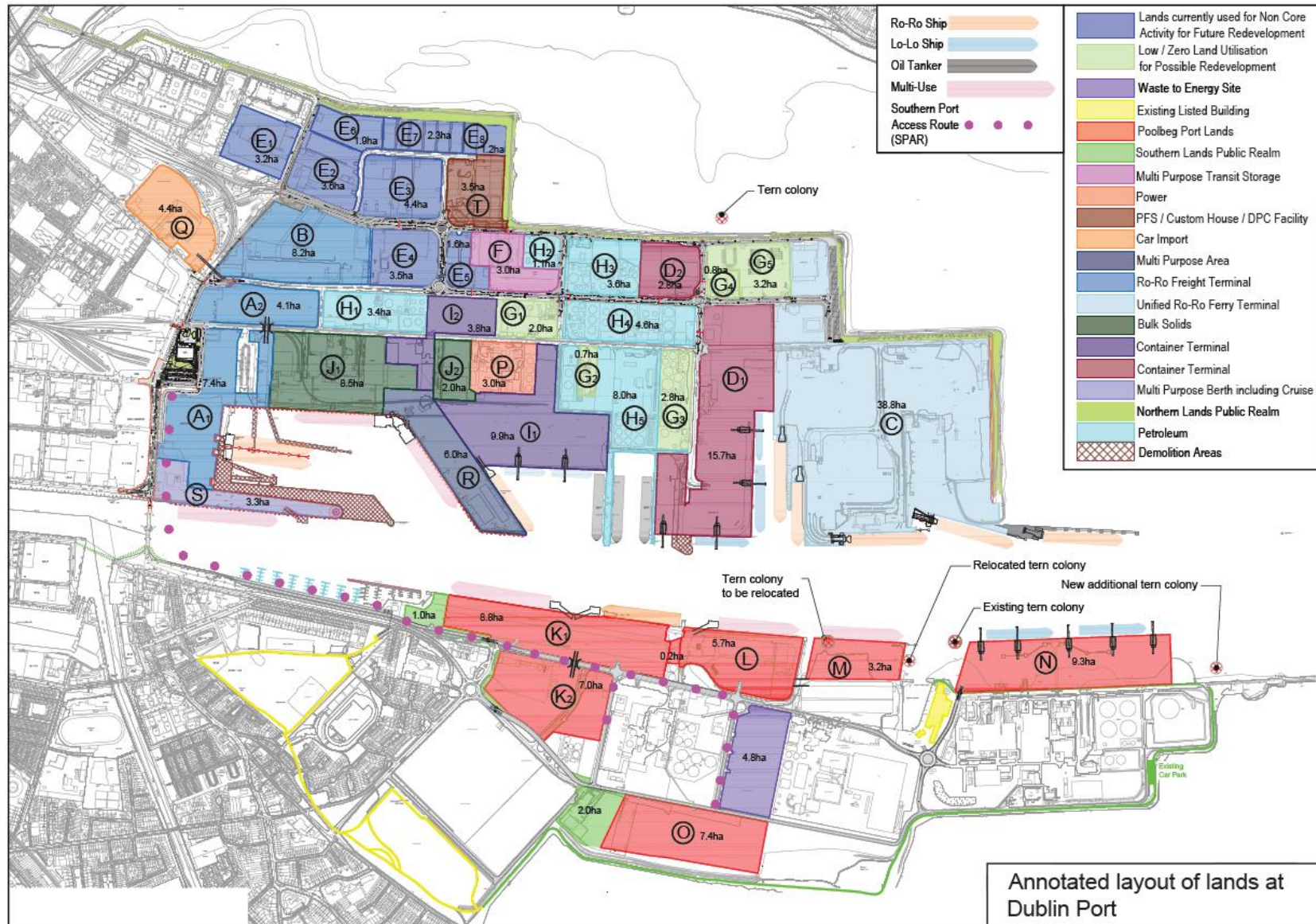
Table 23: Analysis of unitised volumes through Dublin Port, H1 2021

	Jun - 21 YTD <i>Units</i>	Jun - 20 YTD <i>Units</i>	% change	Jun - 21 YTD <i>% share</i>	Jun - 20 YTD <i>% share</i>
Accompanied	118,914	154,852	-23.2%	17%	23%
Unaccompanied	573,435	526,459	8.9%	83%	77%
Totals	692,349	681,311	1.6%	100%	100%

In order to achieve the high levels of land utilisation required in the port's four Ro-Ro terminals if the Masterplan's capacity throughput targets are to be met, DPC will, by 2023, introduce appropriate dwell time regimes in these terminals.

Over the subsequent years from 2024 to 2026, DPC's objective will be to reduce free periods for all unitised goods in all terminals to 24 hours. Progress towards this objective will be facilitated by a port digitalisation initiative including the development of a Dublin Port Community System over the next five years.

Appendix 1 – Figure 3 from Masterplan 2040



Appendix 2 – Preliminary General Arrangement drawing of the 3FM Project



Appendix 3 - Goods dues, 2022 to 2026

	2021	2022	2023	2024	2025	2026	Average annual increase	Maximum or minimum increase
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<i>Laden containers and trailers (per unit)</i>								
Not exceeding 6.1m (20') in length	€ 14.12	€ 14.12	€ 14.12	€ 15.89	€ 15.89	€ 15.89	2.4%	Max
Between 6.1m (20') and 9.15m (30') in length	€ 21.19	€ 21.19	€ 21.19	€ 23.84	€ 23.84	€ 23.84	2.4%	Max
Between 9.15m (30') and 12.20m (40') in length	€ 28.25	€ 28.25	€ 28.25	€ 31.78	€ 31.78	€ 31.78	2.4%	Max
Exceeding 12.20m (40') in length	€ 28.25	€ 28.25	€ 28.25	€ 31.78	€ 31.78	€ 31.78	2.4%	Max

<i>Empty containers and trailers (per unit)</i>								
Not exceeding 6.1m (20') in length	€ 3.62	€ 8.87	€ 14.12	€ 15.89	€ 15.89	€ 15.89	34.4%	Max
Between 6.1m (20') and 9.15m (30') in length	€ 5.43	€ 13.31	€ 21.19	€ 23.84	€ 23.84	€ 23.84	34.4%	Max
Between 9.15m (30') and 12.20m (40') in length	€ 7.24	€ 17.75	€ 28.25	€ 31.78	€ 31.78	€ 31.78	34.3%	Max
Exceeding 12.20m (40') in length	€ 7.24	€ 17.75	€ 28.25	€ 31.78	€ 31.78	€ 31.78	34.3%	Max

<i>Trade vehicles (per unit)</i>								
Passenger cars	€ 13.25	€ 13.58	€ 13.92	€ 14.27	€ 14.63	€ 14.99	2.5%	Min
Other road vehicles	€ 5.13	€ 5.26	€ 5.39	€ 5.52	€ 5.66	€ 5.80	2.5%	Min

	2021	2022	2023	2024	2025	2026	Average annual increase	Maximum or minimum increase
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<i>Selected Bulk Liquid Commodities (per tonne)</i>								
Petrol	€ 3.41	€ 3.50	€ 3.58	€ 3.67	€ 3.76	€ 3.86	2.5%	Min
Diesel and Kerosene	€ 2.72	€ 2.79	€ 2.86	€ 2.93	€ 3.00	€ 3.08	2.5%	Min
Bitumen	€ 2.17	€ 2.22	€ 2.28	€ 2.34	€ 2.40	€ 2.46	2.5%	Min
Molasses	€ 1.57	€ 1.61	€ 1.65	€ 1.69	€ 1.73	€ 1.78	2.5%	Min

<i>Selected Bulk Solid Commodities (per tonne)</i>								
Animal feed and cereals	€ 1.60	€ 1.64	€ 1.68	€ 1.72	€ 1.77	€ 1.81	2.5%	Min
Ores and concentrates	€ 1.19	€ 1.22	€ 1.25	€ 1.28	€ 1.31	€ 1.35	2.5%	Min
Scrap metal	€ 1.13	€ 1.16	€ 1.19	€ 1.22	€ 1.25	€ 1.28	2.5%	Min
Cement	€ 1.58	€ 1.62	€ 1.66	€ 1.70	€ 1.74	€ 1.79	2.5%	Min

<i>Tourist traffic (per unit)</i>								
Motor cars	€ 2.14	€ 2.19	€ 2.25	€ 2.30	€ 2.36	€ 2.42	2.5%	Max
Motor cycles	€ 2.14	€ 2.19	€ 2.25	€ 2.30	€ 2.36	€ 2.42	2.5%	Max
Trailers	€ 2.14	€ 2.19	€ 2.25	€ 2.30	€ 2.36	€ 2.42	2.5%	Max
Caravans	€ 4.34	€ 4.45	€ 4.56	€ 4.67	€ 4.79	€ 4.91	2.5%	Max
Dormobiles / mini-buses	€ 4.34	€ 4.45	€ 4.56	€ 4.67	€ 4.79	€ 4.91	2.5%	Max
Coaches and buses	€ 10.08	€ 10.33	€ 10.59	€ 10.86	€ 11.13	€ 11.40	2.5%	Max

	2021	2022	2023	2024	2025	2026	Average annual increase	Maximum or minimum increase
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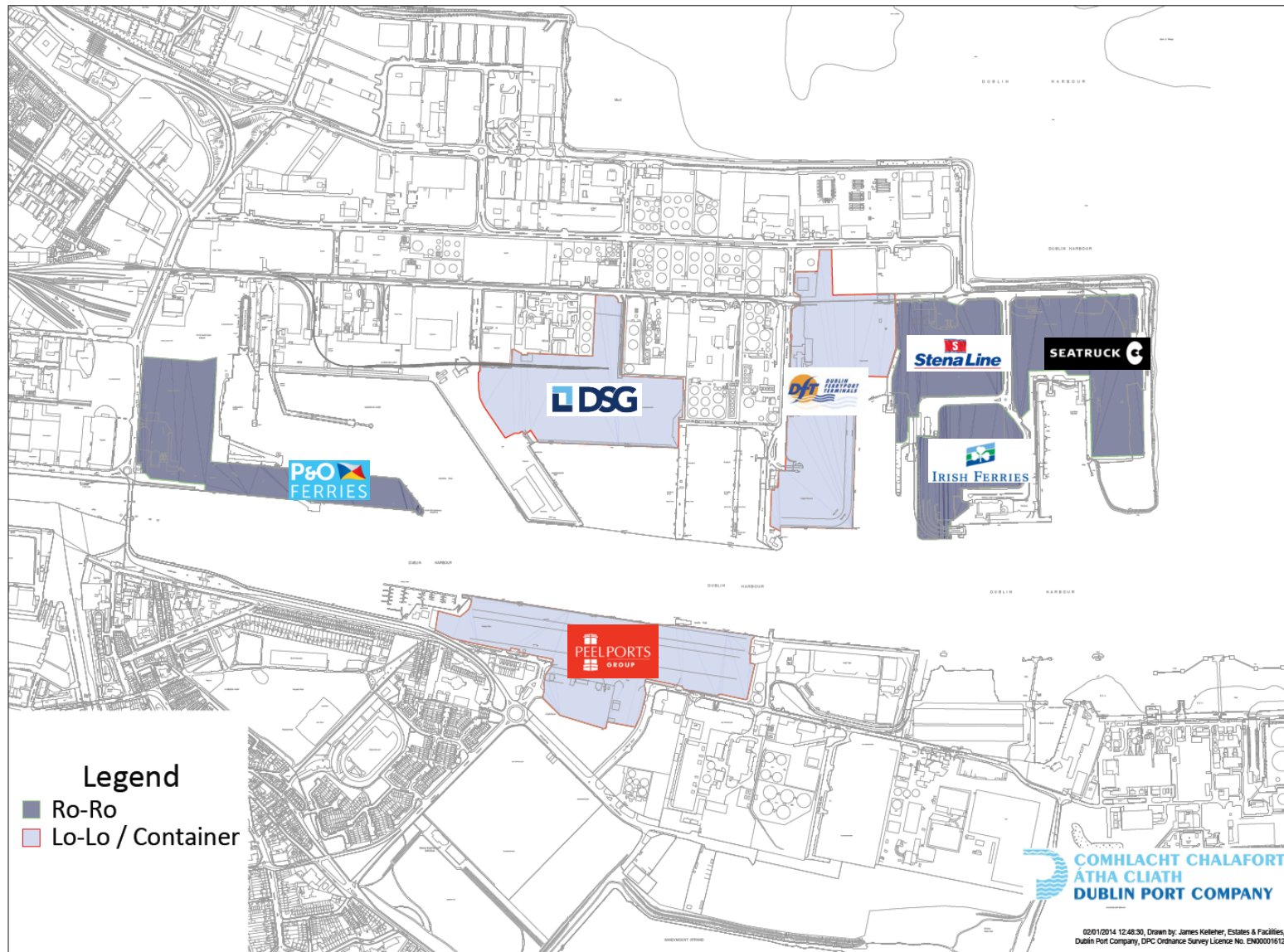
<i>Passengers (each)</i>								
Passengers	€ 0.48	€ 0.49	€ 0.50	€ 0.52	€ 0.53	€ 0.54	2.5%	Max
Port-of-call cruise passengers	€ 1.50	€ 1.50	€ 1.50	€ 1.50	€ 1.50	€ 1.50	0.0%	Max
Turnaround cruise passengers	€ 3.50	€ 3.50	€ 3.50	€ 3.50	€ 3.50	€ 3.50	0.0%	Max

Appendix 4 - Ships tonnage dues, 2022 to 2026

	2021	2022	2023	2024	2025	2026	Average annual increase	Maximum or minimum increase
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Lo-Lo	€ 0.578	€ 0.592	€ 0.607	€ 0.622	€ 0.638	€ 0.654	2.5%	Max
Bulk Liquid	€ 0.720	€ 0.738	€ 0.756	€ 0.775	€ 0.795	€ 0.815	2.5%	Max
Bulk Solid	€ 1.170	€ 1.199	€ 1.229	€ 1.260	€ 1.291	€ 1.324	2.5%	Max
Break Bulk	€ 1.170	€ 1.199	€ 1.229	€ 1.260	€ 1.291	€ 1.324	2.5%	Max
Ro-Ro Car / Freight	€ 0.079	€ 0.081	€ 0.083	€ 0.085	€ 0.087	€ 0.089	2.5%	Max
Ro-Ro Car Carriers	€ 0.337	€ 0.345	€ 0.354	€ 0.363	€ 0.372	€ 0.381	2.5%	Max
Ro-Ro High Speed Ferry	€ 0.097	€ 0.099	€ 0.102	€ 0.104	€ 0.107	€ 0.110	2.5%	Max
Cruise Liners	€ 0.193	€ 0.193	€ 0.193	€ 0.193	€ 0.193	€ 0.193	0.0%	Max

Appendix 5 – Dublin Port’s seven unitised terminals



Appendix 6 – Dwell Time charges for unitised goods

<u>Phase 0</u>		<i>Effective: 01-Mar-2018</i>	
from	to	Import	Export
1	7	€ -	€ -
8	14	€ 10	€ -
15	21	€ 15	€ 15
22	49	€ 35	€ 35
50		€ 55	€ 55

<u>Phase 1</u>		<i>Effective: 01-Jan-2020</i>	
from	to	Import	Export
1	4	€ -	€ -
5	10	€ 20	€ -
11	21	€ 30	€ 30
22	49	€ 70	€ 70
50		€ 110	€ 110

<u>Phase 2</u>		<i>Effective: 01-Jun-2022</i>	
from	to	Import	Export
1	3	€ -	€ -
4	10	€ 30	€ -
11	21	€ 45	€ 45
22	49	€ 105	€ 105
50		€ 165	€ 165

<u>Phase 3</u>		<i>Effective: 01-Jun-2023</i>	
from	to	Import	Export
1	2	€ -	€ -
3	7	€ 40	€ -
8	21	€ 60	€ 60
22	49	€ 140	€ 140
50		€ 220	€ 220

Day 1 is the day the container or trailer arrives on terminal