

Seaport Alternatives for Region X, 1987

Summary:

The objective of this project was to assess different seaport investment alternatives in the so-called “macroregion” of regions VIII, IX, and X, to meet the increasing demand for seaport services, mainly from the forestry sector. The investment alternatives were: (1) utilizing the current Region VIII port system (including San Vicente, Talcahuano, and Lirquén); (2) using the port of Puerto Montt; and (3) constructing a new port at Bahía de Corral. These alternatives were assessed with due consideration for the effects of each on the entire macroregion.

The most notable aspects of this study included, first of all, the analysis of the different alternatives in the context of a single port system in which different ports would interact with each other, and second, the methodology designed by the group to assess the different proposed projects. While the situation was somewhat traditional – it was necessary to compare scenarios with and without projects by measuring costs and benefits in each case – what made it exceptional was the rigor with which the “with project” scenario was studied, as the project consisted of a series of investment projects to be implemented over time, and the optimal scenario was selected by employing the criterion of maximizing the NPV of the social benefits.

Specifically, in measuring the costs and benefits, computer modeling was carried out to allocate cargo to the different potential locations of port facilities. Based on a calculation of total annual cost of exporting from each port facility (road and rail

transport, cargo storage and holding costs, and the costs of shipping), the cargo was assigned to the port with the lowest transfer cost.

The investment program that ultimately offered the greatest present value of its net social benefits included the construction of a new port at Bahía de Corral. However, despite its high social profitability, the study determined that that investment was not attractive in terms of the current port fees established by EMPORCHI. For that reason, a major conclusion of the study was that it was necessary to review the current system and fee structure employed by EMPORCHI – especially in Region VIII – as these would have a strong impact on demand for the proposed port at Bahía de Corral.