PUERTO®
BAHÍA BLANCA

CONSORCIO DE GESTIÓN
DEL PUERTO DE BAHÍA BLANCA

Port Vision 2040

Port Vision Bahía Blanca 2040

Vision developed for the Port Authority of Bahía Blanca by and in collaboration with stakeholders of the Port Industrial Complex.

PORT CONSULTANTS ROTTERDAM


city & region
environment, safety & quality of life
work, laws & regulations
FOOD PORT
2040
MULTIMODAL LOGISTIC HUB
HARBOUR INDUSTRIAL CLUSTER
accessibility & logistics
investment climate

"We do not inherit the land of our parents;
we borrow it from our children."
Francisco Pascasio Moreno

We, the people from Argentina, have the responsibility to unlock our potential as a Nation, improving our present situation and overcoming the difficulties that we face. Thus, the only possible way is looking ahead to envision the future we want to leave for the generations to come and formulating the plans that will bring us closer to that vision. Therefore, **it is time to work for the long-term**, without neglecting the needs of the short- and medium-term.

Here at the Port Authority of Bahía Blanca, we want contribute to achieve that goal. Consequently, we decided to start this long-term planning process, which includes the development of the **Port Vision 2040**; as we strongly believe that the port is one of the cornerstones for the expansion and prosperity of Bahía Blanca and the region. Thereafter, it is in the balanced combination of people, profit and planet that we foresee the necessary elements for a sustainable development. Moreover, **stakeholder engagement is considered an essential factor to realise this long-term vision** for attaining a general agreement of the steps to take.

Port Vision Bahía Blanca 2040 represents the combined efforts and work of the Port Authority of Bahía Blanca, of most of the stakeholders, and of the institutions that yearn for a growing region and country. To all of them, our sincere gratitude for being part of this project. At last, but not least, it is important to highliught that during this process, **we held more than one hundred meetings and we worked as a single team with more than two hundred people**. This helped us discover a strong motivation for participation and commitment; therefore, we believe this is the initial step for a continuous process to shape together our future.

Finally, we encourage all those who have participated in this process and those who will read this Port Vision in the future to make contributions and comments at www.puertobahiablanca.com, as part of this integrated planning process towards a sustainable growth.

Building the future for our region

Table of Contents

The goal of Port Vision Bahía Blanca 2040 is to blend the ambitions of the Port Industrial Complex into a common view that all stakeholders share, providing a path to follow in an ever-changing world.

Chapter 1 describes the participation process used to build **A Shared Future**.

However, to know where we are going, we need to know where we are standing. Hence, Chapter 2 is focused on the **Current Situation** of the Port Industrial Complex of the estuary of Bahía Blanca, while Chapter 3 defines the identity of the Port Authority of Bahía Blanca by presenting the **Mission, Vision and Corporate Values.**

Chapter 4 identifies main global and regional **Trends & Developments** that may influence the evolution of the Port Industrial Complex. Consequently, the core development **Vision for Bahía Blanca 2040** is built upon with the contributions of key stakeholders and by attaining a clear understanding of the status and operations as well as the trends that can impact the development of the Port Industrial Complex. This vision is described in Chapter 5.

The Vision is based on five key success factors of vital importance. These factors are described in Chapter 6 and they set the **Path to 2040**.

Finally, the implementation steps of the Port Vision are shown in Chapter VII which includes a **Public Agenda** shared by the Port Authority and many stakeholders. Specifically, the intention is to communicate the actions to be implemented in coming years to realise the Port Vision Bahía Blanca 2040.

Stakeholders

This Port Vision is the result of an enriching participation process with members of governmental agencies, institutions, companies, industries, port operators, concessionaires and many organisations.

Governmental Agencies and Institutions

+ Municipality of Bahía Blanca
+ Local Office of the Municipality of Bahía Blanca at Ingeniero White
+ Municipality of Coronel Rosales
+ City Council of Bahía Blanca
+ Undersecretary of Port Activities, Ministry of Production, Government of the Province of Buenos Aires
+ Port of Coronel Rosales, Undersecretary of Port Activities, Ministry of Production, Government of the Province of Buenos Aires
+ Puerto Belgrano Naval Base, Argentine Navy, Ministry of Defence
+ Coast Guard of Argentina, Ministry of Safety and Security
+ Institute of Oceanography of Argentina, CONICET, Ministry of Science, Technology and Production Innovation, President's Office
+ Universidad Tecnológica Nacional, Bahía Blanca Regional Faculty
+ Universidad Nacional del Sur
+ Border Health Control, Ministry of Health
+ Federal Agro-Food Health and Quality Service, Ministry of Agriculture and Industry
+ Customs Administration, AFIP, Ministry of Treasury
+ Free Trade Zone Bahía Blanca - Coronel Rosales
+ Federal Roads and Highways Bureau
+ Roads and Highways Bureau of the Province of Buenos Aires
+ Grain Exchange of Bahía Blanca
+ Stock Exchange of Bahía Blanca
+ Industrial Union of Bahía Blanca
+ Institute for the Promotion of Argentine Beef
+ Association of Trade, Industry and Services
+ Association of Cattle Breeders and Farmers of Bahía Blanca
+ Provincial Agency for Sustainable Development (OPDS), Government of the Province of Buenos Aires
+ Bahía Blanca, Bahía Falsa, Bahía Verde Nature Reserve, OPDS
+ Islote de la Gaviota Cangrejera Nature Reserve, OPDS
+ Technical Executive Committee, Municipality of Bahía Blanca

Port operators and Concessionaires of the Port Authority of Bahía Blanca

+ Chamber of Agents and Licensees of the Port of Bahía Blanca (CPCPBB)
+ Cargill Argentina SA
+ Louis Dreyfus Company Argentina SA
+ Alfred C. Toepfer SA
+ Oleaginosa Moreno Hermanos SA - Glencore Cereales SA
+ Terminal Bahía Blanca SA - Bunge Argentina SA
+ Terminal de Servicios Portuarios Patagonia Norte SA
+ Profertil SA
+ Compañía MEGA SA
+ Tegral SA
+ Vale SA

Port Services, Port Chambers, and Transportation Companies

+ Empresa de Servicios Especiales Marítimos (ESEM) SA, Piloting
+ Donmar SA, Piloting
+ Port and Maritime Chamber of Bahía Blanca (CPMBB)
+ Lanchas del Sur SA, Mooring Port Services
+ Maritime Centre
+ Agencia Marítima Martin SRL & Antares Naviera, Towing Services
+ Trans-ona SAMCIF, Towing Services
+ Svitzer Meridian Argentina, Towing Services
+ Ferrosur SA
+ FerroExpreso Pampeano SA (FEPSA)
+ Transporte y Logística SA

Social and Environmental Organisations

+ Neighbourhood Association of Ingeniero White
+ Neighbourhood Association of Boulevard
+ Neighbourhood Association of Saladero
+ Fund for the Reception and Assistance of Marine Animals (FRAAM)
+ “20 de Agosto”, NGO
+ Asociación Ambientalista del Sur, NGO
+ World Organisation of Cities and Logistic Platforms, Bi-Oceanic Corridors
+ Committee for the Environment, Industrial Union of Bahía Blanca
+ Chambers and Associations of Fishermen
+ Regional Council for Water Sports (CODENAR)
+ Sailing Club of Bahía Blanca
+ Sailing and Fishing Club of Puerto Galván
+ Sailing and Fishing Club of Gral. D. Cerri
+ Inter-Union Port Committee
+ Dredging and Beaconing Union
+ Carrier Chambers

Major Companies with Operations in the Area

+ YPF SA
+ Dow Argentina SA
+ Unipar Carbocloro (formerly Solvay Indupa)
+ Termoeléctrica Guillermo Brown (TGB), AES
+ Compañía Administradora del Mercado Mayorista Eléctrico Argentino SA (CAMMESA)
+ Energía Argentina SA (ENARSA)
+ Transportadora Gas del Sur (TGS)
+ Free Trade Zone Buenos Aires Sur
+ Oil Tanking - EBYTEM SA
+ Pampa Energía
+ Vestas

I | A Shared Future

Realising the Vision

The future of the Port of Bahía Blanca can only be imagined if there is a shared vision with the participation of all the stakeholders, governmental agencies, the private sector and other sectors of society. Although this Port Vision was an idea of the Port Authority of Bahía Blanca, development was thought of as a participation process with the purpose of creating a vision that exceeds the port and sets a guide for the future of the Estuary of Bahía Blanca and its surroundings.

In the first stage of this process, we analysed the status of the port industrial complex and its surroundings. In approximately 70 meetings, with the interaction of more than 130 participants, we set the framework for the parties to have the opportunity to share their point of view on the status of the complex and its surroundings, contributing to exploring strengths and weaknesses, as well as opportunities and threats.

In a second stage, we held new meetings with the stakeholders to discuss the future of the Port Industrial Complex of the Estuary of Bahía Blanca in the look for a shared vision.

Results and Goals

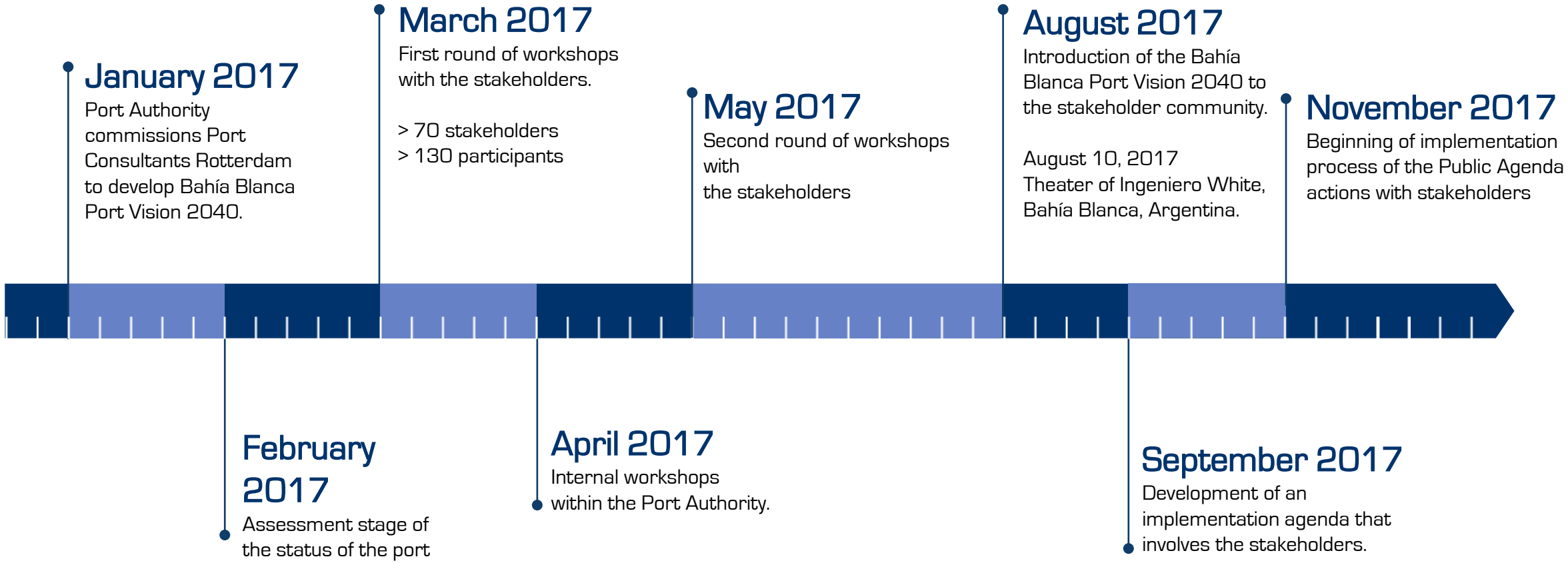
This public document is the result of the process described above and was developed with the contribution of all the stakeholders in pursuit of long-term sustainable development of the port industrial complex and its surroundings. The purpose of this ground-breaking initiative in South America was to reach a consensus within stakeholders and to strengthen the modern spirit of the Port Authority to increase trust, advance a business-friendly atmosphere, and build a beneficial context for society and the environment.

The goal of this vision is ambitious. The proposal is to set a global, strategic course; a guide to strengthen the situation of the port industrial complex, the city and its surroundings by trying to envision a clear horizon for long-term development.

Implementing the Vision

To make this vision come true, the first step has been to develop a vision with the contribution and know-how of all the stakeholders. However, for this vision to be a success, we need the same kind of involvement at the time of implementation.

It is only with the commitment of the stakeholders and the institutions concerned that we will be able to turn ambition into action. Therefore, we developed an agenda, or action plan, that includes tasks for the stakeholders to participate, take responsibility, play along, and report their progress regularly.


January 2017
Port Authority commissions Port Consultants Rotterdam to develop Bahía Blanca Port Vision 2040.
February 2017
Assessment stage of the status of the port industrial complex.
March 2017
First round of workshops with the stakeholders.
> 70 stakeholders
> 130 participants
April 2017
Internal workshops within the Port Authority.
May 2017
Second round of workshops with the stakeholders
August 2017
Introduction of the Bahía Blanca Port Vision 2040 to the stakeholder community.
August 10, 2017
Theater of Ingeniero White, Bahía Blanca, Argentina.
September 2017
Development of an implementation agenda that involves the stakeholders.
November 2017
Beginning of implementation process of the Public Agenda actions with stakeholders

II | Current situation

The Port Complex of Bahía Blanca includes Ingeniero White, Puerto Galván, Cangrejales, Puerto Rosales, and Puerto Belgrano Naval Base, the most important navy port in Argentina. Together, they create one of the most important port industrial complexes in the country. Notably, a large part of the aforementioned port complex is under the management of a non-governmental public organisation created 24 years ago: The Port Authority of Bahía Blanca.

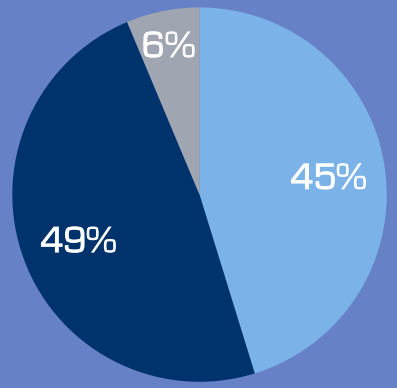
The scope of action includes 2,400 km^2 of water in the Estuary of Bahía Blanca and 638 hectares of land where 17 port operators & concessionaires operate. With 14 operational berths and 2 single buoys at Puerto Rosales, there are approximately 27 million tons of goods transported per year; this makes the Port Complex of Bahía Blanca the first public port in Argentina in throughput (tons). It is also the deep sea port near most important production centres.

Likewise, the port complex fits within a dynamic industrial environment, with the benefit of being located in one of the key hubs of Argentina's oil and gas pipeline network and having available many electrical supply sources in one of Argentina´s electrical grid node.

In addition, its location to the South of Pampas and, in particular, of the Province of Buenos Aires, allows the port to attract part of Argentina's agricultural and agro-industry production.

In recent years, the Port Authority promoted a policy of mutual development with the Municipality of Bahía Blanca to improve the integration of the port to a social and environmental context. The Port-City concept allowed the implementation of training programmes and the development of infrastructure works to improve the quality of life of the community. On the other hand, and aware of the ecological value of the estuary, the Port Authority puts forward a voluntary policy on environmental protection and improvement on a permanent basis; performing strict and permanent monitoring on the quality of water, sediments, air, etc.

27 Million Tons



Source: Port Authority of Bahía Blanca

+ Strategic Value of the Port

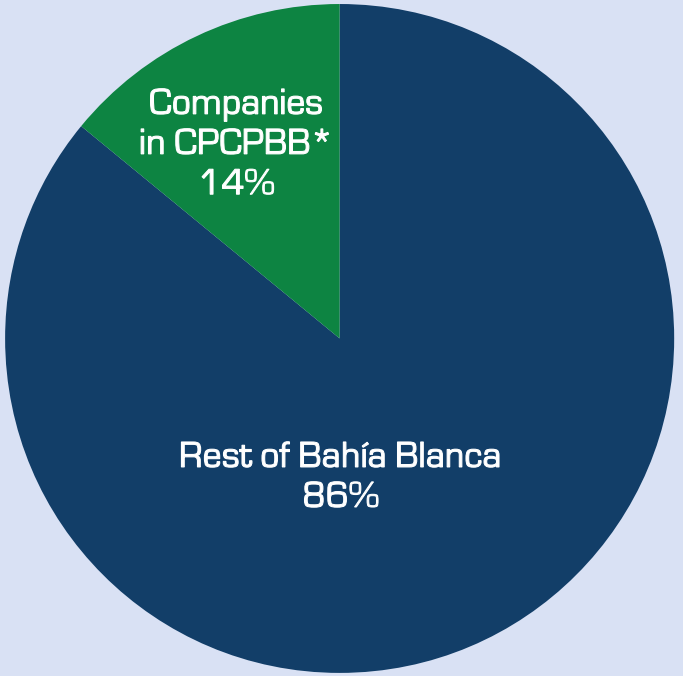
The Port Complex of Bahía Blanca is of the highest importance for the economic development of the region and of the entire country. The companies located in the port area contribute by paying municipal, provincial, and federal taxes and by creating employment.

For instance, the port complex supported the settlement, development and strengthening of the main petrochemical cluster in Argentina which is responsible for approximately 65% of Argentina's petrochemical production and 25% of the Gross Product of Bahía Blanca (CREEBA, 2015.) This enormous achievement has helped the port industrial complex to be among the five most important petrochemical clusters in South America, producing more than 5% of the total of the region.

In 2014, 15% of the total value of exports of the Province of Buenos Aires was exported throughout the Port Complex of Bahía Blanca (Sources: INDEC and CREEBA); this is 5% of the total value at national level.

In addition, the port complex exports agricultural and agro-industrial products from Southern Buenos Aires Province and from La Pampa Province at competitive prices. Within this niche, agri-bulk is the most important cargo; grains and oilseeds are exported as well throughout the Port Complex of Bahía Blanca at an estimated value of 2,000 million dollars. This is approx. 20% of exports (in tons) of grains and oilseeds of the 2015/2016 harvest, and 53% of exports (in tons) of the Province of Buenos Aires in 2016. Outstandingly, the existing draft (up to a guaranteed draft of 45 feet with maintenance dredging) makes the port complex the main deep sea water port in Argentina and a key factor in Argentina's foreign trade. It promotes the top off of vessels sailing with draft restrictions and, therefore, with cargo restrictions, in the Paraná-Paraguay waterway (241 ships in 2016), thus improving national and regional competitiveness.

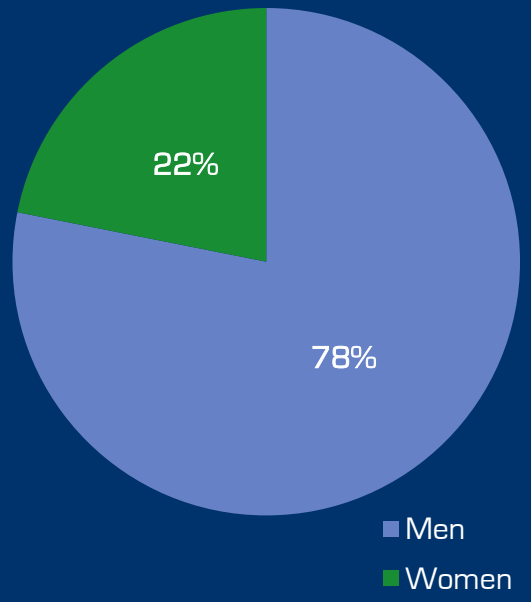
Contribution in Municipal Taxes over Total Income to the Municipality of Bahía Blanca



*CPCPBB: Chamber of Agents and Licensees of the Port of Bahía Blanca
Source: CPCPBB

Human Resources at Port Authority of Bahía Blanca

64 employees



Efficient, role-model port authority at a regional level with high professional rate (52% of employees hold a university degree)

15%
market share of the Port of Bahía Blanca in the Prov. of Buenos Aires (in exports value, 2014)

45
feet
guaranteed draft (with maintenance dredging)

45
companies and industries operating within Port Authority jurisdiction

1st
port in Argentina and South America to operate LNG carriers to supply the country with natural gas

7500
direct jobs
in Bahía Blanca, Coronel Rosales, and Puerto Belgrano

2,400
km^2
of nautical areas under the scope of Port Authority

27
million tons
throughput at the Estuary in 2016

5th
port complex in South America in liquid bulk volume transported in 2016

638
hectares
landside areas under the jurisdiction of Port Authority

6,000
metres
length of available berthing positions

30%
modal split by rail in 2016

3
power plants
1.3GW installed capacity, 4% at National level

5th
petrochemical cluster in South America in production capacity

1st
petrochemical cluster & port in Argentina
65% of Argentina´s production

20%
of 2015/2016 harvest of grain and oilseed exports (tons)

50%
FOB value of grain, oilseed, and by-product exports of the Province of Buenos Aires in 2014

1051
vessels
sailed through the Estuary of Bahía Blanca in 2016

3,400
million dollars
FOB value of port exports in 2014

+50
countries
with regular connections to and from Bahía Blanca

+20,000
indirect jobs
created in the port industrial complex

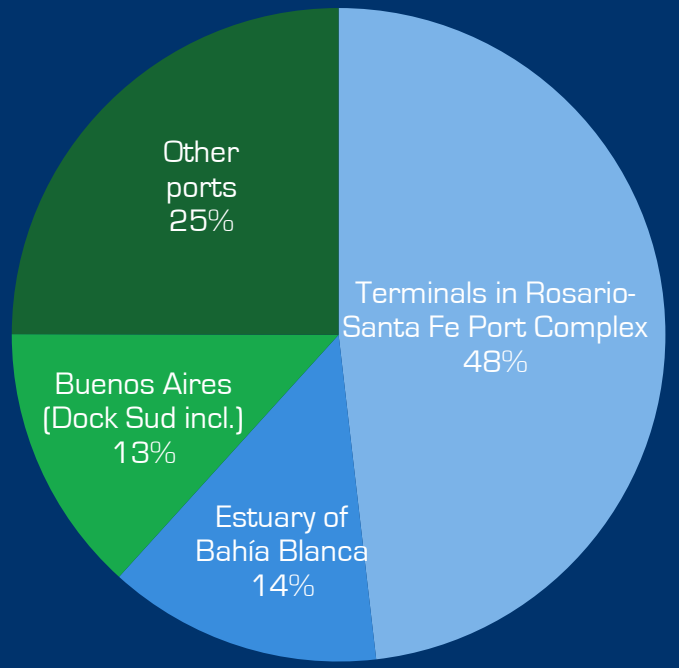
100,000
tons
maximum loaded grain cargo in one single operation

2,300
million dollars
FOB value of grain, oilseed, and by-product exports in 2014

53%
of grain and oilseed exports of the Province of Buenos Aires in 2016 (in tons)

220
metres
maximum length at dry dock No. 2 at Puerto Belgrano Naval Base

Market Distribution of Argentina's Ports in Tons of Cargo Moved



Source: Port and Maritime Activities Chamber (2014)

Main port complex in Argentina operating diversified cargo in 14 terminals

A glance at the past

A look back is necessary to become aware of the transformations we can expect. The Port Authority of Bahía Blanca was created 24 years ago to put an end to 37 years of government management.

In the last 24 years, port areas doubled and 6 new terminals were established (two petrochemical terminals, two agri-bulk terminals, one multipurpose terminal and the new multi-purpose & multi-user terminal for liquid bulk products.) At the same time, agri-bulk exports went from about 3 million tons in 1994 to approximately 10 million tons in 2016 (grain, oilseed, and by-product exports.)

Port Authority carried out a responsible economic and financial policy that supported sustainability in management without the need for federal or provincial funds. It was this kind of independence that allowed the Port Authority to carry out maintenance dredging tasks with its own resources and to lead the way in implementing a maritime traffic control system of unique quality in Argentina.

Finally, the port management model, together with the consistency and professionalism of a technical body, allowed uninterrupted development of port activities in the area, thus achieving a high degree of reliability. Hence the Port Authority of Bahía Blanca is a role-model of excellence in Argentina and the Americas.

Source: Port Authority Archives, 1960

STRENGTHS

+ Management independence within a framework of provincial and federal policies.
+ The Port Authority of Bahía Blanca has economic and financial sustainability.
+ Located in the main hub of Argentina's oil and gas pipeline network.
+ Guaranteed draft of up to 45 feet.
+ The port complex has possibilities of expansion to the East, West, and South.
+ Synergies between port terminals, petrochemical cluster and companies.
+ High standards in industrial health and safety.
+ The Port Authority of Bahía Blanca has a positive image within the business community creating trust in making decisions in terms of future investments.
+ Bahía Blanca, a university city, provides highly qualified human resources.

OPPORTUNITIES

+ Creation of necessary conditions to encourage the settlement of companies to add value in the downstream of the petrochemical industry.
+ Additional capacity for commercial activities at Puerto Belgrano Naval Base and Comandante Espora Air Base facilities.
+ Synergy between Port Authority of Bahía Blanca-Puerto Rosales in operational and planning processes.
+ Ecotourism in the estuary: Access to nature and historical aspects.
+ Sustainable growth promoting environmental and social aspects.
+ Río Colorado Potassium Project: Mining to extract potassium chloride.
+ Vaca Muerta Project: Non-conventional shale-oil and shale-gas drilling.
+ Expansion of Dow Chemical: Construction of the third polyethylene cracker.
+ Expansion of petrochemical hub (YPF) to add value to commodities (e.g. gas).
+ Growth of agricultural, livestock and agro-industry production.
+ Possibilities of developing a specialised container terminal.
+ Developing better facilities for sailing and fishing clubs.

WEAKNESSES

+ Inadequate and/or inefficient near landside accesses (road and rail).
+ Unbalanced rail modal split.
+ Lack of suitable land areas (of a size of 50 has or more) for new port terminals, logistics hubs or distribution centres. Fragmented logistics and service areas.
+ Fragmented container terminal with low possibilities of expansion.
+ Lack of regular containership lines and services operating in Bahía Blanca (low frequency and lack of direct lines).
+ Unequal development with the community of Ingeniero White.
+ Location next to an environmentally protected area.
+ Non-treated sewage discharge at close distance.
+ Little synergy between Free Zone and Petrochemical Cluster & port terminals.

THREATS

+ Hinterland connections.
+ Low investment priority at Federal level. Delays in the improvement of hinterland connections and road and rail access.
+ Shortage of water for industrial use in case of expansion.
+ Lack of alignment of unions with overall goals of the Port Industrial Complex in terms of competitiveness and efficiency.
+ Partially social-environmental negative perception of Port Industrial activities.
+ Delays to get approval from Federal and Provincial agencies.
+ Absence of a comprehensive National framework for dredging works.
+ Moderate influence on decision-making processes at Federal and Provincial level.


towards Asia
New York
12.360 km
Bahamas
7.755 km
Panama
Canal
Balboa
5.200 km
Buenaventura
4.800 km
Callao
2.660 km
Pecem
5.560 km
Açu
3.000 km
Santos
2.420 km
Montevideo
865 km
BAHIA BLANCA
3.000 km extra
Rotterdam
12.550 km
14.720 km
Marseilles
12.400 km
15.030 km
Dubai
16.700 km
Bombay
16.000 km
31.320 km
Shanghai
22.160 km
22.400 km
Hong Kong
20.680 km
23.460 km
Singapore
17.960 km
26.300 km
Durban
8.680 km
10.860 km
Cape Town
7.080 km
9.860 km

Exceptional connection with main world ports due to its privileged location in terms of shipping distances and routes from Southern South America...

The Port Industrial Complex of Bahía Blanca is located at a key geographical position to engage in trading from Southern South America to the world. It is an essential part of the routes for incoming and outgoing production from Argentina and the region due to an unbeatable location and the absence of natural barriers in the hinterland (such as the Andes Mountains, large and uninhabited desert areas, etc.)

The location to the South of the Atlantic Coast provides an important competitive advantage over the ports of the West Coast of South America. This is especially noticeable when trading with most of the world's major economic centres, such as Europe's North-Western regions, the Mediterranean Sea, the Middle East, South Asia, Southeast Asia and China. Distance to these regions turns out to be smaller from the Port of Bahía Blanca than from any other port on the Pacific Coast in Southern South America. In addition, the characteristics of shipping routes and distances reveal other competitive advantages from an economic and/or logistics point of view. Unlike the ports at the East Coast of South America, to reach destinations on the Atlantic Coast of North America, Europe, or the Mediterranean Sea, it is not necessary to go through the Panama Canal –with the associated toll– if the ships begin their journey at Bahía Blanca. Destinations in Africa, the Middle East, India, Southeast Asia, and China can be reached by navigating directly through the Atlantic Ocean, Cape of Good Hope (South Africa) and the Indian Ocean, without the need to circumnavigate Cape Horn, resulting in savings of at least 3000 km of navigation with less fuel consumption and less navigation time.

Finally, Bahía Blanca's location is an advantage to make numerous calls in shipping routes to connect the Port Industrial Complex with Asia and Europe. In the first case, it is possible to make calls in South Africa, the Middle East, India and the large hub ports of Asia, something that is not possible in the shipping routes through the Pacific Ocean. In the case of traffic to the East Coast of North America, Europe, and the Mediterranean Sea, making calls in Uruguay, in the most important Brazilian ports and in the northwest coast of Africa, results in unparalleled competitive advantages.

III | Mission, Vision and Corporate Values

Mission

Our mission is to manage sustainable growth of the Port Complex of Bahía Blanca throughout long-term planning to promote economic and social development of the region and the country together with the customers and the community.

Vision

Our vision is to remain as one of the leading ports in South America, fully committed to social and environmental sustainability, and to be known for our innovation and transparency in port management and for our efficient, safe, and quality services that promote cargo diversity.

Corporate Values

Ethical & professional management

Sense of belonging

Economic transparency and self-sustainability

Reputation and innovation

Sustainability

Safety & security

Customer satisfaction

IV | Trends & Developments

Global Trends

+ Maritime Transport Flow

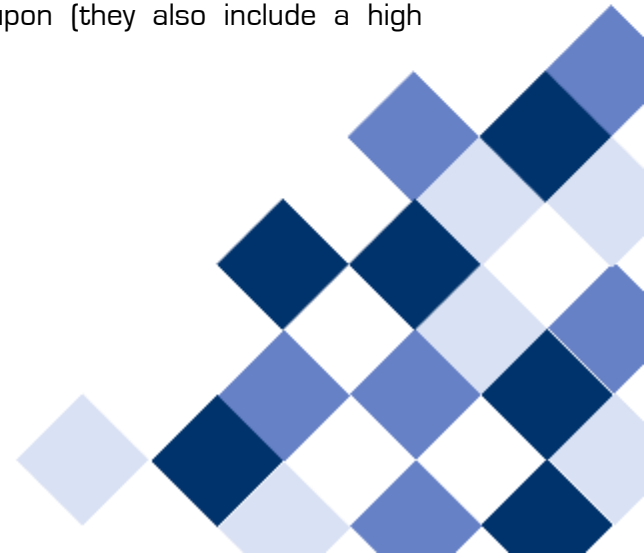
According to OECD projections (2015), cargo flows by sea will be multiplied by 2.5 in 2040 in comparison to 2015. There is an estimate that there will be a strong increase in Gross World Product (GWP) in this period, even though growth has been moderate in recent years. The OECD also states that an increase in transported volumes will require new strategic infrastructures at worldwide level that will include ports, hinterland connections and additional services. On the other hand, UNCTAD (2016) announced similar growths in the order of a 4th Industrial Revolution, because of demographic increase and massive spreading of new technologies (e-commerce, big data, block chains, crytocurrencies, etc.) Consequently, since port activity helps commercial trade in international terms, UNCTAD expects that ports will increase their activities as well. All of the above should be thought of in the current context where maritime transport moves 80% of global cargo volumes, that is between 55% and 65% of the value of the goods.

+ Trade, International Cooperation Treaties

At present, a great majority of countries are entering into regional, multinational and intercontinental trade agreements as a formal support to accommodate the large volumes of trade expected in the future. In terms of transport infrastructure, a worldwide proposal is the implementation of corridors to connect large economic centres, such as the Chinese initiative in Asia: "One Belt, One Road." Therefore, Argentina will have to face adequate strategic planning of transport structures to participate in these global trends and to become one of the development centres in the future. The unparalleled location and important benefits create the most convenient maritime connection from Southern South America to Europe, Africa and Asia maritime routes with and without calls. In this context, Argentina will need to apply universal principles of Quality Infrastructure to ensure high levels of competitiveness and efectiveness.

+ Prices and Costs at an International Level

The actions underway in terms of commercial trade at an international level look for a progressive reduction in the final price of goods. This means that many countries will reduce the costs of a chain where transport is present with more or less intensity. In Argentina, transportation costs, as well as production and commercial management costs, are now high when compared to the world and to the region; that is why they should be acted upon (they also include a high portion of taxes.)



+ World's Demand for Food

World population estimated for 2050 is of about 9,000 million. The projection is that global food consumption will increase by 70% between 2010 and 2050. This will result in an increase in annual grain and meat production that will reach 3,000 million tons and 455 million tons respectively (FAO, 2009.) This means that countries such as Argentina, the tenth largest exporter of agricultural products in the world in 2015 (according to WTO), would be able to sit in a strategic position in the next decades as a food supplier. In turn, phytosanitary requirements in the countries of destination are increasing: Improving product quality and the safety and efficiency of controls will be increasingly essential.

+ Energy

The demand for energy and fuel continued to increase in the world market, at decreasing rates, lower than the growth of Gross World Product. Market share in the demand shows a decrease in liquid fuels, an increase in gas and a strong increase in renewable energies. One possible scenario, according to BP (2017), is that energy obtained from crude oil, gas, coal and nuclear fission will be 70% of global production by 2035.

+ Shipping world

The global growth of economic activity, particularly in emerging countries, will result in an increase in the flow of goods. An OECD report for 2015 predicts the following increase in tons for 2040 in comparison to 2015: Traffic of LPG/LNG carriers and passenger ships will be multiplied by 5.3; traffic of containers by 2.6; traffic of solid bulk by 2.4 and traffic of liquid bulk by 1.9. In the case of containers, this increase will be associated with a progressive reduction of tariffs and a better use of ships to avoid empty run sections.

At the same time, together with a rising trend in the flow of goods, ships will evolve towards greater efficiency and sustainability. Soon, electric or LNG propulsion systems will become the norm.

In addition, ships will be hyper-connected to allow live monitoring of all navigation parameters and the status of their components to optimize navigation in every respect (smart shipping) as a first step towards ships being operated remotely, with a degree of partial or total automation (autonomous ships and unmanned vessels).

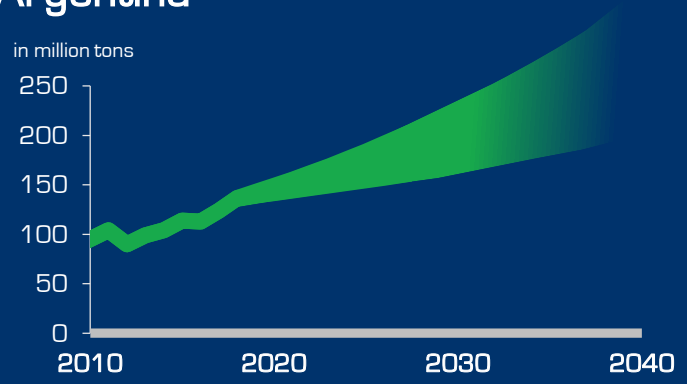
Ports of The Future

In the next few decades, there will be deep changes in the way we think about ports. To survive in a highly competitive environment, port authorities should excel to deliver avant-garde innovation (R+D+i) to adapt to ever changing conditions.

One of the main characteristics of the port of the future is the use of new digital technologies: It will become a smart port that is perfectly integrated with a smart city. The collection, exchange and use of data will be a key aspect of port management. With the help of artificial intelligence and a clear hyper-connection with the community of stakeholders, we will reach the highest levels of efficiency, thus maximising the use of resources. For example, there will be autonomous land or water vehicles capable of providing services to ships, inter-terminal transport services, etc.

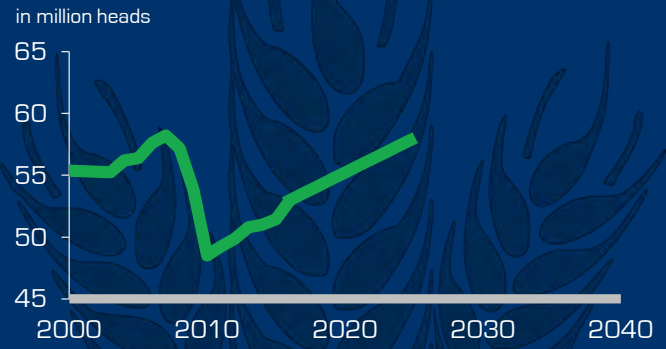
The port of the future will also be more sustainable, in harmony with the environment and the region. For this purpose, development will be based on a systematic approach, integrating environmental, social and economic aspects.

Evolution of Grain Production in Argentina



Sources: Fundación Producir Conservando
Ministry of Agriculture and Industry

Evolution of Livestock in Argentina



Sources: Fundación Producir Conservando
Association of Argentinian Beef Exporters
CICCRA
IPCVA

Regional Trends

+ Agriculture and Agri-industry

At present, approximately 137 million tons of grains are produced in Argentina per year (estimate for the 2016/2017 harvest.) The main products are corn, soy, wheat, sunflower, malt, barley, etc. There is no doubt that Argentina's production will continue to grow in the coming decades and production is expected to exceed 160 million tons by 2025.

This production increase will be achieved with an increase of production areas (by incorporating new areas by irrigation) in the corn culture, and an increase in yield in the wheat culture. The latter has the highest growth expectation: an annual production increase of 5%. Given that the domestic demand will remain steady, the exportable surplus will increase sharply to reach 120 million tons in 2025, with the addition of by-products and raw materials.

The agricultural sector is also looking for an increase in the value of production by working on two areas: A differentiation of raw material and an increase in the degree of processing. Firstly, promoting quality improvement or differentiation of raw materials and by-products implies adapting the production processes and the logistics chain and, in particular, adapting storage capacity to respond to a growing demand in the world market of products with specific properties (oil content, absence of genetic modifications, colour, etc.) Secondly, the goal is to increase the degree of product processing. At present, the oilseed industry is the main exporter in the country, followed by the flour milling industry; one of the goals is to expand this industry to the exports sector. Another trend is the development of the corn and fodder processing industry, a sector in full bloom and with rapid growth; wet and dry milling, animal food production and biofuel production stand out in this area.

Finally, the production of food for human consumption, such as the production of meat products, increases the added value of agricultural production in Argentina. In addition, the country can satisfy the world's demand for premium and/or organic food due to the respect enjoyed by Argentine products and the gradual recovery of Argentina's livestock, that in 2016 bounced back to 53 million heads. Therefore, Argentina is heading towards recovering important export markets.

+ Petrochemical Industry

The continued growth of the Vaca Muerta Project has a key impact on the future of Argentina's petrochemical industry. At present, Bahía Blanca is one of the five most important petrochemical clusters in South America and its future development depends largely on the quality and availability of natural gas supplies. With the development of Vaca Muerta, a greater amount of gas will be available for the industry, allowing the expansion of current plants and the settlement of new companies to respond to a growing demand at a worldwide and Mercosur level.

A key player in Bahía Blanca is YPF, to which Vaca Muerta Project will offer important development opportunities in the area. The addition of value, within the country, to the gas produced by the reservoir is a top priority. This implies processing and industrialising before it can be exported to the world. Therefore, in the medium- and long-term, it is expected to duplicate the size of the petrochemical cluster at Bahía Blanca with a significant increase in the production of methanol, polyethylene (pellets and plastics) among others.

Another key player is Dow Chemical, an American company, with plans of expansion of their facilities that could require investments of about 4,000 million dollars.

To sum up, it is likely that a greater supply of petrochemical products and the growth of the food industry (the first consumer of containers and packaging) will result in greater attraction to companies in the plastic´s industry, in particular small and mid-scale companies, that are 70% of the companies in this sector. In Argentina, the plastic sector has a steady growth rate: production grew at an average annual rate of 4.2% between 2001 and 2013, driven by the increase of consumption in the domestic market (consumption of plastics per capita went from 11.5 kg in 1990 to 43 kg in 2013), and by the increase in exports. With the settlement of these companies, it is expected an increase in container traffic in the Port Industrial Complex.

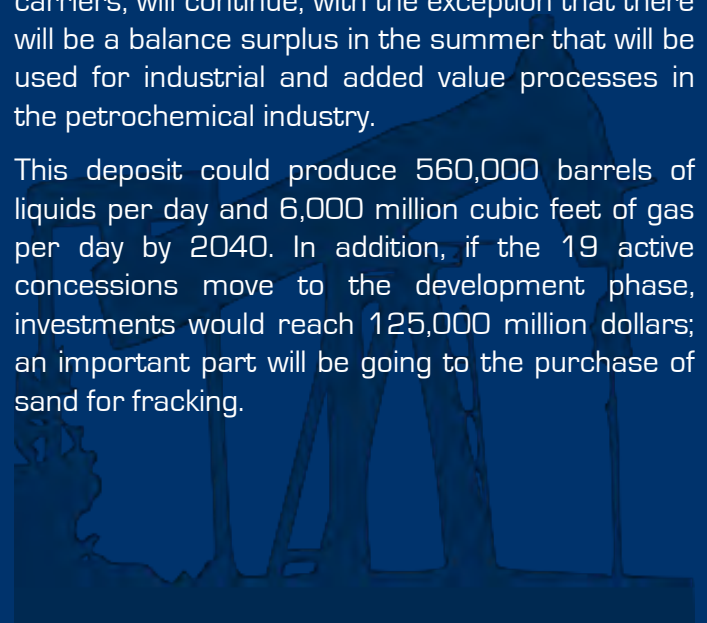
Finally, it is important to notice that, due to the large volumes of shale oil and shale gas that will be extracted from the deposits in the Neuquén basin, we can also expect an increase in available storage capacity for crude oil, fuels, chemicals and other by-products. For this purpose, it is expected the settlement of new tank farms in the Port Industrial Complex of the Estuary of Bahía Blanca.

Vaca Muerta

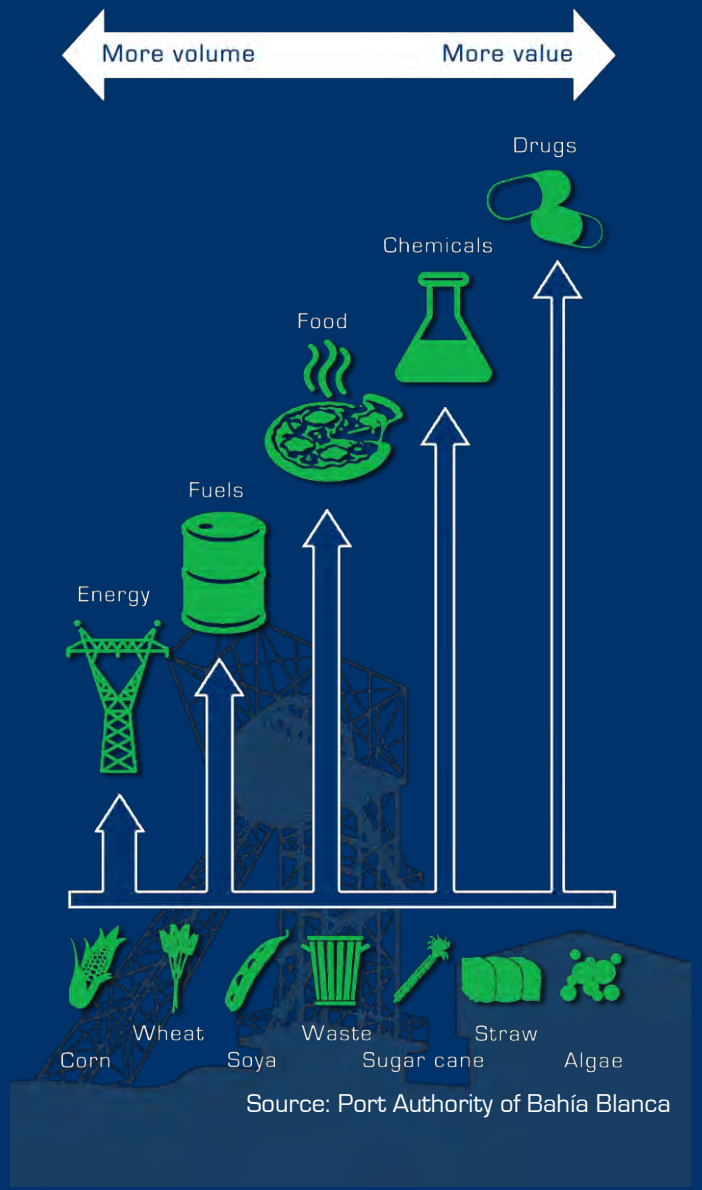
A key element for the future of Argentina's energy scenario is the development of the largest shale gas and shale oil reservoir in Argentina: Vaca Muerta. The 30,000 km^2 formation, that extends mainly in the Province of Neuquén, has a recoverable stock of non-conventional natural gas equivalent to 2.5 times the world's consumption per year and crude oil equivalent to 2.4 times Europe's consumption per year.

Currently, 227 wells are in operation, producing an equivalent of 66,500 barrels per day. The plan is to promote the exploitation of the deposit regularly until 2025, with an increase of 57% in comparison to 2016. The import of gas, via pipelines and gas carriers, will continue, with the exception that there will be a balance surplus in the summer that will be used for industrial and added value processes in the petrochemical industry.

This deposit could produce 560,000 barrels of liquids per day and 6,000 million cubic feet of gas per day by 2040. In addition, if the 19 active concessions move to the development phase, investments would reach 125,000 million dollars; an important part will be going to the purchase of sand for fracking.



Bio-based industry



Source: Port Authority of Bahía Blanca

+ Mining

Although there were government-led initiatives to improve competitiveness of the mining sector, there are no good prospects in the short term due to the low price of minerals. However, the world's demand will grow with an improvement in economic conditions and the implementation of federal regulations to preserve the environment and the interests of the country. Investment projects for 20,000 million dollars to exploit numerous mining deposits will begin in the medium term. This would result in an increase in production of an average annual rate of 4.6% by 2025.

Some projects are close to the execution phase, such as the Río Colorado Project (exploitation of a deposit of 2,000 million tons of sodium chloride and potassium south of Malargüe, Mendoza), and the Andacollo Project in the Province of Neuquén (extraction of gold and silver.)

The natural exit to export these products is the Port of Bahía Blanca due to the connections with the deposits (with minimum level differences), the shortest distance in maritime routes to the destinations of the cargo and the status of deep water port.

+ Bio-based industry

In the coming decades, energy transition towards products of renewable origin will cause the rise of new types of industries. Bio-based industry is one of these emerging industries, although it is already a strong sector for some processes. Essentially, it consists in using organic raw materials to replace hydrocarbons in the production of energy, biofuels, chemicals, plastics, etc. It is based on the transformation of biomass: agricultural products such as soybean, wheat, and corn, but also domestic garbage, waste from the agricultural food industry, waste from the livestock sector, or even algae.

At present, bio-based industry plays a key role in Argentina in the production of biofuels from first-generation biomass. For example, biodiesel is made from soybean vegetable oils and bioethanol is made from corn and sugarcane. Production is partially supported by Argentina's fuel policy that states that fuels should have an 8% of biofuels; there is a possibility of increasing this value to 16% in coming years. Production is concentrated in the Province of Santa Fe (biodiesel) and the Provinces of Salta and Jujuy (bioethanol.) In the future, Bahía Blanca could occupy a key position in the bio-industry sector.

+ Energy

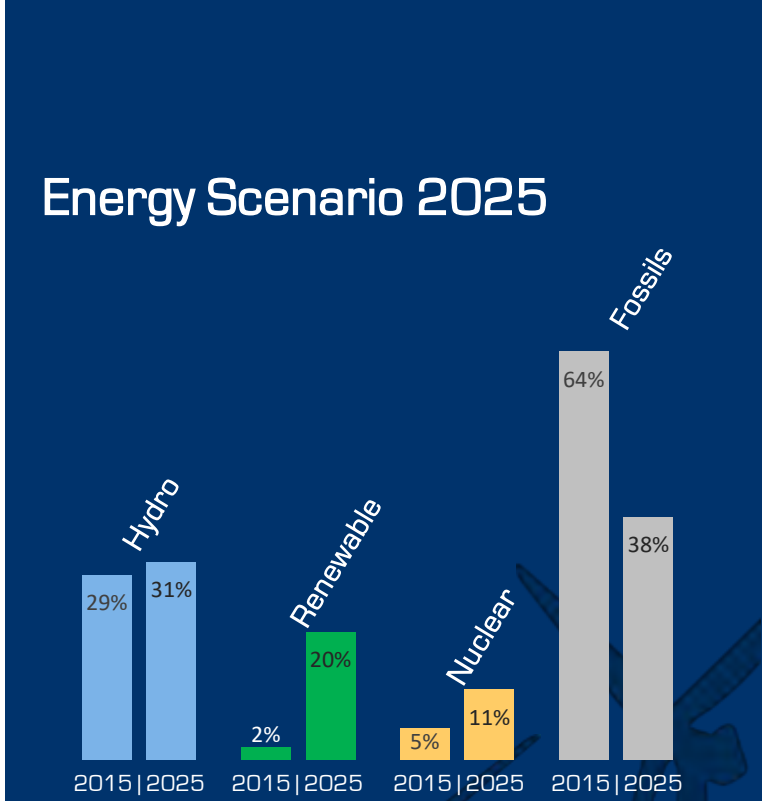
The energy sector in Argentina is in full mutation and with important development prospects. Both the way energy is consumed, as well as its sources, have already begun to change and will continue to transform in coming decades. Economic growth, along with a demographic increase, are the two forces behind the rising trend in Argentina's energy demand, estimated at an annual average between 2.0% and 2.6%. These figures depend on the efforts made in terms of energy savings and efficiency improvement. To respond to this growing demand, while respecting international agreements on climate change, the use of liquid fossil fuels will, little by little, give rise to natural gas, nuclear energy, and renewable energy sources.

In 2025, and according to the goals of the Argentine Government, 20% of the electric power will come from renewable sources. To achieve this goal, the RenovAr I and II development plan was launched a year ago; 2,400 MW of additional production by renewable sources have already been awarded. Approximately 60% of this new capacity will come from wind mills located in the Patagonia and the Province of Buenos Aires, while 38% will come from photovoltaic power stations. The rest will come from biogas, biomass or small-scale hydroelectric power plants.

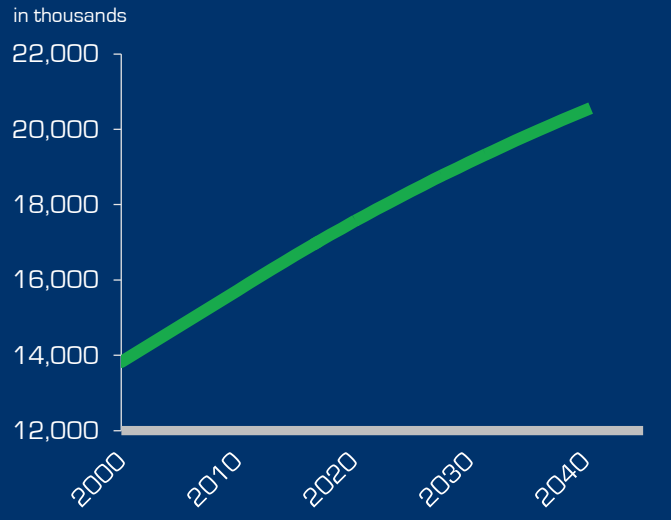
In the Bahía Blanca area, five projects involving more than 300 imported wind mills as project cargo will be carried out. In the first stage, these wind farm projects will add no less than 310 MW of installed power to the 1,200 MW currently provided by the Guillermo Brown and Piedra Buena thermoelectric power plants (supplied, in part, by the large network of trunk pipelines -also to be expanded- that meet in Bahía Blanca); this will ensure the supply of electricity to the area. At the same time, the availability of electric power will increase even more with the construction of hydroelectric power plants in Santa Cruz, since the main high voltage lines of the Argentine Interconnected System meet in Bahía Blanca.

The production of electricity from biomass and biogas (gas-fired power plants where gas is generated in a bio-digester by degradation of organic matter) is under development, and could play an important role in Bahía Blanca.

Finally, the estuary could become a great source of electric power generation with the development and installation of hydraulic turbines that use the currents created by tidal variations.



Population in the Province of Buenos Aires



Source: INDEC

+ Manufactured Products

With the expected growth of Argentina's economic activity, we expect an increase in the foreign trade of manufactured products. Mostly, these goods are transported in containers, that are an excellent solution for the export of products from the petrochemical hub in the port industrial complex. With the strong growth trends of the petrochemical sector, we can also anticipate an increase in production in the downstream of the petrochemical industry; this will be driven by large companies such as YPF and by SMEs in the plastics industry (containers, packaging, silo bags, pipes, etc.), the agro-industry sector, etc.

As we already mentioned, we can expect an increase in meat exports of around 20% (2016-2017) in the food sector. Wine is another product with growing exports. One of the goals of the Federal Government is to increase exports by 40% (in value) over the next three or four years and improve the production of goods for exports (fresh fruits, juice, concentrate, cider, etc.) from the Upper Valley of Río Negro. With some improvements to the railway infrastructure, part of these cargo originating in Cuyo and northern Patagonia could be transported via Bahía Blanca.

In general, the consumption and production of goods is strongly connected to the demographic and economic dynamism of the region. According to the INDEC, projections for the Province of Buenos Aires are at an average annual growth rate of 0.8%. We expect that, by 2040, the province will have a population of more than 20 million people, and will become one of the largest centres of consumption in the country; it will become the main industrial hub in Argentina with a presence of highly trained human resources. This kind of development can bring important flows of import and export cargo in containers coming from and going to the Province of Buenos Aires.

+ Argentina's Cost Matrix

According to the Federal Government, all the components that make up Argentina's cost matrix will be reviewed in the next few years. Productivity agreements will be entered into by all the stakeholders involved (Federal and Provincial Governments, companies and unions) to make the strategic sectors of Argentina's economy more competitive. At present, Argentina's cost matrix prevents many national products from having access to international markets. Therefore, a comprehensive review of Argentina's tax system has also been announced to achieve improvements in the same direction.


AMFCON
Hapag-Lloyd
tex
CAPITAL
CAUTION
MAX. GROSS
TARE
MAX. PAYLOAD
CUBE

V | Vision for Bahía Blanca 2040

Bahía Blanca in 2040

For the last 20 years, the Port Industrial Complex of Bahía Blanca has developed great synergy in operational and planning processes between port authorities and governmental agencies present in the estuary. They have been working together as a single, proactive, professional organisation that capitalised the great potential that already existed in 2020. This, and a favourable business climate; a port management model of excellence; the availability of highly qualified human resources; a balanced and productive integration between the city, the port, the industry and the environment; and the excellent accessibility and connections to the hinterland, supported the Port Industrial Complex to become one of the main sources of economic development in Argentina in 2040, collaborating significantly to reduce social inequality in the region and carrying out activities in great respect of the environment towards preserving the natural value of the area.

Sustainability as a Guiding Principle

Consequently, it can be said that, in 2040, the Port Industrial Complex of Bahía Blanca, Villarino, Puerto Belgrano and Coronel Rosales is an example of sustainable development. Port Authorities, together with the users and stakeholders, work proactively and responsibly for strengthening their development with a strategy of economic growth and following the philosophy of "Working with Nature" (PIANC) to anticipate the needs of future generations, for their own benefit and the prosperity of the region.

Port Industrial Development in 2040

In 2040, high availability of port areas in a sheltered environment within the estuary and the efficient connections with the hinterland helped the development of the Port Industrial Complex by attracting and accommodating large volumes of cargo. Part of the cargo is transported to and from the Neuquén basin, where one of the main active unconventional oil and gas reservoirs in the world is located; and to and from the Andes area, where mining activities thrive with the support of National legislation that preserves the environment and the interests of the country. These segments, along with their associated industries in Bahía Blanca, make the **Argentina´s Port Industrial Cluster**. Part of the cargo also comes from and goes to the agricultural areas of the country. These areas are in constant demand for supplies and goods due to great development achieved. Farming borders were extended due to technological improvement, implementation of irrigation systems and bio-genetic improvement. Production yields were increased and, therefore, the availability of raw materials that feed various industrial transformation processes also high-rocketed and added value to the segment, helping Bahía Blanca become a **Food Port**. Finally, in 2040, industrial activity, initially driven by bulk cargo and supported by a high availability of electricity, has created substantial cargo flows in containers, that attracted new goods to leverage the competitive **Multimodal Logistic Hub** of Bahía Blanca.


San Juan
Mendoza
Córdoba
Trenque Lauquen
Buenos Aires
Neuquén
Bahía Blanca
San Antonio
K (Ar)4s¹
Potassium
39.098
SHALE GAS
SANTOS 2.420 KM
ROTTERDAM 12.550 KM
BOMBAY 16.030 KM
SHANGHAI 22.160 KM
SINGAPORE 17.960 KM
Main railways:
Bahía Blanca - Trenque Lauquen
Bahía Blanca - Neuquén
railway Bahía Blanca - La Pampa/Mendoza/Córdoba
railway Bahía Blanca - Buenos Aires
railway Bahía Blanca - San Antonio
highway RN 3
Bahía Blanca - Buenos Aires

+ Argentina's Port Industrial Cluster

In 2017, the largest petrochemical cluster in Argentina, and the fifth largest in South America, is located at Bahía Blanca. Several national and international industries knew how to leverage Bahía Blanca's strategic location at the convergence of the country's main oil and gas pipelines to settle and produce PVC, urea, ethylene & caustic soda among others products of the petrochemical downstream.

The opportunities offered by the development of Vaca Muerta fields and the increasing trend in the demand for petrochemical products should be used to improve the activities and processes of the petrochemical cluster and to strengthen the Port Industrial Cluster in 2040.

The materialisation of Argentina's Port Industrial Cluster is associated with the rehabilitation of the Bahía Blanca-Cipoletti/Neuquén-Añelo railway, the adequacy of the core pipeline network and the increase in production with greater added value in the downstream of the petrochemical and mining industry with a subsequent port expansion.

In 2040, Argentina's Port Industrial Cluster has the following characteristics:

1. Efficient connections

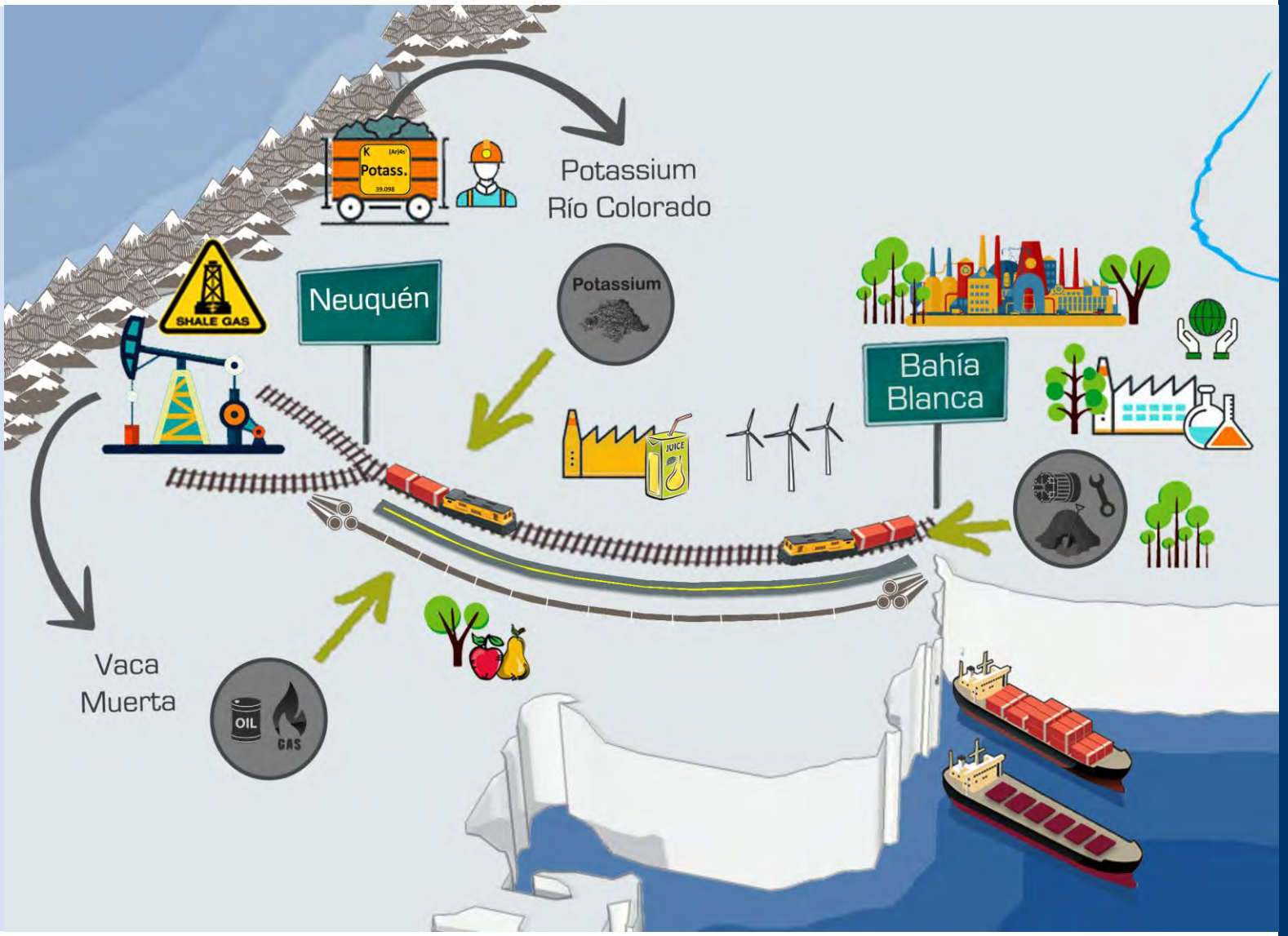
In 2040, the Bahía Blanca-Añelo railway (100 km Northwest of Cipoletti) and Añelo-Malargüe railway lines capitalise most cargo originating in and going to Vaca Muerta and Río Colorado deposits, as well as those originating in and going to the Upper Valley of Río Negro. These railways connect areas that promote Argentina's Port Industrial Cluster, taking advantage of Bahía Blanca's strategic position as a hub on the Atlantic coast with several cabotage and short-sea services and with the most direct shipping routes from Southern South America to Asia, Africa, and Europe. On the other hand, the main pipeline network is adapted to supply Argentina's Port Industrial Cluster with massive inflows of oil and gas originated in the Neuquén basin. The convergence of high voltage transmission lines in Bahía Blanca has kept this key node in the electric distribution network ensuring full electricity supply.

2. Promoting the Petrochemical Industry

In 2040, the great investment climate, together with high quality services and resources available, have attracted companies in the petrochemical downstream and new major players. Argentina's Port Industrial Cluster consolidated with the presence of multinational companies and SMEs in the chemical and plastics industries, etc. that produce goods with high added value for exports. PVC is transformed into medical equipment parts, polyethylene is transformed into food packaging and solvents are used to make detergents.

3. Integrating Business and Developments

In 2040, the concentration of companies in the cluster itself and the proactive role of the Port Authority allows the integration of supply chains, shared management of logistics operations and joint investment in infrastructure. In addition, recycling and re-use of co-products and waste from the industries promote circular economy.



Towards Energy Transition

In Bahía Blanca, synergies with other sectors is very much sought for. In 2040, energy transition towards economies with zero CO_2 emissions, the intensive use of bio-based products and the prevalence of renewable energy is in full process.

In 2040, industrial activities that still produce CO_2 have installed devices to capture CO_2 (Carbon Capture and Storage, or CCS) and prevent CO_2 from reaching the atmosphere. Captured CO_2 is transported to a storage location to be isolated from the atmosphere in the long term and it is also reused in a beneficial way.

Circular economy is the strategy that governs production processes in 2040, such as bio-based industry processes, those that complement the production of fuels (ethanol), the generation of energy (bio-digesters, biomass, syngas) and those that promote chemicals, fertilizers, agro-food, pharmaceutical industries, etc.

In 2040, Bahía Blanca came forward as the core of renewable energy generation in Argentina. Wind energy is already a traditional source and is integrated with more innovative sources that use the currents created by tidal variation, osmosis processes, etc.

+ Food Port

In 2017, the Port Complex of Bahía Blanca is the second largest agricultural export complex in the country and is located in the southernmost part of Argentina´s agricultural production core areas. In addition, the port can serve the largest vessels operating in the country loaded at their maximum cargo capacity and the terminals have sufficient silo capacities to store important quantities of agri-bulk. At last but not least, it is also known as one of the most reliable and safest ports in South America.

In the future, the Port Industrial Complex should be able to seize the opportunities brought by the increasing growth trends of the agricultural sector and the agro-food industry. Therefore, Bahía Blanca can strengthen its leadership position by expanding from agri-bulk export port to Food Port in 2040.

The main characteristics of the Food Port are its connectivity to main farming lands where agri-bulk products are harvested and the transformation of these raw materials to be directly exported to the international markets as high added-value food.

In 2040, the Food Port has the following characteristics:

1. Efficient Connections to the Hinterland

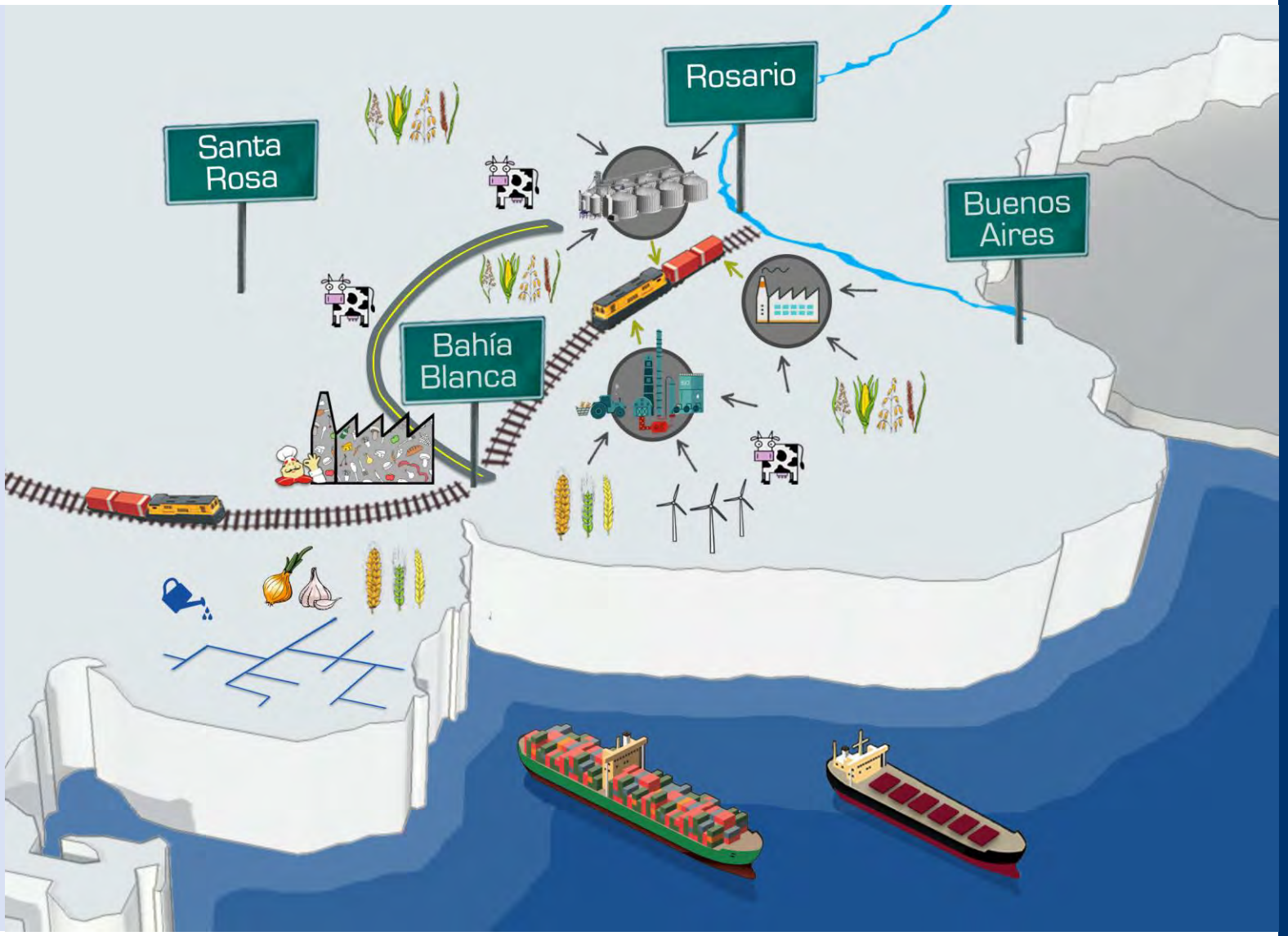
In 2040, the Food Port is heavily supported by the re-functionalisation and development of consistent intermodal transportation networks, especially the railway connecting Port of Bahía Blanca with core agricultural production centres. That is why one of the main priorities has been the rehabilitation of a direct railway connection between Bahía Blanca and Trenque Lauquen. In parallel, and starting from the Trenque Lauquen-Bahía Blanca central railway line, the rest of the railway infrastructure have been improved and regular services extended to all other production areas in Pampas. Smart transportation companies have installed their HQs in Bahía Blanca.

2. Integrated Network of Inland Dry Ports

The creation of strategic intermodal logistic hubs, and/or inland dry ports, next to main railway lines that connect core production areas with the Port Industrial Complex of Bahía Blanca, create more efficient and competitive supply chains. In 2040, the Port of Bahía Blanca has an extensive network of intermodal logistic hubs; their planning is inherently coordinated with the planning of the port terminals to maximize the use of available land and to optimize investments. Moreover, inland dry ports are key distribution hubs in the hinterland for the products coming from the Port Industrial Complex.

3. High Added-Value Tasks in the Area

In 2040, the increase in cargo volumes allowed the settlement of several industries and of co- & by-products processing plants for direct consumption. The existence of these companies provides an exclusive character to the Port Industrial Complex and it attracts even more cargo. This creates a virtuous circle where circular economy is also boosted and implemented, for example using waste from some processes for manufacturing other products and/or as supplies (chemicals, biofuels, electricity, etc.)



Agro-industrial railway corridor

In 2040, Bahía Blanca has efficient rail connections with high-quality services running through the core of agricultural production areas in Argentina.

This agro-industrial railway corridor results in a benefit at national & regional level, allowing to reduce the logistics cost not only for the exports of Argentina, but also for the exports of Paraguay, Bolivia, Brazil, etc. since it has improved the system of cargo top-off by allowing more ships to complete their cargo in Bahía Blanca and allowing also many fully loaded vessels in Bahía Blanca.

In 2040, these transport logistics are integrated with the network of inland dry ports that handles incoming and outgoing cargo ("gate" function) from and to the Port Industrial Complex of Bahía Blanca.

In 2040, the Port Authority, with the commitment from private companies to transport goods, has activated key mechanisms to develop the railway infrastructure based on PPP models, and in lesser extent including its own contributions as well.

In 2040, every company and producer can use the regular services of the agro-industrial railway corridor for importing and/or exporting making logistics efficient, transferring benefits to the producer and reinforcing productivity, not only at a local level, but also at regional level.

+ Multimodal Logistics Hub

In 2017, the Port Industrial Complex of Bahía Blanca still preserves traces of excellent multimodal connections to the hinterland (such as the largest railway yard in Argentina and 30% modal split by rail -highest share for an Argentine port-). Nevertheless, Bahía Blanca is not an exception of aging infrastructure in Argentina where overall land transport infrastructure has extremely deteriorated during the last decades. In contrast, and on the waterborne transport infrastructure, Bahía Blanca has one of the best performances and logistics platforms in South America. Furthermore, it is one of Argentina's deep sea ports, operating all type of cargo and accommodating the largest vessels calling in the region.

With the strengthening of the connections to the hinterland developed for Argentina's Port Industrial Complex and the Food Port, Bahía Blanca can confirm its leading role as a Multimodal Logistics Hub at regional level in 2040, both for new cargo segments and for the existing ones.

In 2040, the advance and growth of intermodal transport consolidates the Multimodal Logistics Hub with the following characteristics:

1. Efficient Connections to the Hinterland

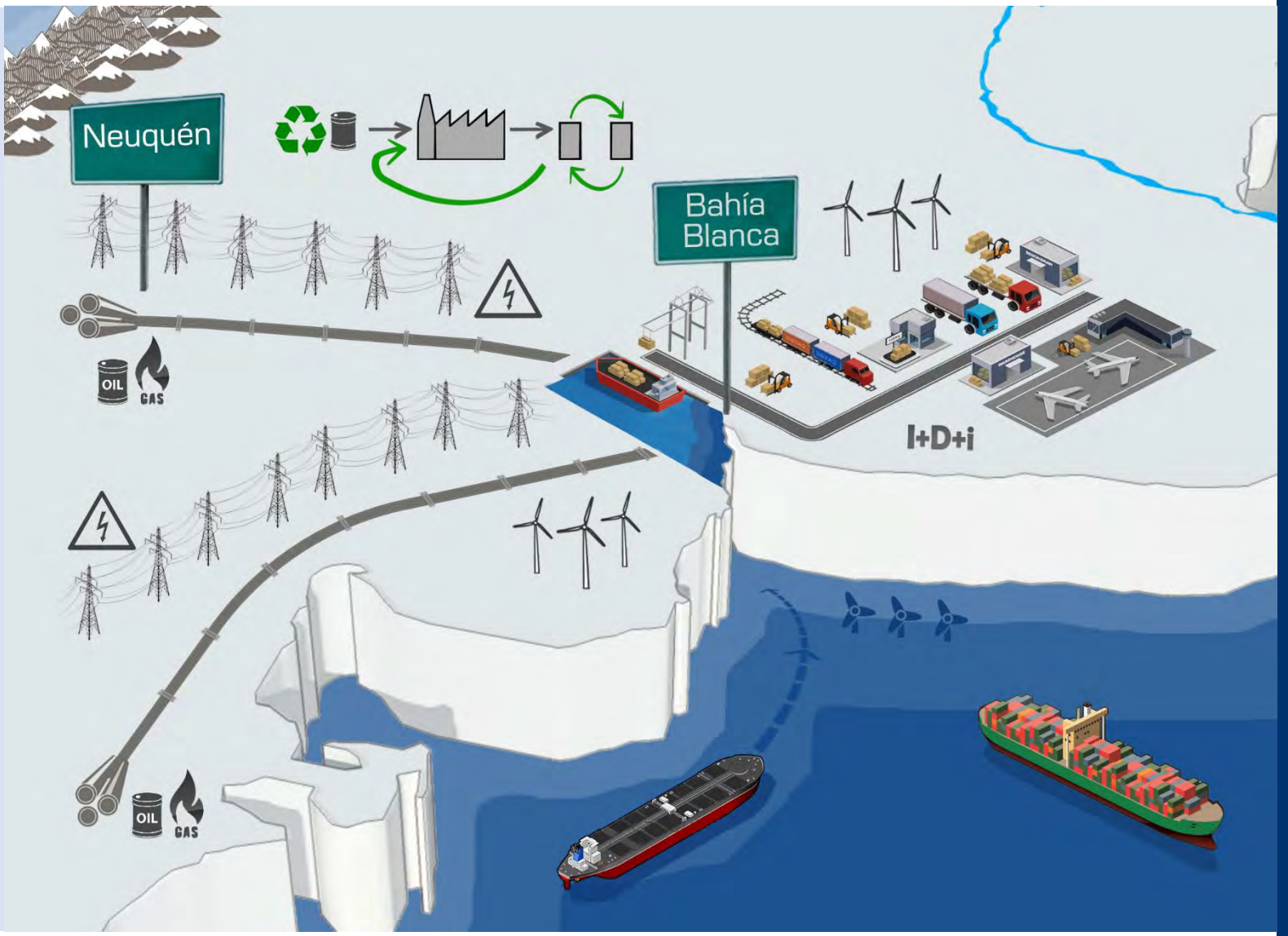
In 2040, the re-functionalisation of the San Martín Railway that connects Mendoza and Buenos Aires, as well as the materialisation of the connection with Bahía Blanca through the Villa Mercedes-General Pico-Darragueira line, allows transporting part of the manufacturing, mining and wine production from Cuyo region. In turn, regular railway services between Bahía Blanca and Buenos Aires, the Buenos Aires-Bahía Blanca highway (AU RN3, 3+3) and the Bahía Blanca-Neuquén highway (AU RN22, 2+2), as well as the railway that connects the Upper Valley of Río Negro with Bahía Blanca, allow an increase of throughput in containers with balanced imports/exports matrix. Pipelines (gas, oil, and fuel) and high voltage electricity lines also converge in Bahía Blanca, ensuring efficient connections to the hinterland for liquids and plenty supply of electricity.

2. Cargo Diversification and Containers

In 2040, the main international shipping lines operate direct routes from and to Bahía Blanca with several calls in their regular schedules to and from Europe, Africa, and Asia. The arrival of regular cabotage and short-sea shipping services, and the presence of locally generated cargo with high added-value products, increase the role of Bahía Blanca as Container deep sea Port and Multimodal Logistics Hub, attracting new cargo and expanding the hinterland of the Port Industrial Complex.

3. Efficient and Sustainable Chains

In 2040, Bahía Blanca is a pivot port in the regional logistics network with supply chains with the lowest CO_2 footprint per ton-kilometre. Therefore, reliable and synchronised transportation between modes (rail, road, water, and air, with the operation of the international airport for passengers and cargo), the low costs, and the economies of scale offer a great competitive advantage to customers.



World-Class Logistics for Cargo Handling

In 2040, the Port Authority has several high-efficiency strategic intermodal hubs in its area of jurisdiction and its surroundings, as well as inland dry ports in its hinterland, to receive and distribute cargo optimising all the supply chains.

Intermodal interactions are managed efficiently and smoothly without delays at competitive costs. Rapid information management allows integrating supply chains via Data Exchange systems and helps abridging needed procedures by facilitating the coordination of governmental agencies.

In 2040, petrochemical products; plastic modules; food products (fresh and frozen cow, pork, chicken meat, dairy, honey, fruits, juice, etc.); different manufactured products; project cargo for the development of Vaca Muerta, Río Colorado or the agricultural machinery industry; they all use the Multimodal Logistics Hub as the main port for incoming and outgoing production.

In 2040, many overseas, short-sea and cabotage vessels are supplied with LNG, bio-fuels and/or electricity as main fuel within the new Port Services cluster developed in the Estuary.

VI | Path to 2040

Chapter III describes world and regional trends and developments. Chapter IV introduces the process to elaborate the Vision together with all stakeholders. Finally, Chapter V presents the core development for the Vision Bahía Blanca 2040 which is grounded on five cornerstones or key success factors that are profiled in this chapter.

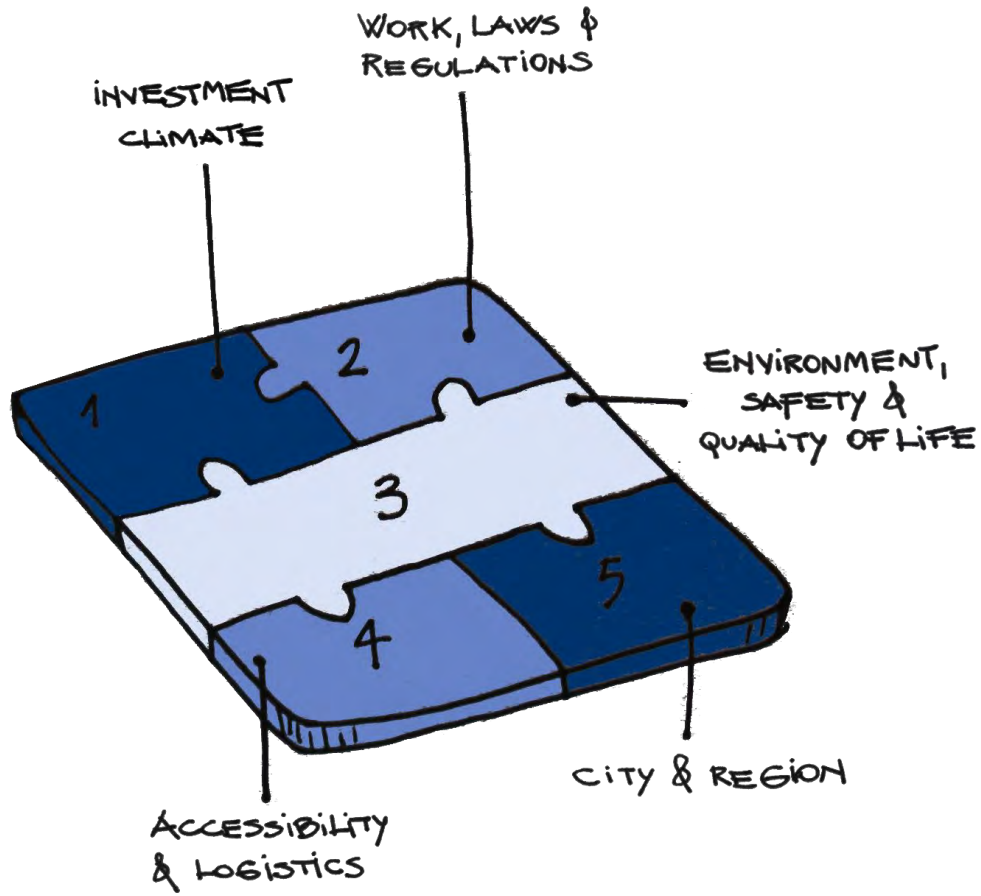
The purpose of these key success factors is to achieve an optimal balance to set the course for the region in a well-adjusted way for the next 20 years. These cornerstones are:

1. Investment climate
2. Work, laws & regulations
3. Environment, safety & quality of life
4. Accessibility and logistics
5. City & region

These cornerstones are a guide to transform the region and the Port Industrial Complex of the Estuary of Bahía Blanca we know in the one we yearn. However, the realisation of this vision relies on two factors: our own efforts and the ability to work together (companies and industries, stakeholders, government agencies and the Port Authority) and the evolution of regional and world economies. The second factor is beyond our reach. However, we should be prepared for many possible future scenarios to maximize opportunities and create favourable conditions for both the port and the industry in order to promote the prosperity of the region in an comprehensive manner. The only way to achieve this kind of prosperity is sustainability, the guiding principle behind this vision.

The region and the Port Industrial Complex should attract numerous investments; therefore, clear rules should be set to provide predictability and stability in the long-term. The Port Authority's management model and the professional teams that are part of it play a fundamental role in achieving the aforementioned investment climate, that is also built on the availability of high skilled human resources in the region. The preservation of natural resources, the surrounding environment and the improvement of the quality of life should be a priority for all the stakeholders in the region and the Port Industrial Complex. Additionally, to increase the efficiency of the complex in the future, strategic actions should be taken to improve accessibility and logistics. Lastly, the development of the cities and the region in perfect harmony with the Port Industrial Complex should also be achieved to ensure the "license to operate" and the "license to grow" in the long-term.

The objectives of each key success factor are closely related to maintain future competitiveness, by promoting proactive and gradual transitions from the inception phase to the realisation of projects. Consequently, this long-term planning vision for the Port Industrial Complex of the Estuary of Bahía Blanca aims to bring further benefits for the future generations reducing social inequality by adding an extra value to society.

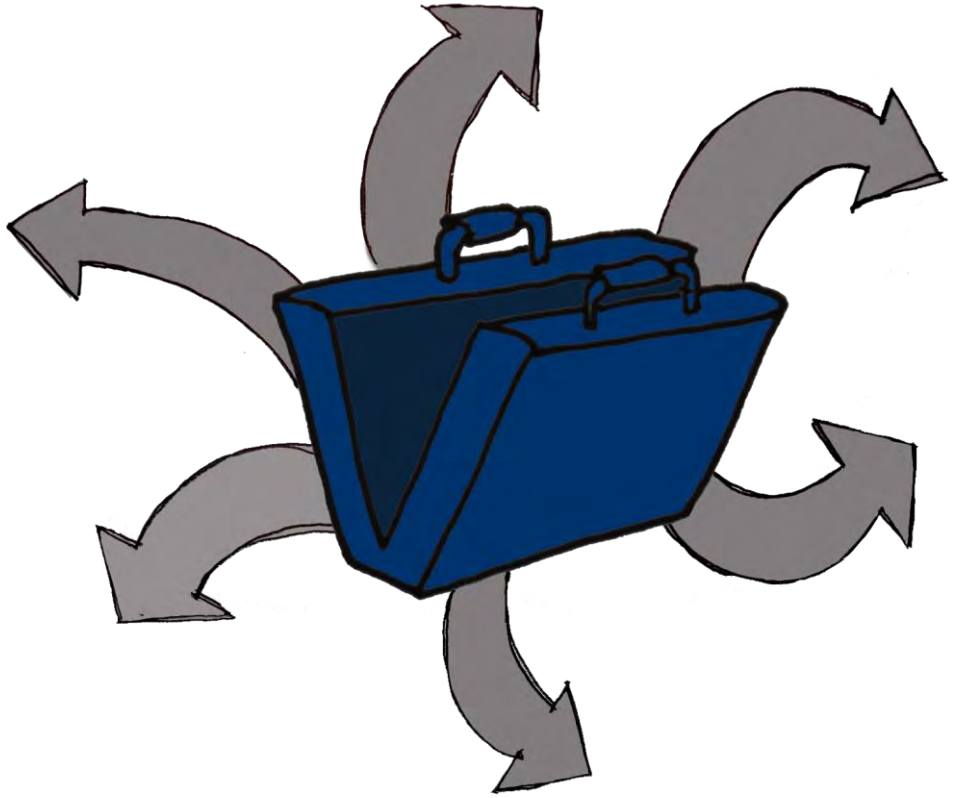

INVESTMENT CLIMATE
WORK, LAWS & REGULATIONS
ENVIRONMENT, SAFETY & QUALITY OF LIFE
CITY & REGION
ACCESSIBILITY & LOGISTICS
1
2
3
4
5

INVESTMENT CLIMATE

The Port Industrial Complex of the Estuary of Bahía Blanca already drives the economic development of the region and the country. In 2016, investments made by the main members of the port industrial community reached a total of 158 million dollars. Many first-rate multinational companies settled in the port, such as YPF, Dow Chemical or Unipar Unicloro in the petrochemical sector, or such as Bunge, Louis Dreyfus Company, Toepfer, Glencore or Cargill in the agricultural sector.

Keeping and extending the vitality of investment is essential to contribute to the economic dynamism of the province and of the country. The realisation of the Port Vision Bahía Blanca 2040 depends on the ability of the Port Authority to offer all stakeholders in the port industrial community a favourable investment and business climate.

Common efforts should favour the settlement of new companies in the port, but also the improvement and modernisation of the activities currently in place. At the same time, through the role it plays in the logistics chain, the Port Authority has a strong influence on the quality of the investment climate in its area of influence: prompting a favourable climate in the port is a benefit for the entire region.



+ In 2040

+ Strategic Stakeholder Management

The connection between governmental agencies, the Port Authority and private companies is stronger than ever. This helps to optimise information flows, to maintain consistency in the processes and to reduce conflicts between the stakeholders. Decision-making mechanisms are faster and monitoring is more efficient. Good coordination between interested parties provides greater visibility to the area before the eyes of national and international investors and ensures the consistency and stability of the regulatory framework.

The Port Authority plays a key role in the network of stakeholders by promoting synergy and seeking partnerships and alliances to act as a unifying force behind the port industrial complex.

In turn, the region sets competitive improvements by working together with the Government of the Province of Buenos Aires, the Municipality of Bahía Blanca and the Port Authority. This is achieved through the Investment Agency where the Municipality and the Port Authority play a key role.

+ Transparency, Predictability and Stability

Transparency rules implemented by the Port Authority and the main government agencies in the region for decision making proved very efficient to improve the attractiveness of the port industrial complex and the confidence of private companies. Agreements with service suppliers and the sound administration of the port help improve stability and predictability of costs.

+ Efficiency of Operations

The port is more efficient, dynamic and flexible. The Port Authority acts proactively to meet its goals and private stakeholders benefit from the efforts made. The Port Authority improved the offer in terms of support services (Park Management) helping licensees focus on their main activity. Joint action of the stakeholders in the port industrial community ensures a good supply of drinking and industrial water and an adequate supply of electric power at competitive prices. The improvement of services provided, together with proactive management in licensee processes by the Port Authority, attracted operators from container terminals triggering an increase in the offer of maritime lines operating with regular periodicity in Bahía Blanca.

The annual publication of Sustainability Reports and Key Indicators of Efficiency helps render a clean account of improvements and shortcomings and attract new investments and stakeholders.

+ Commercial Expansion

The port's ability to attract new trade also depends on the ability to go beyond limits and plan outwards. In 2040, the Port Authority, in association with the stakeholders of the complex, is proactive in the search for new businesses and customers. Minerals from Mendoza, fish from Mar del Plata, grains from Río Cuarto: They all leave through the port.

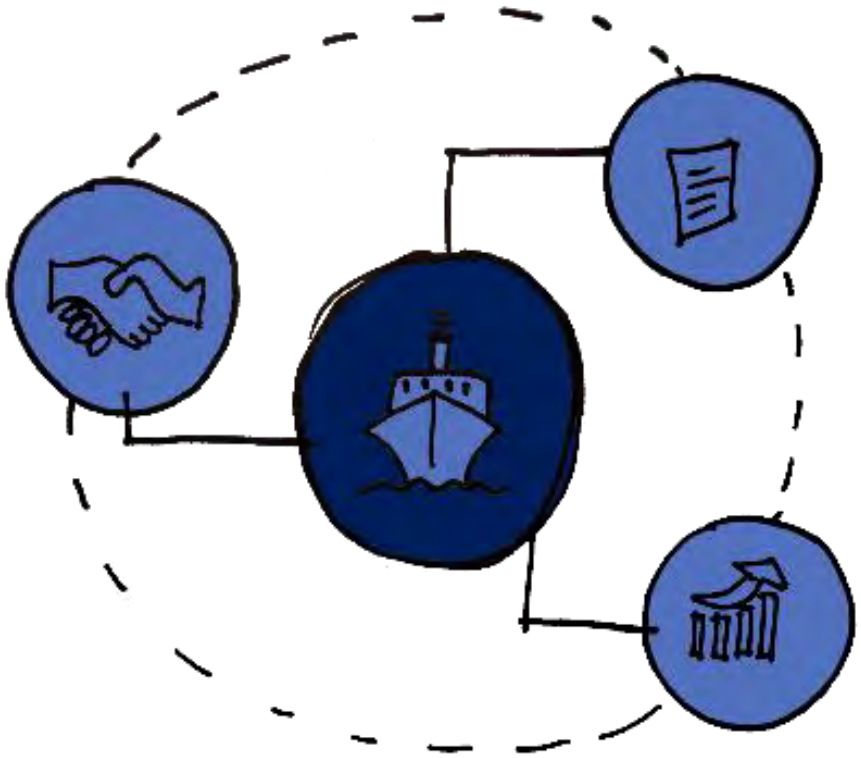
As a result of the joint efforts of the Port Authority, YPF and other companies, several companies using semi-finished products from the petrochemical industry as raw materials settled in the petrochemical complex. The Estuary of Bahía Blanca is the natural port complex to handle diversification of cargo and the export of products created in the new cluster of chemicals, plastics, food industry, bio-industry, etc.

WORK, LAWS & REGULATIONS

The Port Authority of Bahía Blanca is already recognised in Argentina and the Americas as a successful management model. The relative independence with respect to politics, the efficiency of the organizational structure and the high qualification of the technical teams allowed continuous development over the last two decades.

However, to seize the opportunities and achieve growth, an additional effort should be made to continue increasing efficiency, professionalism and transparency in port management.

In 2040, the port has tools and human resources to plan and extend both its foreland as well as its hinterland. In turn, the Port Authority offers a framework of stability and predictability to its customers, so they can plan and grow in a sustainable manner.



+ In 2040

+ Professionalisation of Human Resources

The Port Authority is a role-model in organisation that is regarded as an example in the Americas. Its operation is efficient, professional and promotes participation. Tasks are carried out by following established and certified procedures, thus ensuring high levels of security. With the purpose of attracting the necessary talent for the proper development of the port, human resources policies are constantly updated, continuous training and internal mobility within the organisation are promoted and a more flexible and horizontal working framework has been implemented, setting a professional and direct dialogue between the parties. As a direct consequence, the Port Authority is the favourite employer in the area and can attract the best human resources from surrounding universities.

+ Port Planning

To seize the opportunities to grow and to deal with threats, the development of the port industrial complex is carefully planned. A specific area is dedicated to plan design, to follow its evolution and to update it regularly.

Decisions are made based on a systematic analysis of impact: A project is acceptable only if it is feasible from a financial, social, economic and environmental point of view. These actions are included in the Master Plan that lays down, beforehand, the territorial ordering of the port industrial complex in a flexible manner to avoid conflicts in land use and to ensure that the decisions made do not hinder future development.

+ Universities and Training

Through permanent programmes, the Port Authority creates formal bonds to help the performance of its professionals in local and regional universities. They carry out important lines of research in cooperation with national and international institutions. The port industrial complex is a permanent research field that creates a complete understanding of the value of the Ecosystem Services of the estuary.

+ Research, Development and Innovation

The Port Authority has its own R+D+i area to identify the main lines of research and lay the necessary foundations to work, together with recognised entities and entrepreneurs on innovation projects to feed port industrial development with new ideas.

+ Relationship with the Stakeholders

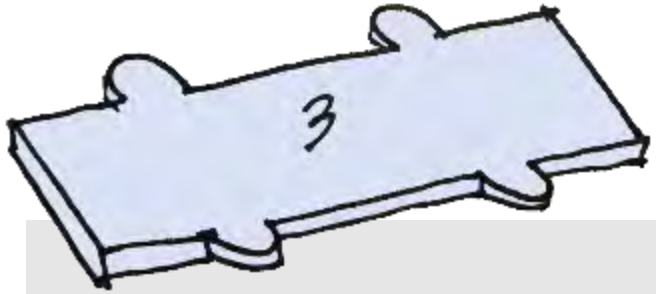
The process of formalising relationships between the Port Authority and the stakeholders improves communication between the parties and defines very clearly their roles and responsibilities. This also makes the port industrial complex planning easier, dividing tasks and agreeing on goals.

+ Integration of Ports in the Estuary

The progressive contact between Coronel Rosales and Bahía Blanca led to the formation of a single independent body that manages and plans the development of the estuary in a coordinated manner. The Port Authority of Coronel Rosales keeps a close relationship with Puerto Belgrano to maximize the assets of the entities and to find synergy for mutual benefit.

+ Strategic Communication

Different stakeholders in Ingeniero White, Punta Alta and Bahía Blanca have a complete understanding of the importance of the activities developed in the port industrial complex and of the developments in pursuit of sustainable growth. Everyone enjoys the benefits of living in a socially, culturally and economically dynamic environment that also preserves the environmental values of the area.



ENVIRONMENT, SAFETY & QUALITY OF LIFE

The protection of biodiversity and the adjustment to climate change are some of the challenges that the 21st century faces at a global level. These challenges reflect the concerns of human beings who have become aware of the fragility of the environment and who want a better quality of life in a more favourable setting. That is the reason why the Port Authority has already started on several initiatives in pursuit of the preservation of the surrounding environment, such as the adherence to the Migratory Bird Protection Treaty, to name a recent example.

The parties should assume their role in meeting global goals. In line with these goals, the Federal Government is committed to reducing 15% of CO_2 emissions by 2030 and to incorporating 20% of green energy to the electric power production matrix by 2025. These goals are therefore the responsibility of every organization, company and institution in the country where the Port Authority is determined to play a key role.

The Estuary of Bahía Blanca is a setting of a great environmental diversity: this fact has led to protection and monitoring of the environment being a priority in the port industrial complex. For this reason, the port area is submitted to strict controls by the Environmental Control Agency (Technical Executive Committee) and by the Port Authority itself via its Environmental Management Plan, together with involved stakeholders and research institutions.

But our expectations are growing. Environmental laws and regulations are therefore becoming more stringent. Consequently, the only possibility to achieve port growth is to do it sustainably, defining reasonable expansion of the port territory, looking for the most efficient use of natural resources and balancing in every decision the need to promote positive aspects for the benefit of port industrial activity and nature.

+ In 2040:

+ Environmental Management

The activities of the port industrial area follow the highest international standards to reduce light and sound impact and water and air quality impact. Bahía Blanca is acknowledged as one of the most sustainable port complexes in South America, attracting companies and shipping lines that share similar values in terms of environmental protection and care.

+ Sharing Knowledge & Communication

The Port Authority is responsible for communicating to society, that has a strong understanding of the issue, the sustainable activity that takes place in the management of the port industrial complex. This is informed through easily understood indicators that are set beforehand, as well as the activities and actions that the Port Authority performs to reduce environmental impact. Communication with different environmental stakeholders is fluid and is a key part of the projects since their inception. The Port Authority also contributes to promoting the surrounding natural environment by supporting the creation of interpretation centeres along the estuary.

+ Energy Sustainability

Energy transition is one of the main goals and the port is strongly committed to contributing significantly to this issue, hoping to exceed national goals. The Port Authority promotes terminals and a port complex with zero energy balance. It also rewards the use of cleaner fuels on vessels and the use of more efficient (and less polluting) land transport; this puts the port industrial complex at the forefront of the region on this issue (applying strategies of Green Shipping, Green Trucking and Green Energy). On the other hand, a thorough knowledge of the operation of the estuary and associated phenomena is a key factor for the generation of energy from renewable sources (currents/tides, osmosis, etc.)

+ Protecting Biodiversity

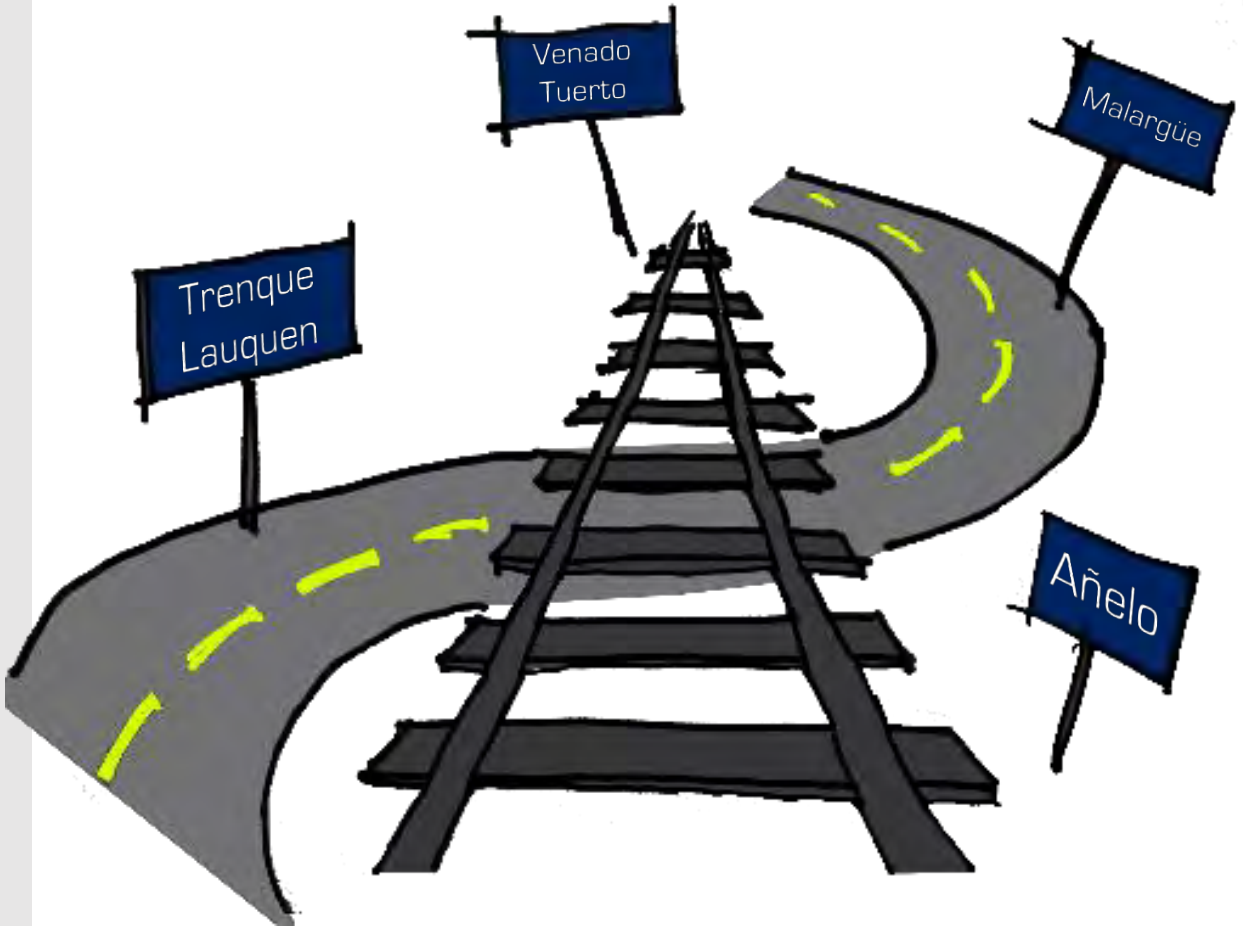
The Port Authority, via an environmental charter, systematised expansion compensation processes (with definite limits) through concrete plans in terms of preservation and promotion of the estuary and other areas as well, according to the environmental value of the land affected. Ecotourism attracts visitors from all over the world to the nature reserves of the area and to the new ones developed with the support of the Port Authority.

ACCESSIBILITY AND LOGISTICS

The current lack of reliable and efficient connections between the port industrial complex, its direct environment and its hinterland is one of the main weaknesses. The poor conditions of railway connections and road deficiencies set a limit to the development of the activity in the region. On the other hand, the pipeline network today is a great strength for the area.

It is of utmost importance to work on the improvement of land connections between the port industrial complex and its environment. This includes local (or nearby) accesses, regional circulation and national corridors identified as a priority for the growth of the Port Industrial Complex of the Estuary of Bahía Blanca.

Focus should be on two areas: On the one hand, road and rail infrastructure should be improved to allow greater, faster, regular and more reliable traffic. New infrastructure is needed to develop access to main areas of production in order to improve the quality of life of the population by moving the areas of greater traffic away from the cities. On the other hand, to make the best use of existing and new infrastructure, efficient flow management should be coordinated, optimising logistics processes and streamlining operations by changing the mode of transport. That is why it is essential to have a systematic approach, bringing together management and private stakeholders towards efficient logistics processes to improve competitiveness.



+ In 2040

+ Nearby Infrastructure

Road and railway infrastructure in the port industrial complex and surrounding areas provides a good level of service to the considerable traffic travelling in the area. The Port Authority made, together with the municipalities, significant investments in the new accesses to the port industrial complex. Because of the commitment of the terminals and companies to improve their admission infrastructure and the implementation of an efficient pre-gate system, stand-by time for trucks and trains in the port area was reduced. On the other hand, the adequacy of the access channel to new ships and traffic confirms that Bahía Blanca is a deep water port.

+ Hinterland Connection Infrastructure

Good operation of the Bahía Blanca-Añelo railway branch line set Bahía Blanca as the main incoming and outgoing gate for Vaca Muerta cargo. The same railway extends to Malargüe and allows export manufactured products from the Río Colorado potassium mine and other mining deposits.

The agro-industrial rail corridor that connects Bahía Blanca to Rosario carries 50% of Argentina's agricultural production to supply the industries of the Bahía Blanca Food Port. Efficient railway connections were also made with Córdoba, Mendoza, San Antonio and improvements were made to the railway to Buenos Aires. The port industrial complex is located in the center of an efficient and extensive open access rail network that allowed the expansion of its area of influence, securing a greater amount of cargo and contributing to Argentina's competitiveness.

In turn, the new AU RN3, with three lanes in both directions, allows quicker access to and from Buenos Aires. While AU RN33 connects two of the main production hubs in the country, AU RN22 connects Bahía Blanca with Neuquén and the main cities of the Upper Valley of Río Negro.

The Port Authority also ensured the expansion of the core pipeline network (gas, oil, and fuel.) through Bahía Blanca.

+ Traffic Management

The computer management system that handles truck traffic shifts and procedures since 2017 was improved, and, in 2040, it is integrated with the technological platform for the exchange of electronic documents (Port Community System) of the Port of Bahía Blanca.

This platform also promotes management of intermodal traffic in all port areas (Bahía Blanca and dry ports.)

Railway operations, the amount of rolling stock available and the use of railway grids that led to more than 50% of railway participation in modal distribution, were optimised.

On the other hand, maritime-waterway coastal lines have set their operations center in Bahía Blanca.

+ Logistics Alternatives

The creation of a new container terminal for intercontinental shipping routes with direct destinations to the largest ports in the world helped decrease import and export costs for goods in containers, leveraging Bahía Blanca's strategic position as the most direct lane from South America to ports in Asia, Europe, Africa, etc.

The hinterland of the port industrial complex was considerably extended by the Port Authority with the development of dry ports that attracted customers far away due to efficient logistics and the close relationship between the port industrial complex and the Free Trade Zone Bahía Blanca - Coronel Rosales. New companies settled in and used the procedure of the free trade sub-zone to export their products to the world.

CITY & REGION

The last area of development of the Bahía Blanca Port Vision 2040 is to strengthen the connections between the port, municipalities and regional stakeholders with a threefold goal: To improve the quality of life of the population, to increase the attractiveness of the region and to place Bahía Blanca as one of the main innovation and knowledge hubs in the country.

There are already several initiatives in place: A Master Agreement has been entered into and a City-Port work table has been created together with the Municipality of Bahía Blanca with the purpose of "coordinating policies and initiatives in pursuit of growth and common will on the territory, infrastructure and their associated activities." The Port Authority carries out awareness raising actions in schools, supports several cultural and recreational institutions of importance to the community and develops connections with the main universities of the region.

In 2040 the port will become one of the powers that drives the region. It will actively contribute, through the creation of economic dynamism, to improving the quality of life of the population and the attractiveness of the region. Because of the search for a balanced coexistence between citizen and port uses and to permanent and productive communication with the community, the port will be integrated into the life of the city to enjoy great respect from society.

The dynamics around the integration of the port industrial complex, the city and the region shall be enhanced in the strategy of the Port Authority, the Local Office of the Municipality of Bahía Blanca at Ingeniero White, the Municipality of Bahía Blanca and the Municipality of Punta Alta to foster a favourable climate with coordinated and planned actions.

+ In 2040

+ Quality of Life in the Surrounding Area

Aware that the port and the city are a single entity, the port industrial complex will have improved quality of life in the neighbouring communities as well as in the region with direct actions framed within the Master Plan by the creation of economic dynamism and joint actions with government agencies at a local, provincial, and federal level.

Ingeniero White, boosted by the Port Authority in infrastructure projects, has become a dynamic city that attracts investments from the Municipality. Economic gastronomic and touristic initiatives of local people play a key role in the economic recovery of the area. The clearance and remodelling of a coastal area for recreational use and easy access to the people will have helped build a strong connection between the population and the estuary. The development of better facilities for sailing and fishing clubs in a multi-purpose coastal front will have helped increase the attractiveness of nearby urban centers where basketball, soccer, fishing, and sailing are the preferred sports.

In addition, preservation and promotion of artisan fishing activities will have resulted in an important element for the port's attractiveness by enhancing local cuisine.

In turn, ecotourism in the estuary promotes responsible exploration of the coast of Argentina to appreciate biodiversity and environmental importance by means of tours accessible to all ages.

Finally, every September 1st is Bahía Blanca's Port Day when the community can enjoy numerous visits, cultural events and recreational activities in the estuary, nearby cities and the port industrial complex.

+ Human Development

A port fully integrated with the companies is one of the main driving forces of job growth in the region. In Bahía Blanca, Ingeniero White, Coronel Rosales and Villarino there are several training centers in trades oriented to potential workers of the port industrial complex with the purpose of providing job opportunities in the area. At the same time, to address the growing need for qualified resources, the port will have became a key player in the academic field by building strategic alliances with major universities to develop education programmes. For this purpose, undergraduate and graduate educational centers will have been created to address careers related to port activity.

+ Research, Innovation and Development

The Port Authority works constantly with renowned research entities to study relevant issues to the port industrial complex (dredging, impact on the estuary, energy and industrial innovation, supply chain costs, sustainable development, regional economies, etc.)

The Port Authority, as a provider, also leads a policy to support entrepreneurs and start-ups in the search for innovations applied on relevant issues to the port industrial complex. It also promotes cooperation between companies, research centers and universities in its Regional Innovation Centre for Technological Development where there is an environment that favours work, creativity and the local entrepreneur spirit. The Port Authority's proactive position, with the support of the IADO and the stakeholders of the port industrial complex will have placed the Estuary of Bahía Blanca as one of the cores of the Pampa Azul programme, a strategic initiative of scientific research in the Argentine Sea and as a privileged site for the development of sustainable aquaculture projects for plant and animal species.

VII | Public Agenda

Chapters V y VI described the strategic vision for the development of the Bahía Blanca Region and surroundings in the short, medium and long term. The same has been elaborated with the contribution of all stakeholders, and, such future, will only come true with joint and organized work from the parties and clear and concise goals. Therefore, those goals were set with associated strategic objectives and definite actions to achieve the future ambitions of the port industrial complex in a sustainable way.

Chapter VII introduces the work Action Plan or Public Agenda to move forward together with the Port Authority towards the achievement of the long-term goals set for the Region. This Action Plan clearly shows the great commitment of all government agencies, institutions, organisations, companies, industries and remaining stakeholders to realise the Bahía Blanca Vision 2040.

After the initial boost in virtue of the development of the vision, various mechanisms were agreed on to articulate the efficient implementation of the internal actions (inherent to the CGPBB) and the external actions (in cooperation with stakeholders). Consequently, Internal Work Teams (IWT) and External Work Teams (EWT) were selected, working aligned with the main cornerstones, with concise working methodologies and allowing to coordinate all stakeholders operatively, increasing thus the existing synergy.

The actions listed in the present Public Agenda are the result of the first months of activity of the IWT and EWT. First of all, priorities and methodologies were defined to achieve the actions identified and, subsequently, deadlines and leaders to achieve each one of them were agreed on, as shown in the following pages of this document.

Cooperation and Participation Agreement

Cooperating and acting together was, from the beginning of this process, one of the greatest concerns since it is unthinkable to achieve a balanced development of the Industrial Port Complex of the Estuary of Bahía Blanca without the active contribution of the community of stakeholders.

The "Cooperation and Participation Agreement" signed by local, regional, national and international actors expresses this commitment to collaborate in the implementation of the Bahía Blanca Vision 2040.

It is worth mentioning that, according to the development cornerstones of the Port Vision, particular attention was paid to promote the improvement of the logistics processes as well as to the development of container cargo. Consequently, some companies and institutions are represented in several ways in this process.

Collaboration and Partnership Agreement

In the Port of Bahía Blanca, on the … day of ……., 2017, between the underwriters of this Collaboration and Partnership Agreement and the "Consorcio de Gestión del Puerto de Bahía Blanca", represented by its President, Miguel Ángel Donadío, as a pronouncement of the goodwill between the institutions and the coincidence of long-term goals that arise as a result of the participative development of "Visión Portuaria Bahía Blanca 2040" for the Industrial Port Complex in the Estuary of Bahía Blanca, and with the purpose of establishing joint working guidelines for the accomplishment of such goals, the parties hereto

AGREE, within the scope of their competence, to sign this COLLABORATION AND PARTNERSHIP AGREEMENT, subject to the following terms and conditions:

FIRST: Set up the necessary bonds to strengthen a mutually convenient cordial cooperation between the parties towards the fulfilment of the goals set up in "Visión Portuaria Bahía Blanca 2040", vision whose three development hubs are: Industrial Port Cluster, Food Port and Multimodal Logistic Hub, hubs supported by five development cornerstones: Business Climate, Management and Human Resources Model, Environment and Sustainability, Accessibility and Logistics and the City and the Region.

SECOND: Develop joint activities to achieve a strong national and international institutional position for the parties.

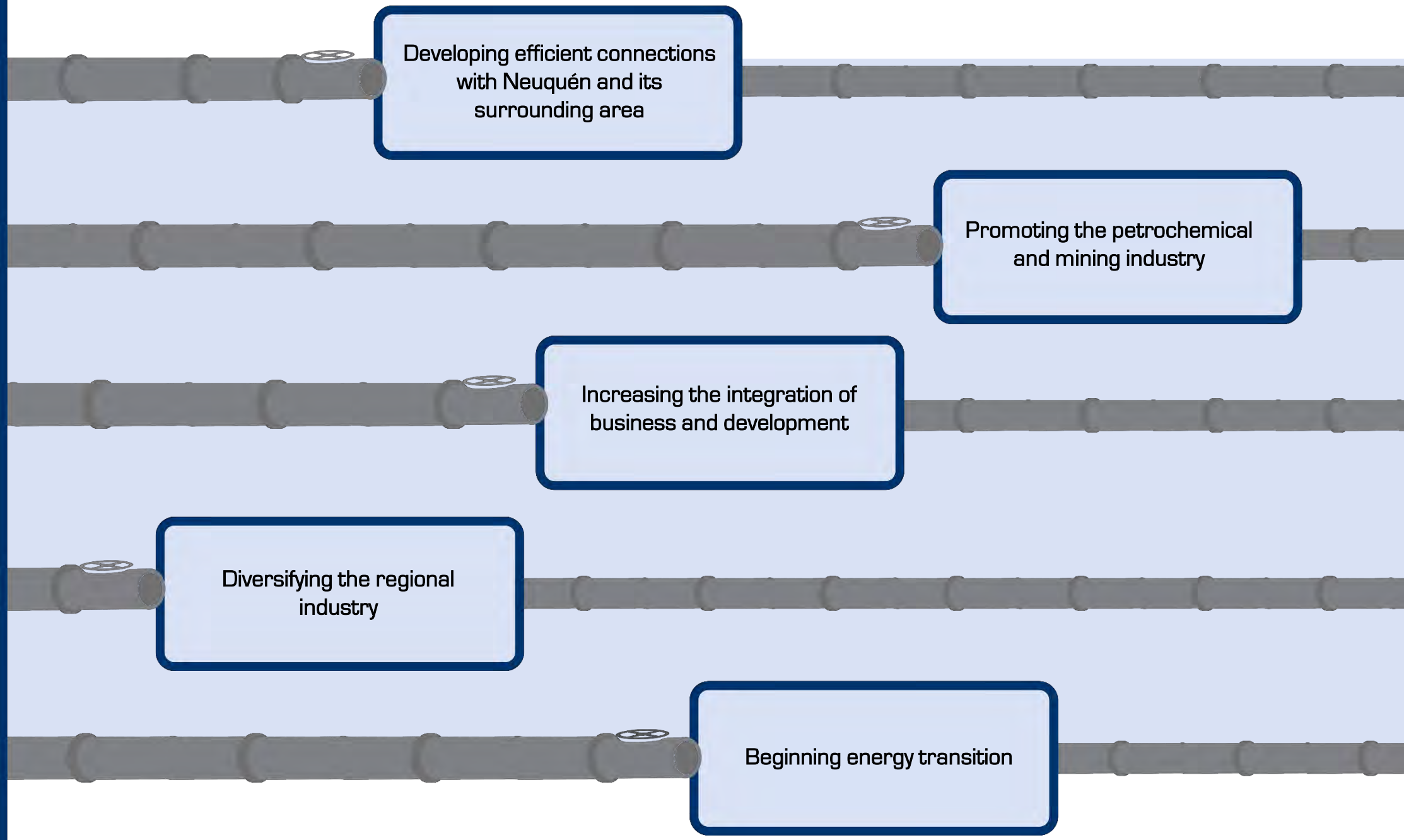
THIRD: Collaborate among its technical, port assessment, logistics, business, environmental, social, accounting, tributary, customs, legal, computing support bodies, as well as collaborating in any other subject of interest or subject that leads to achieving the purpose of this Agreement.

FOURTH: Form THEMATIC WORKING TEAMS to develop assignments according to "Visión Portuaria Bahía Blanca 2040".

FIFTH: Any party will be able to communicate the goals of "Visión Portuaria Bahía Blanca 2040".

In compliance with the provisions set hereto, the parties subscribe … (…) copies of this Agreement to one effect, on the date and place above mentioned.

Port Industrial Cluster



	leader*	deadline
. Supporting the development of the railway connection Bahía Blanca-Añelo	CGPBB	ongoing / 2020 / 2025+
. Promoting the construction of the RN22 highway	CGPBB	ongoing / 2020 / 2025+
. Consolidating Bahía Blanca as main hub of Argentina's oil and gas pipeline network	CGPBB	ongoing / 2020 / 2025+

	leader*	deadline
. Identifying the needs of the petrochemical sector and its downstream	UIBB	ongoing / 2020 / 2025+
. Strengthening the local attractiveness for large-scale petrochemical industries	CGPBB / UIBB	ongoing / 2020 / 2025+
. Strengthening the local attractiveness for the chemical and plastics industries	CGPBB / UIBB	ongoing / 2020 / 2025+

	leader*	deadline
. Developing the port industrial cluster bringing together its stakeholders	CGPBB	ongoing / 2020 / 2025+
. Promoting the integration of supply chains and industrial processes	CREEBA	ongoing / 2020 / 2025+
. Promoting circular economy with the local reuse of co-products and waste	CGPBB	ongoing / 2020 / 2025+

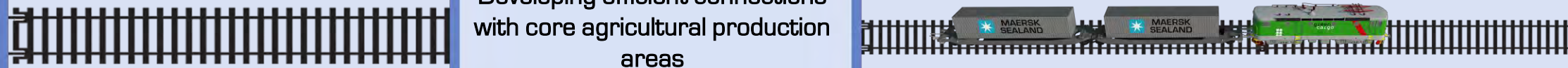
	leader*	deadline
. Developing a naval ship repair cluster integrating the ports along the estuary	CPCPBB	ongoing / 2020 / 2025+
. Attracting wind turbines manufacturing and their support services	UIBB/ZFBBCR	ongoing / 2020 / 2025+

	leader*	deadline
. Identifying potential areas for renewable energy production in the port	CGPBB	ongoing / 2020 / 2025+
. Facilitating the conditions to develop clean energy for industries	CGPBB	ongoing / 2020 / 2025+
. Promoting the installation of bioindustries in the complex	CGPBB	ongoing / 2020 / 2025+

* CGPBB: Port Authority of Bahía Blanca - UIBB: Industrial Association of Bahía Blanca - CPCPBB: Chamber of Agents and Licensees of the Port of Bahía Blanca - ZFBBCR: Free Trade Zone Bahía Blanca - Coronel Rosales

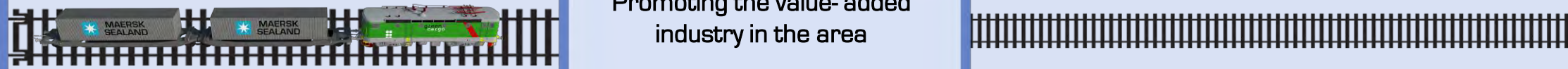
Food Port

Developing efficient connections with core agricultural production areas



Developing an integrated logistics network with the hinterland

Promoting the value- added industry in the area



	leader*	deadline
. Showing the benefits of new connections with the core area	BCP/ CREEBA	ongoing / 2020 / 2025+
. Promoting the construction of a direct railway Bahía Blanca-Trenque Lauquen	BCP /CGPBB	ongoing / 2020 / 2025+
. Promoting the construction of the RN33 highway	CGPBB	ongoing / 2020 / 2025+

	leader*	deadline
. Improving knowledge of cargo flows in and to the hinterland	CREEBA/UIBB/BCP/CPCPBB	ongoing / 2020 / 2025+
. Locating, designing, and installing dry ports in the hinterland of the port complex	CGPBB	2020 / 2025+
. Assessing the possibility of the creation of corridors and productive free trade sub-zones	ZFBBCR	ongoing / 2020 / 2025+

	leader*	deadline
. Identifying the needs of the food sector	ZFBBCR	ongoing / 2020 / 2025+
. Strengthening the attractiveness of the area for the food industry	ZFBBCR / CGPBB	2020 / 2025+
. Promoting the creation of a food cluster	CGPBB	2020 / 2025+
. Favour circular economy within the cluster	CGPBB	2020 / 2025+

* CGPBB: Port Authority of Bahía Blanca - UIBB: Industrial Association of Bahía Blanca - CPCPBB: Chamber of Agents and Licensees of the Port of Bahía Blanca - ZFBBCR: Free Trade Zone Bahía Blanca - Coronel Rosales - BCP: Grain Exchange – CREEBA: Regional Centre for Economic Studies of Bahía Blanca

Multimodal Logistic Hub

Developing efficient connections to the hinterland

Diversifying cargo and developing the container sector

Developing efficient and sustainable logistics chains

	leader*	deadline
. Increasing the frequency of the Buenos Aires - Bahía Blanca railway services	CGPBB Logistics EWT	ongoing / 2020 / 2025+
. Revitalizing the San Antonio - Bahía Blanca rail corridor	CGPBB Logistics EWT	ongoing / 2020 / 2025+

2

	leader*	deadline
. Promoting local containerised cargo	CGPBB	ongoing / 2020 / 2025+
. Increasing direct maritime connections with the foreland	CGPBB Logistics EWT	ongoing / 2020 / 2025+
. Optimizing the efficiency and costs in the handling of containerised cargo	CGPBB	ongoing / 2020 / 2025+
. Promoting Bahía Blanca as a deep sea container port	Business Community	ongoing / 2020 / 2025+

	leader	deadline
. Developing intermodal logistics centers in the port industrial complex	CGPBB Logistics EWT	ongoing / 2020 / 2025+
. Implementing strategies to increase modal distribution by railway in the complex	CGPBB Logistics EWT	ongoing / 2020 / 2025+
. Designing new areas with a capacity related to the goals of modal distribution	CGPBB	ongoing / 2020 / 2025+
. Implementing indicators that reflect the carbon footprint of logistics chains	CGPBB	ongoing / 2020 / 2025+
. Promoting the reconversion of the fleet towards the use of clean fuels	CGPBB	ongoing / 2020 / 2025+
. Implementing a "Port Community System" data exchange system	CGPBB	ongoing / 2020 / 2025+

* CGPBB: Port Authority of Bahía Blanca

Investment Climate

- Increasing the degree of alignment and coordination among stakeholders
- Ensuring transparency, predictability and stability
- Improving the efficiency of operations
- Strengthening the commercial function of the Port Authority

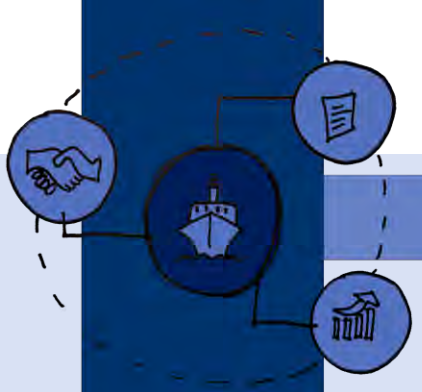
	leader*	deadline
. Increasing exchange of information between the stakeholders of the port community	CGPBB	ongoing / 2020 / 2025+
. Creating an Investment Agency	MBB	ongoing / 2020 / 2025+

	leader*	deadline
. Adopting a Transparency and Ethics Charter	CGPBB	ongoing / 2020 / 2025+
. Preparing annual Sustainability Reports	CGPBB	ongoing / 2020 / 2025+
. Promoting a climate of stability among port and industrial stakeholders	CGPBB/Business Community	ongoing / 2020 / 2025+

	leader*	deadline
. Improving the use of free trade zones and sub-zones	ZFBBCR	ongoing / 2020 / 2025+
. Implementing mechanisms to control and assess the efficiency of terminals	CGPBB	ongoing / 2020 / 2025+

	leader*	deadline
. Strengthening relationships between port licensees and the Port Authority	CGPBB	ongoing / 2020 / 2025+
. Expanding the area of influence with more proactive commercial activity	CGPBB	ongoing / 2020 / 2025+

* CGPBB: Port Authority of Bahía Blanca - CPCPBB: Chamber of Agents and Licensees of the Port of Bahía Blanca - ZFBBCR: Free Trade Zone Bahía Blanca - Coronel Rosales - MBB: Municipality of Bahía Blanca



Work, Law & Regulations

Professionalising human teams and upgrading internal processes

Planning the future development of the complex

Ensuring quality and availability of human resources in the future

Strengthening relationship with stakeholders and main groups of interest

	leader*	deadline
. Promoting the attractiveness of the Port Authority to recruit new professional talents	CGPBB	ongoing / 2020 / 2025+
. Improving the quality of internal processes	CGPBB	ongoing / 2020 / 2025+

	leader*	deadline
. Organizing the use of existing port land and of possible expansion	CGPBB	ongoing / 2020 / 2025+
. Keeping spaces for possible port expansion and its driveways	CGPBB	ongoing / 2020 / 2025+
. Developing tools and planning processes at the Port Authority	CGPBB	ongoing / 2020 / 2025+
. Keeping the Port Vision 2040 and the port strategy updated	CGPBB	ongoing / 2020 / 2025+

	leader*	deadline
. Strengthening relationships with national and international universities	CGPBB	ongoing / 2020 / 2025+
. Increasing the training of professionals in Logistics in the region	UNS	ongoing / 2020 / 2025+
. Facilitating hands-on training and internships for students in the port	CPCPBB/Universities	ongoing / 2020 / 2025+

	leader*	deadline
. Implementing the usual practice of "Strategic Management of Stakeholders"	CGPBB	ongoing / 2020 / 2025+
. Increasing the integration of the ports along the Estuary of Bahía Blanca	CGPBB	ongoing / 2020 / 2025+
. Formalising relationships with BNPB to maximize the use of assets and HR	CGPBB/BNPB	ongoing / 2020 / 2025+

* CGPBB: Port Authority of Bahía Blanca - CPCPBB: Chamber of Agents and Licensees of the Port of Bahía Blanca - BNPB: Puerto Belgrano Naval Base

Environment, Safety & Quality of Life

Deepening institutional commitment with the environment and sustainable development

Improving communication on environmental issues

Promoting the growth of renewable sources

	leader*	deadline
. Developing a real-time environmental parameter monitoring program	CGPBB	ongoing / 2020 / 2025+
. Limiting the impact of industrial activities and services at the port	CGPBB	ongoing / 2020 / 2025+
. Developing a value or environmental sensitivity and/or resilience map of the estuary	CGPBB	ongoing / 2020 / 2025+
. Developing the use of clean energy	CGPBB	ongoing / 2020 / 2025+

	leader*	deadline
. Publishing accessible environmental complex-related information	CGPBB/CPCPBB	ongoing / 2020 / 2025+
. Implementing an emergency and disaster management plan	CGPBB/CPCPBB	ongoing / 2020 / 2025+
. Promoting the participation of society in planning projects	CGPBB	ongoing / 2020 / 2025+
. Developing a training and awareness program for environmental care	CGPBB/OPDS	ongoing / 2020 / 2025+

	leader*	deadline
. Developing policies directed to the efficient use of electric power	CGPBB	ongoing / 2020 / 2025+
. Facilitating the implementation of innovation to reduce energy consumption	CGPBB	ongoing / 2020 / 2025+
. Evaluating the implementation of "shore-to-ship power supply"	CGPBB	ongoing / 2020 / 2025+

* CGPBB: Port Authority of Bahía Blanca - CPCPBB: Chamber of Agents and Licensees of the Port of Bahía Blanca - OPDS: Provincial Agency for Sustainable Development

Accesibility & Logistics

- Improving internal railway infrastructure and nearby accesses
- Improving internal road infrastructure and nearby accesses
- Maintaining the leadership of the port in terms of nautical access quality
- Improving the use of infrastructure

	leader*	deadline
. Identifying bottlenecks in Bahía Blanca and at the accesses to terminals	CGPBB	ongoing / 2020 / 2025+
. Improving access to Puerto Galván	CGPBB	ongoing / 2020 / 2025+
. Creating enough free access railway grids at port and at dry ports	CGPBB	ongoing / 2020 / 2025+
. Defining a new urban layout to include railway accesses to the port complex	ADIFSE / CGPBB	ongoing / 2020 / 2025+

	leader*	deadline
. Resuming Stage 4 of Project RN3 crossing the City of Bahía Blanca	DNV / CGPBB	ongoing / 2020 / 2025+
. Solving continuity of current RN3 North and RN3 South	DNV / CGPBB	ongoing / 2020 / 2025+

	leader*	deadline
. Improving knowledge of hydrosedimentological behaviour of the estuary	CGPBB	ongoing / 2020 / 2025+
. Monitoring and preventing future bottlenecks at the access channel	CGPBB	ongoing / 2020 / 2025+

	leader*	deadline
. Improving management of the railway grids of Ing. White and Puerto Galván	CGPBB/Railway Operators	ongoing / 2020 / 2025+
. Defining strategies to improve the operation of strategic railway connections	CGPBB	ongoing / 2020 / 2025+
. Implementing monitoring protocols for port side efficiency (KPI)	CGPBB	ongoing / 2020 / 2025+
. Implementing Pre-Gate for trucks in an area under port jurisdiction	CGPBB	ongoing / 2020 / 2025+
. Implementing dynamic traffic management for road access control	CGPBB	ongoing / 2020 / 2025+

* CGPBB: Port Authority of Bahía Blanca - DNV: Federal Roads and Highways Bureau - ADIFSE: Railway Infrastructure Administration

City & Region

- Improving the quality of life in the nearby area at a regional level
- Promoting local economic activity and reducing the social and economic gap with neighbouring communities
- Promoting regional human development
- Promoting research, innovation, and development

	leader*	deadline
. Planning the medium and long-term integration of the City-Port interface	CGPBB	ongoing / 2020 / 2025+
. Developing an attractive multi-purpose waterfront	CGPBB	ongoing / 2020 / 2025+
. Searching for alternatives for former Gral. San Martín & Railway power plants	CGPBB	ongoing / 2020 / 2025+
. Increasing outreach and cooperation between municipalities in the region	Municipalities	ongoing / 2020 / 2025+
. Designing and realising the Master Plan for the development of Ing. White	CGPBB	ongoing / 2020 / 2025+

	leader*	deadline
. Monitoring the social and economic impact of the port-industrial complex	Universities	ongoing / 2020 / 2025+
. Communicating social and economic impacts in Sustainability Reports	CGPBB	ongoing / 2020 / 2025+
. Preparing a social risk map	MBB	ongoing / 2020 / 2025+
. Developing a joint Fishing Plan for Bahía Blanca, setting priorities	IADO	ongoing / 2020 / 2025+
. Developing a support program for ecotourism initiatives at the estuary	CGPBB	ongoing / 2020 / 2025+
. Working together with the MBB to restrict irregular settlements	MBB	ongoing / 2020 / 2025+

	leader*	deadline
. Identifying short, medium, and long term labour needs	Universities	ongoing / 2020 / 2025+
. Training young people to be qualified in port issues	CGPBB	ongoing / 2020 / 2025+

	leader*	deadline
. Developing a research policy identifying main subject areas	CGPBB	ongoing / 2020 / 2025+
. Creating an Innovation Centre to support new ideas for startups and companies	CGPBB	ongoing / 2020 / 2025+
. Developing commercial or research activities related to Pampa Azul	CGPBB / IADO	ongoing / 2020 / 2025+

* CGPBB: Port Authority of Bahía Blanca - UIBB: Industrial Association of Bahía Blanca - CPCPBB: Chamber of Agents and Licensees of the Port of Bahía Blanca - CREEBA: Regional Centre for Economic Studies of Bahía Blanca - MBB: Municipality of Bahía Blanca - IADO: Institute of Oceanography of Argentina

Credits

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Summary

The Port Industrial Complex of the Estuary of Bahía Blanca steps into the future with the introduction of the Port Vision 2040. A future where we contribute, more than ever, to the **prosperity** of the region and of Argentina, relying on a responsible and **sustainable growth**.

In 2040, driven by the development of efficient connections to the hinterland, Bahía Blanca will become the most important **Port Industrial Cluster in Argentina**, a strong **Food Port**, and a powerful **Multimodal Logistics Hub**.

However, to make our Port Vision true, it is essential to support this vision in five key success factors. The port industrial complex shall be **managed** in a way that is exemplary, together with all the stakeholders, providing a **transparent** framework, efficient services, and relying on highly committed and competent **human resources** to promote a good **investment climate**. **Accessibility** and the **logistics platform** shall be improved to contribute to the attractiveness of an increasingly dynamic and innovative region. Preservation of **natural resources and the surrounding environment** shall be a priority for the stakeholders involved, to promote the development of **the cities and the region** in perfect harmony with the Port Industrial Complex.