

# Small Ports

## The Vital Role in Global Trade Networks

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FONASBA



# Why Talk About Small Ports?



Localized services

Flexibility

Ability to cater to niche markets

Benefits for the local population

Complementary Hub

# Localized services

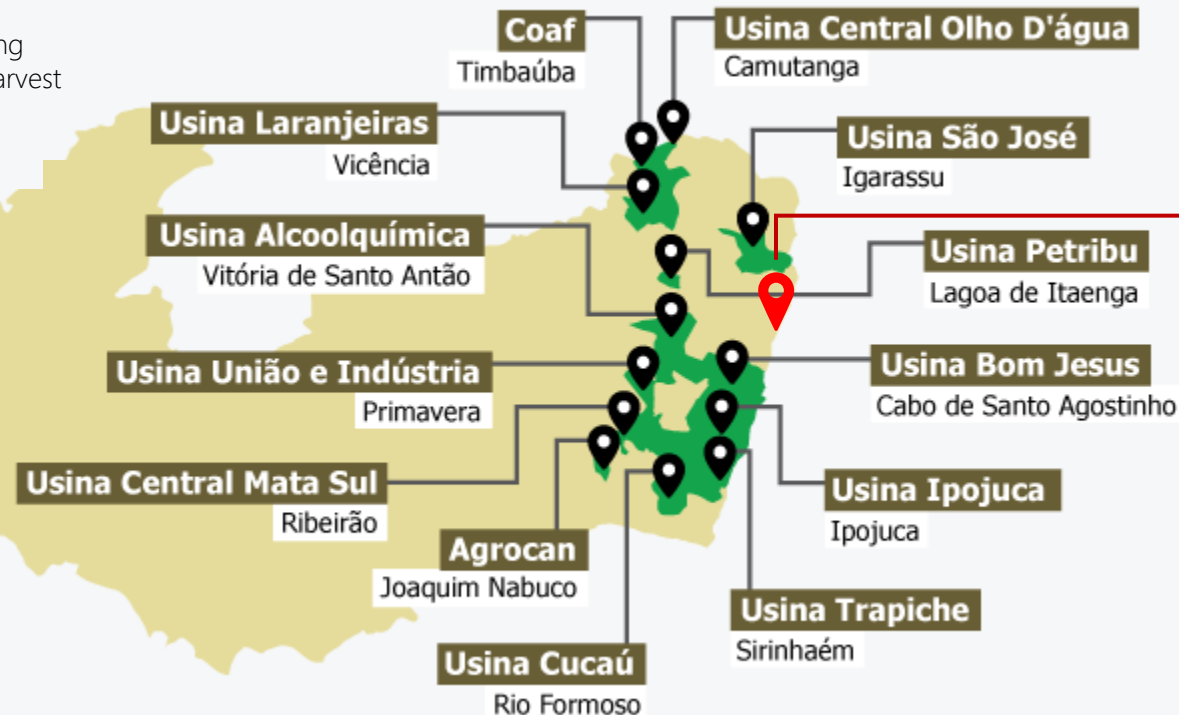


- Small ports are strategically located near production or industrial areas
- Reduce inland transportation costs and transit times
- Allow closer coordination between port operations and local businesses

## PROXIMITY



Sugarcane mills operating during the 2018–2019 harvest



**Recife Port**

Recife Port exemplifies localized services by its proximity to Pernambuco's sugar and ethanol industry, reducing transport costs and connecting local production directly to global markets.



***Flexibility allows small ports to keep ships moving — even when the unexpected happens.***

- Small ports offer **adaptable and personalized operations**, responding quickly to evolving logistics needs from shippers and consignees.
- Unlike large standardized terminals, they can **adjust procedures and schedules** to meet specific client requirements with greater agility.
- Provide **resilience during unplanned contingencies** — such as mechanical failures, regulatory inspections, or **vessel certification renewals** — accommodating ships without disrupting the broader supply chain.
- This adaptability ensures **continuous cargo flow**, minimizing delays and reinforcing supply chain reliability.



*Small ports connect niche industries to global trade — efficiently, flexibly, and cost-effectively.*



## NICHE CARGO

Small ports often handle **specific commodities** such as sugar, fertilizers, and minerals. This focus allows them to develop **specialized knowledge and strong relationships** with niche industries.



## SPECIALIZED HANDLING

They invest in **dedicated infrastructure, equipment, and skilled teams** designed for these cargo types. As a result, operations are **faster, safer, and more precise** than in large standardized terminals.



## LESS CONGESTION

With **lower vessel traffic and flexible scheduling**, small ports offer **quicker berthing** and smoother cargo operations. This agility helps maintain cargo flow even during peak or disrupted periods.



## LOWER RISK OF DEMURRAGE

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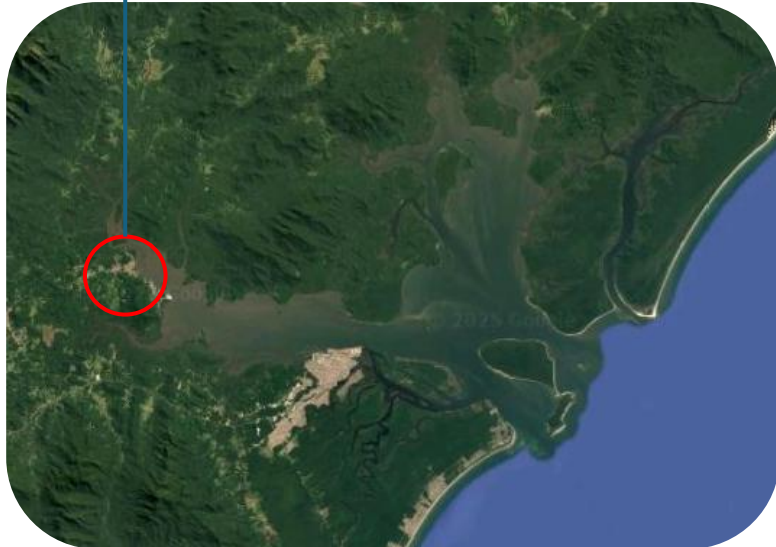
# Benefits for local population



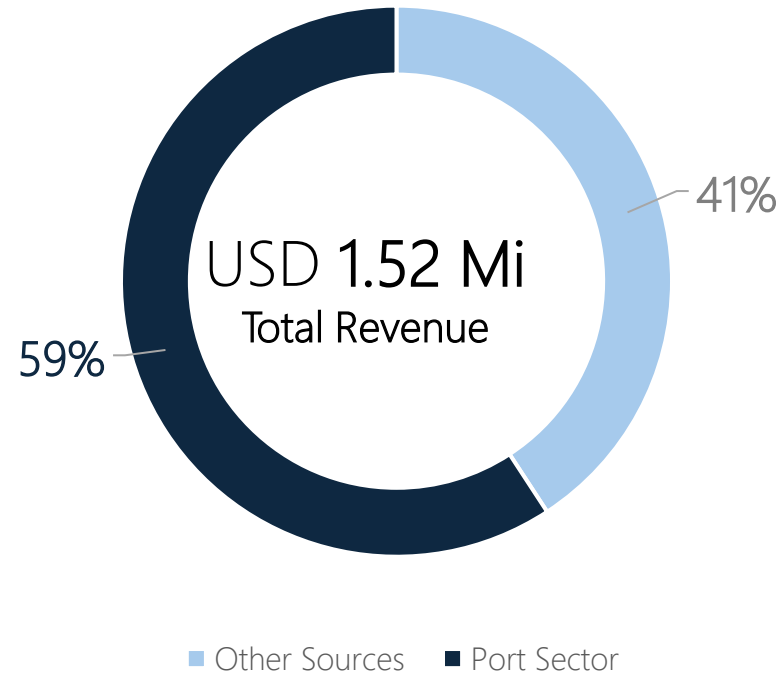
## Antonita's Case

Antonina, Paraná – Brazil  
Population<sup>1</sup>: 18,223

*A small coastal city whose port activities generate tangible community benefits.*



### Municipal Service Tax Revenue<sup>2</sup>



### How the Funds Are Reinvested



**Education:** funding for public schools and vocational training programs



**Healthcare:** maintenance of clinics, hospitals, and social assistance centers



**Infrastructure:** improvements to local roads and urban services supporting the port

<sup>1</sup>IBGE, *Population Estimates 2021*

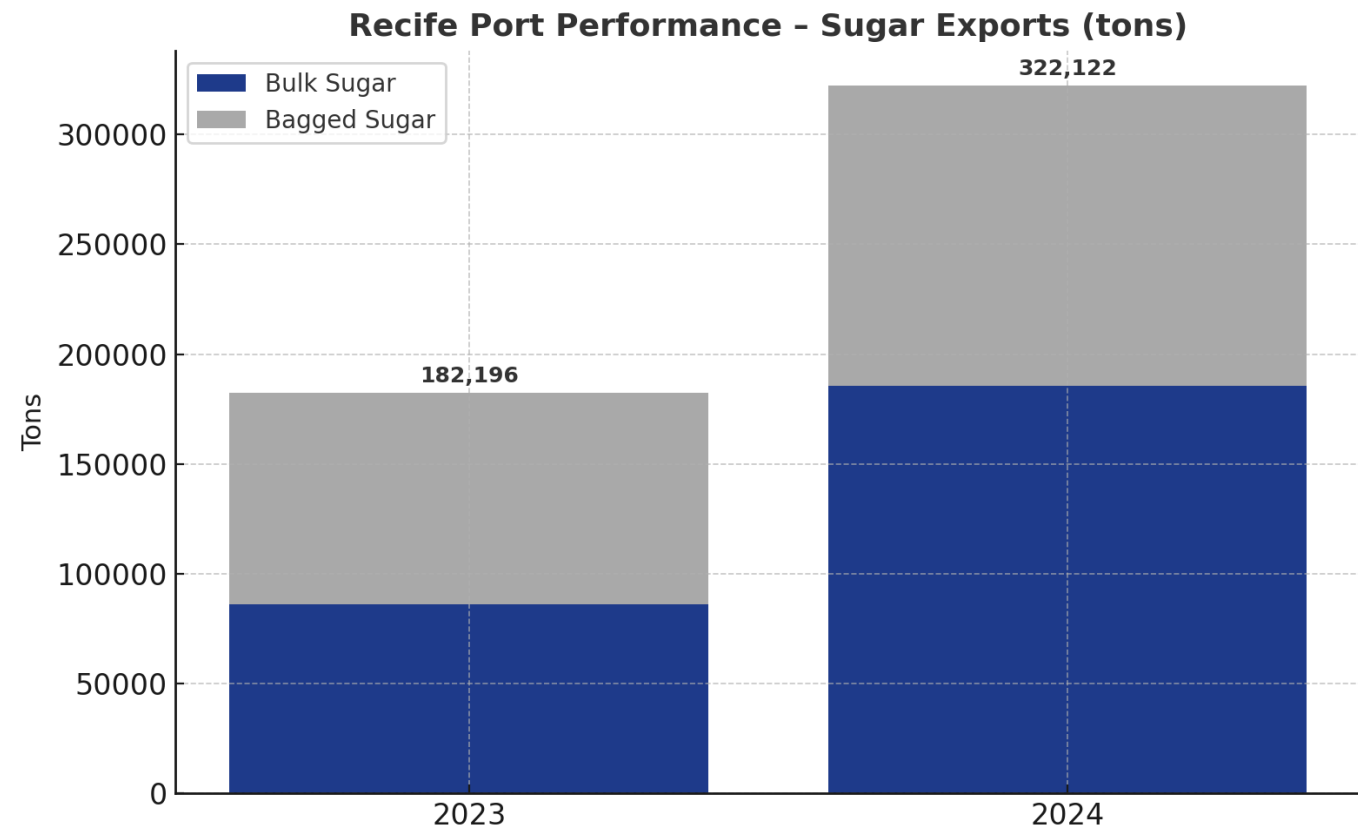
<sup>2</sup>Department of Finance of Antonina (2021), *Service Tax Revenue Report*



*Small ports complement major hubs by absorbing shocks and sustaining global trade flow.*

## 2024 surge in sugar export demand

- Adverse climate in India (major producer & consumer)
- Market shift toward Indonesia, now the largest importer
- Small ports absorbed the increased export volume, supporting supply chain continuity.



Source: Recife Port Authority, 2024

# Challenges Facing Smaller Ports

*"You can't control the wind, but you can adjust your sails." — Popular Saying*

Geographic exposure

Competition with Large Ports





# Geographic Exposure

- Rising sea levels and extreme weather pose growing risks to coastal ports.
- Many are located in **low-lying areas**, exposed to flooding and erosion.
- These climate threats cause **infrastructure damage, downtime, and higher costs**.
- Highlight the need for **resilient and adaptive port design**.

Simulation of a 1-meter sea level rise in the Port of Recife area

 Flooded areas



# Turning Geographic Exposure into Resilience



*Ports can act as agents of cooperation, promoting sustainability and community well-being.*

## PORT OF SUAPE (PERNAMBUCO)

- Partnered with the **Hippocampus Institute**, a non-profit focused on seahorse conservation.
- Mobilized **local businesses, fishers, and citizens** to support marine biodiversity.
- Actions include **direct funding, education programs, and monthly meetings with fishers** to raise ecological awareness.



## PORT OF RECIFE:

- Established **long-term partnerships with universities** to promote research and innovation.
- Developed a **prototype vessel powered by renewable energy**, equipped with sensors to monitor **water and air quality**.
- Supports the **“Ciência do Mar IV” vessel**, a **floating laboratory** enabling hands-on marine research and student training.





# Competing with Major Port Hubs

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- **Large ports dominate** trade flows, investments, and shipping routes through superior **infrastructure and scale**.
- This creates **market asymmetry**, leaving small ports with lower visibility and bargaining power.
- Brazil's **Port of Santos** alone handles **~29% of national trade**, equivalent to **USD 165.8 billion** (Santos Port Authority).
- Such **cargo concentration** creates **logistical bottlenecks**, rising **transportation costs**, and **regional inequality**.
- Many exporters in Brazil's **Central-West** region (soy, corn) ship through distant southern ports due to **better infrastructure**, bypassing closer northern and northeastern terminals.





## Arco Norte: Decentralizing Trade and Strengthening Regional Ports

- Federal initiative integrating ports, highways, and railways in Brazil's North and Northeast.
- Enables soy and corn exports from the Central-West via closer, smaller ports, reducing distance and costs.
- Boosts regional capacity, lessens dependence on Santos, and promotes economic inclusion.

### RESULTS

- Grain exports via Arco Norte: 13% (2008) → 34.6% (2023) = 55.1 million tons
- Potential to reach 50% of national grain exports (CNA & Amport).
- A model of strategic infrastructure policy turning small ports into engines of sustainable growth.





## *Cabotage connects regions, reduces emissions, and strengthens the role of small ports in sustainable trade*

- Law No. 14,301 of January 7, 2022
- Growth:  
By 2024, cabotage cargo movement increased by 20% (MPor, 2024), driven by incentives for fleet expansion and port integration.
- Environmental Advantage:
- Route example: Porto Alegre → Manaus
  - Road: 4,000 km → 464 kg CO<sub>2</sub> / 1,000 TKU
  - Sea: 5,500 km → 110 kg CO<sub>2</sub> / 1,000 TKU  
→ 76% lower emissions by sea transport.



## *Maritime agents are the catalysts transforming port potential into performance*



### Operational Efficiency

Represents the **shipowner or charterer**, coordinating port calls, cargo handling, and services to ensure **smooth operations** and reduce **delays and costs**.



### Integration and Optimization

Holds detailed knowledge of **port facilities, tariffs, and berth availability**, optimizing **resource use** and promoting **small-port efficiency**.



### Compliance and Coordination

Acts as liaison with **customs, immigration, and environmental agencies**, ensuring full **regulatory compliance** and **procedural accuracy**



### Support and Welfare

Assists **masters and crew** with logistics, clearances, and supplies, fostering **safety, well-being, and operational continuity**.



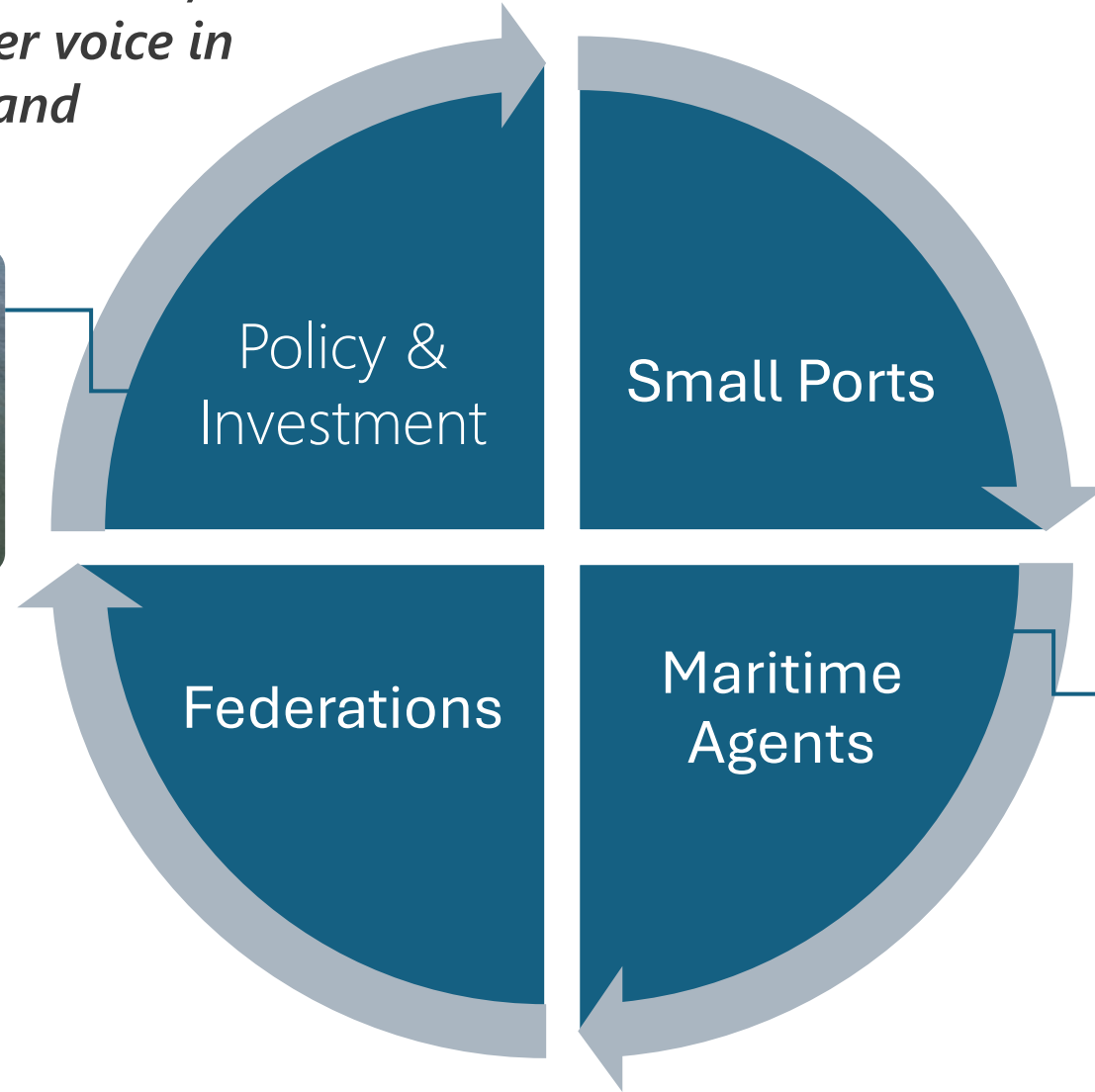
# Institutional Representation and Collective Strength



*Through collective representation, small ports gain a stronger voice in shaping maritime policy and sustainable growth.*



Dredging at the Port of Recife



The union is present in all legislative areas related to the port environment.

# THANK YOU

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