

Maritime Summary Note n°262 – June 2024

« French Polynesia »

Due to its isolation in the middle of the South Pacific Ocean and within a context of a substantial, structural trade balance deficit, the extracontinental "merritory" (merritoire) of French Polynesia is strategically dependent on its importations, 99% of which are shipped by sea. From the Port of Papeete, these goods are subsequently redistributed across the territory's five archipelagos—an area as vast as Europe—by the cargo vessels of the inter-island maritime transport network. The evolutions of international shipping, the vital nature of inter-island connectivity, the determination to develop domestic naval maintenance, the productive management of infrastructures, and the imperative to rebalance development in favor of the remote archipelagos through decentralization constitute the primary challenges for French Polynesian maritime equipment today.

The modernization of the Port of Papeete

Qualified as the "economic lung of French Polynesia," the Port of Papeete (PAP) was engineered in 1962 through land reclamation works, the construction of an ocean-going quay (*quai au long cours*), and the elevation of a breakwater reinforcing the natural protection of the harbor. In 2023, more than 1 million tonnes of cargo were landed there. For its population of 278,786 inhabitants (2022 census) and its numerous tourists, the territory imports virtually all of its needs through this gateway, translating into an extreme dependence on the outside world.

In 2022, 27,412 TEUs were imported via container lines to Papeete, routing 44.6% from Europe, 22.4% from Asia, 14.4% from Australia-New Zealand, and 13.8% from North America. Half a dozen international liner services are operated, generally on a bi-monthly schedule, with the exception of specialized cement carriers whose service fluctuates based on local demand. Until now, cargo handling has been centralized at the International Trade Terminal). However, the PAP has formally acknowledged that *"the infrastructures of the TCI are unsuited to the projected traffic over the next decade [and that] several challenges arise."* Consequently, it ambitions to expand pursuant to two master plans established by sector and by project for the 2022–2032 period. Operating as a public commercial institution, the Port of Papeete is governed by a Board of Directors chaired by the Minister of Equipment of French Polynesia, backed by an executive management team and a Port Advisory Council.

Despite its essential character for French Polynesia, the Papeete port-of-call is not a strategic node for the global mega-shipping alliances. Faced with the worldwide expansion of vessel sizes driven by the IMO's efficiency regulations and carriers' profitability targets, the PAP faces a severe risk of feederisation, which would re-route flows via transshipments in New Zealand. The maritime transport and infrastructure roundtables organized by the French Polynesia Maritime Cluster at the Presidential Palace in 2016 clearly demonstrated the negative macroeconomic impact of such a shift, particularly for the victualling of fresh produce indispensable to the luxury hospitality sector.

To mitigate this risk, stakeholders highlighted the absolute necessity to deepen the Papeete shipping channel to make it accessible to vessels commanding a draft of over 11 meters, after eliminating alternative pathways such as an eastward port expansion blueprint. Eight years later, shipping agents hope that the announcement of an international call for tenders for these dredging and widening works will effectively materialize, targeting a construction site launch by 2026.

This timeline already represents a delay relative to the IMO's regulatory calendar: by the end of 2025, the regular liner route—the longest in the world—operated jointly by *Marfret* and CMA CGM from Europe to New Zealand and Australia via the United States and the Panama Canal, and deployed with moderate-sized container ships (2,200 to 2,300 TEUs per vessel), will no longer comply with mandatory international efficiency standards. This structural project is evaluated between 4 and 5 billion FCFP (1 billion FCFP = €8.380 million).

An identical financial envelope has been committed for the ongoing rehabilitation of the ocean-going quay. Fifty-eight years after its initial construction, this infrastructure has exceeded by nearly a decade the standard service life typically recommended for this type of maritime structure, and its deterioration had led to binding operational restrictions. The current works will enable cargo ships, from the beginning of 2025, to berth at a brand-new quay featuring an operational depth of 14.5 meters.

Furthermore, a greenfield 230-meter-long quay is planned, specifically tailored for cruise ships and regional cargo vessels based in French Polynesia. Finally, master plans outline the expansion of the entire International Trade Terminal, currently spanning 12.7 hectares, to double its total surface area to absorb traffic growth. This spatial optimization will be secured by relocating existing storage zones and reclaiming land currently occupied by administrative buildings or premises leased to companies without direct links to maritime operations. For the short term, intermediate solutions are being deployed, such as stacking containers an additional tier high or optimizing yard management via GPS tracking systems, as proposed by two local stevedoring (*acconage*) corporations.

The cumulative capital expenditure for overhauling and modernizing the PAP's infrastructure matrix is evaluated at €217 million, and its financing is already partially secured. The comprehensive array of macro-projects to be executed over a ten-year timeline will be predominantly financed by the port's internal corporate resources, most notably through port toll taxes which generate 40% of its total revenues. Given that its self-financing capacity remains substantially robust and the project lifecycle is long-term, the Director of the PAP remains reassuring regarding the public institution's capacity to materialize the modernization ambitions of French Polynesia's primary maritime gateway¹.

Risk anxieties focus more heavily on maintaining secure port access for crude and product tankers, alongside petroleum storage infrastructures clustered on the Motu Uta breakwater, where two greenfield storage tanks are explicitly planned for refined oil and gas, respectively. The technical risk of industrial accidents remains a major concern. Concurrently, a greenfield gas terminal project planned on the East Coast will expand the distribution and logistics capacity of energy sources across French Polynesia.

Furthermore, a corporate "greening" policy was officially implemented, framed by a dedicated Master Plan for the Ecological and Energy Transition of the port since 2021. Backed by the strategic and financial support of the French Development Agency, preliminary analytical studies targeting wastewater network retrofits were launched, alongside environmental audits designed to precisely characterize the chemical, bacteriological, and biological pollution indices of the waters inside the Papeete harbor. The extensive installation of solar photovoltaic panels on warehouse rooftops is identically planned.

The PAP is concurrently studying the economic and technical relevance of shoreside power supply / cold ironing. The objective targets evaluating whether these installations—which expanded at an immense industrial pace across continental ranges over recent years to drive decarbonization—are genuinely tailored to the size and market realities of an island territory that, paradoxically, still depends predominantly on diesel-fired power plants to generate its domestic electricity. Generally, French Polynesia will be mandated to adapt to international regulatory shifts tied to the global decarbonization of maritime transport, and the rapid rise of hybrid wind-assisted shipping lines is driving multiple project developers to target the territory².

Finally, regarding the expansion of domestic naval maintenance and ship repair yards, the port authority prioritizes the full rehabilitation of its slipway (*cale de halage*): originally constructed in 1947 under the financial framework of the Marshall Plan, its capacity is strictly capped at a light 800 tonnes, while the lifting assets commanded by adjacent private shipyards are even more restricted. Although naval maintenance and ship repair benefit from a real market potential, the political ambition to engineer a world-class Polynesian Ship Repair Hub faces severe structural constraints regarding landside space—which could be partially bypassed following the ongoing relocation of the *Fare Ute* petroleum storage tanks—project financing, and the chronic inability to successfully close the renewal project for the Papeete floating dry dock.

¹ This evolution is identically reflected in the digitalization of traffic flows, driven by the implementation of the Cargo Community System 'Fetia', the localized 'Revatua' system tailored for inter-island maritime transport, and the 'Escales' platform optimized for managing cruise and recreational yachting streams.

² Alwena Shipping's project to establish a wind-powered shipping link with New Zealand through a potential semi-public company leaves shipping agents and private operators deeply skeptical regarding the commercial profitability of such a venture.

The Deadlock of the Floating Dry Dock Renewal Project

Dating back to 1975, owned by the French Navy and managed by the Chamber of Commerce, Industry, Services and Trades, the historical 3,800-tonne floating dry dock is utilized concurrently by sovereign defense warships and civilian merchant vessels. The question of its structural renewal materialized as early as 2011, when the CCISM catalyzed the concept of engineering an integrated maritime activity hub on the site. This necessity became imperative in 2015 when the Ministry of Defense officially announced the permanent cessation of the dry dock's operations by 2030. This deadline is coupled with the landside retrocessions from the State to the Government of French Polynesia via the Municipality of Papeete under the *Defense Site Revitalization Contract*, unlocking land plots for greenfield commercial activities.

The infrastructure project for a more modern tool immediately encountered intense interest from French Polynesian shipowners. The strategic perspective of deploying a significantly larger floating dry dock responds directly to the requirements of Papeete-based cruise-cargo vessels (such as the *Aranui* and the *Paul Gauguin*), which are currently forced to transit far across the Pacific to execute their mandatory drydockings. Furthermore, local shipping lines seeking to expand and modernize their fleets are currently structurally restricted in the design of their greenfield newbuilds by the strict physical dimensions of the legacy dock. Finally, the project integrates the high attractiveness potential targeting the commercial fishing fleets operated by adjacent Pacific Island nations.

Since 2013, multiple technical and economic audits have been executed, overseen most recently by a dedicated commission within the PAP to analyze every single industrial solution. Alternative regional sites outside the main harbor were rigorously audited, such as Faratea on Tahiti or Faaroa on Raiatea; however, these options were permanently rejected due to technical constraints or strategic shortfalls. Various careening technologies were cross-analyzed—including conventional graving drydocks (*formes de radoub*) and modular docks—before the commission reached a precise definition of the mandatory asset: a greenfield 12,000-tonne floating dry dock, to be positioned in the exact footprint of the legacy installation.

The capitalization and financing architecture of this new industrial asset was legally slated to rely on the port authority and private corporate actors, while its operational management matrix strictly integrated the primary sovereignty imperatives and priorities of the armed forces. Consequently, the project was carried to the highest echelons of national institutions and the Naval General Staff.

This drydock project was explicitly detailed in the French National Assembly's report on the revision of the Leroy Law on the Blue Economy dated 2017. Furthermore, a comprehensive briefing file was formally brought to the personal attention of the President of the Republic, Emmanuel Macron, during his official presidential visit to Tahiti in 2021. Nonetheless, it has failed to materialize to this day.

On one hand, the French Navy announced the formal extension of the legacy dock's presence and operational utilization beyond 2030, for at least an additional decade. On the other hand, the corporate blueprint to install a secondary, entirely private floating drydock adjacent to the current one faces an absolute veto from the Ministry of Defense due to strategic positioning constraints. Confronted by this structural uncertainty surrounding the Navy's ultimate decisions, the master development plan of the PAP outlines an alternative fallback scenario: if the utilization of the current dock is prolonged until 2040, the port will proceed with the procurement of a 1,500-tonne capacity travelift (*élévateur à sangle*) to push the ship repair sector forward while clustering, as much as practically feasible, the diverse maintenance activities currently scattered across multiple territorial sites.

The fact remains that today, after more than ten years of continuous proposals and inter-agency consultations, the issue rests at a complete standstill. While Réunion Island successfully welcomes its brand-new floating drydock in 2024, French Polynesia retains its fifty-year-old tool (which will thus reach a legacy age of 65 in 2040) due to the lack of a modern infrastructure scaled to the strategic civilian needs of supply chain routing and passenger transport for the isolated populations of the remote archipelagos.

The paramount challenge of maritime decentralization

Despite its profoundly maritime nature, the connectivity matrix of the 78 inhabited islands scattering French Polynesia's five archipelagos was historically anchored on airport infrastructures, counting roughly fifty airfields. Conversely, French Polynesia disposes of only a single true port gateway—the Port of Papeete—and a highly restricted headcount of quays and basins across the distant

archipelagos. In the most isolated islands, the embarking and disembarking of passengers and cargo are executed either on rudimentary infrastructures or through the hazardous use of whaleboats (*baleinières*) or localized barges, onto which individuals and freight are physically transferred due to the complete lack of adequate landside space and navigational draft required to enable the direct berthing of cargo ships. The modernization and development of maritime equipment must therefore reconcile a twin challenge: the macroeconomic rebalancing of Tahiti's economy toward the outer archipelagos on one hand, and the structural evolution of the inter-island maritime shipping fleet on the other.

Statutorily, 470,310 tonnes of inter-island freight were transported in 2022, routing 82% of this volume outbound from Tahiti toward the outer islands, which thus receive their vital supplies of drinking water, energy sources, agrifood consumer goods, and equipment assets. The inbound return freight, representing a minor 18% share of the volume, is predominantly composed of agricultural products extracted from coconut plantations, namely copra, which is shipped back to Tahiti to be processed into coconut oil and exported, an industrial activity logging a 14% volume increase since 2021.

Finally, French Polynesia ranks as France's third-largest domestic ferry transport marketplace, handling 1.6 million passengers, concentrated overwhelmingly along the short-sea shuttle corridor connecting Tahiti to its sister island, Moorea. Twenty-six merchant vessels operate the diverse regular lines threading the archipelagos, bound by strict public service obligations to service all inhabited islands, which occasionally includes managing the traditional tramping trade.

Today, this entire operational grid is regularly confronted with sudden technical layups and vessel breakdowns triggered by the acute aging of the inter-island fleet. The average fleet age stands at 25 years, with selected active units remaining in continuous service for nearly 50 years.

A brand-new high-speed craft, the *Apetahi Express* (commissioned in 2023), secures the connection between Tahiti and the Leeward Islands. Conversely, the legacy schooner (*goélette*) *Taporo VII*, which dated back to 1978, has been permanently laid up since 2022 following a series of serious accidents and major mechanical failures at sea. For the coming years, multiple greenfield vessels are on the order books; selected units are designed as direct replacements for legacy hulls, while others will expand active liner capacities. These newbuilds encompass the *Na Hiro e Pae* ordered by the *Société de Navigation Polynésienne*, the very first innovative cargo vessel fitted with rigid e-sails currently under construction for the *SNA Tuhaa Pae* to operate the regular Tahiti–Austral Islands trade lane, and the *Aranoa* ordered by the *Aranui* shipping line, whose specialized mixed cargo-cruise vessel (*cargo mixte*) traditionally services the Marquesas Islands, recently expanded to the Austral Islands, and targets alternative regional destinations such as the Cook Islands and Pitcairn.

Administratively, the Port Autonome de Papeete directly manages, outside the core maritime facilities of Tahiti's primary municipality, the ferry infrastructures of Vaiare on Moorea, the port installations of Uturoa on Raiatea, alongside multiple leisure marinas and organized anchorage zones across these islands. In Tahiti, the extensive renovation of the domestic cabotage quays (*quais de cabotage*) must move hand in hand with heavily reinforcing operational security across these zones, explicitly limiting hazardous industrial co-activity. Master plans concurrently project scaling up landside warehouse storage capacities, with construction works scheduled to launch in 2024.

In Moorea, the comprehensive modernization of the buildings, passenger quays, and the Vaiare marina requires a complete re-engineering of a critically saturated spatial zone, dragging the commissioning timeline of the entire redevelopment blueprint to 2033 pursuant to the port's updated master plan. Finally, the infrastructure projects slated for the Leeward Islands focus heavily on the yachting sector, prioritizing the full rehabilitation of the port-managed marina.

For the alternative remote islands across French Polynesia's five archipelagos, beyond the structural need for infrastructure engineering and preliminary feasibility audits—selected studies having already been finalized, notably for the Marquesas Islands—it is imperative to deploy a true integrated port management framework scaled to the entire Exclusive Economic Zone (EEZ). This strategy requires creating dedicated harbor master agent posts and locking in standardized safety and security protocols across every single island. As it stands today, the arrival of a vessel into an outer island—whether a large commercial cargo ship or a small boutique yacht—remains entirely dependent on the ship's own onboard resources and crew maneuvers.

The new cruise terminal and homeporting economics

The year 2023 stood as a record-breaking calendar year for tourism in French Polynesia. This exceptional expansion, following the post-COVID rebound loop, was partially driven by the cruise sector.

Out of the 262,000 visitors welcomed to the Fenua in 2023, 43,815 were turnaround cruise passengers who flew in to embark on homeported vessels (*tête de ligne*) based in French Polynesia. Furthermore, the 43,887 excursionists from the 63 cruise ships operating transpacific itineraries that made port calls in the territory, added to the standard stayover visitors, brought the cumulative tourist headcount close to 306,000 for the year.

In total, the cruise industry accounts for more than 20% of the country's overall tourism revenues, generating roughly €167 million in direct resources for the Country, while filling up to 20% of commercial airline bookings bound for Tahiti. The sector, which has practically tripled its total port calls over the past 15 years, is projected to maintain a strong growth trajectory according to industry forecasts established through 2027.

The French Polynesian cruise model is strategically built on developing homeported vessels—such as the regional passenger-cargo liner *Aranui* or the luxury ship *Paul Gauguin* operated by Ponant—and small-capacity boutique vessels sailing itineraries through the five archipelagos (the Society, Tuamotu-Gambier, Marquesas, and Austral Islands). Mathematically, 90% of the 1,350 annual port calls involve pocket cruise ships carrying fewer than 500 passengers, currently visiting 37 different islands, which successfully maximizes economic spin-offs for local communities.

Conversely, mega-cruise ships carrying over 3,500 passengers represent a mere 1% of total port calls and are strictly restricted to the high-capacity islands of Tahiti, Moorea, and Raiatea. The sector's expansion margin remains immense, given that the wider Pacific basin currently captures only 3% of the global cruise market. For 2024, the Tahiti Cruise Club announces 1,045 port calls operated by 46 distinct vessels (plus 305 specialized calls from the small *PanOrama II* operated by Variety Cruises, carrying just 49 passengers). Between 2026 and 2027, two supplementary vessels will be permanently positioned as turnaround liners: Ponant's *Le Jacques-Cartier* for a 6-month seasonal deployment, and Windstar Cruises' *Wind Star* on a year-round basis. This strategic advancement positions French Polynesia ahead of both New Zealand and Australia in this segment, deploying a fleet model perfectly customized to island ecosystems.

This regional dynamic relies on a decentralized geopolitical network engineered in Tahiti: the South Pacific Cruise Alliance, which clusters French Polynesia alongside Samoa, American Samoa, the Cook Islands, New Caledonia, Pitcairn, Tonga, Vanuatu, and Wallis and Futuna.

The most anticipated infrastructure milestone centers on completing construction works for the brand-new Papeete Cruise Terminal, which features an upgraded cruise pier, a modern passenger terminal, an exhibition hall dedicated to local craftsmanship, and a subsea underground parking facility. Regarding traffic flow management, the dedicated digital platform "*Escales*", engineered and deployed by the French Polynesian Directorate of Maritime Affairs, is already fully operational for cruise lines, enabling them to digitally reserve their berths up to two years in advance. Conversely, the utilization of this digitized service by users within the recreational yachting sector appears to face greater difficulties.

Technical hurdles in managing recreational yachting and yachting flows

By virtue of the immense geographical expanse of its EEZ, the cultural and environmental variety of its archipelagos, and its reliable trade wind regimes, French Polynesia ranks as one of the world's premier destinations for recreational sailing and luxury yachting. The nautical tourism sector, which generates approximately 12% of total tourism revenues, is divided into three distinct segments:

- The nautical charter sector: commanding operational bases in Tahiti and most notably across Raiatea in the Leeward Islands, exploiting fleets of modern catamarans.
- The superyacht sector (+24 meters): representing the highest value-added segment, hosting roughly a hundred mega-yachts annually.
- The cruising yacht sector: aggregating a rolling fleet of approximately 700 bluewater sailboats visiting the South Pacific transit corridors between the Americas and Oceania.

The development of the yachting industry is actively incentivized and supported by public fiscal frameworks, including accelerated tax-free local depreciation (*défiscalisation*) for charter fleets, or granting foreign cruising yachts statutory authorization to remain up to two full years inside the EEZ completely free of import duties.

Nevertheless, a chronic deficit in dedicated marine infrastructures—such as managed marinas or organized mooring zones fitted with ecological mooring buoys—has triggered a chaotic proliferation of wild anchorages (*mouillages forains*), including dense urban lagoon sectors in Tahiti, sparking a

localized social rejection of the yachting community among populations in the most heavily inhabited islands.

To resolve these environmental frictions, the master plan of the PAP, which directly administers a marina in Uturoa (Leeward Islands), projects its full modernization, while a comprehensive spatial planning grid of mooring zones across the Society Archipelago has been launched by the DPAM. The lack of basic utilities—including black and gray wastewater pumping systems and hazardous waste management—across the outer islands heavily degrades the sector's ecological image. Upgrading these luxury marine services remains a recurring demand voiced by superyacht agents anxious to match the stringent requirements of a high-end international clientele. Ultimately, French Polynesian recreational yachting must undergo a profound modernization, backed by heightened local community consultation.

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