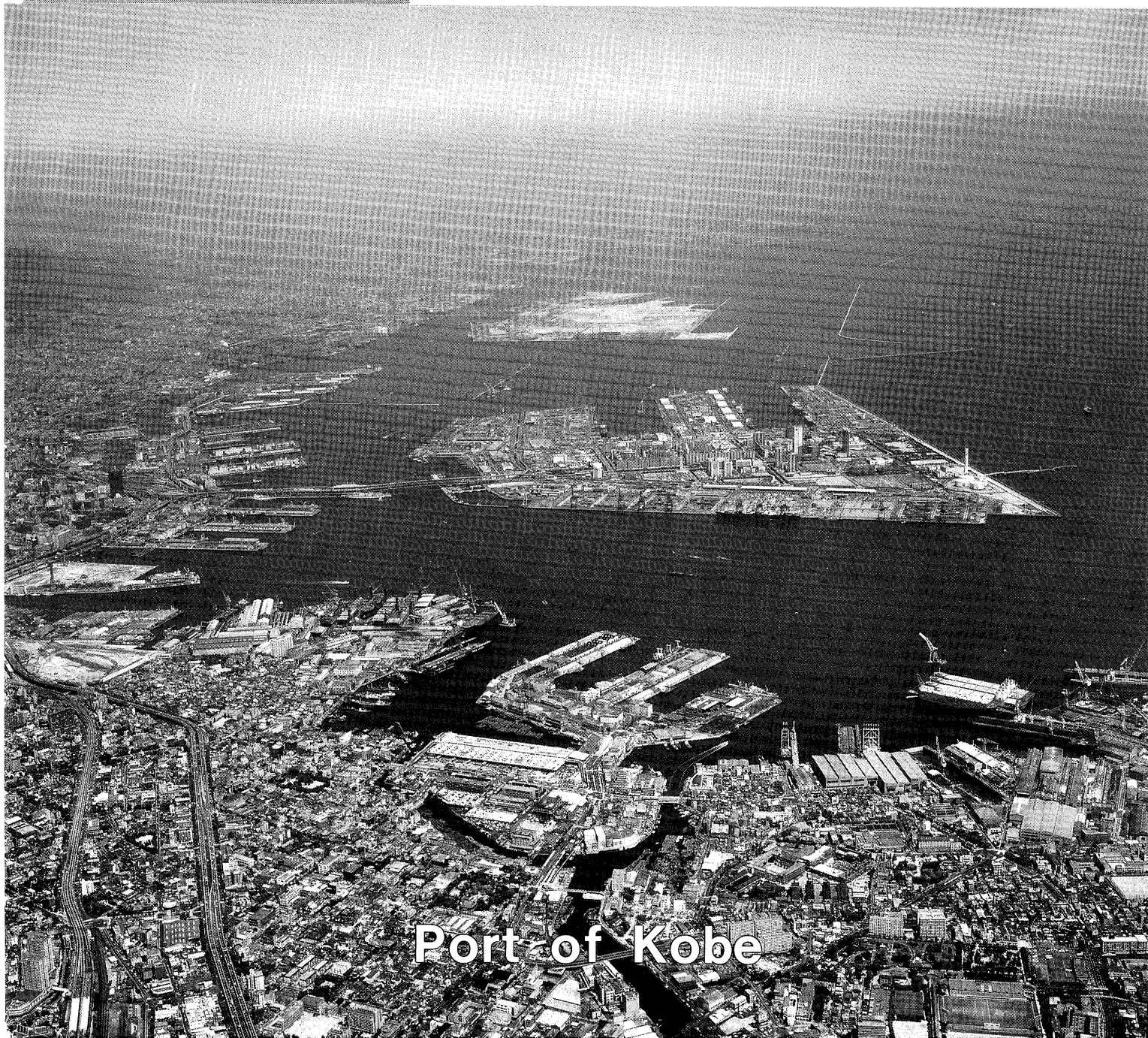


# PORTS *and* HARBORS

October, 1986 Vol. 31, No. 10



**The Publisher: The International Association of Ports and Harbors**

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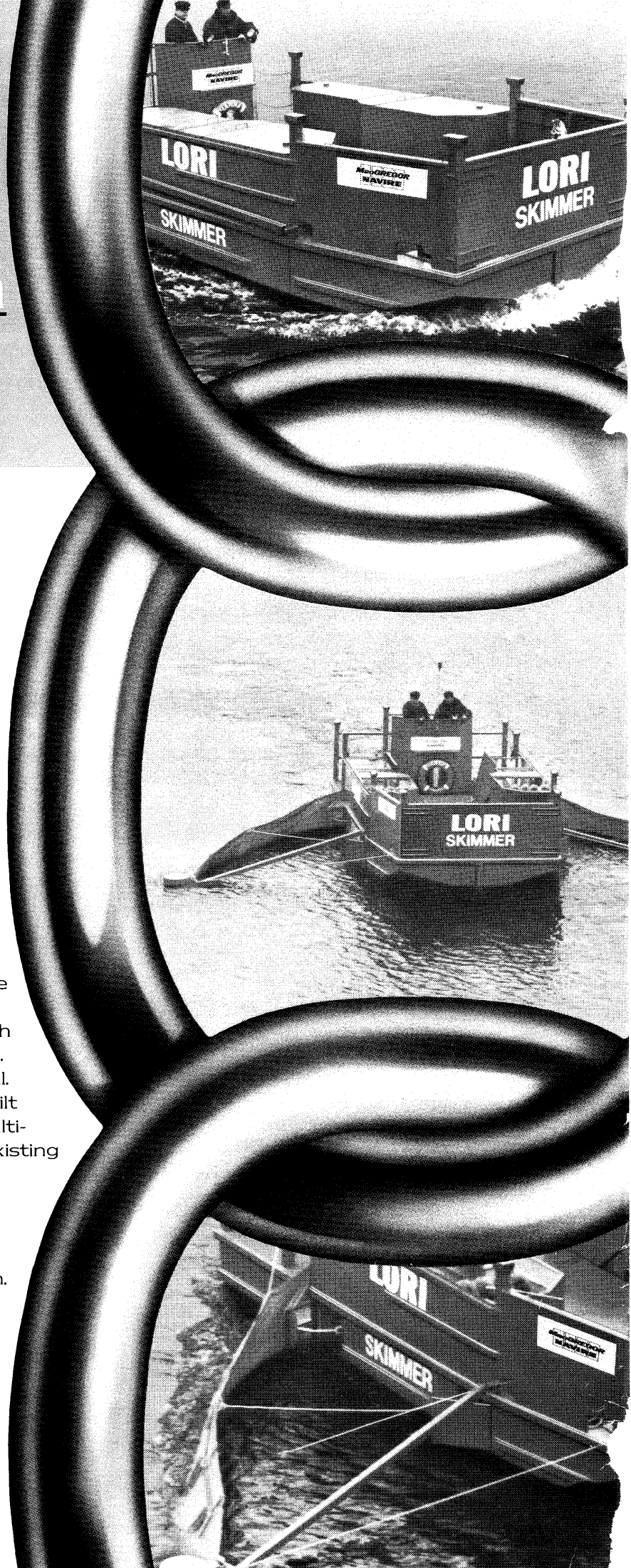
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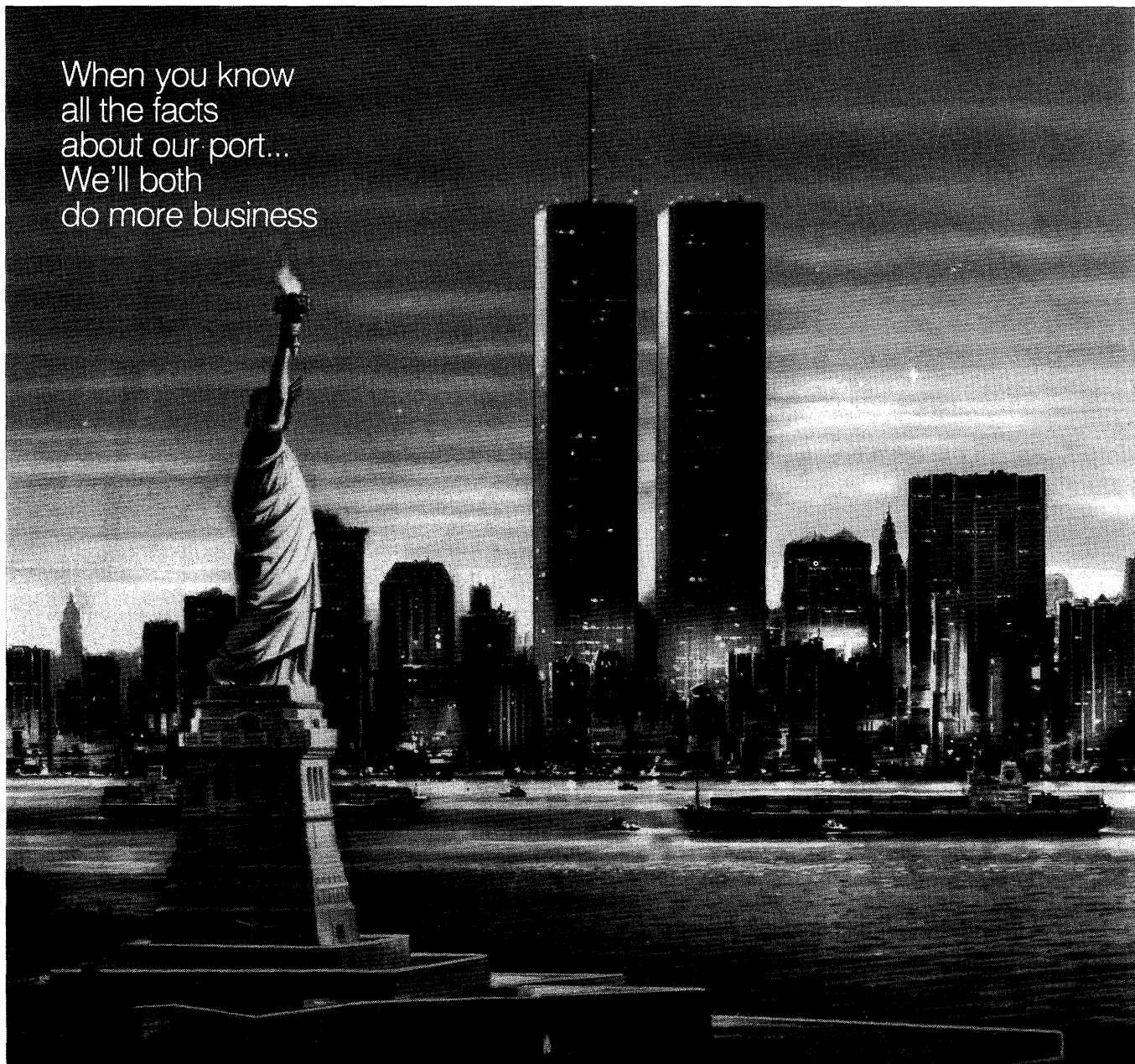
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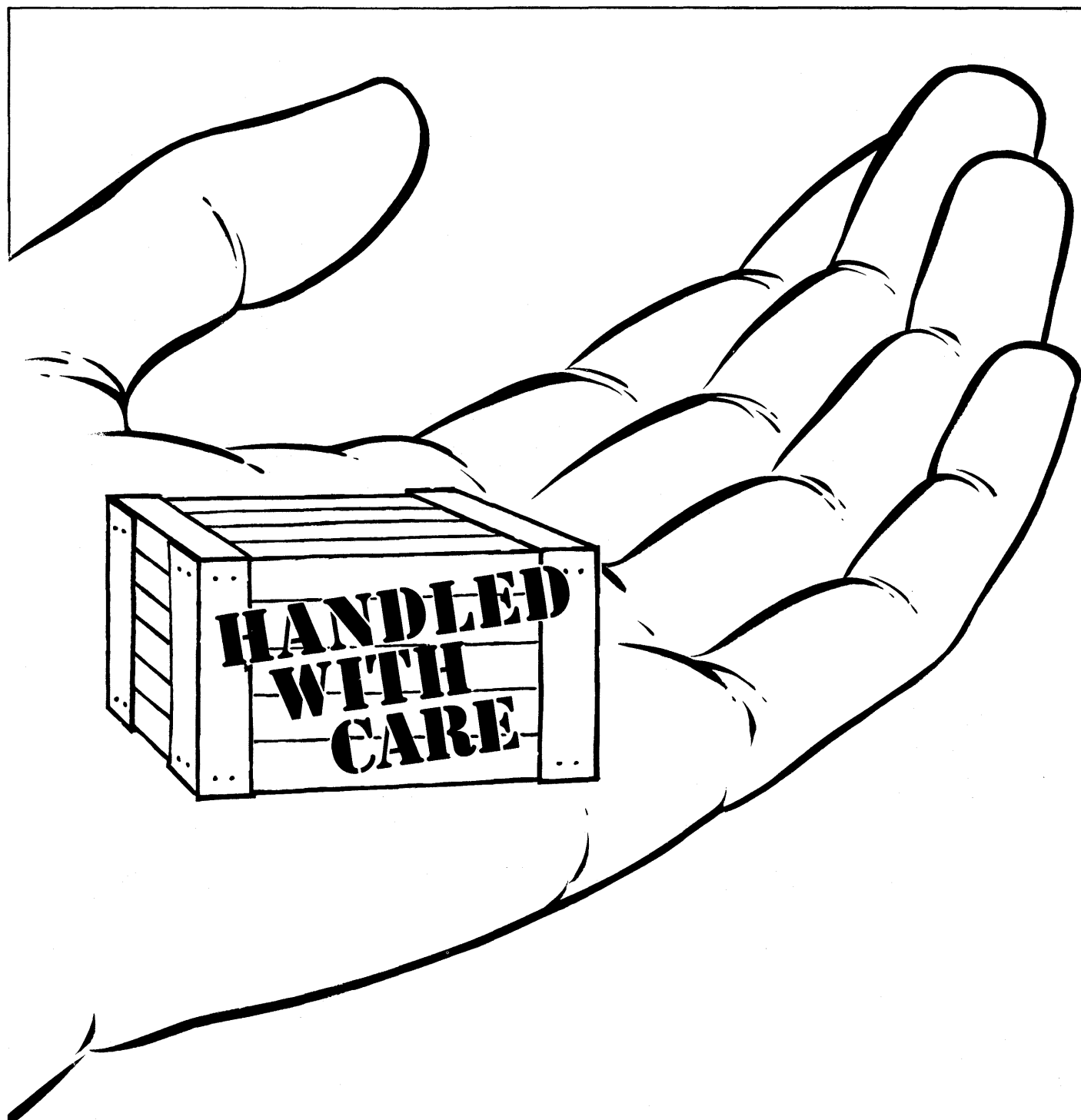
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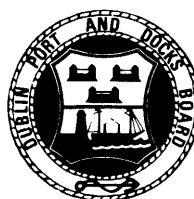


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**October, 1986 Vol. 31, No. 10**

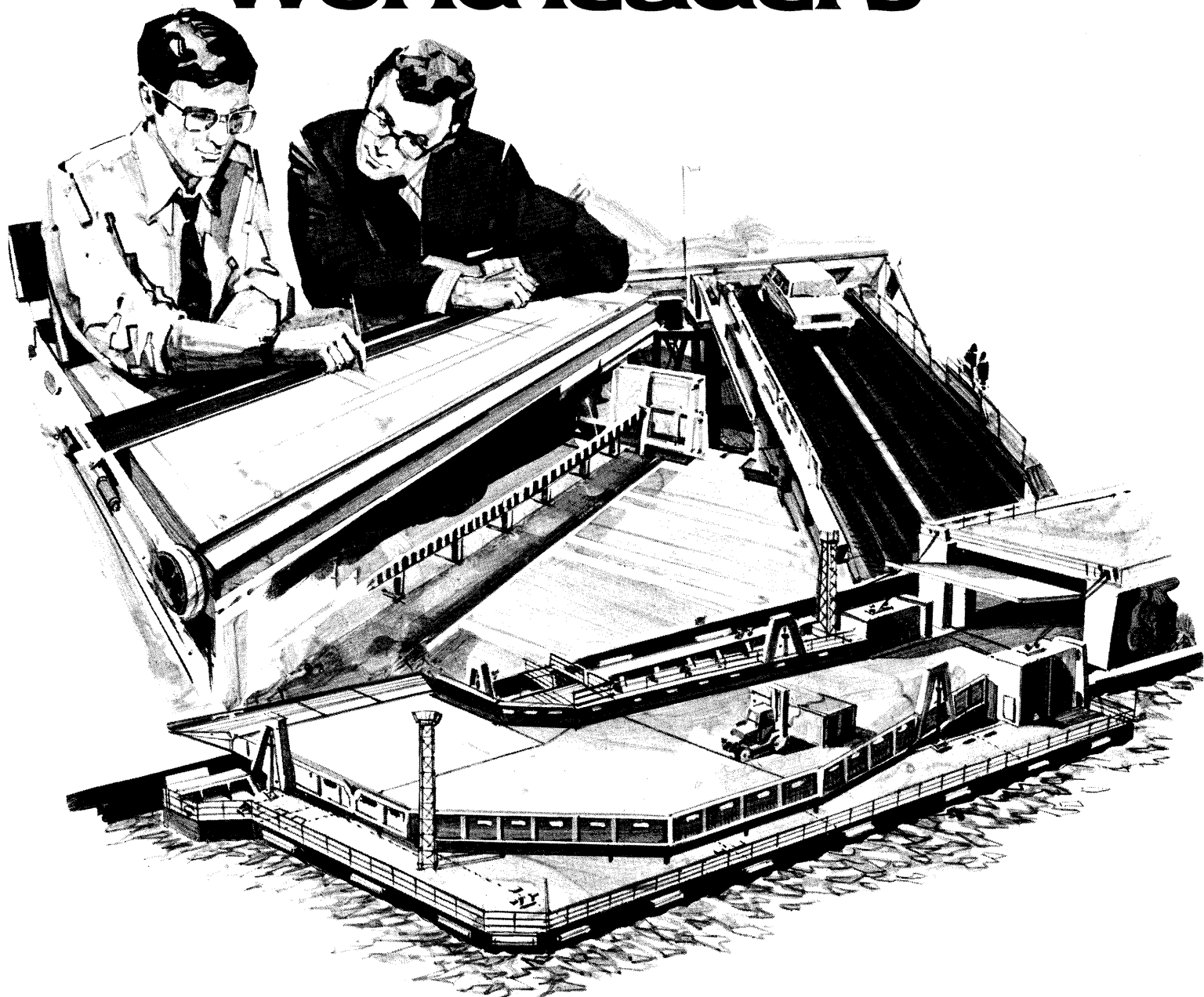
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# IAPH announcements and news

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## **IMO acknowledges receipt of IAPH position paper on Revision of Convention on Maritime Liens and Mortgages**

Mr. Srivastava, IMO Secretary-General, in his letter dated 12 August 1986, has responded to the IAPH position paper on the Revision of the Convention on Maritime Liens and Mortgages, which was submitted to IMO and UNCTAD respectively in July this year. Following the response from UNCTAD which we carried in the last issue, the letter from the IMO Secretary-General is reproduced here.

Dear Mr. Sato,

re: **The Revision of the Convention on Maritime Liens and Mortgages**

**IMO and UNCTAD Joint Committee of Experts**

I thank you for your letter of 10 July 1986 concerning the proposed revision of the International Convention on Maritime Liens and Mortgages to be undertaken by the joint IMO/UNCTAD Intergovernmental Group of Experts.

I have taken note of the interest on the membership of IAPH and, in particular, the position paper on the subject which you transmitted with your letter. In this connection, I note that you addressed a similar letter to UNCTAD.

As you rightly noted, the Group of Experts to consider the subject is to be convened and serviced jointly by the Secretariats of IMO and UNCTAD. The procedure for the submission of documentation to the Group's meetings will, therefore, be determined through consultations between the two Secretariats. This arrangement will be followed with respect to the position paper of IAPH in order to determine when and in what way the views of IAPH may be brought to the attention of the Joint Group of Experts.

I shall inform you in due course of the action taken in relation to your submission.

Yours sincerely,  
(Signed)  
C.P. SRIVASTAVA  
Secretary-General

## **Measures to prevent Unlawful Acts against Passengers and Crews on Passenger Ships — An IAPH view submitted to IMO Maritime Safety Committee**

It was agreed at the Exco meeting held in Auckland in April this year that it would be appropriate to submit an IAPH view on the proposed measures to IMO's Maritime Safety Committee.

The letter which Mr. A.J. Smith drafted was first referred to Mr. Valls, the CLPPI Chairman, and Mr. Dubois, the COPSEC Chairman, and then to President den Toom. Upon receipt of the Chairmen's consent and with Presiden-

tial approval, the following view was presented to the IMO Secretary-General by Dr. Sato, IAPH Secretary General, on August 27, 1986.

## **MEASURES TO PREVENT UNLAWFUL ACTS AGAINST PASSENGERS AND CREWS ON PASSENGER SHIPS**

**(An IAPH Submission to IMO's Maritime Safety Committee)**

The Guidance provided in the Report of the Working Group of IMO's Maritime Safety Committee (MSC 52/WP1) appears to have been rushed through the international maritime consultative processes with unseemly haste. There is an evident danger in so doing that the Guidance — which could well form the base for national regulatory action, despite protestations to the contrary — will neither reflect the measures deemed necessary by each Member State of IMO to deal with their perceived risks, nor provide adequately for the funding arrangements which will be essential if such measures are to be effectively implemented. IAPH wishes to ensure these eventualities do not arise.

As can be imagined, IAPH members worldwide will be affected by the proposed measures almost without exception. It will be understood, however, that none are normally in any position to make a reasoned authoritative assessment of current or future terrorist threats. Where such threats exist, we must presume that the respective Governments have taken, or will take, appropriate steps to deal with them. Where Governments perceive a need for measures to be taken additional to those already in existence, IAPH members would expect that these Governments would assume full responsibility for co-ordinating their implementation and would fund them.

Our comments on the general provisions of the proposed measures are as follows:

The "Designated Authority" for the purpose of these measures should be an appropriate Department of Government. We would expect, moreover, that prior to adoption of the measures — assuming it intended to do so — the Department would hold discussions with the interested parties, including Port interests.

No undue difficulty is foreseen in developing and maintaining a Security Plan. It is highly probable, however, that the majority of ports will require assistance if they are to do so, effectively. We therefore presume that the Department will ensure that such assistance is forthcoming.

The reporting of occurrences and recording of unlawful acts would appear to be a police function, probably best undertaken by the Government.

Paragraph 4.6.8 recommends that co-ordination be established with national and international security services. As has been referred to earlier, ports are not normally privy to threat assessments or classified information. There is no denying, however, the need for effective co-ordination and communication between interested parties. We assume, therefore, that the Government will take all steps necessary to secure that position.

With reference to the Annexes to the general provisions, we strongly feel that measures proposed should be firmly identified with local needs and commercial considerations. A commonsense view on these will best be established by Ship, Port and Terminal Operators in the light of their respective Governments perception of current and anticipated risks.

We note that the subject matter will be discussed at the next meeting of the MSC. IAPH, as a contributing member to the MSC Working Party, would be happy to participate directly in further meetings of that Working Party if these are considered by MSC to be appropriate.

## **IAPH to observe the LDC Meeting in London in October**

Mr. H.R. Haar, Jr., Chairman of IAPH Dredging Task Force, in his recent communication to Mr. Manfred K. Nauke (Head, IMO Marine Environment Division), thanked Mr. Nauke for the invitation and confirmed his attendance at the 10th Consultative Meeting of Contracting Parties to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter, to be held in London from 13 to 17 October 1986, and submitted a report of the Scientific Group on Dumping on Matters Related to the Disposal at Sea of Dredged Material, which was prepared in the name of IAPH.

The Report is reproduced hereunder:

<b>INTERNATIONAL MARITIME ORGANIZATION (IMO)</b>	LDC 10/3 13 October 1986
<b>TENTH CONSULTATIVE MEETING OF CONTRACTING PARTIES TO THE CONVENTION ON THE PREVENTION OF MARINE POLLUTION BY DUMPING OF WASTES AND OTHER MATTER</b>	Original: ENGLISH
<b>13–17 October 1986</b>	

### **Agenda Item 3**

## **REPORT OF THE SCIENTIFIC GROUP ON DUMPING**

### **Matters Related to the Disposal at Sea of Dredged Material**

### **Submitted by the International Association of Ports and Harbors (IAPH)**

#### **1. Introduction**

- 1.1 The International Association of Ports and Harbors (IAPH) appreciates the invitation extended it to attend this Tenth Consultative Meeting of Contracting Parties to the London Dumping Convention as an observer to continue its participation in the discussion of matters relating to the disposal of dredged material at sea.
- 1.2 Since the outset of its attendance at consultative meetings of Contracting Parties, IAPH has called attention to the essential need of many ports to dispose of dredged material at sea and to the serious threat of disruption of these port operations if such disposal were not allowed. Taking note of the concerns expressed by IAPH, Contracting Parties directed the Scientific

Group on Dumping to study the scientific aspects of disposal at sea of dredged material. Extensive studies bearing upon this issue have been carried out over the past six years. During this time, IAPH has presented a number of scientific papers describing the unique properties of marine sediments and the manner in which these characteristics and various techniques of disposal mitigate the effects of Annex I substances that may be present in dredged material. The studies conducted by IAPH and by many Contracting Parties have documented the physical characteristics of dredged material which distinguish this matrix from other types of waste and which reduce the adverse impacts from sea disposal of dredged material to safe levels in most cases.

#### **2. The Need for Special Guidelines For Dredged Material**

- 2.1 At the Ninth Consultative Meeting of Contracting Parties (23–27 September 1985), the Scientific Group recommended the convening of an intersessional group of experts on dredged material to carefully study the scientific data and information concerning dredged material that has been gathered since the original adoption of the Convention and to make recommendations as to whether this additional information warrants a special treatment of dredged material. Contracting Parties approved the convening of this expert group.
- 2.2 On 28–30 October 1985, the Joint LDC/OSCOM Group of Experts on the Application of the Annexes to Dredged Material met in London, England to carry out this review. The group of experts concluded that the demonstrated mitigative properties of dredged material justified a separate treatment of dredged material that would take into account the manner in which marine sediments differ from other types of wastes regulated under the Convention.
- 2.3 The expert group submitted its report to the Ninth Meeting of the Scientific Group on Dumping held on 28 April – 2 May 1986. After extensive debate, the Scientific Group recommended the adoption by Contracting Parties of Guidelines for the Application of the Annexes to the Disposal of Dredged Material, as set out in Annex II to the Scientific Group report, and the adoption of amendments to the Interim Guidelines for the Implementation of Paragraphs 8 and 9 of Annex I to the London Dumping Convention, as set out in Annex 3 to that report. (LDC/SG.9/13; LDC 10/3/14.3 and 14.4)
- 2.4 IAPH welcomes and endorses these recommendations of the Scientific Group and invites Contracting Parties to adopt the special guidelines for dredged material and the amendments to the Interim Guidelines set out in Annexes 2 and 3 to the Scientific Group report. This action will provide appropriate recognition of the mitigative properties of marine sediments and will ensure that the regulation of dredged material under the LDC is in accordance with the latest scientific knowledge and information regarding the effects from disposal at sea of dredged material.

#### **3. Conclusion**

- 3.1 IAPH invites Contracting Parties to consider the views expressed by IAPH in this submission and to approve the recommendations of the Scientific Group discussed above.

## Further progress reported in IPD Fund campaign

### US\$ 16,000 needed to achieve target

The contributions from members to the Special Port Development Technical Assistance Fund ("the Special Fund") as of September 15, 1986 are listed in the box below. The amount received in contributions and the sum pledged in the past 16 months since the Hamburg Conference in May 1985, totals US\$54,592, leaving the amount of US\$15,408 yet to be raised.

The Secretary General and the Chairman of the Inter-

national Port Development Committee, Mr. Kruk (Port of Rotterdam), place on record their gratitude to all those individuals and organizations who have given so generously in support of this worthy cause. Nevertheless, they point out that further support is needed to enable the committee to raise the targeted amount of US\$70,000. They thus appeal to all members who might be able to contribute to give the matter their urgent consideration.

#### CONTRIBUTIONS TO THE SPECIAL FUND

As of September 15, 1986 (in US\$) (\*: Pledged)

Australia		Shimizu Construction Co., Ltd.	250
Port of Melbourne	1,000	Tokyo Port Terminal Corp.	500
Maritime Services Board of NSW	250	Toyama Prefecture	250
Benin		Toyo Construction Co., Ltd.	250
Port Autonome de Cotonou	250	Yokohama Port Terminal Corp.	500
Canada		Jordan	
Fraser River Harbour Commission	300	Ports Corporation	1,000
Port Alberni Harbour Commission	200	Korea	
Port of Halifax	750	Korea Dredging Corporation	200
Port of Montreal	1,000	Korea Maritime & Port Adm'tion	3,000*
Port of Vancouver	500	Malaysia	
Ports Canada	2,000	Kelang Port	200
Cyprus		Johor Port Authority:	100
Cyprus Ports Authority	500	Mauritius	
Denmark		Mauritius Marine Authority	1,000
Port of Copenhagen	350	Netherlands	
Germany (West)		Delfzijl/Eemshaven Port Auth.	250*
Port of Hamburg	3,086	Port of Amsterdam	1,000
Ghana		Port of Rotterdam	3,000
Ghana Ports Authority	500	Shipping & Maritime Directorate	720*
Indonesia		New Zealand	
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Public Port Corporation II	200	Nigeria	
Iran		Nigerian Ports Authority	500
Ports & Shipping Organization	1,000	Oman	
Japan		Port Services Corporation	500
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Daito Kogyo Co., Ltd.	1,000	Papua New Guinea Harbours Board	200
Japan Port & Harbor Association	303	Taiwan, ROC	
Japan Port Consultants Association	210	Hualien Harbor Bureau	200
Japan Warehousing Association	250	Thailand	
Japanese Shipowners' Association	250	Port Authority of Thailand	100
Kawasaki City	1,252	U.K.	
Kitakyushu Port & Harbor Bureau	2,502	Associated British Ports	3,000
Kobe Port Development Corp.	641	Belfast Harbour Commissioners	300
Mr. Susumu Maeda	20	Clyde Port	1,000
Mr. Toru Akiyama	500	Peter Fraenkel Int'l Ltd.	100
Nagoya Container Berth Co., Ltd.	500	Port of London	750
Nagoya Port Authority	3,125	U.S.A.	
Nakagawa Corrosion Protecting K.K.	250	Port Authority of NY & NJ	1,000
Niigata Prefecture	250	Port of Houston	1,000
Osaka Prefecture	500	Port of Tacoma	1,000
Osaka Terminal Corporation	646	Zaire	
Pacific Consultants Int'l	630	Office National des Transports	550
Penta-Ocean Construction K.K.	1,000		
Rinkai Construction Co., Ltd.	250	Total (including amount pledged)	<u>US\$54,592</u>
Saeki Kensetsu Kogyo Co., Ltd.	250		

## Panel of Judges for the IAPH Essay Contest announced

The Essay Contest for port staff of developing ports, known as the IAPH Award Scheme and which the Association has conducted biennially since 1978, is currently under way for the fifth time.

Prior to the closing date for entry papers which was set at September 1, 1986, Mr. C.B. Kruk, Chairman of the Committee on International Port Development, announced the names of the panel of judges for this year's contest, as indicated below. By the 25th of August, 1986, altogether 24 entry papers had been received. (The names of the entrants are also listed below.)

The result of the contest will be announced in January 1987 and communicated to the participants accordingly.

The winning entry will be awarded the first prize called the "Akiyama Prize", US\$750 and an invitation to attend the 15th Conference of IAPH in Seoul next year. Travelling expenses and hotel accommodation will be provided, too.

Chairman Kruk has announced that, starting from the coming Seoul Conference, the winners should be requested to present the highlights of their papers at the Conferences. This is in contrast to the practice at past conferences, where the winners used to be invited to say a few words before the audience from the stage.

### Panel of Judges for the IAPH Essay Contest (1986)

**Chairman:** Mr. C.B. Kruk, Chairman of CIPD, Head, Technical and Managerial Port Assistance Office (TEMPO), External and Commercial Affairs, Port of Rotterdam, the Netherlands

**Members:** Mr. Joseph Bayada, Vice-Chairman of CIPD, General Manager, Cyprus Ports Authority, Cyprus

Mr. Eric Williamson, Chief of Ports Section, UNCTAD, Switzerland

Mr. Jean Pierre Lannou, Assistant to the Equipment Manager, Port Autonome du Havre, France

Mr. David George, Secretary, Associated British Ports, U.K.

Mr. Gustaaf de Monie, Director, Antwerp Port Engineering & Consulting v.z.w. (APEC), Belgium

### Entries to the IAPH Essay Contest (1986) (As of August 25, 1986)

Name/Position	Port/Country
Mbela Makuntima/ Chef de division Principale Administrative	Port de Matadi/Zaire
N.J.S. Sinyangwe/ Operations Officer	Port of Dar es Salaam/ Tanzania
Shri V. Ramaswamy/ Financial Adviser & Chief Accounts Officer	New Mangalore Port Trust/India

Ted Jacob Barnard

Bandaka Muna Kalu

Makiadi-Dombe

N. Chandra Babu/  
Asst. Traffic Manager

M.A.R. Ansari/  
Dy. Chief Eng.

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Raul Jorge Martin &  
Juan Carlos Piter

Jorge Martinez Cruz

N. Chandrasekaran/  
Financial Advisor &  
Chief Accounts Officer

Jose Paul/  
Additional Traffic  
Manager

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Transports (ONATRA)/  
Zaire

New Mangalore Port  
Trust/India

Visakhapatnam  
Port Trust/India

Maritime Research &  
Development Institute/  
Peru

National Port Authority/  
Liberia

Madras Port Trust/India

Puertos de Colombia

Port de Matadi/Zaire

Administración General  
de Puertos,  
Rio Uruguay/Argentina

Secretaria de  
Comunicaciones y  
Transportes/Mexico

Madras Port Trust/India

Cochin Port Trust/India

Port Autonome de  
Cotonou/Benin

Indian Ports Assn.

Philippine Ports  
Authority

Comision Ejecutiva  
Portuaria Autonoma  
(CEPA), Acajutla/  
El Salvador

Nigerian Ports Authority

Port Autonome de  
Cotonou/Benin

Cochin Port Trust/India

## Mr. Dubois summarizes the Work of COPSEC

The Committee on Port Safety, Environment and Construction met in Auckland during the Mid-Term Conference on 7th and 8th April 1986 (under Alex Smith's chairmanship). It should be of interest to IAPH members to know the progress of different technical matters which are under consideration by the Committee.

First of all, the Guidelines on Port Safety and Environmental Protection are under permanent review. It is expected that several pages of guidelines will be updated and circulated for the next Seoul Conference.

Herbert Haar, Chairman of the Dredging Task Force, reported:

- on his attendance at the 9th Consultative Meeting on Contracting Parties to the London Dumping Convention
- on the attendance, on behalf of the IAPH, of Dr. W.E. Pequegnat at a meeting of a group of experts at IMO's headquarters in London on 25–30 October 1985 (see IAPH magazine issue of January/February 1986)
- on the progress of the updating of the Dredging Task Force booklet entitled: "Ports and dredging in the developing countries"
- on the summary of the PIANC dredging booklet, which has still to be published
- on the budget of the Dredging Task Force.

During this meeting, the Port of Rotterdam showed a videotape on their methods of handling dredged materials in the Rhine River.

The Marine Safety Sub-Committee, chaired by Geff Monks, is involved in the following matters:

- Two actions will be undertaken jointly with IALA and IMPA. One deals with the harmonisation of VTS procedures and the improvement of the communication between ships and shore ("Seaspeak for VTS"). The other one concerns the development of a "World Guide to VTS", which may sum up all the information needed by a shipmaster before entering a VTS area.

These actions have been strongly supported by the Sub-Committee, which asked Mr. van der Schaaf and Mr. Coloby to be the IAPH representatives in this joint IAPH/IALA/IMPA working group.

- The question of ports of refuge in relation to the revision of the 1910 Salvage Convention is under consideration by the Sub-Committee, in liaison with CLPPI. It appears that national legislation differs from one country to another, particularly as regards the right for a Port Authority to refuse the entry of a damaged vessel. On this difficult question, it is important for IAPH to be aware of the progress in IMO and to be ready to defend a position which represents the port authorities' interests.
- Maurice Guicharousse, Chairman of IMPA, presented an interesting paper about the manoeuvring of large tankers, describing particularly their stopping ability, their turning ability, their squat, their use of anchors, their berthing, their mooring and the effects of wind and swell.

He also stressed the importance of good fenders and suggested the Sub-Committee study that subject.

The Port Safety Sub-Committee, chaired by Per Olson, is working on the matters described below:

- Recommendations for IAPH members on tank cleaning instructions for ships in Port will be drafted.

- All the developments of the Convention MARPOL 73/78 Annex I (oil residues), Annex II (chemicals), Annex III (packaged goods), Annex IV (Sewage) and Annex V (Garbage) are being followed by the Sub-Committee. Among other matters, it has been decided:

- to set up a specific guide to ports on the consequences of Annex II;
- to require in IMO that, if floating reception facilities could be used, they must be operated by well-trained crews;
- to be aware of the trends in IMO with regard to Annexes IV and V; and
- to support, in liaison with CLPPI, an action by IMO related to the entry into force of the 1973/1978 MARPOL Convention in order to consider any possible solutions which may involve numerous partners in ports (chemical industries, consignees and port authorities, as well as regional and local governments).

- IMO (Marine Safety Committee) is working on measures to prevent unlawful acts which threaten the safety of ships and the security of their passengers and crews. Some parts of the draft IMO paper could be read as a transfer of governmental responsibilities to port authorities, which seems unacceptable to the Sub-Committee.

The Ships Sub-Committee, chaired by Jean Smagghe, is drafting a very complete and detailed document on the trends of ships' characteristics. As this document should be of great interest to port authorities when designing extensions to their ports, it has been stressed that provision should be made at the Seoul Conference for comprehensive discussion of its contents.

In the absence of Mr. Aftab Alam, Chairman of the Engineering Sub-Committee, it is expected that the Sub-Committee will continue under its current terms of reference, particularly with regard to the planning, design and construction of ports where attention to environmental factors is specially important, including coastal area developments.

## PACOM meets in London on October 2

Mr. R.N. Hayes, General Manager, Dublin Port and Docks Board and Chairman of the Public Affairs Committee (PACOM), has called for an Autumn Meeting of PACOM to be held in London on October 2nd, 1986.

According to the letter Chairman Hayes recently circulated to all PACOM members, the meeting will be held in Ireland House at 150 Bond Street, London, from 9:30 to 13:00, over a snack lunch to be provided.

The proposed agenda and the accompanying documents as received from Mr. Hayes are reproduced hereunder:

### Proposed Agenda:

- 1) Consideration of minutes of PACOM meeting held in Auckland
- 2) Review of outcome of contact with the ports of Newcastle, Brisbane and Townsville
- 3) Review of progress on "Do-it-yourself kit" for Community Attitude Survey (report attached)
- 4) Review of progress on "Economic Impact Studies" project (report attached)
- 5) Consideration of the IAPH Secretary General's letter dated July 4, 1986 (re: New subjects to be covered by Technical Committees)

- 6) Confirmation of letter to Chairmen of appropriate Technical Committees (re: MARPOL, Dangerous Goods and Dredging)
- 7) Arrangements for meeting in Seoul
- 8) Any other business

### **Report on Status of "Do-it-Yourself Kit"**

#### **Agenda Item 3)**

- 1) As indicated in my letter dated 6th May 1986, Mr. G.B. Page agreed to follow up this matter in accordance with the minutes of the Auckland meeting.
- 2) Griff Page contacted the Consultant who had undertaken the original survey and established that he had not been instructed to proceed with this final stage of the work before Mr. Frank Wilson retired. Griff established that it would be a relatively simple task for the Consultant to undertake and the cost was estimated at \$3,000 Australian.
- 3) Griff further established that Frank Wilson had closed the special funding account in respect of this project and returned the surplus to I.A.P.H. headquarters.
- 4) Contact has been made with headquarters and a request made to authorise the necessary expenditure to complete the project. Headquarters have acknowledged receipt of this request and in a letter dated July 29th they have requested the Chairman of the Finance Committee to consent to the funding of the kit under I.A.P.H. budget provision for "Publications of the Division Two (Non personnel expenses)".
- 5) As the special account had some \$722.25 remaining in it when it was closed I will be pressing for the provision of the necessary \$3,000 and requesting a favourable decision before the PACOM October meeting so that the committee can arrange for the completion of the project before the Seoul Conference.
- 6) Once the completion of the kit is arranged, the committee will still have to make decisions related to the printing and circulation of the kit and the financing of this portion of the project. Questions such as the quality of printing and the number to be printed must be discussed. Will distribution be on a request basis or as blanket coverage? Will a charge be made?

### **Report on Status of "Economic Impact Studies" Project**

#### **Agenda Item 4)**

- 1) The letter prepared by PACOM at its meeting in Auckland was sent to a limited selection of Ports in the United States, where it had been established that many ports had undertaken such studies within the last five years.
- 2) The letter was sent to eleven selected ports, and six have submitted copies of the reports completed as a result of such studies.
- 3) The scope of the problem and the extent of the work involved has been discussed with Dr. Enda Hession, Professor of Corporate Planning at University College Dublin. It was agreed that there is a lot of work involved in such a study and that the accumulation of a vast number of reports of studies already carried out would be of no value whatever.
- 4) One report entitled "The Economic Impact Study of the Port Authority of New York/New Jersey Metro-

politan Region", published in April 1985 makes reference to an input-output model developed by the Port Authority for the Maritime Administration Department of Transportation. It states further that this model is available to the port industry through MarAd. I suspect that this is in the form of a computerised programme and I am endeavouring to obtain access to it.

- 5) My Board has now agreed to proceed with such a study in co-operation with Professor Hession. A graduate student completing an M.B.S. degree in academic year 1986/87 will be offered a fellowship by Dublin Port and Docks Board, and subsequently will be employed by my Board for a period of six months. This will be completed towards the end of 1987.
- 6) The fellowship will enable the student to complete an M.B.S., thesis on the subject. The subsequent six months employment will be used to convert the thesis into a fully commercial study, keeping in mind that a "do-it-yourself kit" will be prepared subsequently.
- 7) Dublin Port and Docks Board will undertake the financing of the study up to the stage mentioned in Paragraph 5 above and will assign appropriate additional staff to help as required.
- 8) If PACOM agree, a "do-it-yourself kit" will be prepared at I.A.P.H. cost. The subsequent cost of the presentation of the report, printing and circulation will be a matter for further consideration and will take place during 1988.

### **Note: Re – Dublin Experience**

#### **Agenda Item 5)**

The Irish Port Authorities Association organises a biennial essay competition for students aged between 13 and 18. Initially the Association circulated a wall poster to all secondary level schools in the State. This poster showed, in graphic form, a wide range of port activities together with information on the facilities, development and administration of ports and on shipping, customs and related matters.

The competition is promoted in the schools by a youth magazine, "Young Citizen" which circulates through all the schools in the State. Interest is widespread. It is noteworthy that the winning entry in the most recent competition was from a part of the country most remote from the sea and from ports.

Tours of ports by school children are arranged by individual ports. For example, in Dublin some 6,000 children are escorted through the port area in buses each year. Some of these tours are arranged by schools and others by local or district activity committees.

### **Invitation to Photo Exhibition**

The Korea Maritime and Port Administration invites IAPH members and other people in port-related businesses to the Photo Exhibition, which is scheduled to be held in parallel with the Seoul Conference.

On behalf of his organization, Dr. Tae-Youl Hahn, Deputy Administrator, KMPA, and the Vice-Chairman for the Seoul Conference, expresses his earnest wish for the active participation in the Photo Exhibition of as many of our members and readers as possible.

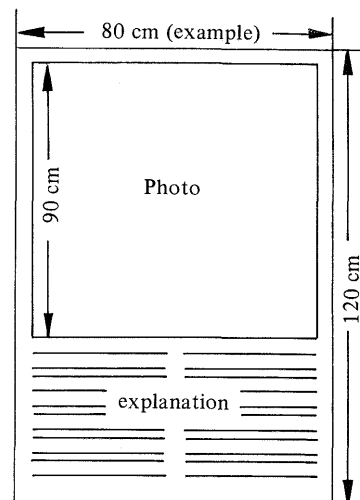
Dr. Hahn's letter and the relevant information are reproduced on the next page.

## INFORMATION ON PHOTO EXHIBITION

1. Name of Exhibition
  - Seoul Photo Exhibition on Ports and Related Facilities
2. Dates
  - April 25 - May 2, 1987
3. Host
  - KMPA (Korea Maritime and Port Administration)
4. Venue
  - Hotel Lotte Lobby (or Plaza)
5. Contents of Exhibition
  - Photos of Ports and Related Facilities
  - Required Photos
    - Item I : General Views of Member Ports
    - Item II : Special Photos on Ports and Related Facilities
      - Future Port Development Plans
      - New Facilities or Equipment
      - Communication Equipment
      - New Technology related to Ports
      - Other Subjects
6. Arrangements for the display of photos submitted
  - The host will undertake the whole work involved in preparing the Photo Exhibition, including photo development and production of panels.
  - The host will reserve the right to determine the location of the Exhibition.
  - If orders exceed available space, the host will reserve the right to select the photos to be displayed.
  - Arrangement of photos will be as illustrated on the right.
7. Specification of the slidefilms to be submitted
  - Colour or Black & White
  - 120 mm or larger positive slidefilms are preferred. (35 mm positive slidefilms or other sizes that can be enlarged will also be acceptable.)
  - Submitted slidefilms will not be returned.
  - The host will not bear any responsibility for damage to slidefilms incurred during the process of delivery.
8. Photo Album
  - A World Port Album containing the submitted photos is to be published. (This will apply only to applicants who want to have their photos in the Album.)
9. Participation Fee
  - There will be a Participation Fee to cover the cost of the development of slidefilms and the production of panels only. (There will be no charge for the provision of space or any other facility.)
  - The estimated fee is US\$200 per panel.
  - Applicants will be informed of the detailed cost and the method of payment (Bank Account No., etc.) after Application Forms have been received by the host.
10. Other Requirements
  - Slidefilms, explanations of photos and application forms must be sent directly to SEPRECO by October 30, 1986. (In case slidefilms are not available by that time, application forms must be sent by October 30, 1986 and slidefilms and detailed information on photos should be received no later than November 30, 1986.)
  - For further information, contact SEPRECO.

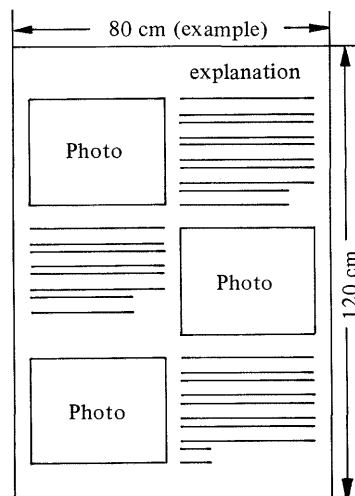
### A. General view of Member Ports (Item I)

- All applicants in this category are requested to submit slidefilm(s).
- Applicants should send accompanying explanations.



### B. Special photos on Ports and Related Facilities (Item II)

- Those who submit Application Forms will be given a space for 1–2 panels.
- Applicants should send information on the detailed design and arrangement of the photos within the panel size, as well as an explanation of the photos.



Example of exhibition panels

## Mr. Cheung Yeun-Sei urges your early application for the Seoul Conference

Mr. Cheung Yeun-Sei, Administrator of the Korea Maritime and Port Administration (KMPA), is urging all members of IAPH, through this issue, to make their applications for the 15th Conference of our Association, which KMPA is hosting in Seoul next year.

His message follows:

As was decided at the 14th IAPH Conference in Hamburg, the 15th Conference is going to be held in Seoul from April 25 to May 2, 1987.

KMPA, the host of the Conference, has continued its effort for the preparation of the Conference. All the items including the Conference Chairman, Registration Fees and the detailed matters on the Working Sessions have been confirmed as they were proposed, by the Executive Committee meeting of IAPH held in Auckland, New Zealand, from April 7 to 10, 1986.

We would like to take this opportunity to express our deepest appreciation to all the members of the Committee for their endeavours and cooperation.

As to all the details of the Conference, you may refer to the brochure and attached materials enclosed herewith.

As a step toward preparing a successful Seoul Conference, we would like to ask for your cooperation in informing us whether you will be able to participate in the Seoul Conference by filling in the attached form. This will greatly help us in preparing the Conference.

We promise that you will be treated with the utmost care and consideration. We look forward to seeing you in Seoul next year.

### THE 15TH IAPH CONFERENCE

The following points were confirmed at the EXCO meeting held in April, 1986 in Auckland, New Zealand.

DATES	: Saturday 25 April – Saturday 2 May, 1987
VENUE	: Hotel Lotte, Seoul, Korea
CONFERENCE THEME	: "Ports Looking into the 21st Century"
HOST	: Korea Maritime and Port Administration (KMPA)
CONFERENCE CHAIRMAN	: Mr. Y.S. Cheung, Administrator, KMPA
CONFERENCE VICE- CHAIRMAN	: Dr. T.Y. Hahn, Deputy Administrator, KMPA

### REGISTRATION FEES

	Unit: US\$
Regular Members	\$550
Honorary Members	\$ 0
Founder Honorary Members	\$ 0
Associate Members (Classes A–D)	\$715
Associate Members (Class E)	\$550
Life Supporting Members	\$550
Temporary Members	\$550
Non-Members	\$880

### APPLICATION FORM

Please complete with a typewriter or print in block letters.

NAME : \_\_\_\_\_  
(First Name) (Family Name)

DATE OF BIRTH : \_\_\_\_\_  
(Date) /Month /Year

PASSPORT NO. : \_\_\_\_\_

TITLE : \_\_\_\_\_

ORGANIZATION : \_\_\_\_\_

ADDRESS : \_\_\_\_\_  
(Mailing Address)

\_\_\_\_\_ (Cable Address) (Telex)

ACCOMPANIED BY SPOUSE : \_\_\_\_\_  
(First Name) (Family Name)

OTHERS : \_\_\_\_\_  
(First Name) (Family Name)

LANGUAGE SPOKEN: English ☐ French ☐  
Japanese ☐ Korean ☐

☐ : I will be able to participate  
☐ : I will not be able to participate

..... ✂

Please return this Application Form to SEPRECO as soon as possible. You may photocopy this form if you need more copies of it.

Return to: The 15th IAPH Conference  
Seoul Preparation Committee  
5th Fl. Kwang-il Bldg.,  
315-1, Hyeon-dong, Jongro-ku,  
Seoul 110, Korea  
Telephone: 762-0713  
Telex: KMPA 26528

## Advertising in the Seoul Conference brochure welcomed

Mr. Jong-Soon Lee, Executive Managing Director, SEPRECO (Seoul Conference Preparation Committee), asks for IAPH members' special consideration in running their advertisements in a brochure containing the updated programmes of the Seoul Conference and information on Korea, which SEPRECO is planning to publish around the beginning of November, 1986.

Mr. Lee comments, "The brochure to be published will be distributed to all IAPH members throughout the world, and advertisers will certainly stand a good chance of promoting themselves at low cost. We would be most appreciative if you would help us by informing and encouraging other firms related to you to make a positive response to our scheme. The host of the Conference is anticipating positive responses from you and hopes your businesses will prosper."

All those who are interested in advertising in the brochure are requested to contact SEPRECO.

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## Open Forum:

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# International Shipping in the Mid-1980s

By Hans J. Peters  
Deputy Chief, Transportation  
Division  
Projects Department  
East Asia and Pacific Regional Office  
International Bank for Reconstruction  
and Development



(This paper was delivered at the Baltexpo 86 Conference in Gdansk, September 2-5, 1986)\*

### Seaborne Trade Development

World trade expanded rapidly in the post-war period until 1974. Over the years the seaborne proportion of world trade remained at a steady range of between 20% and 25%, rising from about one billion metric tons in 1960 to 3.25 billion tons in 1974. The steep increases in global seaborne trade came to an end with the oil crisis in 1974. However, after an immediate decline in 1975, seaborne trade recovered slowly, reaching a peak of almost four billion tons in 1979. That year saw the beginning of a world-wide recession with accompanying declines in import and export traffic in most, if not all economies. By 1983 global seaborne trade had declined below 1973 levels.

During 1984 several encouraging developments took place. The economic performance of the OECD countries was the best for a number of years; the growth of production and world trade was the most rapid since 1976. Shipping markets benefitted from the strong upturn of world trade in 1984. A high level of new trade movements in iron ore and coal to satisfy increased demand by steelmakers, together with an upswing in coal demand for power generation, and unexpectedly sustained demand for high grain shipments were the primary elements which contributed to a 10% growth in movements of dry bulk commodities. However, despite a slight increase in world-wide oil production and consumption, the year 1984 was another year of disillusionment for tanker owners as the increase found no expression in a higher transport demand due to a further reduction in Middle East exports and a shortening of voyages by the use of pipelines. Developments in the world's liner trades in 1984 showed somewhat divergent tendencies among the different trade routes.

The significant recovery of the United States economy and the relative strength of the US dollar as compared to European currencies and the Japanese Yen were largely responsible for two-digit growth rates in cargo volumes from these areas to the United States. The transpacific trade was one of the most turbulent for liner operators in

1984. Higher cargo volumes were also recorded for the European-Far East trades. The Latin American trades were again largely influenced by political and commercial instability prevailing in the region. Nevertheless, the overall situation improved during 1984, allowing for both higher import and export shipments. Trades to the Middle East were marked by declining trade volume. With the exception of the Nigerian trades, little variation was observed in trade movements to and from the African continent. Grouping of 1984 seaborne trade data by country categories reveals that developing countries generated about 50% of all goods loaded and roughly 25% of all goods unloaded, while the industrialized country group stood for 44% and 68% respectively. The share of socialist countries remained comparatively low with about 7% of all cargoes loaded and unloaded.

The year 1985 and the first months of 1986 saw a renewed slowdown in international trade and a resultant reduction in cargo volumes. A deteriorating US dollar, major shocks created by the OPEC countries and deliberate efforts by many governments in the industrialized and the developing worlds to contain worsening trade balances are to be seen as the key circumstances which have led to these developments.

### The Shipping Industry Today

A striking phenomenon is that although global seaborne trade grew by only 32% between 1970 and 1984, the size of the world merchant fleet has mushroomed by more than 100%. This unprecedented fleet growth had its origin in the earlier booms. Visions of a trade bonanza in oil in the early 1970s and in other commodities in the later years encouraged shipowners to enlarge their fleets and led banks to compete with each other to finance shipbuilding. But both expansions fizzled, leaving the world merchant fleet substantially larger than is necessary.

By far the largest increases between 1964 and 1984 were in the tanker fleet (5.5% average annual increase) and with dry bulk carriers (10.7% average annual increase). The oil crisis in the mid-1970s led almost overnight to a reduced demand for oil, yet orders for tanker new buildings were based on the assumption of continued increasing demand for tanker tonnage. The immediate oversupply thus created quickly became worse as the backlog of orders was deliv-

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\* The opinions expressed in this paper are the Author's and do not necessarily reflect views held by the Bank.

ered. But, significantly too, tanker orders were renegotiated with shipyards and converted into orders for bulk carriers, contributing substantially to the slump which has affected the dry bulk freight market for some ten years now. During 1983 and 1984 there was a steady cutback in the tanker fleet through scrapping of older tonnage. On the other hand, the dry bulk carrier fleet continued to grow. The excess capacity in the tanker market at the end of 1984 has been described as being of the order of 150 million DWT. At the same time, the overall surplus in the dry bulk market was estimated at 22% of the available fleet. The institution of flags of convenience has greatly contributed to the irrational development of the world bulk and tanker fleets over the last 10 to 15 years. The desire of shipowners to keep profits outside fiscal control in the countries of beneficial ownership has led to a situation where such trading profits have constantly been recycled into shipping and inflated tonnage supply beyond the needs of the trade. Another contributing factor to this dismal situation is the fact that global shipbuilding capacity in today's market exceeds requirements by about 40%. As a result, governments that have invested heavily in shipyard development are offering ship finance packages at very attractive terms, which further entices shipping operators to invest in additional tonnage.

Developments in the traditional general cargo sector have been dominated by exceptional developments, i.e. the increasing trend to unitize cargo. While the world's general cargo fleet increased by 30% between 1970 and 1985, the proportion of breakbulk carriers declined, but the number of fully cellular container ships increased tenfold. At the end of 1985 the world container ship fleet comprised 4,000 units, representing a carrying capacity of almost 2.4 million TEU. The addition of almost 175,000 TEU during 1984 to the world container fleet constituted one of the largest annual increments of ship capacity ever to enter service. An additional 300,000 TEU are contractually confirmed for delivery through 1987. Severe overcapacity is already apparent in the container industry; some sources put it as high as 30%.

Comparative data for the combined laid-up tonnage of the principal types of vessels in the world fleet over the last five years indicate that the peak years for lay-up were 1983 and 1984, and that tanker tonnage dominated. The explanation for the massive increase in the laid-up fleet can be traced to the continuing supply of new tonnage at a time when cargo volumes decrease.

Ownership of the world's merchant fleet remains heavily concentrated in the OECD countries (45%). Roughly 30% of the fleet sails under flags of convenience. The developing countries own 16% of the world fleet, with the majority being registered in the Far East. About 8% of the world fleet is registered in the socialist countries.

### Changes in the Maritime Sector

Over the last fifteen years or so the maritime industry has undergone changes of unprecedented dimensions. These changes apply to:

- ship and cargo handling technologies,
- the organization and structure of shipping services,
- the integration of sea and land transport, and
- the role of ports.

In fact, there is much talk about various revolutions — the “container revolution”, the “intermodal revolution”,

the “cost-cutting revolution”, and the “administrative revolution”. Possibly the most dramatic of all these revolutions was the “container revolution”.

Declining freight rates, fierce competition and a chronic oversupply of ships forced shipping companies to look for every possible means to reduce the cost of transporting cargo. It was Malcom Mclean, then of Sea Land, who said that the door-to-door cost of transportation of any cargo represented by the ship between the time it drops the pilot outward to the time it picks up the pilot inward was only a relatively small percentage of the total cost, and that the secret of profits in cargo transport was therefore not in the ship but in what happened in the ports and on the land. The problem of escalating stevedoring cost first became acute in the United States where studies of the operations of domestic companies indicated that direct labor accounted for something like 50% to 60% of total sea transportation cost in conventional breakbulk operations. Of even greater importance to ship owners was the apparent fact that not only was breakbulk cargo handling expensive in terms of direct labor cost, but also effectively disbarred the attainment of potential scale economies in shipping. Slow rates of discharge, extended port times and complicated cargo management made the investment in larger and more efficient ships economically unattractive. The answers to the inherent shortcomings and high cost of conventional cargo handling and shipping was unitization, and ultimately containerization. From its hesitant inception in the United States domestic market during the 1950s, containerization has developed at an extremely rapid pace. Overall world container volumes increased fivefold during the period 1970 to 1985, at average annual rates in excess of 16%. While the introduction of containerized trade in the developing world had a slow start, its expansion in subsequent years was truly striking. From a low of just over one million tons in 1970, containerized traffic growth in developing countries escalated to almost 100 million metric tons, or 32% of world trade in the mid 1980s. Today, there is growing evidence in many regions that the potential for container penetration has been exhausted and that future growth in containerization will be more closely related to ports' natural traffic growth rates.

While the scope and extent of further containerization may gradually diminish, shipping companies are actively looking into other means for reducing cargo transport cost. In pursuit of this objective several of these companies, particularly in the United States, have broken out of the realms of their traditional activities and entered the untested grounds of providing transport services beyond port perimeters. This was the advent of intermodalism. In order to reap the full benefits of containerization, door-to-door service was the inevitable way to go. Containers came to be considered as the principal carrier, and a ship, truck or train the propulsive forces. Several major shipping companies in the United States are today offering door-to-door container services, including sea and land transport. Landbridges have developed over which containerized cargo is carried by dedicated unit trains from ports to inland destinations. The spread of the landbridge network has been largely a response to market pressures in the intensely competitive trans-Pacific and trans-Atlantic routes. Importantly, intermodalism has brought international shipping onto the domestic scene. Thus national economic and development policies must consider the interface with

international shipping.

While the volume of containers carried between 1980 and 1985 increased by 8%, global slot capacity rose by 20%. The ratio of TEU per slot decreased by 75%, consequently, load factors diminished in excess of 20% and are estimated to have been around 73% on a global average in 1985. Faced with these realities and all-out competition, major carriers looked for further cost saving potential. Consideration of scale economies led to increasingly larger ships. In fact, 74% of recent ship deliveries taken are in the over 2,000 TEU size range. But the carriers were confronted with two major factors which contributed substantially to fleet underutilization and the high cost of services. Firstly, the number of port calls was excessive, leading to capacity being tied up over long periods. Secondly, on many trade routes there was a considerable imbalance of cargo flows, which implied empty slots and substantial container repositioning problems.

Increasingly, major carriers are limiting the number of line-haul ports of call. The trend toward reducing the number of ports of call has been evident since the mid-1970s and promises to take on growing proportions in the near future. On the North American Atlantic and Gulf coasts there were 30 line-haul ports frequented by international carriers in 1973. By 1983 the number had decreased to 12, and indications are that there may be only two line-haul ports by 1990. These trends are referred to as load centering. Cargo is amassed in or distributed from the load centers through feeder services from or to surrounding ports. The provision of feeder services within domestic waters again tends to tie the international shipping into national economic and development policies and plans. The emergence of load centers is noticeable almost throughout the world, and constitutes major challenges for transport planners and those responsible for the management of ports. All out competition among ports to attain load center status is a common phenomenon in today's maritime industry.

Imbalances in cargo flows have become major impediments for many shipping lines, adversely affecting capacity utilization and financial performance. Attempts to minimize empty backhauls, to capture key freight markets, and to maximize utilization of slot capacity have led to the emergence of round-the-world services which are now pioneered by Evergreen Lines of Taiwan and US Lines. Other lines, like Barber Blue Sea, are in the process of instituting similar arrangements. Although there are presently diversified views held by many observers of the international maritime scene concerning the possible outcome of these services, indications are pointing to continuing trends in this direction. These round-the-world services are provided by high slot-capacity fully cellular container ships which limit their calls to regional load centers from where a system of local feeder services is evolving. Inevitably, one has to expect several implications of these trends in the longer run for individual ports, the present organization of international liner conferences, and local shipping.

Intermodal transport arrangements started and were developed in the inland transport sector of the United States during the 1950s. Later on, piggy-back and similar arrangements also became commonplace in Europe. It is surprising that the sea-land interchange point was one of the last to receive the benefits of containerization for intermodal movements of general cargo. Finally, when ship-

ping companies in the United States went beyond their traditional role of offering port-to-port services, the development of sea-land intermodal transport was rapid and provoked fundamental changes in the shipping industry. The "intermodal revolution" had started. The most fundamental change intermodalism provoked was in marketing philosophy. The move towards point-to-point pricing has forced ports and carriers alike to become generalists in the sale of their services. Now, instead of being just an expert in ocean shipping, the steamship company must also have in-depth knowledge of inland modes and tariffs.

No longer can the maritime transport service sector afford to internalize its particular segment of the transportation process. Intermodalism has induced significant changes on the inland carriage front as well. We see continuing refinements in the way railroads and motor carriers compete, and in some cases cooperate with each other.

The array of new technologies developed in the wake of growing intermodalism is truly overwhelming. The physical equipment is different at sea and ashore from what it was five years ago. Now we have huge containerships and combination RoRo containerships far bigger and more efficient than those then in service. Double tandem tractor trailers are seen in growing numbers on highways and lightweight double-stack rail container trains are mushrooming, both at the seaports and at inland railroad facilities. Total intermodalism is here to stay and there is no turning back.

The "cost-cutting revolution" has come about as a result of advancements in ship design and shipbuilding arrangements, developments in engine design, reductions in crew and maintenance costs. Capital costs for the new Far East-built Evergreen and US Lines vessels, estimated at about US\$11,000 per TEU are as much as 75% lower than typical costs of US\$30-40,000 per TEU in 1980. Even when it comes to European-built vessels, the new Atlantic Container Line ships, at an estimated US\$17,400 per TEU, are still as much as 55% cheaper. On the operating side, a major saving has been in fuel costs. These savings have materialized as a result of re-engining, modifying existing equipment or, in the case of new buildings, installing the most up-to-date engines available. But fuel and capital costs are not the only areas where savings have been made. On the crew side, Norway and West Germany with their ship-of-the-future projects are reducing numbers to levels that would have been inconceivable just a few years ago. Another important area is repair and maintenance, where the increasing sophistication of materials, voyage monitoring and planned maintenance systems all contribute to greater efficiency and cost-effectiveness. Resulting from all these circumstances, a typical 2,600 TEU cellular new building fitted with the latest diesels can operate at the same, if not lower, cost at 65% slot utilization than a 1,800 TEU ship delivered in 1980-82, working at a 95% load factor. These developments are inducing major changes in the decision-making behavior of shipping companies when it comes to fleet deployment and expansion.

The final revolution, the "administrative revolution", was much less publicized and noted than the technological revolutions taking place at sea and in the marine terminals. With the new ships performing their loading/unloading cycle in perhaps ten hours, new burdens were placed on the sales and marketing functions to generate the cargo needed to fill these ships. At the same time, administrative

cargo processing procedures had to be streamlined. Aided by increasingly sophisticated electronic data management arrangements, sweeping changes have taken place in such industry areas as documentation, custom procedures, export packing, sales, marketing and tariff development.

All these "revolutions" have unfolded at such a rapid pace that it has become extremely difficult for the various segments of the industry to keep pace. In fact, many observers believe that planning and management have not developed as fast as technology. Hardest hit are the developing countries, where not only scarcity in skilled manpower but also limitations of existing infrastructure pose serious impediments to reaping the full benefits of the revolutionary changes in the maritime industry.

### Issues in International Shipping

Various developments in the international shipping industry since 1980 have tended to represent forces at play in the market, partially working with and against each other simultaneously. These developments included:

- a slowdown of annual traffic volumes,
- unabated overall growth of the world merchant fleet,
- stagnation and sometimes decline in nominal freight rates,
- group actions by shippers against perceived monopolistic behavior of liner conferences,
- weakening of conference power in the market place, combined with a substantial increase in the overall level of competition from non-conference sources,
- the emergence of round-the-world services,
- enactment of the United States Shipping Act permitting flexibility of action and service relationships,
- continued growth of nationalism in shipping and protectionism concerning trade management, and
- the coming into effect of UNCTAD's liner code.

The growth trends in seaborne trade and of the different elements of the world merchant fleet have already been mentioned. Available capacities are being underutilized, so much so that there have been substantial drops in rate levels and considerable disruptions to market stability. In container shipping a concurrent squeeze effect of rapid capacity expansion, relatively slow traffic growth, competitive volume chasing and the related drag on rates is bringing great pressure to bear on the mainstream market. There is a crisis, but it cannot be simply put down to either a cyclical fault in the market or an overdose of unwelcome new slot capacity. Rather, several structural changes of great significance are simultaneously at work. Of the structural changes, the foremost has been the entry of a handful of Far Eastern carriers which seized the initiatives in the mainstream trades. The dynamic response of several American operators was contrasted by the comparative inaction of many European liner companies. Most of these companies seem to have adopted a policy of retaining purpose-designed container vessels introduced in the 1970s. As a general observation, the traditional liner shipping structure has been shattered.

It would appear that the only effective way of reducing surplus tonnage is scrapping. While such scrapping has taken place with the tanker fleets and to a lesser extent with bulk carriers, new orders by far outweigh the reductions in fleet size through scrapping. Unless a self-regulatory mechanism in the maritime sector evolves for scrapping inefficient

surplus tonnage, the members of this industry will keep haunting themselves. The need for accelerated elimination of tonnage to aid in the market recovery, especially the question of how to encourage owners to scrap more, has been a major discussion topic for several years. However, most of the scrapping schemes or incentives have failed so far to have a significant impact.

There has been a clear and growing connection between the emergence of Far East operators as a main force in the market and the much reduced ability of European-dominated conferences to retain control of freight pricing. Regular rate hikes can no longer generally be applied, as shippers increasingly organize themselves to counter such moves. Consequently, the revenue of many carriers has not progressed in real monetary terms during the past five years. In fact, for many it has fallen by more than 10% since 1981, even though there have been significant volume increases. To counter these trends, shipping lines operating in common trade areas are forming so-called super conferences, as has happened for the Far East-North America routes. Under their regulations these super conferences establish targets for rate setting to be followed by each member. However, the success of these plans has been minimal as non-conference members underbid established conference rates through independent action, primarily long range service contracts with shippers.

In recent years there has been growing concern among shippers worldwide about the alleged monopolistic behavior of established conferences in rate setting. As a common phenomenon, shippers' councils are increasingly established at regional and national levels. Some of these councils have already taken decisive action in the face of rate increases by conferences, by teaming up with non-conference carriers. The loyalty of individual lines to the super conferences is thereby severely tested. The trans-Pacific conferences are on the verge of breaking up after conference rates for container hauling had to be decreased by 30%, on average, following the successful results of independent actions between shippers' councils and major carriers.

About two years ago Evergreen, having grown from an almost zero base in the mid 1970s to one of the world's giants in container trade, introduced a round-the-world service. US lines followed suit. Evergreen offers such service in both directions around the globe, while US lines provides eastbound service. The basic idea behind the round-the-world service concept, which in itself is not a new one, is that the service is exclusively based on full container services around the world by single vessels run by a single company, and hence a number of smaller services are combined into one large one. It was hoped that by utilizing large units, savings in crew, fuel, port charges and vessel maintenance would be possible.

First reports put out by both companies seem to confirm this. However, whether significantly lower slot-mile cost can be achieved on a permanent basis is not yet certain, as the determining factor for this is a long-term high-load factor. To achieve the necessary load factors, the round-the-world operators have to offer intensive feeder services and try to generate additional cargo through attractive rates. Both Evergreen and US lines are undercutting existing conference rates by substantial margins, and have been able to divert a considerable amount of cargo from conference carriers. There are several questions regarding the pos-

sible response of competing liner companies, including:

- will the round-the-world concept lead companies to rethink the existing conference system?
- will round-the-world service accelerate the setting up of consortia using larger ships and offering a broad service coverage on end-to-end routes? and
- will round-the-world service lead to intensified cooperation between non-conference operators, concentrating on only one leg of trade, and the forwarding industry, as well as a few large shippers?

No definite answers to these and similar questions can yet be provided but there are various indications that a number of traditional container operators are moving together to counter the round-the-world service. One strategy which is being pursued is to rationalize a given trade even further than would be feasible under the round-the-world concept. The approach would be to respond to conditions in one trade only and not to a number of trades. At the same time, there could be cooperative agreements like space charter, sailing and terminal agreements with other main competitors, which would enable cost reductions through the use of fewer but larger vessels. This type of cooperation has been stimulated in some of the world's largest trades by the introduction of the United States Shipping Act in 1984, which has made certain types of collaboration possible without owners having to be afraid of violating anti-trust laws in the United States.

In essence, the Shipping Act of 1984 attempts to replace government control over shipping conferences with commercial control exercised by the shippers. The general motive behind this legislation is that the carriers are given greater freedom to arrange their affairs in a manner which they, not the government, think best. At the same time the shippers are able to protect themselves through the use of service contracts, independent actions and shippers' association provisions. It is expected that the industry will thus gradually undergo a restructuring and, in the end, provide a more efficient and lower-cost product.

Today, about 18 months after the Act came into force, the short-term observation of its immediate impact suggests that shippers seem to be smiling more than the carriers. Service contracts have led to a whole new way of doing business in liner shipping, and some shippers and carriers have adapted more quickly than others. In some trades, particularly with the Far East, it appears that the majority of cargo is now moving under service contracts. After a somewhat slow start, the conferences are attempting to gain control over the situation by asserting their jurisdiction. Some conferences have amended their agreements to include provisions which require that service contracts be entered into by the conference rather than by individual lines.

Importantly, the Shipping Act permits conference through rates, which has served as a strong incentive for American ocean carriers to get involved and invest substantially in the whole chain of multimodal transport.

Few regulations concerning international markets have caused more debate than the UNCTAD Code for liner conferences. It took ten years from its adoption until enough countries with enough tonnage had ratified the code in 1983. However, even today, almost three years since it took effect, the ultimate consequences of the Code are unclear.

Concern among the developing countries for solutions to

their shipping problems — particularly those related to high and fluctuating freight rates, control by conferences and the loss of foreign exchange to foreign-owned shipping lines — arose during the mid 1960s.

Despite maturing market conditions and growing participation of national flag carriers in line-hauls of import and export cargoes in several developing economies, there remain a considerable number of countries with continuing substantial deficits in their invisible trade accounts. These circumstances have increasingly induced governments of developing countries to promulgate cargo reservation laws aimed at protecting and improving the share of domestic shipping lines in international trade. In the same vein, several governments decreed that export cargoes had to be shipped directly from domestic ports to importing countries without regional transshipment.

A major concern in many developing countries is the aggressive penetration of cross-traders into their freight markets. From the point of view of these countries, at least four primary targets form the background of their support to UNCTAD's work for regulating liner trades, including

- help to build up merchant fleets of their own,
- increase income from shipping,
- improve balance of payments, and
- regulate the monopolistic behavior of liner conferences.

To secure the developing countries a larger share in the world liner fleet, the code of conduct contains a cargo sharing clause which provides a 40-40-20 split. This translates into an 80% share equally divided among the national shipping lines of trading actions, and the remaining 20% left to carriers from third countries, in essence cross traders. The Code is based on the principle of self-policing, which means that it has been left to the conferences to see to it that the Code's principles are adopted in practice. However, the actual practice is far from its intended objective.

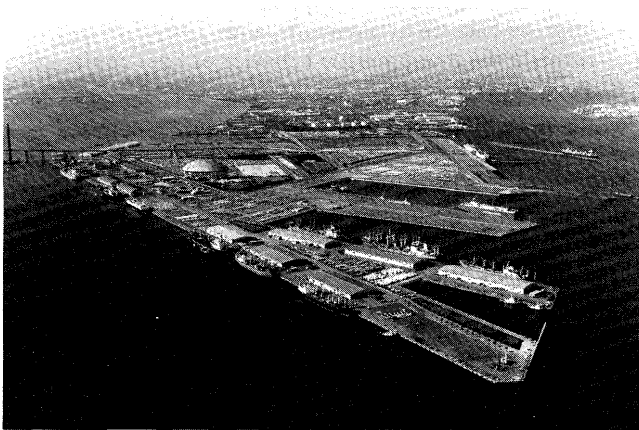
Some countries, like the United States, are unlikely to ever ratify the Code since they claim that it violates national legislation. Under the EEC's "Brussels package" of 1979 there is a provision that cargo allocation arrangements shall not be applied to member countries, or between a member country and other OECD members, on a reciprocal basis. Most of the South American and West African countries have already gone beyond the Code by applying a 50-50 cargo sharing role excluding the third country shipping lines. The socialist countries have ratified the Code with the restriction that it shall not be applied in those trades where intergovernmental agreements exist. Since such agreements exist in all important trades where the socialist countries are involved, and the agreements normally favor the shipping lines of such countries, this reservation implies that the socialist countries' lines claim 100% of their exports and 50% of their imports.

Given all the above reservations it is very unlikely that the Code will produce its intended effect. A totally different issue is the question whether developing countries should drive so hard to develop their own fleets in the light of their own financial constraints and various competing development priorities, and lastly in view of the favorable deals they could strike in today's oversaturated shipping market. But such questions provoke an entirely different complex of fundamental issues over managing the development process which I will refrain from elaborating on in today's context.

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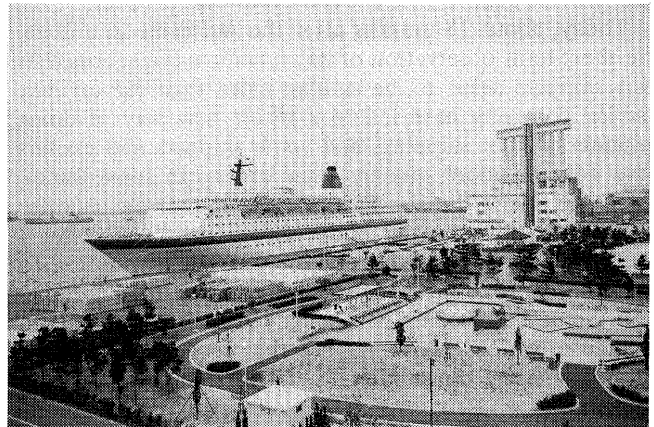
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economic



efficient



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Central Japan is the fastest growing industrial area in the country. The PORT OF NAGOYA is the very heart of this exciting activity. We've been handling more than 100 million tons of cargo for these 9 straight years. Container traffic is making a remarkable growth of 20% annually.

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# International maritime information:

## World port news:

### Work programme for 1988/89 biennium of IMO Legal Committee

(Extracts from IMO document: LEG 57/6)

1 When it considered the proposals on its work programme for the 1986/87 biennium the Legal Committee agreed, at its fifty-third session, that it would be desirable to include consideration of all the subjects which were on the work programme for 1985, to the extent that further work on those subjects would be necessary or feasible. Accordingly, the Committee agreed that the subjects on its work programme for the 1986/87 biennium would include:

- (a) salvage and related issues, including consideration of appropriate public law issues;
- (b) maritime liens and mortgages, in the light of the conclusions which would be reached following the discussions of the fifty-fifth session, and on the basis of the procedure agreed between IMO and UNCTAD on future work on this subject; and
- (c) the draft HNS Convention, in the light of the conclusions and recommendations which the Committee might make following its consideration of the report of the Secretary-General, and the decisions of the Council on those conclusions or recommendations.

2 These proposals were accepted by the Council, and approved by the Assembly in adopting the work programme and budget for the 1986/87 biennium.

3 As directed by the Council, the Committee has assigned the highest priority to the work on salvage and related issues, while work on maritime liens and mortgages is being undertaken in the light of the results of the consultations between the Secretary-General of IMO and the Secretary-General of UNCTAD, and the decisions of the Council on those recommendations.

4 The position with regard to the work on the subjects on the current work programme of the Legal Committee may be summarized as follows:

#### (a) Salvage and related issues

5 The Committee has made progress with its consideration of draft articles for a new convention on salvage and related issues, and it is expected that the Committee will complete work on the draft convention with the fourth reading which is to be commenced at the fifty-seventh session of the Committee in October 1986.

6 The Council has reiterated that priority should be attached to the work on salvage and related issues, and the Legal Committee has been requested to take all necessary steps to expedite its work on the preparation of the draft convention. Furthermore, the Legal Committee has been urged by the Council to ensure that the draft convention

produced by it will be fully developed in order to stand a reasonable chance of being adopted by a future diplomatic conference.

7 Even if the preparation of the draft salvage convention were to be completed in 1987, the diplomatic conference to consider and adopt the definitive convention could only be convened in 1988 or 1989. It would appear, therefore, that the subject of salvage and related issues will have to be included in the work programme of the Organization for the 1988/89 biennium.

#### (b) Maritime liens and mortgages and related issues

8 At its fifty-sixth session, the Legal Committee recommended to the Council to approve the proposal for the establishment of an intergovernmental group of experts, to be convened jointly by IMO and UNCTAD, to study various aspects of maritime liens and mortgages and related issues, as proposed by the UNCTAD Working Group on International Shipping Legislation. The Council has endorsed the recommendation of the Legal Committee and approved the convening by IMO and UNCTAD of the joint intergovernmental group of experts to study maritime liens and mortgages and related subjects.

9 In this connection, it is to be noted that, pursuant to the recommendation of the UNCTAD Working Group on International Shipping Legislation, as approved by the Council of IMO and the Trade and Development Board of UNCTAD, provision is to be made for the meetings of the Intergovernmental Group of Experts on Maritime Liens and Mortgages and related issues as follows:

"The Group is to meet initially in Geneva during the time allocated to the Working Group on International Shipping Legislation in October 1986, and thence forward alternately in London and Geneva, using the time and resources otherwise allocated for meetings of the Working Group on International Shipping Legislation and the Legal Committee of IMO, devoting at least one week in 1987 of the IMO Legal Committee's time and, from 1988, meetings of equal time in IMO and UNCTAD."

10 It would appear from the above that the meetings of the joint intergovernmental group of experts may need to be held in London in 1988 and beyond, utilizing some of the meeting time of the Legal Committee for each year. The Legal Committee may, therefore, wish to make provision for a meeting or meetings during the 1988/89 biennium. Moreover, depending on the outcome of the work of the joint intergovernmental group of experts, the Legal Committee may find it necessary to devote some time to the consideration of the conclusions of the joint group of experts. Such consideration may well be necessary during the 1988/89 biennium.

11 For these reasons the Legal Committee may deem it

necessary and advisable to include the subject of maritime liens and mortgages in the work programme of the Committee for the 1988/89 biennium. As in the current biennium the subject will be included in the work programme subject to the conditions already approved by the Council and Assembly, viz. in the light of the results of the work of the joint intergovernmental group of experts to be convened by IMO and UNCTAD.

**(c) The draft convention on liability and compensation in connection with the carriage of noxious and hazardous substances by sea (HNS Convention)**

12 At the fifty-sixth session, the Legal Committee noted the views and comments of the Council and Assembly with regard to the possibility of further work on the proposed HNS Convention. In particular, note was taken of the clear view of the Council and Assembly that any work on the HNS Convention should be without prejudice to the higher priority assigned to work in respect of salvage and maritime liens and mortgages. In the light of the views of the Council and Assembly, the Legal Committee decided that it would not be useful or appropriate to retain consideration of the HNS Convention on the agenda of the fifty-seventh session, as had previously been envisaged. The Committee agreed to consider the subject at a subsequent session, when it hoped that proposals would be available from Governments suggesting concrete new approaches for dealing with the difficult issues on which it has not so far been possible to reach consensus.

13 At the fifty-sixth session in June 1986, the Council endorsed the decision of the Legal Committee to postpone further work on the HNS Convention until concrete proposals have been received for resolving the outstanding problems which emerged at the 1984 diplomatic conference. The Council urged Member Governments to consider active suggestions which would enable realistic work to be commenced on this important subject without too much delay.

14 It is possible that the Legal Committee will find it necessary or timely to give some consideration to some aspects of the draft HNS Convention during the 1988/89 biennium. The Committee may, accordingly, deem it advisable to include the draft HNS Convention in the work programme for the 1988/89 biennium.

15 With respect to the work on the draft HNS Convention, the Legal Committee reiterated its view that, depending on the decisions to be taken by the Council on the possible future work in IMO, it might be useful for the Committee to consider in the context of such work the question of liability and compensation for damage from fire and explosion on board unladen tankers.

## **IMO joins fight against drugs smuggling**

The IMO Facilitation Committee noted with great concern the alarming increase in drug abuse, in world-wide illicit drug trafficking and the increasing use by drug traffickers of commercial transport, including ships, to smuggle drugs.

It welcomed the joint efforts being undertaken by the Customs Co-operation Council (CCC) and the International Chamber of Shipping (ICS) to develop appropriate guidelines to combat drug trafficking. It agreed that IMO should co-operate because of the significant expertise on which it can draw in various aspects of maritime transport, including ports.

The Committee noted that guidelines being prepared by the CCC and ICS for shipowners and customs would be available shortly and that guidelines for sea-going personnel were being developed.

To avoid duplication of work, the Committee agreed to restrict itself initially to developing guidelines for seafarers which would be issued as free brochures. This work will continue at the next session. As a long-term project, the Committee agreed that the development of different recommended measures may be envisaged, directed to all authorities and organizations involved in combating drug trafficking.

The Council was invited to authorize the Secretariat to participate with the CCC and ICS in developing the guidelines, which would cover the following points:

- measures to prevent drugs being smuggled on board;
- ways of improving the detection of drugs concealed on board;
- measures to discourage the abuse of drugs by seafarers and their involvement in trafficking;
- information about the types, nature and characteristics of those drugs most commonly smuggled;
- education and training relating to the risks involved in drug smuggling and drug abuse; and
- action to be taken by ship operators and their employees when drugs are found.

The Council was also invited to instruct the Secretariat to identify areas where additional measures could be taken; to urge all Member Governments to assist the Secretariat in the development of circulars or guidelines and in the identification of any other measures considered practicable; and to urge all those concerned to examine their existing procedures for co-operation amongst Customs, other competent authorities, ship operators and their employees, and others involved in maritime trade at all levels in order to improve cooperation. *(IMO News)*

## **Introducing Bechtel's Cargo Screening Facility**

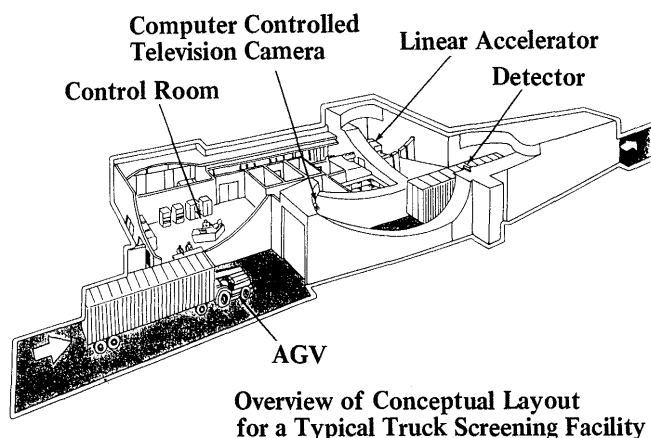
### **A Countermeasure to Contraband**

This new system will:

- Enhance your country's national security by reducing the threat of clandestine transportation of weapons, drugs and explosives at your ports of entry.
- Help your security personnel screen cargo more quickly and efficiently.

The Cargo Screening Facility is designed to:

- Detect Subversive Arms, Ammunition, Explosives and Drugs.
- Reduce Inspection Time.
- Reduce Labor Costs.
- Shorten Container Turnaround Time.



**Overview of Conceptual Layout  
for a Typical Truck Screening Facility**

### For Airports, Borders and Shipping Ports

Thorough X-ray inspections are made of every cargo container arriving at ports of entry. Additionally, vapor sampling inside every container aids in the detection of explosives and drugs. Permanent records are made for all examinations and are filed for possible future reference.

Containers pass through a screening facility located on a minimum of 1,400 square meters of land. This facility processes 85 units per hour at airports and 35 units per hour at seaports and border crossings. There is no need to unload the containers or prepare them in any other way for inspection.

Other benefits from operating a Cargo Screening Facility include reduced cargo pilferage, spoilage and breakage, and potentially higher tax, duty and tariff revenues.

### Cargo Screening Facility

Cargo screening takes minutes per container. Seaport containers are towed through the gallery on an endless chain tow system or by Automatic Guided Vehicles (AGVs) on flatbed chassis. At highway border crossings, an endless chain tow system moves vehicles through the screening gallery, while at airports either AGVs or live roller conveyors move containers through the gallery.

For more information:

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### New buoy design for deepwater applications: Tideland Signal

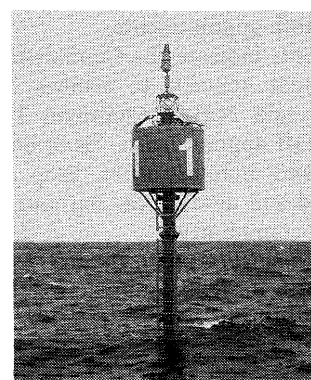
Today's vessels require a mark which can be identified at long range and kept in sight as they make their approach. Smaller buoys, rolling in rough seas, can be hard to find from a ship's bridge. Tideland's SAB-12 Sentinel™ Articulated Buoy has outstanding station-keeping capabilities smaller buoys of traditional design cannot provide, and can be deployed where water depth makes placement of a fixed structure impractical.

The SAB-12 consists of two rigid tube flanges together above the waterline, a submerged buoyancy section and a cylindrical fiberglass daymark. Enormous upward pressure

is exerted by the buoyancy section; the buoy is held in place by a tension element of jacketed Kevlar™ rope, attached by a swivel to a large concrete sinker. When the buoy is installed it is exceptionally stable, displaying minimal watch circle.

High above the waterline and impregnated with bright, permanent color, the daymark cylinder is a striking visual target. It holds the nav aids and provides a safe, enclosed working area. All Tideland nav aids and SolaViva® solar electric generators are designed for dependability and will operate for many years with minimal maintenance.

Sentinel Articulated Buoys are available in a range of sizes for a variety of applications and water depths up to 200 ft. Tideland offers a computerized buoy performance program for custom matching of buoy design and moorings to client specifications. Further details can be obtained from Tideland Signal Corporation, Houston, Texas.



**Tideland's Sentinel SAB-12 provides a stable, striking visual target for ships entering a large offshore oil port on the Gulf of Mexico.**

### Cut widening finance study under way: Panama Canal

A team of consultants representing the investment banking firm Bear, Stearns & Co. visited Panama Canal Commission installations from July 20 through 22 for a briefing on Canal operations. The firm is under contract to the Commission to identify and examine alternatives for financing the widening of Gaillard Cut. A study of the feasibility of widening Gaillard Cut is being undertaken at the direction of the Commission's Board of Directors, and the financing aspect is one of several studies associated with that potential project.

The consultants discussed past Canal projects and financial operations with PCC Administrator D.P. McAuliffe, Chief Financial Officer R.O. Burgoon, Executive Planning Director R.P. Laverty and other senior Commission officials.

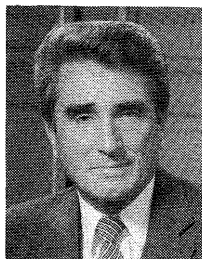
Bear, Stearns & Co. was awarded the contract to study the financial cut-widening alternatives in March, after a competitive bidding process that began in December 1985. The New York-based firm emerged from the process with the most appropriate work statement and price. The firm is expected to submit a progress report in October and its final report early next year.

(Spillway)

## Bill Mills and Andrew Shaw appointed to two top jobs: Nanaimo Harbour Commission



Mr. B. Mills



Mr. A. Shaw

Mr. Mills is the new Nanaimo Port Manager. Mr. Shaw is the Manager of Harbour Development. September 1st is the effective date of both appointments.

The appointments indicate the Commission has adopted a team management concept to achieve desired results. "Our objective," said N.H.C. Chairman Ted Stroyan in announcing the staff appointments, "is to improve on overall management and administration, keep competitive in the shipping world and develop the harbour for commerce and to benefit the community".

The vacancies came about with the resignation of former Port Manager Lloyd Bingham and the retirement of Marketing Manager Bob Chase, earlier this year.

## Kenneth Krauter named General Manager: Port of Saint John

Kenneth R. Krauter has been appointed General Manager of the Port of Saint John, N.B., Canada. The announcement was made by Denis de Belleval, President and Chief Executive officer of the Canada Ports Corporation in Ottawa.

"Ken Krauter will be bringing to his new position proven leadership skills and a great deal of knowledge of the port industry in Canada. He will be an invaluable asset to the Port of Saint John," said Mr. de Belleval.

Mr. Krauter has been General Manager of the Prince Rupert, B.C. Port Corporation for the past six years.

Mr. Krauter's appointment is effective September 2, 1986. He succeeds Gordon C. Moulard, who retired recently as General Manager of the Port, following 23 years in that position, and a 37-year career at the port.

## James H. Simpson elected Chairman: Thunder Bay Harbour Commission

James H. Simpson was elected chairman of the Thunder Bay Harbour Commission July 23 for a two-year term. He takes over from Dennis E. Johnson, who now assumes the vice-chairmanship. Mr. Simpson was first appointed to the board in 1980 as a representative of the city of Thunder Bay. He received a federal appointment to the board in January of this year. He is the general manager of Richardson Terminals, Ltd., and plans to retire in November. Through his affiliation with the harbour commission, Mr. Simpson is a member of the Industrial Relations Committee of the Canadian Port and Harbour Association

and an active participant in the International Association of Great Lakes Ports and the International Association of Ports and Harbors.

(AAPA Advisory)

## Public Elevator greatly increases bagging capacity: Port of Corpus Christi

The Corpus Christi Public Elevator has become more competitive with other grain handling facilities along the Gulf Coast due to an expansion project earlier this year at the Port of Corpus Christi. On April 8 the Port of Corpus Christi's Public Elevator initiated renovations on its grain sacking plant expanding it to include two, high-speed bagging lines and a conveying system which allows bags to be loaded directly to and palletized on flatbed trucks.

As a result of its speed and versatility, will enhance the port's reputation for handling grain products.

## Georgia Ports Authority inducts Officers, welcomes new members

Terry Johnson has been named chairman of the Georgia Ports Authority, a seven-member authority designated by the governor that oversees activities of Georgia's ports. Other officers include Vice Chairman William O. Faulkner Jr. and Secretary/Treasurer Smith Foster.

## Containerized tonnages lead record year at GPA in Savannah

Fiscal year 1986, ended June 30, was definitely a dynamic time for the Georgia Ports Authority in Savannah. Once again records were set, with 6.8 million tons of cargo crossing the docks. Georgia Ports Authority is proud to announce an 11.5 percent increase in total tonnages handled at the Port of Savannah over the previous year's record.

Leading the port in its landmark year was, as usual, containerized cargo. For the fifth year in a row, container tonnages set a new record. In fiscal year 1986, 3.8 million tons of containerized cargo were picked by GPA's high-speed container cranes. This represents a 28.5 percent increase over FY'85 numbers. For the past five years, GPA's containerized tonnage has maintained an average increase of 22.5 percent per year.

Liquid bulk handling set another record for an increase of 32 percent. A total of 1.3 million tons passed through the pipe network to and from GPA's 2.2 million-barrel tank farm. Finally, breakbulk and roll-on/roll-off cargoes handled at GPA's CONTAINERPORT increased 31 percent, for a new total of 116,144 tons.

Feeling the effects of containerization and foreign competition, breakbulk cargoes were down in FY'86 by 21 percent. A continuing gloom in the world grain market had a predictable effect on dry bulk movements, pushing tonnages down by one third.

## Port viewed as important to Houston economy, study shows

Eighty-eight percent of Harris County's registered voters feel that the Port of Houston is "extremely important" or "very important" to the present local economy. Eighty-

three percent believe that the Port is vital to the area's future economy.

These and other findings are revealed in a study commissioned by the Port of Houston Authority and conducted by Tarrance, Hill, Newport & Ryan, a leading researcher for government, business and industry. Responses to the survey were gathered by telephone interviewers from March 6 to March 12 of this year from a sample of 600 registered Harris County voters, according to Dr. Richard Ryan, vice president of the firm.

Survey data also reveal that a comfortable majority of voters — 72 percent — would support a ballot measure raising money to repair and upgrade Port facilities, said Dr. Ryan.

"I am very pleased by these study results," said Archie Bennett, Jr., Chairman of the Port of Houston Authority. "The Port operates best with a strong consensus of public support, and we are fortunate to have that kind of support in Houston."

"The Tarrance study shows that the Port is clearly recognized by the public as a resource for economic development," added the chairman.

By 61 percent, the sample gave Port management positive ratings. A majority of respondents also rated the Port Authority as capable and competitive.

While Harris County voters believe the Port is important, they do not have a clear idea of the duties and functions of the Port Authority. When asked to describe duties and functions, 27 percent said they had no answer or did not know. Twenty percent knew only that the Authority is the Port's governing body.

"It is apparent that we need to continue educating and informing the public about the role of the Port Authority," said Richard Leach, executive director of the Port of Houston Authority.

Other data indicate that 47 percent think the Port is competitive and profitable and 78 percent said the Port Authority is capable and competent.

A study by Booz Allen in the early 1980s showed that the Port of Houston contributed more than 32,000 direct jobs in the Houston area and more than 160,000 jobs directly and indirectly throughout the State of Texas. The study also said the Port had a \$3 billion economic impact on the Houston area.

## Construction to begin on new berth at Barbours Cut: Port of Houston

Construction will begin in early 1987 on the first phase of Berth No. 5 at the Port of Houston Authority's Barbours Cut Terminal, PHA Executive Director Richard P. Leach announced.

Phase I of the 40-acre berth, a 10-acre paved area that will temporarily be used for import automobile storage, will be built at a cost of about \$2.3 million.

Port Commissioners recently authorized the Port Authority to advertise for bids to begin construction. Work on Phase I is expected to take about three months.

Berth No. 5 will enable Barbours Cut to meet the growing demand for intermodal facilities, Leach said. The terminal handled more than 1.1 million tons of general and

bulk cargo during the first five months of 1986, a 10 percent increase from the same period in 1985.

The temporary auto marshalling yard will accommodate up to 4,000 import autos awaiting transfer to preparation and distribution sites.

"The additional space is needed to accommodate import vehicles," Leach said. "Potential volume at Barbours Cut is estimated at 150,000 import automobiles, pickups and other vehicles in 1987."

Auto imports at Barbours Cut during the first five months of 1986 exceeded 45,000 cars, a 26 percent increase over the same period last year.

## Port of Long Beach celebrates 75th "Berthday" with Museum of Art exhibition



On the exact day that the Port of Long Beach officially became a Municipal harbor 75 years ago, Port officials present and past gathered at the Long Beach Museum of Art to premiere a photographic exhibition titled "Port People" and to cut a diamond anniversary "Berthday" cake before hundreds of well-wishers. It was on June 24, 1911 that the Mayor led a crowd of citizens to Pier 1 to dedicate the first City berth. Pictured at ceremonies at the museum are, from left, Port Executive Director James H. McJunkin, Commissioner C. Robert Langslet, Mayor Ernie Kell, Commission President Louise M. DuVall, Commissioner David L. Hauser, former Commissioner Francis Reider, former Port General Manager Charles L. Vickers and Bob N. Hoffmaster, former Chief Harbor Engineer. The exhibit contains 122 historic and contemporary photos and mementos and depicts some of the many thousands of people who built what has become the busiest of all Pacific Coast ports.

## Jun Mori elected president: Port of Los Angeles

Jun Mori, an eight-year veteran of the Los Angeles Board of Harbor Commissioners, has been elected as its president for the coming year. Mori succeeds Joseph Zaninovich, who was elected vice president for the term ending in July 1987.

Mori is senior partner in the Los Angeles law firm of Kelley Drye and Warren. He has served two previous terms as president of the Harbor Commission and is active in

numerous community organizations.

Zaninovich, a former Star-Kist Foods Corporation executive, was appointed to the Board in 1981. In addition to his term as president from 1985-86, he served as vice president from 1982-85.

The other members of the Harbor Commission are:

Mrs. E. Grace Payne

Mr. Michael W. Schwab

Mr. Robert G. Rados, Sr.

## **MPA takes delivery of computer "Brain" for automated cargo release system**

The Maryland Port Administration has taken delivery of \$1 million worth of IBM equipment that will form the computer brain for its new Automated Cargo Release and Operations Service System (ACROSS).

"When ACROSS comes on line in October, the Port of Baltimore will be furnished with an extremely powerful tool for speeding cargo movements and improving productivity," said Maryland Port Administrator David A. Wagner.

"ACROSS will tie shippers, steamship lines, terminal operators, freight forwarders, Customs brokers and government agencies into an efficient communications network that will, among other things, allow cargoes to be cleared for inland movement even before a vessel arrives in port," he added.

"The logo that we have chosen for the ACROSS program symbolizes this concept of speed, energy and continuous movement," Mr. Wagner explained. "It consists of a single electronic pulse that forms an outline of all the modes of transportation that can benefit from ACROSS: ships, planes, trucks and rail."

ACROSS was developed in response to a national mandate from the U.S. Customs Service for ports to shift to electronic processing of import documents. The new system was designed with the help of the Port of Baltimore Computer Steering Committee, a group of potential users whose job was to ensure that ACROSS meets the needs of customers.

According to ACROSS project director Pauline Covino, the new system will provide a large number of benefits to the local maritime community and to shippers using Baltimore.

"We estimate that ACROSS will cut more than a full day off the amount of time it now takes to clear cargo through Baltimore," Mrs. Covino said. "Users will have instant, on-line access to cargo information and will find themselves spending a lot less time on the telephone checking with Customs, carriers and the marine terminals."

ACROSS is designed to provide six major services: cargo status tracking, interface with the Customs Automated Commercial System, production of cargo documents, vessel scheduling, statistical reporting and community messages.

Within the Customs system, ACROSS will allow participants to gain access to the Automated Broker Interface and the Automated Manifest Interface, both of which in the future will allow for the paperless processing of cargo documents.

ACROSS was designed with the goal of maximum flexibility, since the U.S. Customs automation effort has been a long and continually changing process. "The flexibility of ACROSS provides insulation from this changing environment," Mrs. Covino said.

Another feature of the ACROSS program is a high level of security to ensure that only authorized users can gain access to confidential information.

"Information access is controlled at four separate levels within ACROSS," Mrs. Covino noted. A system of passwords and user identification numbers coupled with security features within the ACROSS program itself provide this high degree of confidentiality.

Participants in the ACROSS program pay a flat monthly fee to the MPA, which covers the cost of equipment.

## **MPA reports tonnage gain for second quarter**

A strong increase in automobile shipments through Baltimore helped the Maryland Port Administration increase its general cargo tonnage by 4.8 percent during the first half of the year.

Total general cargo tonnage rose to 3.11 million tons, compared to 2.97 million tons in the same six-month period of 1985. Automobile tonnage rose 35 percent, to 235,361 tons.

Containerized shipments accounted for roughly two-thirds of the MPA's total general cargo and reached 2.3 million tons.

"The overall upward trend is very encouraging," said Maryland Port Administrator David A. Wagner. "But we cannot be satisfied with these results in today's competitive environment."

According to Mr. Wagner, "The MPA's strategy of lowering costs while expanding and improving facilities appears to be working. Nonetheless, the entire port community must continue its effort to increase efficiency and to improve our level of service."

## **News from Massport**

### **Customs Automation Study in the Works...**

During the next several months, Massport will be working with members of the Port community to investigate customs automation systems being used in other ports and to determine their potential applications in the Port of Boston. Such a Customs Cargo Release System (CCRS) will allow Customs' automated database to directly interface with steamship lines and brokers for simplified analysis and tracking of cargo shipments.

### **Port Kit nears completion...**

A study focusing on the economic impact of the Port of Boston within the New England/Metropolitan Boston community will soon be available through Massport. Those individuals interested in receiving a copy should forward a business card to Delores Johnson, assistant port director/marketing, Massachusetts Port Authority, Ten Park Plaza, Boston, MA 02116. *(New England Port Folio)*

## Central business district wharves may see non-maritime use: Port of New Orleans

The Board of Commissioners of the Port of New Orleans has taken the lead in development of riverfront wharves in the central business district for non-maritime purposes, according to Port Commissioner Donald R. Mintz. He asserted this at the Riverfront Awareness '86 conference held on May 9 while describing the findings of the first phase of the Board's strategic plan study now underway.

The report focused on the usage of riverfront wharves that were being little used, if at all, for traditional cargo-handling purposes.

The Board followed up one week later by approving a preliminary agreement to make available the Bienville Street wharf for the construction of a \$40 million aquarium and park.

The ten-month strategic study, which was initiated in mid-January, is being performed by Temple, Barker & Sloane, an internationally known consulting firm based in Lexington, Massachusetts, in conjunction with the New Orleans-based firm of Cocchiara and Renner. The study will cover every aspect of port operations and is expected to have a major impact on the future direction of the Port.

Mintz, chairman of the Board of Commissioner's strategic plan committee, told the conference audience that the strategic plan will be an "action-oriented document." He added that "it will provide the Dock Board and the community with a blueprint as to how we will be able to move the Port and all that it represents to a new level of excellence." Mintz noted that consultants were given no limitations or restrictions. Their report is to be "frank, open, and uncompromising."

Referring to the first phase report, Mintz reported that the consultants found that the wharves along a two-mile stretch of the riverfront are, in many cases, no longer used for traditional cargo-related maritime purposes due to a variety of factors. These include changes in trade patterns, shipping technology, congestion of wharf areas and land transportation corridors, and the deterioration of those wharves. Only the Governor Nicholls and Thalia Street wharves are utilized to any appreciable degree for cargo, he said.

At the same time, the consultants observed, these downtown wharves are much sought after for the development of such people-oriented places as hotels, entertainment commercial, and residential centers. It is predicted, for example, that tourism will rise from the present five million visitors per year to six or seven million visitors by 1990 as a result of the anticipated nearly doubling in size of the Convention Center.

What is most important about the consultants' report, Mintz emphasized, is that it points the way to the beginning of a "creative, aggressive strategy by the Dock Board to become the moving force for additional, imaginative development of the downtown riverfront." He pointed out that "no other city in the world has this kind of resource, much of it is still virgin territory to be developed, although it is important that the development be carefully planned, logical, and coherent."

Mintz also said that an important reason for developing riverfront properties owned or controlled by the Dock Board is to provide additional income for capital projects. Although the Port operates with self-generated revenues, the state in the past has funded capital improvements, such as major new facilities. Mintz indicated that under present economic conditions neither the state nor the federal government can be expected to provide financial support, at least in the near term.

Mintz also described the overall strategic plan study. He said that the first steps are an evaluation of the maritime and transportation industry to be followed by an evaluation of the Port's strengths and weaknesses. For example, a great strength of the Port is that it is at the terminus of the vast Mississippi River waterway system while a weakness is that it is located eight hours' steaming time from the Gulf of Mexico.

The strategic plan consultants will also examine ways in which to improve the internal structure and management of the Dock Board so as "to strengthen management and improve the efficient delivery of our services." Marketing and pricing techniques will also be studied to determine specific ways to attract more cargo through the Port, although this will require the consensus of all elements who use the Port, both management and labor. The plan will also lead to strategies to deal with the improvement of existing facilities and building new ones to assure that the Port of New Orleans operates with the best facilities on the Gulf, if not in the entire country. *(Port Record)*

## Priority berthing fees on River cancelled: Port of New Orleans

In a historic action the Board of Commissioners of the Port of New Orleans at its meeting on May 27 abolished charges for first call on berth privileges at its wharves on the Mississippi River. Eliminating the fees, which have been levied since 1901, means giving up a source of income that has made up more than 12% of the Port's total annual revenue. Ten companies that now pay the Port for priority berthing rights will no longer be charged for that privilege, giving them a savings of about 29% on their costs for using the Port of New Orleans.

Dock Board President Charles C. Teamer, Sr. called the action a "bold venture for us." He said, "We are telling the maritime community that we are not afraid of making sacrifices, especially when we know that this can only result in more trade and more port traffic that will benefit every sector of our local economy."

Dock Board Commissioner George J. Schiro, who headed the Board committee that studied first call on berth privileges and recommended eliminating the charges, stated, "Today we have to be creative, and we have to be ready to try imaginative solutions." He added, "I think this gesture on our part shows our operators that we are willing and ready to work with them."

The Port of New Orleans does not lease wharves to steamship lines or to terminal operators on the riverfront and in lieu of such long-term leases the Port has traditionally charged first call fees. This gives vessel and terminal operators a home base at a specific wharf, assuring them

that the ships they handle will normally be assigned to a berth there by the Port.

The Port grants a company first call on berth privileges based on a minimum amount of tonnage it is able to generate through the Port. In the early years the fee for the privilege was three cents per square foot. At the time of cancellation the fees were 41 cents to 83 cents per square foot depending on the class of wharf assigned. The Port has not raised the fees for four years, and, in fact, reduced them by 25% two years ago.

For many years the privilege was useful when ships crowded the New Orleans riverfront. Without an assured berth, a ship might have to wait for a vacant berth on a first-come-first-served basis, losing valuable time. With the advent of containerization and automated vessels plus the maritime recession, the demand for conventional riverfront breakbulk wharves has diminished. *(Port Record)*

## Bi-State Port records cargo handling gains for 1985

The Port of New York and New Jersey handled a record 13.7 million long tons of oceanborne general cargo in 1985, outperforming North Atlantic ports as a whole and showing a greater rate of increase than ports of the United States collectively. Its 5.1 percent increase over the preceding year exceeds gains of 3.9 percent for the North Atlantic ports and 3.7 percent for all U.S. ports.

Port Authority Chairman Philip D. Kaltenbacher stated, "As a result, our port's share of North Atlantic oceanborne general cargo trade rose to 46 percent and its United States share climbed to 10.7 percent, the highest percentage of this decade." According to an annual analysis of foreign trade, the bi-state port handled a total of 51.3 million long tons of oceanborne foreign trade, general cargo and bulk, representing \$48.8 billion. Of this figure, \$41.2 billion was high value general cargo, as compared to \$40.9 billion reported in 1984.

A strong growth pattern has characterized the bi-state port's handling of general cargo imports throughout the 1980s, with 1985 continuing that trend with a volume of 11,072,061 long tons. This represents a 6.1 percent increase over 1984, and a new record high.

*(VIA Port of New York—New Jersey)*

## Western States Coalition studying Customs service: Port of Oakland

In an effort to achieve an effective United States Customs Service at Pacific Coast ports, a Coalition of nine major West Coast ports has called upon the services of a research firm, Booz-Allen and Hamilton, to develop a comprehensive study concerning U.S. Customs Service cargo and passenger clearance activities.

The officer in charge of the study is Leo J. Donovan, vice president of Booz-Allen and Hamilton, who has more than 20 years of experience in the maritime industry and who has directed or conducted all of the firm's port and maritime studies during the past nine years.

In initiating the study, the Western States Coalition for Effective U.S. Customs Service expressed its concern

regarding the deterioration in efficient and expeditious clearance of cargo and passengers and disruptions to the transportation system.

James J. O'Brien, Chairman of the Coalition, said that since its formation in July, 1985, the Coalition, both collectively and through its members, has pursued efforts to achieve effective U.S. Customs service directly with U.S. Customs offices, Congressional committees, and the Federal Administration.

"We are not encouraged that meaningful long-term solutions are likely from the responses we are getting at all levels of U.S. Customs — national, regional and the district levels, or from our Congressional and Federal Government administrative contacts," O'Brien said.

He said the members of the Coalition made a major commitment in undertaking the study. The Coalition is hopeful the study will make a significant, positive contribution toward achieving the goal of acceptable and effective U.S. Customs service at Pacific Coast seaports and airports.

He said the Coalition will continue to cooperate with U.S. Customs in developing solutions to issues and the Coalition will continue to maintain contact with U.S. Customs at all administrative levels and broaden regular contact with U.S. Customs headquarters staff.

The research study will include the following tasks:

1. Develop overview of Customs' responsibilities.
2. Evaluate Customs' policies and procedures.
3. Analyze Customs' effectiveness from the perspective of the international trade and transportation community.
4. Evaluate performance of specific Customs districts (case studies).
5. Document Customs' effectiveness and productivity.
6. Quantify negative economic impact of facilitation delays.
7. Develop model to evaluate nation-wide Customs productivity standards.
8. Develop recommendations and preferred procedures.

The Coalition is concerned that while international liner cargo through Pacific Coast seaports has grown by 304 percent in the past 15 years and the number of international arriving passengers through West Coast ports has increased by 265 percent in the period from 1974 to 1984, U.S. Customs Service staffing has not kept pace, resulting in a heavy workload for Customs inspectors, and long and costly delays in clearing cargo at some ports.

Ports and shipping lines are concerned that the U.S. Customs Service, in its allocation of resources, apparently overlooks the trend of increasing participation by West Coast ports in total U.S. waterborne liner trade.

In the 15-year period from 1971 to 1985, the West Coast share of total U.S. waterborne liner exports increased from 18.8 percent to 38.5 percent. During the same period, the West Coast share of total U.S. waterborne liner imports increased from 18.9 percent to 36.8 percent.

These increases in West Coast market share of total U.S. waterborne liner trade occurred during a time-frame when total international liner waterborne trade moving through West Coast seaports increased from 9.3 million short tons in 1971 to 28.3 million short tons in 1985.

Since 1980, the value of international commerce moving between Pacific Rim nations and the U.S. has exceeded

that moving between western European nations and the U.S., across the Atlantic, and this trend is forecast to continue.

The Pacific Region is a major revenue producer for U.S. Customs Service. Pacific Region Customs revenue, which amounted to \$2.1 billion in 1980, increased to \$4 billion in 1985, an increase of 90 percent.

The Coalition is seeking an equitable allocation of Customs human resources to Pacific Coast ports.

Members of the Coalition believe that differences in Customs services should not become a competitive factor among ports. Each member of the Coalition supports the concept that a satisfactory level of Customs facilitation is necessary at all West Coast ports.

While the Coalition considers that adequate Customs staffing is urgently required, it recognizes the need to communicate with the U.S. Customs Service on the entire scope of Customs services and responsibilities.

The nine members of the Coalition forming the Executive Committee are the Ports of Hueneme, Long Beach, Los Angeles, Oakland, Portland, San Francisco, San Diego, Seattle and Tacoma.

*(Port Progress)*

## "Well Done" to veteran port "Skipper": Marine Exchange



A man of many parts — all connected with the sea, consistent with his Dutch heritage — Alexander "Lex" Krygsman (left) was recently commended for "outstanding contributions" towards the development of Golden Gate world commerce by the Marine Exchange of the San Francisco Bay Region. Presenting the award were the organization's newly-elected president, Graydon S. Staring (center), Lillick, McHose & Charles, and immediate past president, Warren T. Petersen, Marsh & McLennan. Krygsman, director of the Port of Stockton and sometimes appropriately referred to as "captain" of that major facility — was in fact a seagoing shipmaster, among his many maritime-related positions and experiences. Most recently, he served as a director and officer of the Marine Exchange, the nation's oldest maritime service and promotional body.

*(Marine Exchange of the San Francisco Bay Region)*

## Port of Seattle highlights 1985

(Extracts from "Annual Report 1985, Port of Seattle")

	1985 \$'000	1984 \$'000	% Change
Total Revenue	\$109,255	\$105,399	+3.7
Operating Revenue	98,344	92,430	+6.4
Total Expense	102,780	92,361	+11.3
Excess Revenue over Expense	6,475	13,038	-50.3
Long-term Debt	359,627	299,111	+20.2
Net Capital Expenditures	63,653	54,312	+17.2
Total Assets	831,121	734,979	+13.1

- Port of Seattle handled \$21.5 billion in total foreign waterborne trade with 110 countries in 1985 — \$20 billion in Pacific Asian trade alone.
- Nineteen regularly scheduled transpacific container shipping services serve the Port, an increase of 27 percent over 1984.
- Warehouse shipments increased 97 percent over 1984 to 7.7 million cartons.
- Port of Seattle eastbound rail service increased by 103 percent in the last six months of 1985.
- Truck Contract shipments increased 30 percent to 91,000 in 1985.
- Total passengers through Seattle-Tacoma International increased 9.5 percent over 1984 to 11.4 million.
- Sea-air cargo — moving from Pacific Asia to Seattle by ship and from Seattle to Europe by air — grew 16 percent in 1985, reaching 14,000 metric tons.
- Pacific Asian air passengers increased 5.6 percent over 1984 to 457,278.
- Port tourism expenditures of \$260,000 in 1985 yielded \$3 million in publicity value in Japan.
- Port business generates 83,000 jobs in King County, 119,000 jobs in Washington State.
- Business revenues in 1985: \$5.3 billion
- Employee earnings in 1985: \$1.9 billion

## Charleston budget approved

The South Carolina State Ports Authority will operate on a \$33 million budget with a \$15 million capital budget for its fiscal 1987 budget year.

Board Chairman Robert V. Royall, Jr., president of C&S Bank, called the budget an aggressive plan for the Port of Charleston.

"We see strength in our facilities, our operations and our marketing. We see strength in the response from our shippers, our lines and from industry," Royall said.

"The fall of the dollar, and the overall international

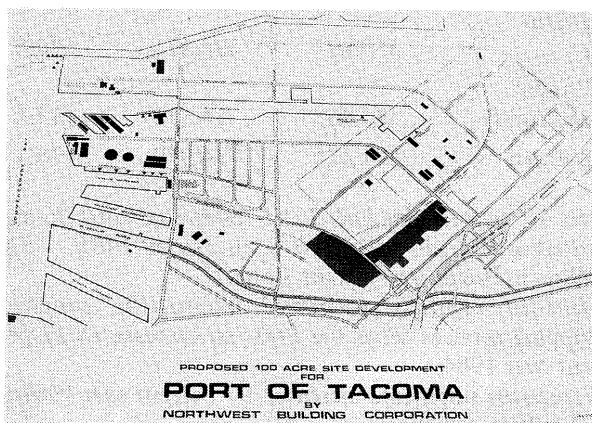
trade posture forecasts an opportune environment for the Port of Charleston. Charleston is export sensitive and as such expects to gain from changing trade patterns.

"We at the port are positioned to take advantage of these changes and to profit from the trade situation."

The \$15 million for capital improvements includes a complete revamping, reorganizing and repaving of Columbus Street Intermodal Terminal.

Royall noted, "The Port of Charleston does not receive state subsidies for its operations, but depends instead on an efficient and thriving port business for operating monies."

## Marine industrial park to be developed: Port of Tacoma



A major Washington State development company has signed a lease with the Port of Tacoma to build a marine-oriented industrial park on Port property.

Northwest Building Corp. (NBC), developers of the Lakewood-Tacoma Industrial Park, will spend \$30 to \$50 million to develop a 119-acre L-shaped property on the southern end of the Port Tideflats. NBC, Washington state's second largest builder of industrial parks, started in Tacoma in the mid 1930s, completing its first building in 1937.

The development will include warehouse and distribution facilities as well as space for light manufacturing and assembly. "The project will be very flexible in concept so it will be able to accommodate light or heavy industry," said Frank Jacobs, NBC's director of industrial park management. The company plans for buildings to be adaptable to various uses.

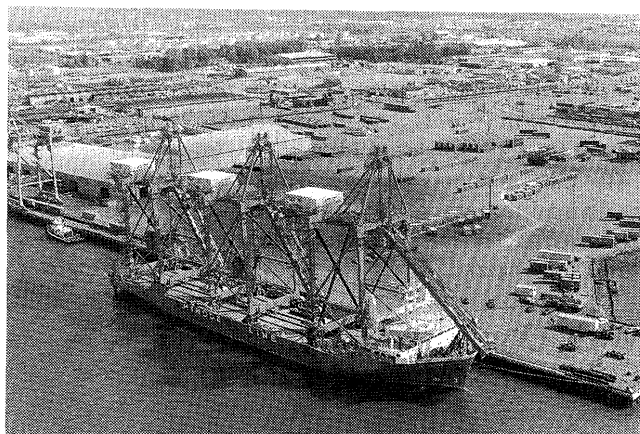
According to Bob DeWald, director of development for the Port of Tacoma, the agreement represents a unique type of partnership between a public entity and a private company.

Under terms of the contract, NBC will pay a gradually increasing rent as the land becomes more developed and more profitable. The rent begins at \$100 per acre per year for the unimproved property, increasing to the greater of one-tenth the fair market value of the land or 10% of the gross rent.

The agreement also stipulates that the company must invest \$2 million within two years and \$10 million in seven years. NBC anticipates building 75,000 to 100,000 square feet the first year "or more if the demand is there," Jacobs said. That first phase of building will exceed \$2 million, he added.

Jacobs said NBC was attracted to the Port of Tacoma property because of its proximity to the Pacific Rim markets, low land costs, and low drayage costs. The closeness of Port property to marine terminals and intermodal rail facilities reduces trucking costs substantially, Jacobs noted. He also mentioned the Port's 638-acre Foreign Trade Zone, "an advantage of considerable magnitude for certain types of customers."

## Three new container cranes arrive at the Port of Tacoma



The three new container cranes delivered recently to the Port of Tacoma represent the third generation of such equipment in terms of cycle times, height above dock and leverage.

The first generation, according to Port of Tacoma Chief Engineer Bob MacLeod, consisted of general use cranes which were able to handle containers. The next generation was the first designed for dedicated container service. The newest cranes are taller, faster and have a greater outreach, MacLeod said.

The Port's new cranes, built by Sumitomo Heavy Industries of Japan at a cost of \$3 million each, also have a new look — they are bright blue in contrast to the Port's other equipment, which is orange.

Another advantage of the new equipment is a computerized self-diagnostic system which "greatly helps troubleshooting on the cranes," MacLeod said. The system can monitor overheating bearings and various other potential causes of downtime.

The three cranes, each 288-ft. long, 255-ft. high, and weighing 763 tons, were transported fully erected aboard the "Sea Bridge," a Hino Line vessel. The voyage is believed to be the first time that three assembled cranes crossed the Pacific on one ship.

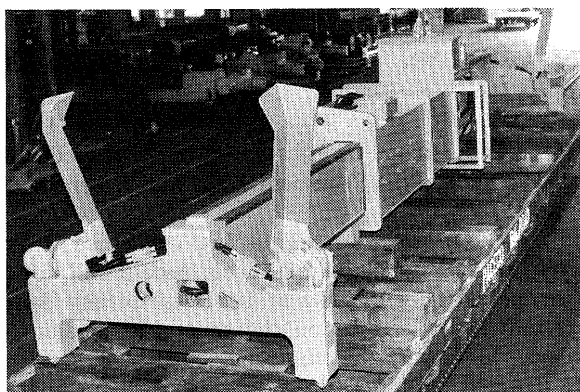
"The cranes will be used to handle the Port's increasing container traffic, which grew 236% over 1985," said Port Commission President John McCarthy. "Investments such as the new cranes help to ensure continued growth." The Port of Tacoma anticipates handling more than 700,000 TEUs (Twenty Foot Equivalent Units) in 1986. In 1985, the Port handled 505,000 TEUs.

With the new equipment, the Port of Tacoma now has seven container cranes, not counting the five owned by Sea-Land. Plans are to update existing container cranes at

Terminal 4 by May, 1987, MacLeod said. Current IHI cranes will have their legs and booms extended, their wheel bases narrowed, elevators installed and they will be painted blue to match the new cranes. Cost is estimated at around \$350,000 per crane.

"The Port continues to expand its container capacity in order to capture a larger share of the Pacific Rim container traffic," said Port assistant executive director Chuck Doan. By the end of the year, the Port of Tacoma estimates it will be the 6th largest container port in North America.

## Port of Tacoma orders four new PACECO 2000 spreaders



The new spreader, introduced in 1985, was produced utilizing the latest computer aided engineering design, stress analysis and manufacturing techniques. The use of these new tools combined with over 25 years of product knowledge has resulted in a product with four to five times the design life of a typical spreader. Up from 600,000 cycles (PACECO 600) to 2,200,000 (PACECO 2000) cycles. The design is also simpler, has fewer moving parts and provides maximum protection for major components.

The four new telescoping spreaders will be capable of lifting 20' and 40' intermodal containers weighing up to 40 long tons each. All four of the spreaders will be installed on Japanese cranes.

Currently, PACECO and its family of experienced licensees have manufactured nearly 1,500 container handling spreaders for use on all types of cranes.

## EEC Port Policy

(Extracts from "Report of the Section for Transport and Communications on the Progress towards a Common Transport Policy — Maritime Transport, the Economic and Social Committee, European Community")

### Comments and Proposals on Ports

The Section feels that greater weight should be attached by the Commission to the adverse effects of disparities in port charges and light dues since they may be important factors to ship operators in their choice of ports. Moreover, in the view of some members, even if port charges do not affect the shipowner's choice of a port, they can cause distortion. A difference in port charges between two ports may not be so great as to deter the shipowner from calling

at either of them, but still be such that he needs higher freight rates from one than the other (Table). If so, the exporter whose nearby port is higher priced is at a disadvantage and will secure less business and less profits than a competitor who is able to ship through the port where charges or freight rates are lower. Thus even if the choice of port is unaffected, port pricing policies can affect competition between users and can be held to distort it. Therefore, while a major harmonization of charging policies in the Community is not advocated, these members believe that there should be a greater recognition by the Commission of the harmful impact of disparate port policies.

The Section also welcomes the Commission's proposal that a Community-wide dimension should be given to the provision of port waste facilities, as required under MARPOL. It feels that the Commission should initiate a proposal for the provision of such facilities on a much wider basis than at present with either Community or national funding for the establishment of reception facilities. Further, the Commission should investigate the feasibility of using laid-up tankers for the reception of oily wastes and possible other wastes. The provision of port reception facilities should be considered within the context of EC infrastructure policy and priority areas should include the Mediterranean and also the North Sea.

The charge for the use of such facilities should, in the view of some members, be absorbed into the port charges, rather than charged separately.

Other members, however, feel that the method of charging for their use should be kept flexible.

**Table Cargo Freight Rates**

### 1. Containerised

Major Conference Rates (Unit rates US\$/average)

Year	Europe/ Far East	Index	North Atlantic Westbound	Index
1979	3,165	100	3,368	100
1980	3,645	115	3,924	117
1981	3,901	123	4,162	124
1982	3,616	114	4,483	133
1983	2,136	67	4,397	131
1984	2,317	73	5,757	171
1985	2,179	69	6,451	192

Year	Europe/ Arabian Gulf	Index	Europe/ Australia	Index
1979	2,546	100	4,541	100
1980	2,759	108	5,181	114
1981	2,836	111	5,244	115
1982	2,804	110	5,194	114
1983	2,804	110	4,886	108
1984	2,810	110	4,684	103
1985	2,810	110	5,039	111

Source: Lloyd's Shipping Economist

## 2. General Cargo

Year	12,000–19,999 dwt (\$/dwt/month)		20,000–34,999 dwt (\$/dwt/month)	
		Index		Index
1979	10.7	100	7.3	100
1980	13.9	129	11.3	155
1981	12.6	118	8.8	121
1982	7.5	70	5.0	68
1983	7.1	66	4.6	63
1984	7.4	69	4.9	67
1985	6.8	64	4.3	59

Source: General Council of British Shipping

## 3. Dry Bulk

Year	Single Voyage Rates (\$/ton of Cargo)					
	30,000 dwt	Index	55,000 dwt	Index	120,000 dwt	Index
1979	22.7	100	14.8	100	6.1	100
1980	29.8	131	24.2	164	10.0	164
1981	25.8	114	21.9	148	8.2	134
1982	18.4	81	14.9	101	5.2	85
1983	18.9	83	13.8	93	5.0	82
1984	18.1	80	12.6	85	6.0	98
1985	15.8	70	11.8	80	5.1	84

Year	Time Charter Year (\$000/dry)					
	30,000 dwt	Index	50,000 dwt	Index	120,000 dwt	Index
1979	6.3	100	8.4	100	12.6	100
1980	8.8	140	12.6	150	15.4	122
1981	8.0	127	10.9	130	12.7	101
1982	4.9	78	5.2	62	5.3	42
1983	4.2	67	5.6	67	6.1	48
1984	4.0	64	5.4	64	7.9	63
1985	3.6	57	4.9	58	7.5	60

Source: Lloyd's Shipping Economist

## 4. Tankers

Year	Spot Market (Worldscale)					
	30,000 dwt	Index	100,000 dwt	Index	250,000 dwt	Index
1979	340	100	89	100	44	100
1980	267	79	72	81	35	80
1981	137	40	49	55	26	59
1982	131	39	39	44	19	43
1983	119	35	48	54	25	57
1984	110	32	51	57	29	66
1985	110	32	48	54	26	59

Year	Period Market 1 Year (\$/dwt/month)					
	30,000 dwt	Index	100,000 dwt	Index	250,000 dwt	Index
1979	13.1	100	3.0	100	1.1	100
1980	16.8	128	5.0	167	1.3	118
1981	9.7	74	2.7	90	1.1	100
1982	8.0	61	1.9	64	0.7	64
1983	7.5	57	2.3	77	0.7	64
1984	6.6	50	3.5	117	0.8	73
1985	6.1	47	2.9	97	1.0	91

Source: Lloyd's Shipping Economist

## New terminal for forest products on Left Scheldt bank: Port of Antwerp

Varant and Westerlund Corporation announced an important investment on the Left Scheldt bank. Together both companies will build a new terminal at Vrasene Dock for storing and handling forest products.

A first phase of the project will cover a surface area of 73,000 m<sup>2</sup> with four warehouses of 8,100 m<sup>2</sup> each constructed on the site. The terminal will have 300 m quay-length and a Ro/Ro ramp of 60 m and will be put into operation by the end of 1986. The operators expect to handle there a traffic of some 300,000 to 400,000 tons per year.

## The Channel tunnel as it affects Le Havre

How will Le Havre be affected by the historic decision to link Britain to the Continent by a tunnel beneath the Channel?

So far as our cross-Channel traffic is concerned, it is not likely to make very much difference, since it will not put the services already existing at Le Havre in any danger. The main effect will be on the short and medium sea crossings. Moreover, the companies that will come off unscathed will be those with a solid commercial or financial base, and in Townsend Thoresen Le Havre is lucky enough to have a most forceful and ambitious ferry operator. At the moment two of the car ferries it uses on the Havre-Portsmouth line are being jumboised and will soon be the largest vessels working in the Channel. Moreover, the terminal at the Southampton Wharf here is being extended by the addition of a further 3,800 sq m/41,000 sq ft of back-up space and will be equipped from the start of the tourist season with a twin-level link span. Le Havre/Portsmouth has always been regarded as a long crossing offering the high level of comfort and amenities so much appreciated by British tourists eager to enjoy a minicruise.

So far as general cargo is concerned, the inauguration of the Channel tunnel could result in a number of changes, as Britain will then be part of the international hinterland of the port of Le Havre, on the same footing as Switzerland, North Italy, Alsace and Burgundy. There are about the same number of miles between London and Le Havre as there are between Le Havre and Dijon, and as Le Havre has always been a port for the deep sea giants it will be in a position to pick up extra freight on its way to or from Britain, on a competitive basis with English ports. (*Flashes*)

## Project contract signed with Port of Dakar: Port of Le Havre

The Port of Le Havre recently signed a major project engineering contract with the Port of Dakar Authority, providing for a technical assistance team to be set up to work out a plan of action, at both the operational and technical levels, to improve the Authority's working methods and increase the efficiency of its port operations. To this end, the Port Authority has joined up with Sofremer and Bossard International to provide the Port of Dakar

Authority with a team of experts which includes specialists not only in port affairs but also in organisation and economics. Their work falls into two parts — first a diagnosis of the present situation and then a series of concrete proposals in such widely different fields as administrative organisation, day to day operations, maintenance, statistics, rate-fixing, commercial policy and data processing.

(Flashes)

## New investment projects underway: Port of Rouen

The Port of Rouen ended 1985 with a positive balance of Frs 1.2 million on a turnover of Frs 435 million.

More significantly, it generated Frs 61 million for its own capital investment requirements.

Total investment spending in 1985 reached a total of Frs 180 million, taking all sources of finance together. The port generated 64 per cent of its share of the total from its own resources.

The April meeting of the port authority board decided to increase the port's crane capacity by ordering four new long-reach cranes, with lifting capacities ranging from 16 to 30 tonnes.

The first of the new cranes should come into service at the beginning of 1988.

Acquisition of the new cranes will enable the port to keep up with the increasing size of ships using the port and with unit loads, which are tending to move towards a weight of 12–15 tonnes. It will also boost the port's capacity for direct loading and unloading between ships and barges.

The board also gave the go-ahead for further upgrading work to be carried out in the Bassin aux Bois. (*ROUEN PORT*)

## Port of Rouen Authority 20 years old

The Port of Rouen Authority is celebrating the 20th anniversary of its creation this year.

The Authority is one of six autonomous port authorities in France, which run the country's six largest ports.

The Normandy port was officially invested with its autonomous status on April 1, 1966 under the terms of legislation which came into force on June 29, 1965.

Rouen is currently France's fifth-ranking port on the basis of volume of cargo handled, behind Marseille, Le Havre, Dunkirk and Nantes-Saint-Nazaire.

On May 4, 1964, the then Minister of Public Works and Transport, Mr. Marc Jacquet, chose the Port of Rouen as the venue to announce the government's plans for reform of the management structure of France's leading ports.

The new status, with which the major ports were endowed, gave them greater independence in the management of their affairs, as well as opening the way to higher levels of state participation in investment projects.

At Rouen, with its inland site on the river Seine, 100 kilometers from the open sea, the last 20 years have seen the port's accesses steadily improved to the point where it can now accommodate vessels of more than 100,000 tonnes deadweight, the creation of four container terminals and the conquest of the number one position in Europe for cereals exports. (*ROUEN PORT*)

## Half-yearly cargo-handling figures seriously affected by bulk cargo fall-off; Containers still surging ahead: Port of Hamburg

The first six months of 1986 saw a 17.1 per cent fall-off in total cargo handled by the Port of Hamburg as against the comparative period last year. A closer analysis of the figures reveals the main cause of this unsatisfactory development — the bulk-cargo sector. Here, there was a 24.7 per cent fall in cargo handled. In other words, around 5.4 million tons less than in the first six months of 1985. The main loser was suction cargo dropping by 64.6 per cent. Grabbable cargo fell by 21.8 per cent with the only gains recorded by liquid cargo at 11.6 per cent.

"If one is to arrive at a correct evaluation of developments in the bulk-cargo sector, one has to take into account the exceptional developments during 1985 which led to a considerable increase in the volume of bulk cargo handled," said Helmut F.H. Hansen, Speaker of the Board Port of Hamburg — Marketing and Public Relations. "One should not forget that the Port recorded a 58 per cent rise in suction cargo handled in 1985 compared to 1984; grabbable cargo rose by 13.7 per cent and liquid cargo by 3.9 per cent. In 1985, nearly six million tons more bulk goods were handled by the Port of Hamburg than the year before."

Containers once again represent a "special case". Exports of general and bagged cargo, it is true, fell by 7.4 per cent but container traffic increased by as much as 7.1 per cent (3.08 million tons in the first half of 1986) whereas conventional general and bagged cargo fell by nearly 20 per cent (2.74 million tons in this period). A comparable development was also revealed by the import figures although general and bagged cargo fell much less dramatically in view of the more favourable general trend in imports. For the Port in the Elbe, this added up to a loss of 2.2 per cent (1.99 million tons in the first half of 1986) whereas containerized cargo rose by 14.5 per cent (2.73 million tons in the same period). As Mr. Hansen said, "The trend to containerized traffic continues unabated."

The total weight of all loaded containers handled increased by 10.5 per cent in the first six months of 1986, reaching 5,813,372 tons. This added up to a 55.2 per cent share of total general and bagged cargo for containers — as opposed to 49.2 per cent at the end of June 1985. And, as Mr. Hansen stressed, there are no reasons to assume that there will be any appreciable change in the favourable container picture over the next few months."



Still on the up: container traffic via the Port of Hamburg rose to a 55.2 per cent share of total general and bagged cargo handled in the first half of 1986.

## Amsterdam/North Sea Canal Ports rank fourth in NW Europe Continental range

Amsterdam and the neighbouring North Sea Canal Ports of Ymuiden/Velsen handled 43.2 million metric tons of international seagoing goods traffic in 1985, placing the North Sea Canal Ports fourth overall in terms of tonnage in the Northwest Europe continental range from Le Havre to Hamburg.

Rotterdam, as always miles ahead of any other port in the world, registered 249.8 million tons, a 2.3% gain over 1984, according to provisional figures. Antwerp was in second place at 84.7 million tons, a 6% drop over the previous year. Hamburg, with an even 60 million tons, a 13% increase, was ranked third.

Thus Amsterdam and the North Sea Canal Port are fourth in the league, with slightly more cargo once the figures of Beverwijk and Zaanstad, both along the waterway, are included.

Dunkirk, with 33.3 million tons is in fifth place, followed by Bremen/Bremerhaven (29.9 million tons), Ghent (26.6 million tons) and Willemshaven (17.2 million tons). The Port of Le Havre's 1985 figures are not yet known, but the French port handled just over 50 million tons (36 million tons of this was liquid bulk cargo) in 1984.

The northwest European continental ports from Le Havre to Hamburg handle about 650 million tons of cargo each year. Thanks largely to Rotterdam's dominant position worldwide, the Benelux ports handle 70% of this. Dutch ports (aside from Rotterdam and Amsterdam, there are Terneuzen, Vlissingen, Scheveningen, Den Helder, Harlingen and Delfzijl/Eemshaven) handle 300 to 325 million tons a year; Belgian ports handle 125 to 130 million tons a year.

Cargo from the continental hinterland handled in Dutch ports moves largely by inland shipping (58% in terms of tons), followed by road (36%) and rail (6%). Goods moving from Dutch ports to the hinterland are divided: inland shipping (86% — mostly bulk goods), road (9%) and rail (5%).

*(Haven Amsterdam)*

## Retirement of John Black: Port of London

John Black, Deputy Chairman and Chief Executive, is to retire from the PLA on 30th September 1986.

Mr. Black's retirement was foreshadowed in PLA's plan to divide its activities into three distinct divisions, covering River, Tilbury Docks and Property. This plan is now well advanced.

It was recognised that with divisionalisation there would no longer be a need for a PLA Chief Executive and Mr. Black's position will not be filled.

In order to divest himself of his responsibilities both inside and outside the Authority, Mr. Black will hand over his PLA executive responsibilities from 1st September 1986. These will be taken on by David Jeffery — Chief Executive, River, John McNab — Director of Tilbury, and Jeffery Jenkinson — Director of Administration, who is responsible for property.

## A year of improvement divisionalisation underway: Port of London

The Port of London Authority returned a gross profit of £15.1 m in 1985 compared with £13.7 m in 1984. Turnover of £78.0 m was £5.6 m higher than in 1984, and the net result for the year was a profit of £1.8 m compared with a profit of £0.6 m in 1984.

Total port tonnage increased by 3.3 m tonnes in 1985 to 46.5 m tonnes due, in the main, to improving imports of coal and aggregates handled at riverside installations. Tonnage through Tilbury Docks rose by 500,000 tonnes with increases in containers, bulks, Ro/Ro traffic and forest products offset by a continuing decline in conventional cargo.

Commenting on the results, the Chairman, Sir Brian Kellett, said, "Results for 1985 were an improvement on the previous year. However, the overall results of the PLA represent the consolidation of a number of widely differing activities which should be judged by different criteria.

For some time PLA management has been moving towards divisionalisation of its statutory river functions, its commercial operation at Tilbury and its extensive property interests. The Board has decided that it is essential to effect full separation of the management of these activities and to identify separately the income and expenditure attributable to each so that their performance can be separately judged. It is confidently expected that full divisionalisation will be completed during 1986. Divisionalisation of interests and responsibilities will aid PLA's performance in a competitive world where service and results are paramount".

## London recommended in new freeport study

The Port of London Authority welcomes the recent report published by the Adam Smith Institute which recommends that there should be another round of freeport zones established in the UK.

The PLA was disappointed that Tilbury was not one of the original locations chosen by the Government in 1984 for the initial freeport experiment. However, it has remained keen to exploit any opportunity that might arise, retaining the concept as a possible option in its forward plans.

An essential ingredient for a successful freeport operation is a geographic location adjacent to the marketplace and distribution networks. In this respect Tilbury in particular but also other sites in the Port of London area have many inherent advantages over the existing and other potential freeport locations. For example over 70 shipping companies use Tilbury Docks alone and many others use the Port, serving all the major trading areas of the world. London is at the very heart of the UK's most densely populated marketplace, the Southeast, while the newly-completed motorway network links it with the major international airports in the area. The situation is tailor-made to handle the re-export trade in high technology and high value traffic usually associated with freeport operations. But a London freeport would be suited to any mix of trade.

Naturally the PLA still sees Tilbury as a strong contender for the establishment of a London freeport zone because, in addition to the general advantages mentioned earlier, Tilbury's Freightliner Terminal could accommodate bulkier traffic and, with immediate access to the M25, there is ease of connection to all the major motorways around London. At Tilbury varied warehouse accommodation and land could be made available within the dock area or outside it, which could be readily adapted to serve as a base for a freeport operation, allowing a rapid start-up if the go-ahead was given. There are also the other advantages of being less than 40 minutes away from the world centre for international banking, insurance, transport, communications and commodities which make Tilbury a major gateway for European trade and serve to reinforce its suitability for freeport status.

## Passenger boost for Southampton

New passenger business is promised for ABP's Port of Southampton next year when Norwegian cruise operator, Fred Olsen Line, launches the first of a series of cruises to the Canaries and Western Mediterranean in February.

Fred Olsen's plans include a multi-million pound contract to rebuild the 10,000 ton 'Black Prince' in Finland later this year. Capacity will be increased with new accommodation and modernised passenger facilities which include a 'secret' innovation. The fortnightly cruises on the new 'Black Prince' replace the Norwegian Line's present passenger/freight service to the Canaries.

Southampton's Port Director, Dennis Noddings, commented, "We are delighted Fred Olsen Line have decided to use Southampton next year. It is always good to welcome new passenger business; after all, it's one of our longest-standing trades."

## Shore-based Shipping Task Force Report released: Federal Department of Transport, Australia

"There is a clear need to raise productivity and improve industrial relations on the waterfront," the Federal Minister for Transport, Mr. Morris said today (*July 25, 1986*) when releasing the Report of the Industry Task Force on Shore-Based Shipping Costs.

"The Task Force has confirmed that the costs and delays associated with shore-based operations adversely affect Australia's exporters' competitiveness in international markets. This was particularly so for firms trying to enter the export field."

"The Report found that the direct costs of shore-based operations relating to the movement of Australia's non-bulk trades amount to \$1,200 million per year and represented about 5% of the value of these cargoes. To this must be added the additional cost which delays impose on importers and exporters, which the Report suggests could have more impact than the direct costs," Mr. Morris said.

In releasing the Report, Mr. Morris said it represented a timely contribution to the debate on improving Australia's trading opportunities.

"The Task Force Report is a milestone in co-operation between all those engaged in shore-based shipping operations."

The Report represents the first time industry has provided a consensus view on improving the cost structure, productivity and reliability of shore-based shipping industries.

The Task Force was chaired by Mr. Ian Webber, Managing Director of Mayne Nickless, and comprised representatives of the stevedoring, shipping and road transport industries, unions, freight forwarders, port authorities, exporters and importers.

"The wideranging Report details the opportunities available to industry and State Authorities for improving the efficiency of shore-based shipping operations," Mr. Morris said.

"The Report calls upon industry to examine measures to increase productivity and improve the quality of industrial relations in the stevedoring industry. These are clearly difficult problems which the industry has ineffectively tackled in the past," Mr. Morris said.

The recommendations also include improving commercial links between exporters, importers and the industry, the introduction of an industry-wide communications system and the development of commercial guidelines for port authorities.

The Task Force proposes that it be succeeded by an industry funded body with responsibility for overseeing the implementation of the recommendations.

"The Federal Government will be considering these recommendations critically with a view to identifying the most appropriate ways to encourage the much needed changes, particularly at the waterfront."

Mr. Morris said he would welcome constructive comments on the report's findings and asked interested parties to forward their comments by September 30, 1986.

"Shortly after this, I propose to convene a meeting of representatives of industry to discuss how best to build upon the Task Force's work," Mr. Morris said.

## Executive Summary

This is the first time since the introduction of container technology into Australia that operators and users in the shore-based industry have made such a wide ranging inquiry into their joint performance and assessed the scope for improvement.

The Task Force has found that two distinct and virtually independent systems are at work — one in which the shipping lines, container terminal and depot operators are bound by contractual arrangements and the other comprising importers/exporters and their relationships with carriers, customs agents, and forwarders who have little influence on the first system.

The lack of a commercial and/or contractual relationship between the two systems has given rise to costly truck queues, expensive delays for importers and exporters and only minimal levels of communication between the two systems.

Without effective communication and market pressures, the priorities set and decisions made by shippers, forwarders, port authorities, terminal and depot operators, customs agents and carriers result in what can only be described as a chaotic situation.

To overcome this problem, which has existed for many years, the Task Force has recommended measures to improve communications and establish stronger com-

mercial and/or contractual links across the interface. It has also recommended that terminals immediately adjust their operating priorities and introduce schemes to clear truck queues, including the introduction of vehicle booking schemes where appropriate.

Clearly the need exists to increase productivity and improve industrial relations in the stevedoring industry. Measures such as remuneration and time off while ensuring job security should be examined with a view to lifting productivity levels in ways supported by all parties. A formal career and skill upgrading training scheme for all waterfront labour is proposed and regular contacts and meetings at various levels between management, employees and unions should be given greater emphasis.

Current negotiations between depot employer representatives and unions to lift productivity must be encouraged and expanded to reduce the cost of this sector, thus encouraging small and potential exporters to grow and increase their contribution to the nation's export effort.

There is a need for firm, publicly available commercial guidelines on the pricing policies and operations of port authorities. Proposals are made for the development of such guidelines and how port authorities might extend their responsibilities beyond their traditional boundaries to facilitate the efficient flow of cargo along the transport chain.

Rail transport holds a predominant share of long haul container movements. Rail efficiencies are limited by operational constraints and investment restrictions, a lack of adequate rolling stock and reliability factors. Its ability to improve its share of the shorter haul traffic seems remote. There is a very real need for closer consultation between shipping companies, stevedores and the railways to adequately negotiate charges against the levels and quality of service provided.

Road transport is a highly competitive industry and there is a strong tendency for it to be purely a taker of conditions imposed upon it by others. There is a need for a more constructive attitude towards the queueing problems at terminal gates by cooperating with terminals and depots and by advising end users of time options available for the pickup and delivery of containers.

There is a severe lack of effective communications between all sectors in the shore-based industry. The Task Force recommends the development of an up-to-date electronic communications system available to all operators and end users which would provide information on container status and availability and other operational data.

The Task Force has been acutely aware of the paucity of performance measures and basic statistics essential to any accurate assessment of the efficiency of the shore-based industry. It proposes the establishment of selected performance measures of port services, stevedoring operations and land transport interface operations, which would be publicly available.

In respect of bulk cargo movements, the Task Force noted that in submissions received from bulk interests there were a number of areas of common concern with those in the non-bulk sector, particularly the unreliability and inadequacy of railway rolling stock, a lack of consulta-

tion and commercial approach by both rail and port authorities, and the need for greatly improved industrial relations throughout the transport chain.

Associated with the Task Force's activities, a number of improvements and initiatives were introduced by the industry:

- trial vehicle booking schemes were introduced in two Melbourne terminals and in one large depot,
- a number of terminals adjusted their operating priorities to alleviate queueing problems,
- restrictions on contracting out major repairs on terminal equipment have been relaxed in some terminals,
- one terminal has introduced early morning starts to service road vehicles,
- an early warning system on container availability was introduced by the Maritime Services Board in Sydney ports,
- at least one major shipping agency has taken steps to upgrade its communication with clients using modern electronic technology, and
- it is understood that the activities of the Task Force have encouraged consideration of a number of matters within the stevedoring industry earlier than might otherwise have occurred.

In order to coordinate, encourage and facilitate the implementation of its recommendations, the Task Force proposes that an industry body be charged with overseeing their implementation.

#### Task Force on shore-based Shipping Costs

##### Membership

Chairman :	Mr. I.E. Webber	Managing Director, Mayne Nickless Ltd.
Members :	Mr. T.I. Bull	General Secretary, Waterside Workers Federation
	Mr. S. Crean	President of the Australian Council of Trade Unions
	Mr. C. Hampson	Managing Director, ICI Australia Ltd.
	Mr. I. Hodgson	Federal Secretary, Transport Workers' Union
	Mr. J.C. Jenkins	Chairman & Chief Executive, Overseas Containers Australia Ltd.
	Mr. C.L. Jordan	General Manager, Port of Melbourne Authority
	Mr. G.K.R. Reid	Director, Bureau of Transport Economics
	Mr. I.F.X. Stoney	Assistant Director General of Transport (Ports), Victoria
Advisors :	Mr. D.J. Baker	Executive Director, Overseas Containers Australia Ltd.
	Mr. W.J. Dille	Division Manager, ICI Australia Operations Pty Ltd.
	Mr. N. Perry	Federal Bureau of Transport Economics
	Mr. P.M. Roche	Victorian Regional Director, Mayne Nickless Ltd.
Secretary :	Mr. R. Hartley	Federal Department of Transport

## Brisbane's trade soars to record levels

For the third year in succession, record trade figures have been set by the Port of Brisbane.

The 1985-86 total trade reached 13,189,000 mass tonnes — 8.9% up on the old record of 12,111,000 tonnes, set in 1984-85.

Some of the more noteworthy results were:

- export grain — 2,474,000 t. (up 7.0%)
- export coal — 1,461,000 t. (up 4.1%)

And — for the first time in the port's history, the number of containers (t.e.u.'s) handled exceeded the 100,000 mark. The final figure was 102,271 — an increase of 3.3% over the previous high, set in 1982-83 and largely attributable to vastly improved cotton export shipments.

Exports of metal ores attained a record 423,000 tonnes, which bettered the previous year's result by 19%.

Executive Chairman of the Port of Brisbane Authority (Hon. A.M. Hodges) described the figures as "a good solid performance", particularly from the port's on going trading strengths.

However, one feature of the trade picture — that of the number of containers handled — did have a disquieting aspect.

"We may have reached the 100,000 t.e.u. mark, and that's excellent — but it could have been much better," he said.

"There is mounting evidence that more containers than are acceptable — about 40,000 a year — are moving between Brisbane and Sydney by land transport to the detriment of port business and port employment.

"It is a problem to which the Authority is giving close attention, including the holding of informal discussions with industry representatives." (*PORTRAIT*)

## Exciting new leisure development for Port of Geelong

Bay City Marina is a unique joint development project between the Royal Geelong Yacht Club and the Port of Geelong Authority.

The \$2.3 million project will consist of 221 wet berths ranging from 11 to 17 metre long pens.

Due for completion mid-1987, it is similar to The Royal Hobart Yacht Club Marina in Hobart.

It will employ a unique suspended precast concrete wave modifier providing a cost-efficient, all-weather berthing and mooring facility, while having minimal effect on the environment and ecological balance of the sea bed.

Formal announcement of the marina was made at a function held at the Royal Geelong Yacht Club on 9th May by the Minister for Transport, the Hon. T.W. Roper M.P., the Chairman of the Port of Geelong Authority, Mr. Neil Samuels, and Mr. Bob Lucas, the Commodore of the Royal Geelong Yacht Club.

Mr. Roper said the Marina would provide Geelong with one of Australia's most modern facilities for boating enthusiasts.

"I would like to congratulate all involved in initiating this ambitious venture and for providing the public with such a wonderful focus for boating activities," he said.

(*Portside*)

## A year of progress for Port of Geelong

The Port of Geelong Authority recorded a year of progress in 1985 and has highlighted this in its Annual Report.

The Report states that while 1985's slower pace of economic recovery in Victoria and the lower grain harvest were reflected in a 5% decrease in trade through the port, significant advances were recorded in port development and diversification.

With the Authority having as one of its objectives a contribution to State and regional economic development, various initiatives were undertaken during the year.

Port Authority Chairman, Mr. Neil Samuels, said in the Report that despite the slight reduction in trade and maintenance of statutory charges at the 1982 level, revenue increased slightly to \$16,800,000. Net profit from operations decreased slightly to \$3,205,161.

Mr. Samuels made the point that the Authority continued to meet its self-appointed aim of not being a charge on the public purse.

He also stated that the increasingly active role which the Authority has played in the affairs of the community continued during 1985.

Projects included joint funding of the City By The Bay foreshore and of a comprehensive plan for the development of a section of the Bay Crescent; environmentally sympathetic re-development of the Authority Head Office building; and the development of a 221 berth Marina in a joint venture with the Royal Geelong Yacht Club.

Long term benefits to port trade are expected to result from continuing industrial development in Geelong.

These developments include new wool handling facilities, an export orientated malthouse, expansion of automobile production, increased cement production and sales, and the commencement of wood chip exports.

"Our faith in the site and our confidence in being selected continues to increase," Mr. Samuels said. (*Portside*)

## Port channels dredged to new depths: Gladstone Harbour

The Gladstone Harbour Board is proceeding with the first stage of dredging to allow larger vessels to use the port.

The works will comprise the deepening and widening of the inner harbour channels, the deepening and widening of the Clinton Coal Berth and the deepening of the approaches to the berth at Clinton, together with some dredging of the approaches to Auckland Point.

The Chairman of the Board, Mr. A.W. O'Rourke said that the board had decided to accept the tender of a joint venture consisting of Westham Dredging Co. Pty. Ltd., Australian Dredging and General Works Pty. Ltd., and Condreco Pty. Ltd., to carry out the inner harbour works.

The tender price of 19.83 million was the lowest of four tenders received.

Two dredges, a cutter dredge and trailer dredge are proposed for the works which will commence in November and are expected to be completed by April, 1987.

The Board will continue its programme of investigation of the outer harbour channels with a view to having this

section of the works carried out as soon as practicable.

The aim of the board is to increase current sailing drafts by a further 1.5 meters which will allow vessels of around 200,000 tonnes to fully load at the port.

## **"A Port's Role in the Community": Keynote address by Mr. Ian Stoney to the ESCAP seminar**

**The degree of success in providing safe, reliable, cost-effective and efficient services provided by a port can in the long term significantly influence the development of the region or city it primarily services.**

The Assistant Director-General of Transport (Ports), Mr. I.F.X. Stoney, stated this when delivering the keynote address, "The Port's Role in The Community", at the ESCAP seminar held in the World Trade Centre (Melbourne).

Mr. Stoney defined a port as a business that provided exchange facilities between different transport modes.

He stressed that the business element must be emphasized and that it therefore needs to have measurable objectives to be fully accountable to its owners, be they State or private.

The port must move away from the past narrow view of a port community which only embraced the small group of people directly involved in its operations. The port must now recognise the significant influence beyond these groups and explore and understand the wider sphere of influence in order to fully comprehend the impact that port activities and plans have.

Mr. Stoney said a port performs a multiplicity of complex roles which include its role as an employer; as an operator of a financially sound business; to operate a safe, secure and efficient port and its role to locate, nurture and bring to maturity new business through the port.

"With these roles goes the responsibility of ensuring that they are carried out efficiently and cost-effectively and that sound management of men, facilities and finances exists for the benefit of the port's customers and the wider community," he said.

The quality of the ship berthing and general cargo handling facilities provided by a port can significantly influence the development of a region or city, as illustrated by the initiative shown by the Port of Melbourne at the time of the introduction of containerisation in the late 1960s.

"The centralisation of cargo that followed benefited the land-based transport sector — road and rail — and its ancillary industries with a large growth in activity, thus increasing employment numbers and security," he said.

Querying whether ports are still spending considerable time discussing their various qualities rather than ensuring that they have the right capabilities to meet the needs of their communities in a sound commercial way, Mr. Stoney said there appear to be over-capitalisation and under-utilisation, extremely poor intermodal linkups and relatively high charges in Australian ports for the services provided.

Mr. Stoney said that, to check whether it is responding to the dynamic environment in which it is operating, a port should ask itself three basic questions: What business is the

port in? Who really is the customer? and What is the real scope of the port's influence, and is it using it?

"The response to those three questions will determine whether ports are really carrying out their responsibilities efficiently in the pursuit of excellence for the efficient movement of cargo through the pipeline," he added.

Viewing the activities of a port in the '80s, Mr. Stoney said that it is an organisation involved in a number of activities or businesses, including cargo management; passenger transportation; tourism; property management and development; finance; consultancy, both local and international; construction; hire company and information services.

"If ports go on thinking they are just in the facility provision business, they are failing to fulfil their rightful role in the community," he said.

Mr. Stoney said ports have a number of "customers" who each have different needs. The effectiveness of the response to the needs of each group, and the individuals in that group, will again determine the port's success or otherwise.

Discussing the scope of a port's influence, Mr. Stoney gave as an example the trend of large industries, such as the automobile industry, to develop world products by manufacturing various components in different countries.

"The effectiveness of the adjacent port is of great importance when large multi-national companies are determining where to locate manufacturing and assembly plants.

"No company can afford to sustain such an operation in a region where the port and its associated industries demonstrate a persistent inability to provide safe, reliable, cost-effective and efficient services," he said.

Mr. Stoney said that many people in port organisations still consider their role is only to build facilities to ensure ships can tie up in the port. "There is no doubt we are here to do that, but we need to work hard also to acquire and develop expertise in those additional identified areas where our communities expect us to perform."

Emphasising that ports have responsibilities to provide sound commercial management of a number of business units servicing a number of groups of customers, Mr. Stoney said that "if ports are managed positively there is no doubt that the community will get an optimum result from its investment in the port." (*PORT PANORAMA*)

## **MOT Japan introduces "Port Renaissance 21"**

The rather exotic wording "Port Renaissance 21" ('PR21' in short) has been chosen to represent the direction and emphasis of the MOT's port development policy in the years towards the next century, according to a recent brochure prepared by the Bureau of Ports and Harbours, MOT, Japan. The initiatives contained in PR21 are duly reflected in the 5-Year Port Improvement Plan for 1986–1991.

In simple terms, the aim of PR21 can be said to be to make the waterfront area pleasant and comfortable for people and at the same time functional and integrated for

business life, by encouraging more participation from entrepreneurs in the process of development.

Extracts from PR21:—

There has become an increasing need to better utilize the urban waterfront area by means of allocating space for living, production and distribution of commodities, while maintaining a well-balanced and organic linkage among them.

This need is imperative in view of the nation's current trend towards internationalization and urbanization, and the advent of a mature information society, and in response to the consequent diversification and sophistication of every facet of society.

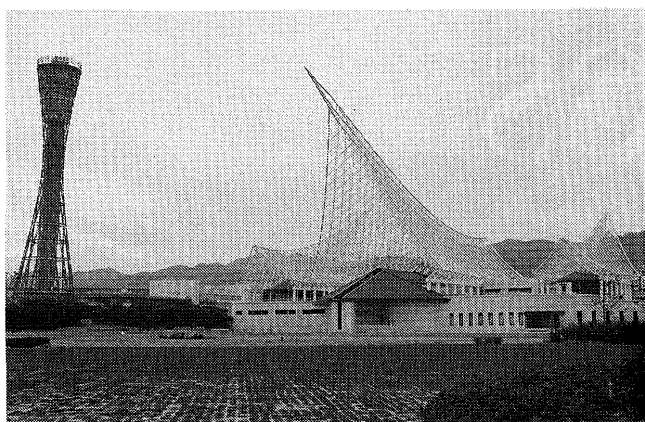
To enhance the greater participation of entrepreneurs, they have been given, along with the local port management body, a leading role in the waterfront area development, while the central government, in the form of the Bureau of Ports and Harbours, MOT, is in a position to help, advise and coordinate.

(Ref: A law, called "minkatsu-ho" in brief, and meaning "the law to facilitate the enhancement of entrepreneurs' capability for significant improvement of designated facilities," was passed in March 1986.)

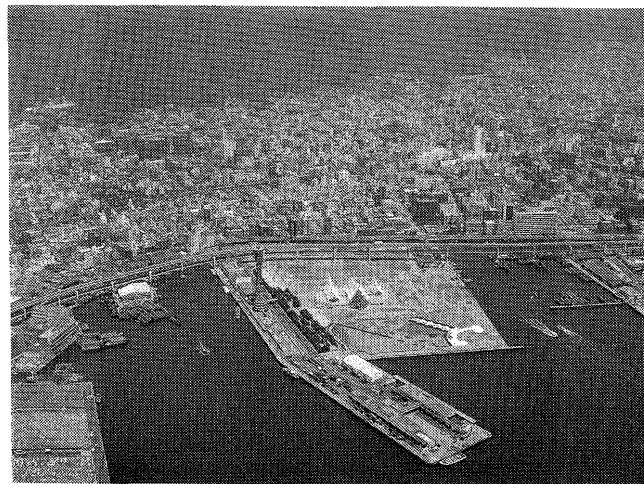
Under this law, development projects of designated facilities to be executed and/or operated by the local autonomous body and entrepreneurs, jointly or independently, could benefit from reduced tax rates and financial assistance from certain monetary institutions.

Those major designated facilities and projects include international trade fair & exhibition facilities, international congress halls, passenger ship terminals and the refurbishment of port facilities for modernized port operations and for commodity distribution. Also included are marinas, maritime museums, and business and commercial activity oriented zones.

## Kobe Maritime Museum to be opened in April 1987



On July 23, 1986, at Kobe, a meeting to consider the display plans of the Kobe Maritime Museum was held under the chairmanship of Prof. A. Sugiura, Kobe Mercantile University. It was attended by a group of experts in varied fields both commercial and academic.



The Museum is a central feature of a waterfront park to be named the 'Meriken Park' (American Park), to be developed on a patch of 16 ha. reclaimed land from the old port facility which was known as 'Meriken Pier' and is a beloved landmark of Kobe Port.

The purpose of the construction of the Museum is to deepen the citizens' understanding of the Port and its roles in the region and international trade scenes, and to commemorate the 120th anniversary of the Port as an open port. The steel roof structure signifies the sails of a tallship and waves. Major items of display in some 3,000 m<sup>2</sup> of space, according to the plans prepared by the Kobe Port Promotion Association, the responsible body for the enterprise, include such aspects as the history of the Port, the development of shipping, shipbuilding, navigation, and the future of ocean development.

Mr. Yukio Torii, the chief of the Preparatory Office for the Museum and ex-Director General of the Port of Kobe, revealed that a special space would be dedicated for the display of pictures of world ports. For this, he said, he would invite IAPH member ports to display their pictures.

He further said that the Museum would be opened on April 29, 1987, as the start of a series of nearly two weeks of events and festivities of the Kobe Port Festival marking the 120th anniversary.

Since the main events of the Kobe Port Festival were scheduled for the early part of May and separated only by a few days from the end of the 15th Conference of IAPH in Seoul, he expressed, on behalf of Kobe's Mayor Miyazaki, that as many IAPH delegates as possible would visit Kobe and take part in the Kobe Port Festival.

## The Port of Yokohama Symbol Tower inaugurated

On July 18, 1986, a white 48 meter-high tower, located on the ocean-side edge of the Honmoku "D" Pier of Yokohama Port, where APL's container terminal and the City's common use container terminals are located, was opened to the public by Vice-Mayor Ikezawa of Yokohama.



The tower is primarily to serve as the Maritime Safety Agency's harbor signal and communication station for ships. Surrounded by a patch of green, it is also intended to provide recreational relaxation for citizens with an observation deck situated on the level immediately below the control station and another lounge in the shape of a huge glass-topped semi-circular tube overlooking the harbor entrance and the main waterways, where some 1,100 ships come and go every day.

In his opening remarks, Mr. Ikezawa said that the Tower would be a very good landmark for mariners and would contribute to safe navigation. He further said that he was

hopeful that the Tower and its recreational facility would be visited by as many citizens and visitors as possible and that the place would become a symbolic landmark of Yokohama Port. He concluded that a pair of 'U' and 'W' flags permanently flying on the top flagpole signifying "bon voyage" (International Code of Flags and Pennants) was meant to illustrate the goodwill of Yokohama Port not only to mariner but any other people visiting the city.

## New tack in port training: Port Klang

The Kelang Port Authority's training school held 25 types of courses for various categories of employees last year. In all, nearly 1300 employees attended refresher courses in port operations and administration.

The intensified in-service training programme is part of the training school's objective to upgrade the skills, knowledge and aptitude of operations employees.

KPA employees also receive training at local institutions as well as overseas. In 1985, 12 officers were trained overseas, mostly in Belgium, India and Japan in port operations, administration or engineering.

The training school is also taking a new tack in the training of professionals employed by the KPA.

Training manager Tunku Safwan Shahir told Warta that emphasis had to be placed on providing courses in professional disciplines such as finance, engineering, research and planning management, computer appreciation, port marketing and public relations.

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