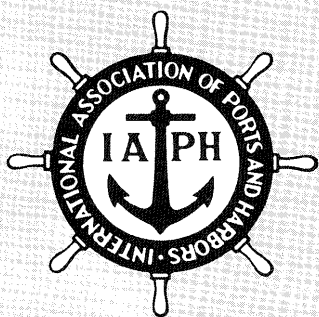


# Ports & Harbors

September  
1988  
Vol. 33, No. 7



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



## **Port of Melbourne**

The largest general cargo port in the Southern Hemisphere, Melbourne has the largest container throughput in Australia. Internationally Melbourne is among the top 25 container ports in the world.

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27th International Navigation Congress May 20 (Sun) — 26 (Sat), 1990



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The Permanent International Association of Navigation Congresses (PIANC) holds the congress almost every four years, where the topics like the inland navigation, the ocean navigation, the ports, the fishery ports, and the coasts are discussed. Around 1000 participants gather in the congress from all over the world.



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## IAPH Officers

- President:** Wong Hung Khim,  
PSA Delegate, Port of Singapore  
Authority, Singapore  
**1st Vice-President:** J.H. McJunkin,  
International Trade and  
Marketing Adviser,  
Port of Long Beach,  
U.S.A.  
**2nd Vice-President:** J. Mather,  
Managing Director, Clyde Port  
Authority, U.K.  
**3rd Vice-President:** Cheung Yeun-  
Sei, Chairman of the Korea  
Shipping and Port Council,  
KMPA  
**Conference Vice-President:**  
C.J. Lunetta, Port Director, Port of  
Miami, U.S.A.

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# Would you pass him by?

## Some did...

In 1986, this child was rescued by a merchant ship but only after other ships had passed him by. Today and everyday, there are other children like him, adrift in the South China Sea, in danger of death from drowning or other perils.

It won't cost your ship in time or money if it stops to rescue refugees in distress. UNHCR can ensure prompt disembarkation and reimbursement for expenses incurred.

For copies of our "*Guidelines for the Disembarkation of Refugees*" please contact us at the address below.

Whenever your vessel encounters refugee boats, **PLEASE STOP** – the refugees need your help.

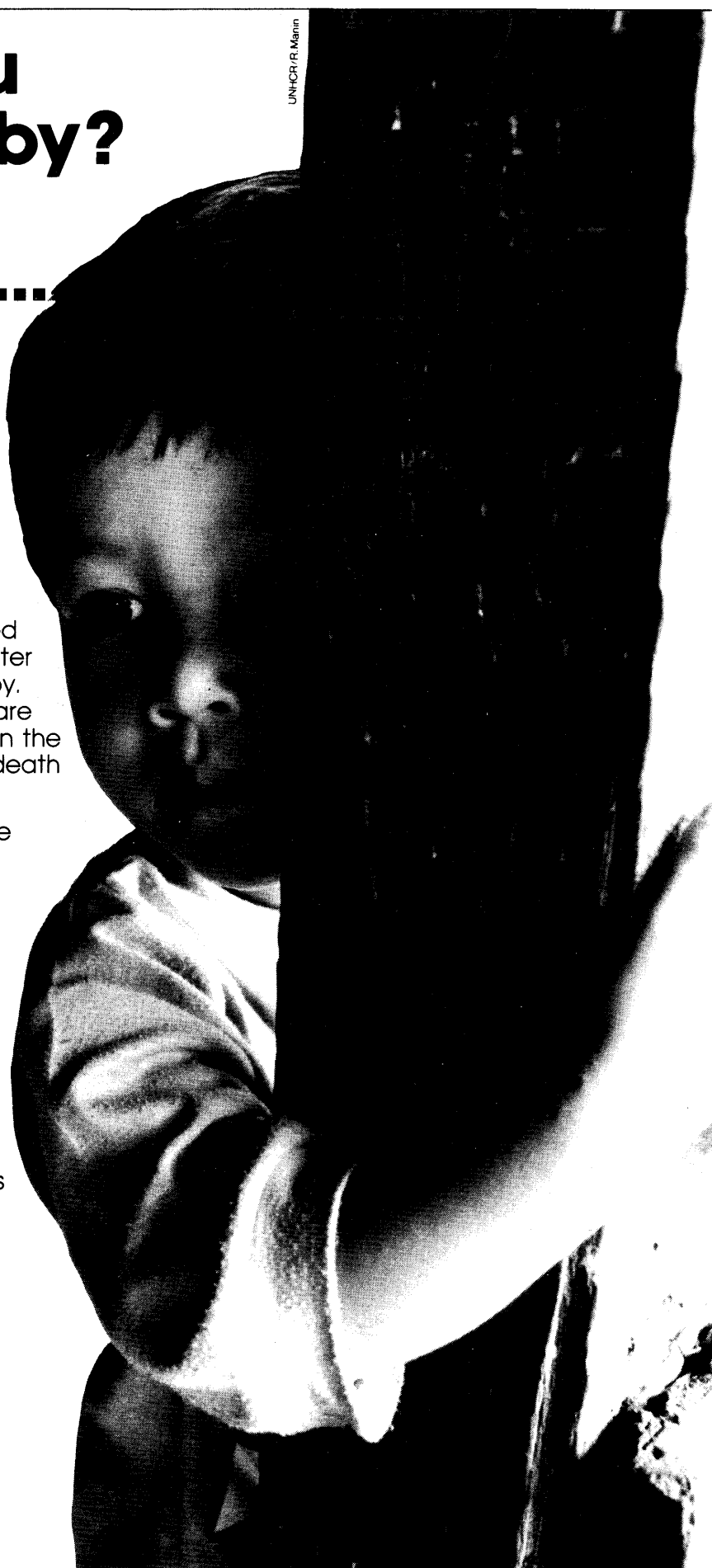


### UNHCR

United Nations High Commissioner  
for Refugees

P.O. Box 2500  
CH-1211 Geneva 2 Dépôt  
Switzerland  
Tel: 39 81 11  
Fax: (22) 31 95 46  
Tlx: 27 492 UNHCR CH

UNHCR/R. Mann





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If you're moving goods in or out of Ireland, count on the ability of Dublin Port.



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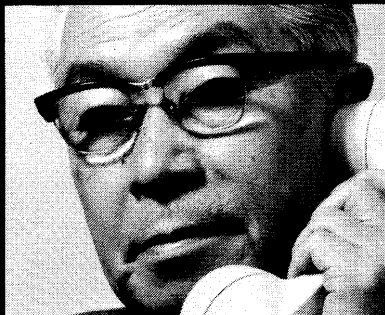
Commercial Manager, Port Centre,  
Alexandra Road, Dublin 1.  
Tel: (01) 722777, 748771.  
Telex: 32508. Fax: 735946.



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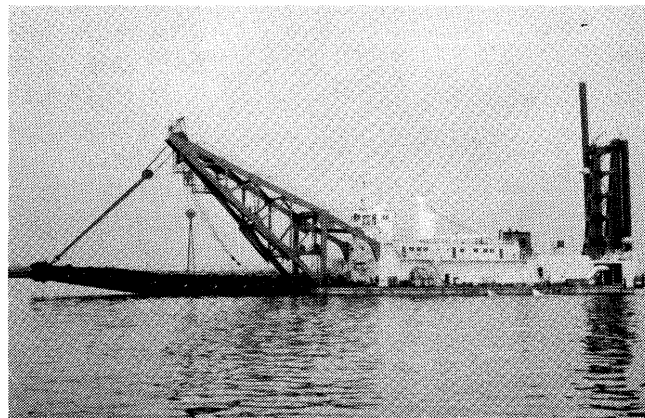
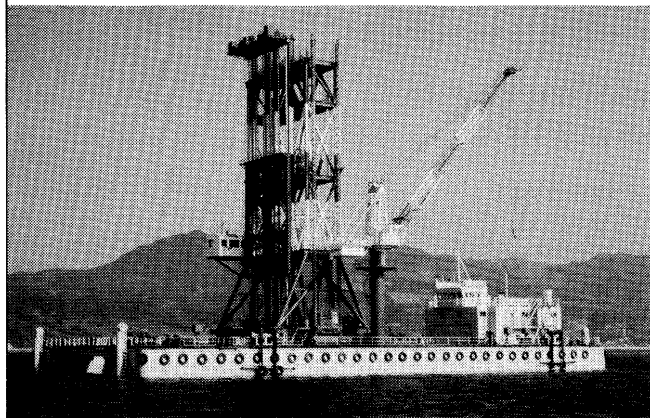
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all the facts  
about our port...  
We'll both  
do more business



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YOU  
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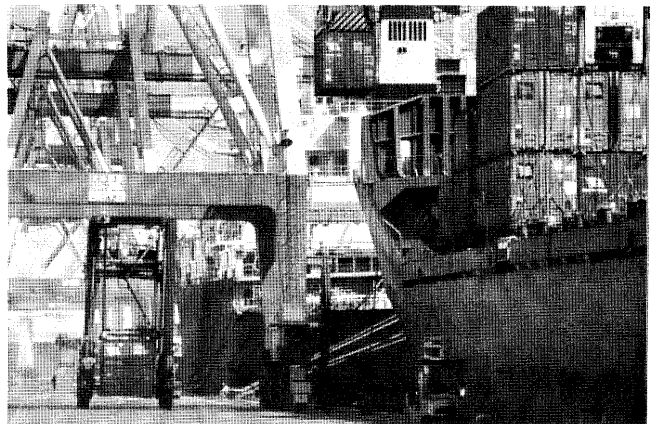
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# IAPH ANNOUNCEMENTS AND NEWS

## Committee Members Appointed

### Finance Committee

#### Mr. Langslet Succeeds Mr. Steiner as Chairman

Mr. C.R. Langslet, Commissioner, Port of Long Beach, has recently been appointed as Chairman of the IAPH Finance Committee, succeeding Mr. Robert Steiner of New York.

Earlier, Secretary General Kusaka had received a letter from Mr. Steiner saying that Mr. Steiner was leaving the Port Authority of New York and New Jersey to become Vice-President of Atlantic Container Line, a major container and roll-on/roll-off carrier in the North Atlantic. Mr. Steiner commented that he had enjoyed working for IAPH and that he really appreciated the work done by all committees and members as well as the Head Office staff.

At the recommendation of Mr. Steiner, President Wong appointed Mr. Langslet as the new Chairman while at the same time Mrs. Lillian Liburdi, the newly appointed Director, Port Department of the Port Authority of New York and New Jersey and the former Director of the Port Authority's Management and Budget Department, was made a member of the Committee.

Secretary General Kusaka wrote to Mr. Steiner expressing the Association members' appreciation for the valuable contribution he had afforded IAPH.

### COPSEC

At its meeting held in Abidjan in April, the Committee on Port Safety, Environment and Construction, chaired by Mr. Jean Smagghe of Le Havre, confirmed the addition of three new members. In accordance with the Committee's recommendation, President Wong has officially appointed the following members to serve on the COPSEC:

#### Marine Safety Sub-Committee

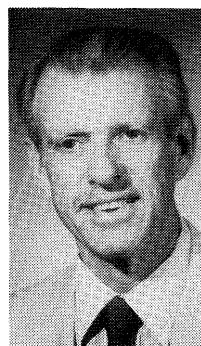
Mr. Nouhoum Diop, the Port of Dakar, Senegal, and Captain Fred Weeks, SEASPEAK, Plymouth, U.K. (Observer); and

#### Ship Sub-Committee

Mr. Yisa Adenko, Nigerian Ports Authority, Nigeria

### CIPD

Mr. Hidemichi Kashihara, Director General, the Port of Kobe, Japan, has been appointed a member of the Committee on International Port Development. In view



Langslet



Liburdi



Kashihara

of the fact that the Port of Kobe has remained one of the most enthusiastic supporters of CIPD activities both as a member and donor to the CIPD's Fund, Mr. Kruk, Chairman of the CIPD, through the Tokyo Head Office, invited the newly appointed Director General of Kobe to serve on his committee. Mr. Kashihara accepted the invitation and his appointment was authorized by President Wong in early August.

## CIPD Questionnaire Re Training Programs

Mr. C. Bert Kruk, Chairman of the IAPH Committee on International Port Development (CIPD) and Director, TEMPO, Port of Rotterdam, has recently circulated a questionnaire to survey training programs available at IAPH member ports and the institutions affiliated with IAPH.

The survey is aimed at identifying the training opportunities which are open to the recipients of the IAPH Bursary. Under the Bursary Scheme, IAPH has provided financial assistance towards the cost of sending selected applicants on approved training courses overseas.

Chairman Kruk says that, while in the past there were only a few institutions known to IAPH such as IPER, UWIST, Port of Rotterdam, IFEP, PSA, Humberside or APEC, with regular programs accessible to IAPH Bursary recipients, there must be many more institutions whose useful training programs have not yet become well known to those applicants.

The CIPD is therefore endeavouring to collect all information available within IAPH member ports and relevant organizations through a survey now being conducted. The results will be compiled into a separate IAPH publication and also featured on a poster, for later distribution to all

IAPH members in developing ports. Mr. Kruk urges the members' special cooperation in returning the completed form to his office in Rotterdam at the following address as soon as possible.

Mr. C. Bert Kruk, Chairman, CIPD of IAPH  
Director, TEMPO, Port of Rotterdam  
P.O.Box 6622, 3002 AP Rotterdam  
The Netherlands

## QUESTIONNAIRE

PORT OR TRAINING FACILITY:

COURSE NAME(S):

PRESENT TIMETABLE OF COURSE(S)  
ANTICIPATED:

DURATION:

INTENDED FOR (TARGET GROUP LEVEL):

COURSE LANGUAGE:

COURSE FEES (IN US\$):

APPROX. DAILY SUBSISTENCE ALLOWANCE  
REQUIRED (IN US\$):

PERSON TO CONTACT (FULL ADDRESS):

## IPD Fund: Contribution Report

### Contributions to the Special Fund (As of Aug. 10, 1988)

Contributors	Amount
<b>Paid:</b>	<b>(US\$)</b>
Associated British Ports, UK	3,000
South Carolina State Ports Authority, USA	1,000
Cyprus Ports Authority, Cyprus	700
Japan Port & Harbor Association, Japan	450
Toyo Construction Co., Ltd., Japan	234
Toa Corporation, Japan	500
Port Alberni Harbour Commission, Canada	200
Korea Dredging Corporation, Korea	300
Port Authority of New York & New Jersey, USA	1,000
Vancouver Port Corporation, Canada	1,000
Klang Port Authority, Malaysia	200
Saeki Kensetsu Kogyo Co., Ltd., Japan	250
Penta-Ocean Construction Co., Ltd., Japan	1,000
All French Ports through UPACCIM*	1,560
Shimizu Construction Co., Ltd., Japan	390
<b>Total</b>	<b>US\$ 11,784</b>
(Target Amount)	US\$70,000)

#### Pledged:

Puerto Autonomo de Barcelona, Spain US\$1,000

\* Union of Autonomous Ports & Industrial & Maritime Chamber of Commerce

## IMO Environmental Workshop in Baltimore

**November 14 – 19, 1988**

The IMO Workshop on Environmental Impact Assessment on Port Development will be held in Baltimore, Maryland, U.S.A., from 14th to 19th November 1989.

The Workshop will form part of IMO's programme of technical assistance to developing countries funded by the Swedish International Development Authority (SIDA), with certain limited funds from IMO.

The Secretary General of IMO and the Ambassador to Sweden of the U.S.A. will attend the opening ceremonies for the event. The Secretary General of IAPH has also been invited to attend. Expressions of interest in attendance at the meeting have been received from 24 nations including France and Canada. Attendance will be limited to 30 individuals.

It is reported that the Budget for the seminar is approximately US\$200,000 with \$150,000 having already been pledged by the Swedish International Port Development Association (SIDA) and \$5,000 from the American Association of Port Authorities (AAPA). It has been further reported that the Chemical Carriers and the Manufactured Carriers Associations as well as the API are all interested in participating and contributing to the session.

In response to IMO's request, IAPH has accepted the role of becoming a sponsoring organization and has recently donated US\$25,000 to the program. IAPH was asked to assist the organizer in making contact with some IAPH member ports in developing countries such as Colombia, Cyprus, Côte d'Ivoire, Ecuador, Mexico, Nigeria and Tanzania to see if these countries could send participants to the Workshop provided that their transportation and accommodation costs could be met from IMO funds.

As of the end of July, the Tokyo Head Office and Mr. A.J. Smith, our European Representative, were busily involved in telex or fax communications with the relevant member organizations in an attempt to assist IMO in finalizing the lists of those participants.

At the moment the Secretary General in cooperation with Mr. Smith is endeavoring to ensure the Association is appropriately represented at the event. It is hoped that a paper on the development of IAPH's Environmental Guidelines together with the Rotterdam case study on the disposal of dredged soil will be presented. Some of the topics to be presented are as follows:

- Introduction to Environmental Impact Assessment (EIA)
- Environmental Considerations for Port and Harbor Development
- Case Studies — (i.e., The Port of Baltimore has proposed presenting the ports regional assessment approach to the disposal of dredged material. It is to be a case study approach, a contract study looking at 180 plus or minus site options — each having surfaced real and imagined issues. Ports/contractors will present how they handled the issues and narrowed the options.
- Guidelines for the EIA of Port Development
- Concerns of Participants

# Minutes of the Meeting of the CLPPI

Abidjan — 27 April 1988

By **A.J. Smith**

**IAPH European Representative**

**London**

## **Present:**

P. Valls (Chairman), Bordeaux  
P. Keenan (Vice Chairman), Cork  
P.J. Falvey, New York  
Takao Hirota, Japan  
K. Jurriens, Rotterdam  
J.M. Moulod, Abidjan  
A.J. Smith, London  
C. Veng, Copenhagen  
E.T. Waiyaki, Kenya

## **Also Present:**

A.E. Essien, Ghana  
J. George, Liberia  
R.R. Green, Baltimore  
A.A. Ichan, Gambia  
J.S. Kyandih, Kenya  
S. Luca, Congo  
S.K. Lynch, Liberia  
J.A. Ogun, Nigeria  
A. Priso, Cameroun  
L. Sangare, Abidjan  
Algenita Scott Davis, Houston

The Chairman warmly welcomed all participants. He stressed CLPPI's dependence on a wide and active membership and expressed the hope that non-members present would continue their interest in CLPPI's activities.

He then referred the meeting to CLPPI's Report to the Executive Committee previously circulated. The Report included details of CLPPI's activities since the Seoul Conference. It had been prepared and finalised subsequent to a CLPPI Meeting held in Paris on 24th February 1988, the record of which had been circulated.

## **Agenda**

### **Item 1 — Minutes**

The minutes of the meeting held in Paris on 24th February 1988 were approved.

### **Item 2 — CMI/IAPH Liaison**

The Chairman briefly outlined the importance and work of the Comité Maritime International (CMI). Approval had been received from the IAPH Secretariat to establish close links with CMI. All IAPH members were therefore urged to establish contact with local CMI branches at the earliest opportunity.

### **Item 3 — Revision of Limitation of Liability Convention**

The Chairman advised that Mr. A. Pages was currently

attending a meeting of IMO's Legal Committee at which revision of a number of Conventions dealing with Limitation of Liability was under discussion.

Specific attention was being given to the 1974 Athens Convention. In IAPH's opinion, however, there was a close link to be drawn with the 1976 London Convention limitation levels. A proposal for a draft Hazardous and Noxious Substances Convention — on which Mr. Smith gave some details — was also relevant to the basic issue of limitation levels.

### **Item 4 — Salvage Convention**

The Chairman briefly outlined the background to the finalisation of a draft Salvage Convention which would be the subject of a Diplomatic Conference in 1989. He ex-

## **“World VTS Guide”**

*(Please refer to the related item on page 25 of the June 1988 issue of “Ports & Harbors”.)*

The required information has been received from some 90 VTS centres and is now on file. The first issue should be in print and sent to subscribers at the end of this year.

The format of the Guide has been refined to accord with suggestions made by the joint IAPH/IALA/IMPA VTS Working Group in April, and by the VTS Symposium, Gothenburg, in May.

Diagrams are being produced to a high standard through the use of computer graphics.

The deadline for receipt of the copy material by Captain F. Weeks for inclusion in the first issue is the end of September. Work will continue on material received after that date, which will then be processed and dispatched to subscribers on an individual basis.

emphised port interest in the subject by pointing to the possibility that ports might be required to accept disabled vessels against their better judgment.

In reply to a question from Captain Ogun, Mr. Smith expressed the view that IAPH was not in a position to lay down “standard” conditions for accepting vessels in distress.

Mr. Falvey, and Mrs. Davis, pointed out that IAPH's views had been set out in past Plenary Resolutions which had been circulated to all IAPH members by the IAPH Secretary-General. It was therefore important for all members to examine these documents and use the advice contained therein to influence those with the authority in member States to deal with Salvage matters. (\* Please refer to the attachment.)

### **Item 5 — Marine Accident/Incident Reporting**

The Chairman reported that a simplified, practical format for reporting marine accidents/incidents in port waters was under preparation jointly by COPSEC and CLPPI.

## **Item 6 — Revision of Maritime Liens and Mortgages**

The Chairman referred to ongoing joint IMO/UNCTAD discussions which were as set out in the CLPPI Report. The IAPH input to these discussions had been agreed by the Seoul Conference and was being progressed by our representatives Mr. Pagès and Mr. Smith. It continued to be very important however to take all steps to ensure that the ports' views were well understood and, hopefully, accepted by national delegations to the joint discussions. IAPH members had a real responsibility to effect that understanding.

Mrs. Davis raised the particular problem of determining the responsible authority with which the port had to deal when, faced with a defaulting vessel.

Mr. Waiyaki instanced a recent situation at Mombasa when having spent some \$1 million (US) in salvaging a sinking vessel, it looked as if the port would suffer at least a \$500,000 loss.

## **Item 7 — Measure to prevent unlawful acts**

The Chairman reported that a recent Diplomatic Conference in Rome had resulted in a Convention to suppress unlawful acts against passengers and crews on board ships. Some of the recommended measures to be applied could in certain circumstances be quite costly. The IAPH view expressed was that such costs should be borne by Governments and not the ports.

## **Item 8 — Liability of Terminal Operators**

The Chairman thanked Mr. Falvey for his particular contribution in expressing the IAPH viewpoint at UN meetings in New York.

Mr. Falvey explained that a proposed Treaty (Convention) would make the terminal operator liable unless it could be shown that property loss/damage was caused by the deliberate act of a third party. Rules would be incorporated, including provision to increase limitation levels quickly.

He would be recommending IAPH support of the proposed Convention. He also undertook to circulate the Convention, when adopted, to IAPH members.

## **Item 9 — EDI**

The Chairman reported that Electronic Data Interchange (EDI) would be on the agenda of the Miami Conference. Mr. Jurriens had alerted CLPPI to possible problem areas involving port operations.

The subject would primarily be dealt with by IAPH's Trade Facilitation Committee. There was a strong need, however, for collective action to be taken by ports generally. CLPPI was therefore considering its position on the matter.

## **Item 10 — Vessel Traffic Services (VTS)**

The Chairman said that VTS raised complex problems for ports. Local situations needed local solutions. CLPPI would be reviewing current developments at its next meeting.

## **Item 11 — Disposal of Polluted Dredged Material**

Mr. Jurriens outlined the background to recent articles on the subject published in Ports and Harbors. He was currently establishing the degree of IAPH member port interest in the subject and expressed himself happy to advise members on related issues on request.

## **Item 12 — Financial Support for IAPH Technical Committees**

The Chairman explained that the funding procedure evolved by CLPPI in support of its own research project had been accepted for use by IAPH generally. It was now clear that well-reasoned justification for projects to deal with special port-related problems was a prerequisite to obtaining specific funding.

## **Item 13 — IMO/IAPH Seminar on Environmental Impact Assessment on Port Development**

The Chairman reported CLPPI's interests in the projected Seminar to be held in Baltimore, USA, towards the end of 1988. IAPH would be allocating funds in support of the seminar.

## **Item 14 — Tonnage Measurement Issues**

Mr. Smith explained that IMO has responded positively to a shipping industry (INTERTANKO mainly) request that ports should consider reducing charges where segregated ballast tanks had been incorporated in the vessels' design and construction. The matter was also under consideration by COPSEC.

In general discussion it was noted that port charges were essentially for local determination. IAPH was in no position to hold a specific view for general adoption by member ports.

## **Item 15 — Technical Committees at the Miami Conference**

The Chairman reported that he, together with other Technical Committee Chairmen, would be considering ways and means of securing more time at the Miami Conference for projecting Committee activities. A report would be circulated in due course.

## **Item 16 — IAPH Representations to other Organisations**

Mr. Falvey outlined a proposal to be discussed by the Executive Committee dealing with the procedures to be followed when representing an IAPH position to other organisations.

The circulated proposal was commended by CLPPI.

## **Item 17 — Next Meeting**

It was agreed that the next meeting would be held in Copenhagen, Denmark, on 13/14 September 1988.

## **\* Attachment**

## **IAPH's Observation Paper on Salvage at Sea Submitted to IMO**

June 16, 1986

Dear Mr. C.P. Srivastava:

**INTERNATIONAL MARITIME ORGANIZATION**  
**57th Session of the Legal Committee,**  
**27 — 31 October 1986**

**SALVAGE AT SEA AND RELATED ISSUES**  
**The Cooperation of State Parties — Article 9**

## **OBSERVATION SUBMITTED BY THE INTERNATIONAL ASSOCIATION OF PORTS AND HARBORS (IAPH)**

IAPH believes that it would be both appropriate and helpful to consideration of draft Article 9 to temper views expressed by national delegations and other observers with a note of views expressed orally by the IAPH representative during the Legal Committee's 56th Session.

1. IAPH fully appreciates the sentiments underlying the proposed Article 9. The successful conclusion of any salvage operation, or help rendered at sea, frequently depends on cooperation received from neighbouring coastal States and Ports. Port authorities are almost invariably ready and willing to provide such cooperation. The questions raised by Article 9, however, need to be put into a wider context than has so far been provided in debate.
2. In establishing their respective positions on specific salvage operations, Ports must at all times pay due regard to their wide field of responsibilities as regards:
  - the States, whose economies they serve, and their need to ensure the free and safe passage of shipping and the continuity of their maritime services;
  - vessels operating in their waters, towards whom they have the obligation of ensuring their safety throughout a call;
  - vessels wishing to enter or leave their facilities without being hindered, delayed or threatened by danger;
  - securing the safety and well-being of the towns or industrial or commercial enterprises which are located on or near their waterfronts or on the banks bordering their channels; and
  - securing the safety and well-being of the port, maritime and civil communities which they serve.
3. These "permanent" obligations and responsibilities must be set alongside the risks involved in accepting disabled vessel into their waters, such as:
  - the grounding of a leaking vessel in the port's access channel, thereby blocking its traffic;
  - the propagation of fire or pollution;
  - the effects of blasts from explosions;
  - injury to people in the port zone; and
  - damage to port and civil installations.
4. Moreover, depending on their geographical location, whether close to or at a remove from major maritime routes, the Ports of the world find themselves in very different circumstances, as far as their respective chances of being requested, in the general interest, to accept a ship in difficulty and to run the risks that are involved, are concerned. The damage, whether direct or indirect, which results from the occurrence of any of the risk areas mentioned above, can far exceed the compensation provided under the limitations of liability of the owners of sea-going ships, as established by the 1957 Brussels Convention, or those that will come into force in December 1986, for States who have signed the 1976 London Convention.  
Ports and Port States will want to weigh the risks involved against the capacities of the ports and domestic economies to bear the resulting burden. IAPH would remind that Committee that many economies depend on single-port operations for their continuing viability.

5. Finally, the national laws of each country and the legislation of their ports will determine the division of responsibilities for the functions of channel access and commercial port management and operations between the State Administrative or Public Services and the Port Authorities. Measures taken to implement these responsibilities fall under regimes of national law; they are not governed by private law, which governs the relationship between salvors and the vessels being salvaged.

In general the State Public Services and Port Authorities have studied and developed emergency plans to cover the measures to be taken in case a shipping accident or disaster occurs in their Port zones. More often than not, these plans also cover the contingency of a disaster out at sea in neighbouring waters. Should this arise, it would be up to the administrative and port authorities:

- to take all necessary action as inscribed in certain international conventions currently in force, which already treat this subject (SOLAS, Convention on the right to intervene on the high seas, the 1979 Conventions on Search & Rescue);
- to take into consideration all the interests at stake (both human and material, including the protection of the environment) and for all parties concerned, whether on land or at sea; and
- to define the technical conditions surrounding any cooperative action they may take to assist the ship in difficulties and the specific financial guarantees to be obtained prior to any such action being taken.

### **RESOLUTION NO. 3 RESOLUTION CONCERNING THE REVISION OF THE 1910 SALVAGE CONVENTION**

WHEREAS, the COMMITTEE ON LEGAL PROTECTION OF PORT INTERESTS has reported to the Board of Directors and to the First Plenary Meeting of the 15th Conference of the INTERNATIONAL ASSOCIATION OF PORTS AND HARBORS held on Monday, 27, April, 1987 in Seoul, Korea on its studies and other activities during the period since the preceding Conference, and;

WHEREAS, the Board of Directors have approved the Committee's report;

NOW, THEREFORE, BE IT RESOLVED by the Association at its Second Plenary Meeting held during the 15th Conference on Friday, 1 May, 1987, that it approves the recommendations of the Committee on Legal Protection of Port Interests, as follows:

1. That the members of the Association be enjoined and/or encouraged to pursue:
    - (a) The revision of the 1910 Salvage Convention to improve the level of compensation recoverable by ports for their costs in dealing with wrecked or disabled vessels;
    - (b) The priority of ports' claims for port charges and other proper cost recovery items over maritime liens and mortgages against ships;
    - (c) Additional measures by all national governments to counter terrorist threats which impair port op-
- (Continued on Page 13, Col. 1)*



# Record of the Meetings of the COPSEC

**Abidjan — 26 and 27 April 1988**

**By J. Smagghe**  
**Chairman, COPSEC**  
**General Manager**  
**Port Autonome du Havre**

## **1 — Meeting of 26 April (morning)**

### **1.1 — Chairmanship**

Alex Smith announced the resignation of Jacques Dubois as chairman of the COPSEC.

It was proposed that Jean Smagghe succeed Jacques Dubois. The proposal was approved by the COPSEC.

It was decided to send a letter of gratitude to Jacques Dubois.

Alex Smith was confirmed as vice-chairman.

### **1.2 — Reports of the Sub-Committee**

#### **1.2.1 — Dredging Task Force**

Herbert Haar reported on the DTF's activities. He presented a background history of the London Dumping Convention and the IAPH/Port of New Orleans involvement since 1980, including the list of contributors to LDC Initiatives (See Appendix 1).

He reported on several meetings:

- The Ad Hoc Intersessional meeting of the LDC Scientific Group on Dumping (January 1988)
- The LDC Scientific Group (April 1988), which was then being attended by Mr. Pequegnat
- The 11th Consultative meeting of the LDC (October, 1988)

Mr. Brouwer (Secretary of IADC) reported on the revision of the FIDIC International Conditions of Contract and on the ISO Dredging Terminology.

#### **1.2.2 — Marine Safety Sub-Committee**

Johan Van Der Schaaf reminded members of the terms of reference of the Sub-Committee and of its cooperation with IMPA, IALA and EHMA.

He reported on several actions undertaken with these associations in connection with the European research study COST 301.

1) — World VTS Guide — A document describing 60 VTS in the world was ready. A contract was to be signed between IAPH/IALA/AMPA and Pergamon to print 2000 copies by VTS Center.

## **4 — Next COPSEC meeting**

Monday 17 October was proposed as the tentative date for a full COPSEC meeting in Le Havre.

### **COPSEC**

#### **Meetings of 26 and 27 April 1988**

<b>Name of Members</b>	<b>Port Authority or Company</b>
Jean Smagghe	Le Havre
Alex Smith	IAPH
Han den Toom	Amsterdam

Johan van der Schaaf	Rotterdam
Herbert Haar	New Orleans
Ysa Adeko	Nigerian Ports Authority
John S. Kyandih	Kenya Ports Authority
Nouhoum Diop	Port Autonome de Dakar
Capt Khong Shen Ping	Port of Singapore Authority
Kick Jurriens	Rotterdam
Rob Brouwer	IADC
Christian Brossard	Nantes/St Nazaire
Jim Varney	IMPA
Pat Keenan	Cork Harbour Commissioners
Andr Priso	Office National des Ports du Cameroun
Marius Fongues	Office de Ports et Rades du Gabo
Bernard Graillard	Office de Ports et Rades du Gabo
Dery Sandison	Port Hedland Harbour Board
Bob Carr	Auckland Harbour Board
Ngoy Mudia	R.V.M. Zaire
Jean Michel Moulod	Abidjan
Robert Cooper	Auckland
Bernard Coloby	Le Havre

## **Appendix I**

# **Status Report on Ocean Dumping/ London Dumping Convention and Port of New Orleans**

**February 18, 1988**

## **BACKGROUND HISTORY OF THE LDC AND MPRSA AND PORT OF NEW ORLEANS' INVOLVEMENT**

The London Dumping Convention (the "LDC") was enacted in December of 1972 as a result of the growing realization by the nations of the world that the ocean did not have an endless capacity to assimilate man's waste and still regenerate natural resources. It closely paralleled legislation adopted several months earlier (October, 1972) in the United States to establish a program for the control of ocean dumping in domestic waters and territorial seas.

The United States is a signatory to the London Dumping Convention, which is implemented through the provisions of the Marine Protection Research and Sanctuaries Act of 1972 (MPRSA). Sec. 102(a) provides that in establishing or revising the criteria of the MPRSA, the Administrator shall consider the standards binding upon the United States

under the Convention, including its Annexes. The impact of these criteria upon dredged material has been a conflicting one.

In the adoption of new criteria in 1977, a change was made. The Annex I provisions were for the first time extended to dredged material. This change, together with the action of Contracting Parties at the Third Consultative Meeting that applied Annex I to dredged material, has created enormous problems in the United States for port operations. Shortly after these events in 1979, assertions were made by certain environmental groups that Annex I prohibited essential maintenance dredging operations at two U.S. ports that depended upon ocean disposal — the Port of New York-New Jersey and the Port of Lake Charles. The dredged material was said to contain Annex I substances that exceeded "trace contaminant" levels.

It was against this background that the American Association of Port Authorities (AAPA) established its Ad Hoc Committee on Dredging (with Herb Haar as Chairman) to adequately protect port interests and to work against an unreasonable and unintended construction of the Convention.

In 1980 IAPH made use, for the first time, of its "observer" status under the LDC to attend the Fifth Consultative Meeting of Contracting Parties. In its initial attendance at the meeting, IAPH emphasized the drastic effect upon port operations that could occur if Annex I were applied to halt needed dredged material disposal.

In May of 1981, IAPH attended the Scientific Group meeting in Halifax, Nova Scotia, and presented a detailed paper on the use of "special care" measures. This focused scientific attention upon these techniques and has resulted in their growing study and use since that time.

## ACCOMPLISHMENTS OF IAPH/AAPA FROM LDC INITIATIVES

1. Produced and entered into the records of the LDC 10 major scientific reports and numerous supporting documentations and recommendations over seven plus years.
2. The Consultative Group's acceptance of IAPH's scientific report "Special Guidelines for the Ocean Disposal of Dredged Material" was a major breakthrough in achieving better treatment of dredged material under the LDC annexes. This was recognition that, in the special case of dredged material, ocean disposal is often

## Minutes of the CLPPI Meeting—

(Continued from Page 11, Col. 2)

- erations and place port facilities in peril.
2. That the Secretary General be instructed to circulate the regular members of the Association again in appropriate form requesting the provision of data in respect of incidents/accidents in port areas involving hazardous and noxious substances as recommended in paragraph 2.2 of the Committee's report.
3. That appropriate steps be taken by the Secretary General to separately print and disseminate to Regular Members and other suitable persons or bodies the memorandum entitled "Recovering Port Authority Claims against Ships" as an aide-memoire for Regular Members and as may assist in the international harmonisation of the claims process.

an acceptable disposal option. Acceptance also recognized that in considering disposal options, the concept of bioavailability should be considered. The Consultative Group wishes to further study authorizing the disposal option that is of least detriment to the environment. This action holds out the promise of even further benefits to port interests in the future.

3. Turned around the major changes in the LDC, MPRSA, and EPA regulation interpretations against ocean dumping of dredged material in many situations.
4. Continue to counter the environmental movement in the annual deliberations of the LDC and achieve much greater balance on reports pertaining to dredged material that emanate from that body worldwide.
5. Achieved an international scientific recognition that dredged material should be treated differently and less restrictively than other materials proposed for ocean dumping such as sewerage sludge and industrial waste.
6. Protected U.S. and world ports and maritime trade from undue interference to periodic maintenance dredging operations.

## MAJOR U.S. CONTRIBUTORS TO LDC INITIATIVES

1. Port of New Orleans*	\$ 97,247.00
2. IAPH/IADC/NADC**	\$ 70,600.00
3. Port of New York & New Jersey***	\$ 55,000.00
4. Port of Portland	\$ 30,000.00
5. Port of Houston	\$ 26,250.00
6. Port of Long Beach	\$ 23,750.00
7. Port of Oakland	\$ 21,000.00
8. South Carolina	\$ 15,000.00
9. MARAD	\$ 15,000.00
10. Port of Tampa	\$ 12,500.00
11. Port of Georgia	\$ 12,500.00
12. Port of Baltimore	\$ 10,000.00
TOTAL .....	\$ 380,657.00

\*\*\*\*

### NOTES:

- \* The Port of New Orleans' contributions are not included in the total for the 12 contributors identified above. In addition to the \$97,247 shown above for New Orleans, the Port of New Orleans has expended \$35,000 plus for other AAPA/IAPH Dredging Task Force expenses for a grand total of \$132,247. The total figure above does include contributions from 28 other U.S. ports not identified in this list.
- \*\* IAPH (\$50,600), IADC (\$15,000) and NADC (\$5,000) have contributed approximately \$70,600, the sum of which is included in the total shown.
- \*\*\* The Port Authority of New York & New Jersey has also contributed an additional \$41,000 (\$25,000 seed money and \$16,000 expense monies) not included in the total figure shown.
- \*\*\*\* The sum of the 12 contributions shown does not equal the total since twenty-eight other U.S. ports have also contributed to this fund, and their contributions are included in the total.

— By Herbert R. Haar, Jr.

Chairman, Dredging Task Force

COPSEC, IAPH

Deputy Director, Port of New Orleans, U.S.A.

# COPSEC Ship Sub-Committee

## Trends in Container Vessel Size (Draft Report)

### CONTAINERSHIPS: THE JUMBO ERA?

By Jean Smagge

Chairman, Ship Sub-Committee

For a long time, economists and shipowners have been fully aware that, as far as bulk carriers are concerned, the larger the ship the lower the transport cost per ton.

But in this case, the following conditions are generally present: long distance, fully laden carriers and transport from one port to another (two calls per round-trip).

For containerships the conditions are somewhat different. For instance, the distance between two ports may not be so long, the ships are not always fully laden, the call port number is large and for commercial reasons the call frequency is high.

It is reasonable to wonder if the containership size evolution is going to be the same as that for bulk carriers.

The following items are to be successively scrutinized:

- I — The present fleet and its recent evolution
- II — Recent orders and forthcoming trends
- III — Non-standard containers and over-panamax containerships
- IV — Economic considerations on the increase in trans-oceanic ship sizes

The major conclusions from this table are the following:

- As far as the number of ships in operation is concerned, containerships of over 2,000 TEU represented 7% to 8% of the number of full containerships between 1975 and 1983, and 20% at the beginning of 1988.
- Containerships of over 2,000 TEU represented 39.9%

of the full container fleet capacity in operation at the beginning of 1988. The average capacity for full containerships of over 2,000 TEU was 2,835 TEU, the global average capacity being 1,448 TEU.

### I — The Present Fleet and Its Recent Evolution

#### Containerships: ship size evolution over time

Each step in the containership evolution has been marked by size increases and new technologies.

These steps have been termed generations and the fourth one is almost ready to sail:

1st generation (before 1966)	Containerships appeared at the end of the 1950s, the first of them being the Gateway City. They were modified general cargo carriers and their capacity was a few hundred TEU.
2nd generation (1966-1970)	Large ships with a capacity of between 1,000 and 2,000 TEU.
3rd generation (early seventies)	Built in large numbers at the beginning of this period, these containerships of 2,300/3,000 TEU capacity were assigned to Far East Lines.
4th generation (1982-1987)	Containerships with a capacity of over 3,000 TEU. Over-panamax ships. The US Lines jumbo container ships.

This evolution appears clearly in the world's containerized fleet distribution by size.

### EVOLUTION OF THE FULL CONTAINER FLEET DISTRIBUTION BY SIZE

FULL CONTAINER	31/12/1975		31/12/1981		31/12/1983		END JAN. 1988	
	Number	× 1000 TEU	Number	× 1000 TEU	Number	× 1000 TEU	Number	× 1000 TEU
400—1000	115	83,0	198	90,4	267	185,5	335	220,2
1000—2000	126	166,4	310	433,9	365	514,-	373	553,9
2000 et +	18	44,7	44	112,6	48	122,5	181	513,2
TOTAL FC	259	294,1	552	636,9	680	822,0	889	1287,3

Source: Drewry

## II — The Present Orders and the Forthcoming Trends

Orders for fully cellular containerships as of November 1987 were as follows:

	500	500—999	1000—1499	1500—1999	2000—2499	2500 +	TOTAL TEU (Tot.ships)
Slot capacity on order (Number of ships)	2,527 (7)	4,460 (6)	12,252 (10)	16,777 (10)	16,424 (8)	108,980 (35)	161,420 (76)

The containerships of over 2,000 TEU represent:

- 70% of the ordered capacity in TEU
- 57% of the ordered number of ships

The average containership capacity of over 2,000 TEU is 2,916 TEU.

The global average capacity is 2,125 TEU.

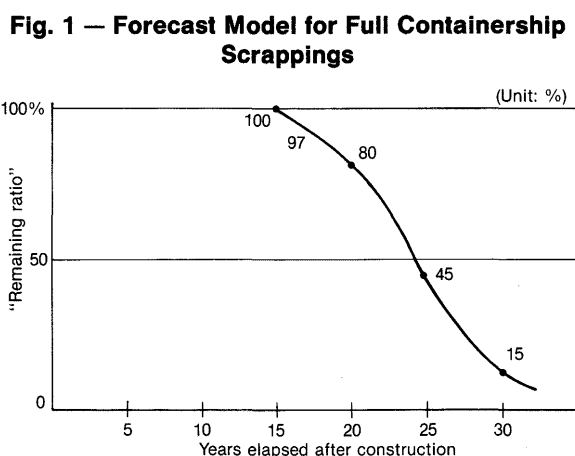
The trend to containership size increases is going on and even looks like accelerating.

The Containerization International Year Book 1988 gives the following deliveries for 1987 and early 1988:

- K-Line: several 2,878 TEU containerships
- Yangming: several 3,090 TEU containerships
- O.O.C.L.: several 2,829 TEU containerships
- Lykes: several 2,800 TEU containerships
- COSCO: several 2,700 TEU containerships
- M.O.L.: one 3,500 TEU containership
- NYK: several 3,600 TEU containerships

During the 1984-1986 period, large containership orders were seen as essential for the development of round-the-world lines (12 USL Econships, Evergreen). Current orders are also going to replace old containerships which are sold or sent to scrapyards.

In a recent study, the Japan Maritime Research Institute presents a forecast model for containership scrapping which can be summarized in the following curve:



Over 20 years old, a large section of the fleet has to be replaced. The first 2nd generation containerships were built at the end of the 1960s. The trend towards jumbo-sized vessels is accelerating the replacements, as for instance in the case of the A.C.L. ships (Atlantic Conveyor). Mr. Gibney, Container Insight Editor, forecasts that the part played by the jumbos will increase to 70% of the total by the end of 1989.

In 1984, only 36 containerships of over 2,400 TEU

were in operation. In 1993, 380 jumbos and, in 1997, 500 jumbos are forecast.

These figures are supported by the following remarks:

- P and OCL for the TRIO group has just ordered a 3,600 TEU containership, after MOL and NYK. This containership size looks like becoming the new standard for the Europe — Far East Consortium, which operates ships to be replaced within 2 — 3 years.
- MAERSK ordered 9 x 3,500 TEU containerships, several of them to be commissioned to the North Atlantic lines. SEALAND operates the USL Econships (up to 3,400 TEU) also in the North Atlantic. Currently only a moderate number of 3rd generation containerships cross the North Atlantic but this is going to be the favourite route for the 4th generation vessels.

## III — The Non-Standard Containers and Over-Panamax Containerships

American President Line ordered 5 x 3,900 TEU over-panamax containerships, which drew attention to the new vessels' characteristics:

- They are over-panamax in terms of their width (129'2"), in order to line 16 x 8' containers on the main deck.
- These ships are basically 902' long. This is the current length, but they are designed to be eventually lengthened to 1002', which is longer than the U.S.L. Econships.
- They can accommodate 48' long containers, with up to 40% of their capacity being loaded with 45' long containers.
- They feature a 24-knot operating speed and low fuel consumption.

These characteristics are not exclusive to APL C10 ships. Other shipping companies such as MAERSK already operate 45' containers. But this first increase in the ship standard width, which will occur when 8'6" wide containers are commonly operated on the US road system and are ready to surge over the major maritime routes, suggests that this experience is going to spread and will not necessarily stop at the 129' width.

As a matter of fact, the 129'2" width corresponds to 16 x 8' and just 0.5' is missing to meet 15 x 8'6"; with an additional 7', we get the following equation:

$$129' + 7' = 136' = 17 \times 8' = 16 \times 8'6''$$

Hence the questions:

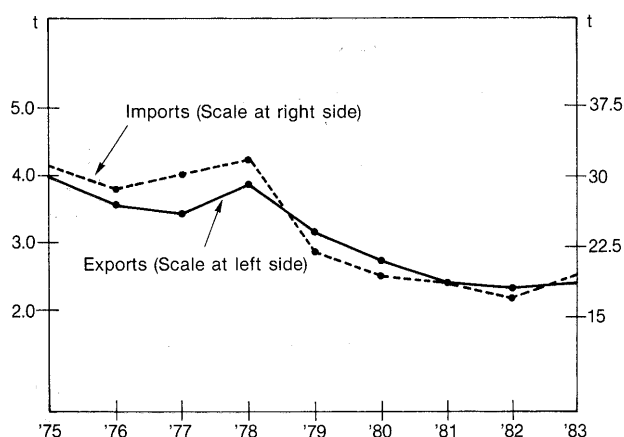
- Is this evolution inevitable?
- Where is the evolution to stop?

The following remarks offer some data to answer the first question:

#### a) The spread of non-standard containers

- The density of manufactured goods is decreasing with miniaturization and the use of modern materials. This is how the Japan Maritime Research Institute explains the decrease in the average Japanese exportation weight (fig. 2). Therefore, more and more containers are used below the minimum admissible weight. Moreover, some materials not to be containerized owing to their sizes (for instance, plywood boards) can enter non-standard containers. The container loaders are increasingly demanding higher and larger containers.

**Fig. 2 — Weight (in Tonnes) of Export and Import Cargoes Per One Billion Yen (Values for 1975)**



#### Computation formulae

$$\text{Weight (in tonnes) of export (or import) cargoes} = \frac{\text{Value of exports (or imports) (values for 1975)}}{\text{Value of exports (or imports) (values for 1975)}}$$

**Remarks:** The values have been deflated by export and import indices.

**Source:** The Summary Report-Trade of Japan

- The ISO 8' width does not satisfy the European pallet users. However, the 8' 2.5" (2.5m) wide container which is to be used in European shortsea traffic is a compromise between the European pallet width and the road code in force in the less permissive European countries. The 8'6" width suits both American and European pallets.
- The ISO technical committee is currently interested in the large containers and decided in 1987 to start working in order to specify a new standard for the 8'6" wide and 9'6" high containers which are supposed to appear at the beginning of the 1990s.
- As for supply, the development of non-standard containers may be very fast, even if accounting for, as a first step, only a small part of the 500,000 TEU introduced yearly in the market in order to renew the container fleet and to accommodate the increase in world traffic. It is very likely that during the intermediate period containers of several sizes will be operating, as happened for the 35' and 40' models.

#### b) Sea transport adaptation

- The 8'6" wide containers can be loaded on the deck or in the RoRo parts of ships, before being loaded in the holds of new ships.

Many big containerships are presently on order and, taking into account the fleet average age, the order level will remain rather high for several years. If market laws apply, as soon as a shipping company proposes a better service for the same price, or a lower price under suitable economic conditions the other shipping companies will come in line progressively and offer the same service.

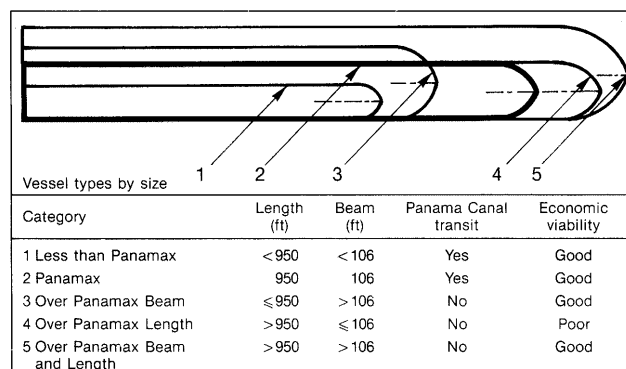
- With the double stack trains which operate with success in the U.S., the Panama Canal is no longer necessary for containers travelling between the Pacific and the Atlantic, and therefore there is no longer a limit on ship size increases.
- The transported TEU cost decreases with ship capacity.

The former remarks support a reasonable containership size increase during the years ahead.

The second question is to know what the physical limits are for ships outside the standard size or, in other words, if there are optimum characteristics.

In a meeting in Amsterdam at the end of 1986, Mr. Cushing classified containerships into 5 categories for the future. This useful approach is reflected in fig. 3 below:

— Fig. 3 —



Source CR Cushing & Co., Inc.  
Cargo Systems December 1986

**Type 1:** Almost all containerships belong to this category.

**Type 2:** Sealand class 7 containerships as well as the U.S.L. Econships, which are the largest ships to pass through the Panama Canal, belong to this category.

**Type 3:** APL C10 containerships belong to this category. These ships are more stable than types 1 or 2 and may be fully loaded on deck without ballast. The construction cost by slot is lower.

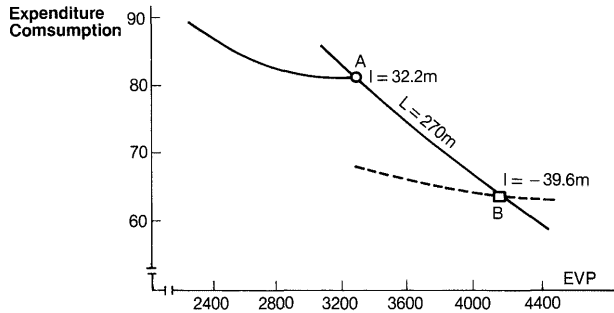
They cannot pass through the Panama Canal and are assigned to lines crossing the Atlantic or Pacific Ocean, or between Europe and the Far East (through the Suez Canal), and on the Europe — Australia, and Australia — Japan, South and North America routes.

**Type 4:** The containerships longer than panamax vessels but with a width suitable for the Panama Canal do not lend themselves to economic use.

The length is the most expensive item in the



**Fig. 4 — Expenditure/Consumption — EVP**  
(Speed: approximately 19 knots)



construction of a ship. The hull is designed in order to withstand longitudinal strength, when the extremities of the ship are supported by two wave crests.

A narrow ship is more expensive than a short and wide ship. It is possible for a shipowner with a type 1 or 2 ship to jumboize it in length beyond the panamax length.

The graphs (above) show the advantages of the over-panamax type 3 ships in comparison with type 2 panamax ships:

- a 43% daily fuel consumption decrease per TEU for a panamax ship compared with a 39.6 m wide non-panamax ship, assuming both vessels to be travelling at the same speed and to be 270 m long; and
- a 23% decrease in construction costs per transported TEU (fig. 5).

**Type 5:** The type 5 ships feature length and width over panamax sizes. As the panama ships have a 4,500 TEU max capacity, the type 5 ships are supposed to offer 6,000 — 7,000 TEU capacity.

Such a large ship involves high stacking capacities on deck and consequently high gantry cranes on shore. This does not represent technological drawbacks. Only profitability studies of type 5 containerhips would indicate their viability.

The large containerhips of the future are likely to increase in width as a first step and in all the sizes in the forthcoming steps.

The ports which are going to accommodate these ships should be suitably provided with:

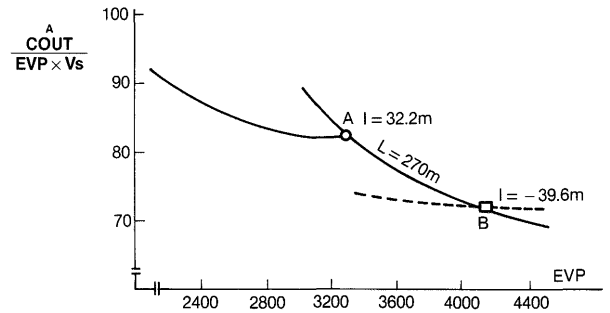
- (in all cases)
  - Gantry cranes of sufficient height and range. The ports chosen by A.P.L. are being equipped accordingly. But almost all the large harbours in the world are anticipating such evolution and designing new gantries in order to operate easily over panamax ships.
- (in some cases)
  - Suitably dredged access channels.
  - Sufficient lock and berth capacity.

In the former cases, modifications are long term and expensive.

#### IV — Economic Considerations on the Increase in Transoceanic Ship Sizes

The major economic reason for operating large containerhips lies in the merit of scale on the transported

**Fig. 5 — Construction Cost/(EVP x Vs) — EVP**  
(Speed: approximately 19 knots)



TEU cost:

- The ship investment cost does not increase as fast as her capacity.
- A large part of the operating cost is made up of wages of the crew, which presently do not change very much with ship size.
- For big ships, bunker consumption is lower per transported TEU for a given speed.

These economies are fully realized if the ships are sufficiently loaded and if the traffic flows in both ways are balanced.

Thus the first necessary condition for ship size increases concerns the importance of the traffic flow between 2 areas, the point of origin and the destination.

The optimum ship size comes from a comparison between the maritime haulage cost and the cost of time in ports. If port calls are numerous, the access and call times are long. Therefore the sailing speed to allow a commercially admissible call frequency should be high, or the number of ships should be increased. Economies of scale are balanced by supplementary expenses in fuel or capital.

The second constraint would be to limit the time spent in ports in relation to the low distances travelled.

It must be pointed out that the evolution of several factors such as the following has reduced call costs and contributed to increasing optimum ship size even on short distance haulage:

- handling productivity;
- ships' greater speed and economy;
- relative bunker costs; and
- important economies in shipbuilding and operations.

However, the choice between "multicalling" and "base port" also takes into account the economies during the forwarding operations before or after the ports and for which the costs are decreasing and the service quality, especially the transit time, is improving, as follows:

- The productivity of transshipment operations is improving and further progress is still expected with automated equipment.
- The traffic flows operated by feeders are increasing (European feeder traffic has doubled in 4 years), and there are other economies of scale on shortsea operations.

On land operations:

- the road system is improving; and
- trains are formed in blocks, while train speed increases and double stack trains offer larger capacity and lower cost.

Taking all the former remarks into consideration,

freight transshipment from a limited number of harbours is an obvious advantage.

With a data processing model taking into account the economic data of liner shipping, it is possible to estimate the most economical ship sizes.

The technical data for this model are, among others:

- ship size;
- number of port calls;
- respective port access times;
- call frequency;
- container flow;
- port efficiency;
- ship speed at sea; and
- distances between ports.

The economic data for the same model are:

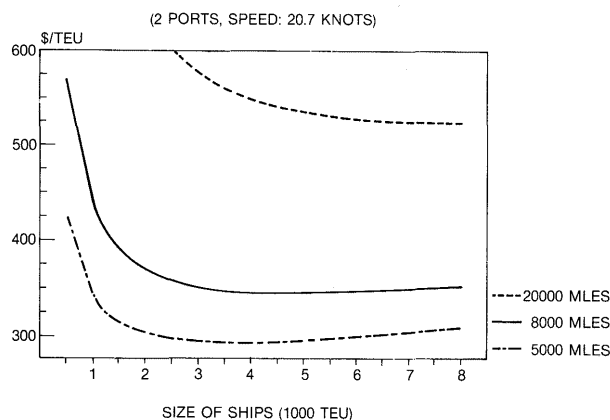
- full containership costs (purchase, operating, voyage costs); and
- the sensitivity of these costs to ship size and speed.

Graph 6 shows that, whatever the distance, an increase in the ship size reduces the sea transport unit cost to a minimum from which it deviates very progressively. According to the hypothesis, and especially for a direct link between 2 ports with a 21 knot speed, the simulation shows that the most economic ship size is around:

- 3,500/4,000 TEU for 5,000 miles
- 4,500/5,000 TEU for 8,000 miles
- over 7,500 TEU for 20,000 miles

These sizes are larger than the current ones in operation on main maritime routes, which suggests that, from an economic point of view, the ship size increase is not going to reach its limits.

— Fig. 6 —



(The price costs per transported TEU do not include overheads and other commercial expenses and are therefore just indications of the economies of scale which can be obtained.)

## Appendix III

# Minutes of the Meetings of the Dredging Task Force (COPSEC)

**April 26, 27, 1988 at Abidjan**

**By Herbert R. Haar, Jr.**

**Chairman, Dredging Task Force**

**COPSEC, IAPH**

**Deputy Director, Port of New Orleans, U.S.A.**

### General:

The Task Force met with the parent PSEC Committee from 9 AM to noon and met separately in the afternoon from 2:30 to 4:30 PM. A further meeting was held with the PSEC Committee from 9 AM to 10:30 AM on April 27. An abbreviated Status Report (Appendix I) on Ocean Dumping/London Dumping Convention was presented by the Chairman at the beginning of the meeting. A roster of the attendees is attached. The following items were discussed.

### 1. January 25-29, 1988, Ad Hoc Inter-Sessional meeting of the LDC Scientific Group on Dumping in London

Dr. Willis Pequegnat, the scientific consultant to the Dredging Task Force, prepared and presented a paper for

the meeting entitled "Expansion of the LDC Annexes." The paper was well received and also evoked favorable comment from IMO. The Ad Hoc Group was invited to review the operational procedures of the LDC and to submit recommendations on alternative procedures for the classification and assessment of wastes to be dumped at sea. The emphasis in the meeting was upon the dumping of liquid industrial wastes, so that dredged material was not placed in further jeopardy. Nevertheless, close scrutiny must be taken of future papers submitted for meetings and of the direction of the discussion of criteria (especially numerical criteria) to be used in assessing the impact of dredged material upon the welfare of the sea and its amenities. Future meetings of the LDC Scientific Group and Consultative Body could recommend and enact major changes to the LDC annexes that could place new restrictions on the disposal of dredged material.

### 2. April 25 - 29, 1988, LDC Scientific Group meeting in London

Mr. Pequegnat is attending this meeting and will recommend on behalf of IAPH that management strategy (on

restructuring the LDC annexes) must remain flexible and that numerical criteria regarding concentrations of various contaminants in a waste material would tend to constrain management flexibility while offering little in the way of environmental protection. At best, numerical concentration values might be useful if screening guidelines were set to determine the next appraisal level of assessment. Dr. Pequegnat will furnish a summary of this meeting which will be mailed to the members of the Dredging Task Force.

### **3. October 17-21, 1988, 11th Consultative Meeting of the LDC**

This meeting will be attended by the Chairman of the Dredging Task Force and will receive the recommendations of the April 1988 LDC Scientific Group meeting and determine how they will further study the recommendations and eventually decide on what changes will be made to the LDC annexes.

### **4. Federation Internationale Des Ingenieurs Conseils (FIDIC) International Conditions of Contract**

The Fourth Edition of this publication will be available in late 1988 or 1989. Mr. Rob Brouwer of IADC and a member of the Dredging Task Force has been involved through IADC with this work and furnished the report on the status of this work. Mr. Christian Brossard, Port of Nantes — St. Nazaire and a member of the Dredging Task Force (DTF), volunteered to write to the Chairman of the DTF in coordination with Mr. Brouwer on various cautions that should be taken into consideration by IAPH in evaluating the FIDIC final report once it is received.

### **5. ISO Dredging Terminology Standards**

Mr. Brouwer of IADC has also been following this project and rendered the report. The Standards have been drafted and are being submitted to the member bodies of ISO for voting. When the documents are approved, Mr. Brouwer will inform us how copies may be obtained.

### **6. Report of International Workshop on Environmental Impact Assessment of Port Development, October 24-28, 1988**

A report on this meeting was rendered by the Chairman of the DTF. Mr. Jurriens of the Port of Rotterdam recommended that the scope of the program for the subject workshop be expanded to include a cause study on the Port of Rotterdam's proposed solutions to the enormous problems faced by that Port with regard to the disposal of polluted dredged material. The COPSEC Chairman was requested to follow up on this recommendation with the leadership of IAPH.

### **7. Report on Budget Status**

The DTF Chairman reported that as of February 1988 a little over US\$42,000 was on hand (on deposit with AAPA in the U.S.) that would carry the projected expenses of the DTF LDC activities through the end of calendar year 1989. It was requested that the IAPH leadership be asked to provide budget support for FY 90 and FY 91 at previous levels of support. The Chairman of PSEC agreed to this proposal and asked the Chairman of the DTF to be prepared to provide the necessary budget details and other supporting rationale at the October 1988 meeting of the COPSEC in Le Havre.

### **8. Terms of Reference**

The Terms of Reference of the DTF were reviewed and it was agreed that no changes were required at this time.

### **9. Administrative Details**

A meeting of the DTF and the COPSEC will be held in Le Havre, France during the latter part of October 1988. The current membership roster of the DTF was referred to.

### **10. New Business**

The Chairman of the COPSEC Committee asked the Chairman of the DTF to arrange coordination on a continuing basis with PIANC PTC II Working Groups 15 and 19.

Mr. Brouwer, who is already a member (from PIANC) of Working Group 19, agreed to provide coordination with the DTF on that Group. Mr. Brouwer further recommended that the Chairman of the PTC II Committee of PIANC furnish the draft report of Working Group 14 (it is almost ready now) to the DTF for review and comment on behalf of IAPH. He also proposed that the Chairman of the PSEC Committee contact the President of IAPH, Mr. Wong Hung Khim, to have two outstanding engineer members of IAPH from Singapore — Professor S.L. Lee, National University of Singapore, and Mr. Philip Ng Fook Wah, Director of Engineering of the Port of Singapore — join the DTF and then participate in strengthening IAPH liaison with PIANC PTC II Working Group 19.

The three meetings of the DTF concluded at 10:30 AM on April, 17.

## **Appendix IV**

# **Ship Sub-Committee**

**26th April 1988**

Participants:

- J. Smaghe (Le Havre) — Chairman
- R. Cooper (Auckland)
- R. Carr (Auckland)
- Capt. Khong (Singapore)
- P. Keenan (Cork)
- L. Sambot (Congo)
- M. Fongers (Gabon)
- B. Coloby (Le Havre)

### **Summary of Decision**

#### **1. — Report on the Increase in the Size of Container Vessels:**

The Sub-Committee approved all the components of the report and was of the opinion that the IAPH could not maintain a negative position, confronted as it were by requests from Shipowners. However, it was necessary that the report be completed:

- 1) — by a chapter giving cost estimates of investments made in the ports by the increase in the size of vessels — investments which in one way or another should be backed by shipowners;
- 2) — by a chapter on the recommendations of the IAPH on the issue, particularly those that con-

- cern ports in developing countries; and
- 3) — by data furnishing the ship's draught, length and width.

As soon as the report is completed, it will be distributed to members of the Sub-Committee. A copy will also be sent to Mr. Cooper, Chairman of the Committee on Cargo Handling Operations, who will see to the coordination of all work carried out by the Sub-Committee.

It will then be sent to ICS and to the main shipowners, from which we trust we will receive information on the dates by which they will put new vessels into operation.

## **2. — Study on Technical Problems on the Berthing of Ships:**

An order of priority in the list of 8 questions to be examined by the working group headed by Captain Lewi was established.

### **Priority was given to:**

- the manoeuvrability of ships; and
- the clearing of bridges for helicopters.

### **The following items were postponed:**

- the filling of the ballast tanks;
- the bollards and the winches; and
- the asymmetry of the manifolds.

Furthermore, the working group will keenly follow developments on issues related to the consequences of the accident concerning the "Herald of Free Enterprise" at Zeebrugge.

The position of the IAPH is to leave the proposal of necessary measures (for example weight bridges, etc) to shipowners in order that Port Authorities not be constrained to bear the load of new investments.

## **3. — The Sub-Committee will meet in Le Havre:**

After the summer, probably during the plenary session of COPSEC.

## **Appendix V**

# **Marine Safety Sub-Committee April 26, 1988**

The following members were present:

Capt. Johan van der Schaaf — Harbourmaster, Port of Rotterdam (Chairman)  
Mr. Alex Smith — IAPH London Office  
Mr. Derry Sandison — General Manager, Port Hedland Authority  
Capt. Jim Varney — Harbourmaster, Port of Auckland

Four members and two observers could not attend, and the Vice-Chairman had to attend the meeting of the Ship Sub Committee.

Also attending this meeting were:

Mr. John S. Kandih — Kenya Ports Authority  
Capt. J.A. Ogun — Nigerian Ports Authority  
Mr. Nouhoum Diop — Port Autonome de Dakar  
Mr. Ngoy Mudia — Zaire — RVM

After a special welcome to the guests at this meeting (the delegates from the African Ports) the Chairman handed out two agendas, one originally made for the morning session and one for the afternoon meeting of MSSC. As the agenda points No. 2 and 3 had been sufficiently discussed during the plenary session of COPSEC that morning, the meeting started with discussion of point

## **Promotion of VTS**

One of the members of MSSC, Mr. Yoshio Fujino, who could not attend this meeting, had written a letter in which he asked that MSSC give attention to the fact that this committee has worked hard during the past several years on the Guidelines for VTS, the final version of which was completed and adopted by the IMO General Assembly in 1985. In his opinion we have now entered the second stage, that requiring the promotion of VTS system in ports throughout the world.

This matter was discussed and the conclusion was: In the different working groups, MSSC is working closely together with EHMA, IMPA, IALA, EMPA and the different government bodies on:

- harmonization of VTS communications and procedures
- qualifications and training of VTS operators
- methods of ship identification and tracking
- a World VTS guide
- coordination between VTS
- VTS and effectiveness

The papers of these working-groups are expected to be ready for presentation to the members of MSSC late this year, so we will be able to bring the final versions to the Conference of IAPH in Miami next year. These papers could possibly be included in the Guidelines, for the guidance of those ports who want to be advised. In the meantime, we would follow the suggestion to update the Guidelines for Port Safety on that particular subject.

The meeting was of the opinion that VTS should be promoted in this way and the MSSC should not in any way put pressure on any port to have or obtain a more advanced VTS than the port actually needs.

5. Regarding the **standard format reporting marine accidents/incidents in port areas**, the Chairman explained that the present form was originally designed for legal purposes. The aim is to prepare a standard format also containing relevant information for operational purposes.

The EHMA as a professional organization in that field has been asked to advise what information should be included in that form. The Chairman prepared a draft standard format for the EHMA Congress in Stockholm next month.

After that congress a final draft version on that subject will be circulated among the members of MSSC to be finalised before the Miami congress.

6. In a letter to the Chairman of MSSC, the former Chairman of COPSEC, Mr. Jacques Dubois suggested that the Marine Safety Sub-Committee should make recommendations about the conclusions of the **Executive Report COST 301** and the continuation of this study.

The Chairman handed out a copy of this report to the members and guests present and urgently asked the members to send their comments on it to him.

7. **Consideration of updating the IAPH Port Safety Guide:** The conclusion of the discussion on this subject is that the outcome of the different working groups mentioned earlier will undoubtedly affect the contents of chapter 2.2 regarding Vessel Traffic Service and that after these papers are finalised this chapter will be updated accordingly. The Chairman asked Capt. Jim Varney in his capacity as President of IMPA and still an active pilot to review chapter 2.3 on Pilots and Pilotage. He was asked to give his advice on the possible updating of that chapter. Capt. Varney agreed. The Chairman drew the members' attention to a very important issue, namely chapter 4.2 — Electronic Data Processing Systems in Ports and Electronic Data Interchange among ports in general. In his opinion it is of the utmost importance that ports keep up with the developments in that field, because sooner or later we will all have to deal with it.
8. **Co-operation with other organizations:** The very fruitful co-operation with other associations has already been mentioned several times. If it is useful for the purposes of IAPH, we are willing to co-operate with yet other parties.
9. **Consideration of further projects to be undertaken by MSSC:** Mr. Alex Smith suggested that IAPH — in particular MSSC and other Sub-Committees — could possibly participate in an international conference to be held in the autumn of 1989 on the subject "Safety of Port Operations". He has drawn up a list of several items that could possibly be covered in the conference. The Chairman thought that this certainly was a good idea and offered to prepare a presentation of Port Regulations/By-Laws as an example of how this has recently been handled in the Port of Rotterdam. Mr. Alex Smith pointed out that at a conference like that, different guest speakers with authority should be invited to present papers. The list of suggested items will be circulated among the members of the Sub-Committee.
10. **Membership of MSSC:** The Chairman received a letter from Capt. Fred. Weeks of a Port Study Organization in London. In this letter he applied for participation in MSSC. In a letter from the Secretary General to Capt. Weeks, the suggestion was made that Capt. Weeks join the MSSC as an observer, depending on whatever status the Membership Committee decide to allow him. Capt. Weeks will be most welcome to participate in the MSSC's work and to join MSSC. During this meeting of MSSC, Mr. Nouhoum Diop (Port Autonome de Dakar) applied for membership of the Maritime Safety Sub-Committee. His application will be brought forward by the Chairman to the Secretary General for Official Appointment.
11. **Regarding the date and place of the next meeting,** it was decided that the members present considered travelling around the world once a year the maximum they could afford. The conclusion was that the European members might meet later this year in a central place in Europe. The rest of the work should be done by correspondence. The meeting was closed at 17.00.

# IAPH Representation at a Seminar on the Role of Ports

**Leningrad — 6-10 June 1988**

**By A.J. Smith**

**IAPH European Representative  
London**

The seminar was held in Leningrad (USSR) from 6th to 10th June 1988, at the invitation of the Government of the USSR.

Representatives were present from the following:-

**Countries:** Belgium, Bulgaria, Canada, Czechoslovakia, Finland, France, German Democratic Republic, Federal Republic of Germany, Greece, Hungary, Italy, Netherlands, Poland, Portugal, Sweden, Turkey, USSR.

**UN Agencies:** IMO, International Labour Office.

**Intergovernmental Organisations:** Council for Mutual Economic Assistance (CMEA), Customs Cooperation Council (CCC), European Economic Community (EEC), International Institute of Refrigeration (IIR).

**Non-governmental Organisations:** Baltic and International Maritime Council (BIMCO), International Association of Lighthouse Authorities (IALA), International Federation of Freightforwarders Associations (FIATA), International Federation for Housing and Planning (IFHT), International Road Union (IRU), International Union of Railways (UIC) and IAPH.

The Inland Transport Committee of the Economic Commission for Europe (ECE) had provided the initiative for the seminar. IAPH is therefore particularly grateful to that organisation and to the Government of the USSR for the privilege of being able to participate. IAPH is also appreciative of the opportunity provided by the seminar to pay a technical visit to the Port of Leningrad.

Participants were welcomed by Mr. F. Strasser (ECE) who opened the seminar, and by Mr. A. Sokolov, Deputy Chairman of the City of Leningrad and Mr. B. Trounov, Deputy Minister of Merchant Marine (USSR) on behalf of the Minister, Mr. Y. Volmer.

Mr. O. Terekhov, General Manager of the Port of Leningrad, and Mr. R. J. Torngren (Sweden) were elected Chairman and Vice-Chairman of the Seminar respectively.

An impressive number of wide ranging and informative papers were presented for discussion purposes. For ease of reference these are annexed by title to this report.

The ethos of the seminar was set by its opening remarks. In a time of new political thought, new trends, techniques and technology, there was a clear motivation to greater cooperation and understanding.

Ports were assuming a new importance in the inter-modal movement of traffic and were seen as an essential link in the process of international maritime transportation and data exchange.

The drive towards greater efficiency must not however be at the cost of social justice.



In the spirited and penetrating discussions which followed it was quickly evident that the salient issues touched on in the presentations echoed generally held views. Conclusions reached by the seminar are sub-divided for convenience as port-related and inland transport-related considerations.

## Port-related Considerations

Ports, necessarily, must always have regard to and act on changes, be they to market trends, in traffic flows, user demands, the development of rail, road or air transport concepts or other factors.

There needs to be an awareness of these changes. To have an appreciation, for example, that while energy commodity traffic is currently falling, large unit traffic is rising. That the predicted worldwide growth in shipping of containers, for example, is from 18.3 million TEU's in 1975 to 76 million in 1990 and some 115 million by 2000.

In their response, those in control of ports will decide their present and future dispositions taking full account of their unique role and position in the transport chain. Ideally, they will have regard to the potential effect on their ports of related external factors such as the decisions of liner conferences, national and international road and rail policies.

To a greater or lesser extent their geographical location and ease of access to vital services will pre-empt such decisions. It is nonetheless an imperative that whatever decisions are taken, they will aim at improving the procedures of the terminal functions in order to facilitate the work of shippers; and improve the handling of goods in order to facilitate their distribution. These improvements and easements should be carried out under optimum safety conditions.

Success in achieving these objectives should lower costs.

Options available to the ports include the provision of minimal services as in the ro-ro or lash concepts; their establishment as transit/transshipment centres, or load centres, or container terminals or storage/marketing and distribution centres. These options, as exemplified, are not of course mutually exclusive.

Special attention should be given to the situation of estuary ports which might, under certain conditions, be more economically attractive taking account of higher inland transport costs compared with transport by sea-going vessels.

Computerisation of port operations advances both the quality of management information and productivity. It reduces costs and improves the quality of services provided, including the reduction of delays.

The microprocessor constitutes a new revolution in the technology of cargo handling. Allied with new information technology it will greatly facilitate quicker cargo movement through the ports. It will also, however, pose social and economic problems for the port working community. These problems became evident with the advent of containerisation, for example. They are aggravated by the application to containerisation of combined mechanical/electrical systems, computer control and robots.

Where technology is used effectively, the working conditions of port workers have been improved and their safety enhanced. There has, however, been an accompanying decrease in the need for port labour. The main associated issues have related to job preservation and the need for training and retraining. There are unlikely to be additional jobs created to compensate for structurally induced job losses. Most of the increase in tonnage handled will be absorbed

by the increased productive potential of containerised and mechanized systems.

These developments are linked with the need for dramatic changes in the format and presentation of related documentation. The needs and tasks of customs will be facilitated by the speed and detail of computer information. The importance of standardised documentation, as recommended by IMO, for the clearance of ships, cargoes and persons, was underlined, the more so when it is realised that the current documentary requirements increase the price of goods by up to 10%. For example, clearance of one single ship can entail the processing of 187 different documents, each in several copies and weighing some five kilos.

A number of customs conventions exist to adjust working methods of customs to the development of containerisation. The two most relevant are the CCC Kyoto Convention (1973) and the ECE Convention on the Harmonisation of Frontier Control of Goods (1982). These Conventions provide for a number of measures to expedite goods through ports, such as better organisation of work; clearance at importers' premises or at inland customs offices; wider acceptance of IMO instruments to simplify and harmonise documentation; consolidated goods declaration and release of goods before the accomplishment of all customs formalities.

Wider acceptance of these Conventions is desirable and seminars and workshops are considered useful.

Training of customs officials is important, in particular in container inspection techniques which will depend on the type of container and goods carried.

The ongoing work in the UN/ECE trade facilitation bodies (WP4) and IMO as regards the development of standard messages for clearance of ships and goods using UN EDIFACT standards should be closely followed.

The seminar agreed:-

- a recommendation that further studies be carried out on the future role of ports in the light of technological changes, in particular such events as the 'just-in time' principle and the continued implementation of ADP techniques;
- an endorsement of the recommendations of ILO for training of port workers and the recommendation to consider job opportunities in ports as productivity rises and new labour saving devices are brought on stream;
- an encouragement to accept relevant Conventions such as the ECE Customs Convention on the harmonisation of frontier controls, the CCC Kyoto Convention and the IMO Facilitation Convention;
- an endorsement of the importance of progressive implementation of global standards for use of ADP with its inherent cost saving and increase in productivity.

## Inland Transport Considerations

The role of the transport modes has changed. The goods structure has lost its importance because of an increase in inter-modal transport chains. Containers can change modes of transport and routes as desired.

Factors such as market regulations, the structure of the various modes of transport and the development of the infrastructure arising from the national transport policy may affect hinterland transport in various countries.

Similar consequences have to be expected from region-wide policy measures, such as the liberalisation of cross frontier transport services within the European Community

in 1992 and beyond.

The value of inland means of transport is less than that of vessels or a port base. Inland transport operations should therefore be adjusted to the requirements of maritime transport.

Inland transport will increasingly have to be an integral part of the electronic data interchange system which, in future, will become a decisive factor.

The seminar examined the intensification of competition between the transport modes road, rail and inland waterways, and current constraints imposed nationally and on a regional basis.

The seminar concluded that in maintaining their future marketing position transport modes and seaports must adjust to new demands by shippers by, inter alia:—

- building up pre-transport information and communication systems, that is constantly keeping track of the course of the cargo;
- systematic maintenance of existing connections;
- developing logistic concepts and special service packages geared to the wishes of the individual customer;
- the harmonisation of some international instruments such as the ADR and the IMDG Codes;
- the application of international conventions in the field of facilitation such as the TIR Convention, the Convention on the Harmonisation of the Control of Goods at Frontiers and others;
- improving the type and quality of transshipment facilities,

*(Continued on Page 37)*

## Visitor to Head Office

On July 20, 1988, Mr. Michael S. Someck, Senior Rescue at Sea Officer, United Nations High Commissioner for Refugees (UNHCR, Geneva), visited the Head Office and was received by Mr. R. Kondoh, Dy. Secretary General. In response to Mr. Someck's request for promoting the UNHCR's activities, Mr. Kondoh agreed to run their advertisements voluntarily in the Association's journal "Ports and Harbors", subject to the availability of space. Mr. Someck was visiting Japan to appeal to the Japanese Government and resident shipowners' circles to extend added assistance and facilitation to those refugees, popularly known as boat-people, fleeing from Vietnam.

## Membership Notes:

### New Members

#### Regular Members

##### Turkish State Railways (Turkey)

Address: TCDD Genel Müdürlüğü, Gar/Ankara

Telex: 42571 TCDD TR

Tel: 90-4-3103500

Fax: 90-4-3123215

(Mr. Ahmet Kabakci, Assistant General Director)

##### Fremantle Port Authority (Australia)

Address: P.O. Box 95, Fremantle, West Australia 6160

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Tel: (09) 430 4911

Fax: (09) 336 1391

(Mr. A.T. Poustie, General Manager)

#### Temporary Member

##### Administracion Nacional de Puertos (Uruguay)

Address: Rambla 25 de Agosto de 1825 No. 160, Montevideo

Telex: NAVEANP UY 22351

Tel: 96.08.40

(Dr. Eugenio Baroffio, President)

#### Associate Members

##### Smit Internationale Nederland BV [Class A-II-1] (Netherlands)

Address: P.O. Box 1042, 300 BA Rotterdam

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(Mr. E. Romeny, Public Affairs Manager)

##### Seaspeak Project [Class D] (U.K.)

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Tel: (0752) 267788

(Capt. F.F. Weeks, Institute of Marine Studies, Plymouth Polytechnic)

## Report on the IMO's 59th Session of the Legal Committee

By **André Pagès**

IAPH Observer

Session Chairman: Mr. R. Clenton (Netherlands)

Participants: Representatives of 42 States, 2 Intergovernmental Organisations and 18 Non-Governmental Organizations

The agenda for the session covered various questions. The examination of most of them will continue during future sessions of the Committee.

**— 25, 29 April 1988 —**

### Revision of the 1974 Athens Convention on the Carriage of Passengers by Sea

The Legal Committee was tackling this question for the first time. It will be examined again during the 60th Session (October 1988), and then during future sessions until the convening of a Diplomatic Conference.

Consequently, numerous points were raised rapidly and will require deeper study.

The new limitation of liability amounts for injury and damage to passengers will probably be fixed at considerably higher levels than those of the 1974 Convention. But more specifically, at what level? Certain delegations quoted as an indication the sum of 100,000 SDR for the death of a passenger, instead of the present 46,666 SDR.

The 1976 London Convention on the limitations of liability for maritime claims adds to these limits of liability vis à vis each individual passenger, a global limitation per ship which will also — but at a later stage — require revision in order to take into account the eventuality of accidents involving numerous victims.

The limitations of liability for injury and damage likely to be caused to passengers are already dealt with by the 1974 Athens Convention and its 1976 protocol, which substitutes the SDR Gold Franc as the unit of account. They are also to be dealt with by the new protocol currently being debated.

How the very complex legal situations resulting from the positions of States vis-à-vis these different Diplomatic Acts are to be resolved remains to be seen, since they are varied in character and accidents at sea can involve ships of all flags, in territorial waters or on the high seas.

The discussions also covered procedures for future revisions of the protocol currently being debated for future revisions of the amounts of limitation. The proposed procedures are relatively cumbersome, with:

- successive stages (propositions for a revision, dissemination of these proposals, debate, adoption by the Legal Committee, notification of the States and entry into force);
- fixed minimum delays and rates of increase before each stage can be reached; and
- maximum fixed rates for increases of the limits of liability for each revision.

The IAPH representative made a statement from the floor, the text of which is attached:

- stating that such a procedure would impose delays of at least 8 to 10 years between 2 successive revisions; and
- hoping that, to the contrary, the Protocol currently being debated would enable the rapid revision of the amounts of limitations, as frequently as was necessary and not restrained in the first instance by fixed rates of increase.

He submitted this statement, not only because of the importance of the questions within the strict framework of the limitation of liability of carriers vis-à-vis their passengers, but equally because of the model that might be drawn from it, which would serve for the revision of other Conventions dealing with the limitations of liability.

### **Civil Liability for Damage Caused by the Carriage of Hazardous and Noxious Substances by Sea**

During its 59th Session, the Committee re-examined the objectives it had retained during the 58th Session:

- The new instrument should cover packages (and this in spite of contrary options from various delegations).
- Liability should rest with an easily identifiable person.
- As far as possible liability should be strict.
- Any limits of liability should be sufficiently high to provide adequate compensation for HNS damage.

A number of practical problems were raised, which would have to be dealt with later:

- the definition of hazardous and noxious substances to be taken into account by the Convention;
- the definition of packages to be included, if this principle

were retained; and

- the definition of carriage by sea to be clarified (inclusion or not of loading and unloading operations at terminals).
- Possible modalities of imputing liability:

- a) Liability rests exclusively with the carrier, according to the provisions of the 1976 Convention, with the supposed revised limitation of liability amounts.
  - b) Liability rests exclusively with the carrier, according to the provisions of the 1976 Convention, completed by a special level for liability involving HNS Substances.
  - c) Liability is shared between the carrier and the shipper,
  - d) with additional compensation according to the provisions made in the 1976 Convention, provided by a special fund to which all the parties involved contribute.
- Identification of the person liable, if the shippers share part of the liability: transfer of the ownership of cargo lots during carriage, determining which cargo loads caused an incident, if the same ship is carrying different HNS bulk cargo lots or packages belonging to different shippers.
  - Amounts at which the limitation of liability are to be fixed, for example, similar to those of the 1984 protocols (that are not yet in force) or to the 1969 and 1971 Conventions dealing with civil liability for oil pollution damage.
  - Capacity of the insurance industry to cover the corresponding increased liabilities. At what price?
  - The case of small tonnage vessels and thus low limits of liability, as laid down in the 1976 Convention, but which nonetheless can carry highly dangerous cargoes.

### **Commentary on the combination of the revision of the 1974 and 1976 Conventions and the drafting of a new HNS Convention**

Circumstances (serious and recent disasters to passenger vessels) gave rise to the revision of the 1974 Athens Convention being given top priority.

Likewise, IMO's aim has long been to introduce a convention to deal with Hazardous and Noxious Substances, and this aim has already met with a rebuff. This happened during a Diplomatic Conference in 1984.

However, it is clear that a satisfactory revision of the limitation amounts of the 1976 London Convention, which covers all maritime claims, dominates all those questions still in suspense.

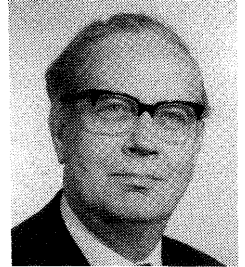
- It alone will enable passengers who have suffered in a maritime accident to be adequately compensated, even if they are numerous, by a revision of the global limitation amount provided for each ship and each accident (Art. 7);
- It alone will enable passengers who have suffered in a maritime accident to be adequately compensated, even if the accident were caused by the fault of a vessel other than the one in which they were travelling, and the same would apply to persons on shore (in a port or nearby) who are involved in a disaster (explosion of a ship in port, for example) (Art. 6);
- It alone can provide adequate compensation for the victims of damage (among which are the Port Authorities); and
- It will lessen the urgency and the scope of an eventual HNS convention.

Thus it is the revision of the limitations of liability

*(Continued on Page 25)*

# OPEN FORUM

## EDI in Developing Countries



**By John Raven**  
IAPH Reporting Expert for CCC

*This paper examines some key factors in the growth of computer applications in a range of Third World countries. It considers the likely relevance of EDI to current and probable future developments and suggests why and how necessary contacts and transfer of technology might be effected.*

### Scope of Analysis

One cannot generalise over the Third World. Some South East Asian and Far East states have already made considerable advances in the manufacture as well as use of a range of computer equipment. At the other end of the economic spectrum, there are certain countries, notably in Africa, where the imperatives of nutrition and survival pre-empt such secondary economic choices.

The scope of this paper is limited, therefore, to countries which are neither expert in computer applications nor likely

to be sharply constrained in their future development.

### Some Key Factors in Computerisation

For such countries the purchase of computers, and the acquisition of the necessary outside expertise to exploit and apply them, usually means a significant drain on scarce hard currency resources. It is natural, therefore, for expenditure on EDP to be concentrated on servicing and controlling the inward and outward movement of goods, which dominates both national external earnings and the flow of government revenue.

Customs and exchange control offices are primary candidates, followed by commercial banks, ports, airports and large units among companies, forwarders and carriers engaged in external trading.

This financial priority is reinforced by operational

### IMO's 59th Session—

*(Continued from Page 24, Col. 2)*

provided by the 1976 London Convention on Maritime Claims which merits the most attention from IAPH and the support of its members via their Governments (in the form of the intervention of the latter at the IMO), so that this subject is inscribed on the agenda of the Legal Committee's short term programme, even though the Convention has only recently come into force (Dec. 1986).

### Participation in Official Enquiries into Maritime Casualties

This question was raised on the joint suggestion of Liberia and the USA, at the Legal Committee's 57th and 59th Sessions.

It is to be examined again at the 60th Session (October 1988).

### Methodology for Evaluating the Work of the Legal Committee

The Secretary General of the United Nations asked the various member organizations to examine the productivity of their work and the means by which it could be improved.

The IMO Legal Committee began to debate this subject at its 58th Session (October 1987).

Various considerations were developed relating to, for

example:

- the costs for the organisation, and for its participants at sessions, by eventually increasing the number of these sessions or their length;
- the possibility of accelerating progress in the work of the organisation by limited working groups between sessions, but unofficial in nature because of the absence of simultaneous translating facilities, to which, of course, the representatives of distant countries would, probably, have difficulty in coming;
- the possibility for certain members of delegations with several participants to meet in committee and work while sessions are in progress, so as to clarify certain points; and
- strict adhesion by those intervening in debates to the need to be concise.

### Legal Implications of the United Nations' Work against Illicit Drug Trafficking

The United Nations in Vienna is continuing its work on a draft international convention dealing with the control of drug smuggling.

Measures for controlling maritime and air transportation are envisaged.

The IMO Legal Committee has specified certain conditions which must be respected during such controls relating to the Sovereignty of States in their territorial waters and their prerogatives over vessels flying their flag.

pressures. In many developing countries, where Customs collect over half the state revenue, and exports provide the main source of hard currency, governments have to reconcile vital tasks of control and record, with the daily realities of modern marketing and transport techniques. A great deal of data has to be handled relatively quickly and, as traditional documentary systems are usually at once profuse and primitive, computerisation provides, at any rate, some under-pass relieve at points of special pressure.

Ports experience the same problem in dealing with peak cargo/information loads associated with containerised and ro/ro movements. This is reflected back on to Customs authorities.

In addition, governments, in developing economies, now appreciate the extra administrative control obtainable through computerisation. Often such systems are the only means of obtaining reasonably up-to-date and accurate information about national economic performance and fiscal balances.

High rates of duty and severe import controls commonly stimulate illegal trading practices by business and, all too often, a parallel set of irregularities by Customs.

Exhortation, a mass of manual checks and penal legislation have invariably proved extremely ineffective to control malpractices, but computerisation is becoming increasingly recognized as a means of, at any rate, trimming some excesses and helping to identify and limit major areas of currency and duty loss.

For all these reasons, scarce investment in computerisation tends to grow, initially, round international trade aspects of Customs, exchange control and port operation, with early extension into adjacent activities of commercial banking and freight forwarding.

Any, even outline, account of potential computer growth points, however, has to include at least three other elements — the intrusion of external systems, the implantation of EDP by branches of multinational companies and the natural growth of computerisation among ordinary businesses.

Hardly any country, whatever its state of development, can avoid some indulgence in international air transport. By a costly paradox, most landlocked countries and many others with large land areas and poor road networks are especially dependent on air movement.

Most countries with free access to the high seas receive, despatch and handle container and ro/ro traffic.

None of these modern methods of goods movement can function effectively without computer systems. Extensions of airline and container control systems into developing countries, despite the frequent lack of modern telecommunications, have to be counted among overall EDP activities and resources.

Similarly, multinational companies have every incentive to transplant as much, and as many, of their customary computer practices as possible into any country where they are in significant business.

Both these sets of "imported" systems can be severely restricted in application by out-of-date official information handling and communications environments, but they offer important future possibilities, both for the commercial benefit of those who own and operate them and for the economic advantage of the countries in which they are situated.

Finally there is, in almost every developing country, a growing population of small office computers, often used with extreme ingenuity and skill, to assimilate such commercial operations as can be separated out and rationalised

within usually horrific official demands for form-filling and record keeping.

Unfortunately there are usually a number of powerful constraints on broad and rapid developments of computer applications from these potentially useful bridgeheads.

Hard currency for equipment is scarce. Local skills are limited and bought-in, outside systems expertise is usually temporary and often centred on supplier interest rather than user need. Hardware purchase frequently precedes systems design, or even any clear idea of the main objectives of a computer project.

In Customs, conservatism, allied to lack of technical knowledge and aggravated by excessive subordination of computer staff to traditional operational management, can lead to misguided and expensive attempts to plaster twentieth century data-processing techniques over nineteenth century procedures and eighteenth-century practices.

The most resistant problem, however, is probably the isolation of individual systems imposed, in many countries, by inadequate, inefficient and sometimes madly perverse telephone and general communication services. Telephone connections across frontiers are often impossible; from one city to another, within national boundaries, extremely difficult and, even within a single city, exceptionally time-consuming. All sorts of devices, including walkie-talkie radio, are being used to facilitate person to person contacts within limited areas, but these provide no solution to the need for computers to communicate freely, if not with other systems, at least within single systems, from different locations.

## Why EDI?

Why, in such difficult commercial circumstances and in an operational environment so hostile to inter-system communication, should anyone worry about possible EDI developments?

From the point of view of an added value network salesman or an EDI application software supplier, the question is real rather than rhetorical. They need hardly pack their flight bags for an early market survey.

But trying to answer the same question, with the interests of the developing countries themselves or those of the international trade fraternity as a whole in mind, stimulates rather more positive and, perhaps, optimistic thinking.

Rephrasing the question highlights the real issue.

Should developing countries be allowed to build up investment in computer systems, grouped primarily round official and commercial international trade functions, without full knowledge of potential needs and advantages of system-to-system communication and the availability of United Nations/ISO standards?

The implications for international trade, transport and financial interests are then fairly clear. Do multinationals, whose sophisticated and expensive computer systems are held captive and incommunicado, in so many countries, where baroque manual procedures now rule the Customs and exchange control roost, really want to have to distort their systems to conform with a host of different and equally bizarre computerised equivalents?

The same issue, with appropriate adjustments, faces international airlines and surface transport operators. Somewhere, a little further along the line, commercial banks, which have to match international methods and mechanisms or go out of competitive business, will have to make their own potential cost/benefit calculations for alternative worlds, where they will or will not be able to interface computer



systems easily with exchange control authorities, overseas correspondents and major trade customers.

There can be no doubt at all of the balance of advantage for developing country governments and business interests. Resources are so scarce, and international competition so demanding, that it would be a simple folly to throw away any opportunity of optimising the use of computer systems in international trade while, at the same time, improving internal administrative cohesion and business efficiency.

There is another, more negative, consideration. When containerisation began to hit developing economies in the mid-seventies, the developed countries had largely wrapped up an intermodal Convention to regulate some difficult issues of liability and conformity with existing international agreements.

At that point UNCTAD, perceiving that these discussions had almost reached their conclusion without any effective input from developing countries, stepped in, took over further negotiations and added several unexpected years to the process of reaching a final settlement.

This is no argument for a re-run of recent EDI standards discussions in another, slow-moving and, probably, acrimonious, forum. But it does suggest that those who have done so much to bring UN EDIFACT standards into being and are now so energetic in promoting their use and extension, would be wise to ensure that as many developing countries as possible actually use these standards. Such a community of users would provide the best possible pressure group for continued, unquestioned, international acceptance of EDIFACT.

## How?

Assuming that normal entrepreneurial forces are unlikely to operate for some years, how can the case for inter-systems communication be promoted in the quite substantial number of developing countries which fall in with the broad set of circumstances outlined earlier in this paper?

The Customs Co-operation Council must be a major asset. It is already well aware of the main ways in which Customs computer systems are being planned in a range of developing countries and has a remarkable fund of knowledge of existing schemes, through its specialised ADP Sub Committee. Though EDI has had no place, so far, in the Council's technical assistance or training programmes, the recent CCC "EDI-The Customs Connection" symposium marked out such requirements.

Whether or not necessary funds are generated within the CCC itself or reach it from other outside organisations, there can be no doubt that the Council has the best available access to the sort of professional expertise which will be an essential element in assisting Customs computer projects in developing countries.

This is particularly important, not only because the working environment in which such schemes will need to be applied is clearly specialised, but also because Customs directorates are often extremely sensitive to outside, "amateur" expertise. The best way of bringing any message to a Customs authority is to entrust it to a Customs officer.

The promotion of knowledge and use of EDI techniques and EDIFACT standards in Customs procedures, in developed or developing economies, will depend very largely on the judicious use of relatively few Customs officers who have practical experience of the design and commissioning of computer systems. The CCC has unique central access

to these scarce resources.

Customs attitudes have a profound influence on facilitation. Past experience shows that once Customs adapt their entry documents to the UN layout key, the whole trading sector tends to move rapidly to adopt the entire aligned documentary system. Customs use of EDIFACT standards could exercise the same benevolent data-dictatorship over commercial computerisation policies.

At the intergovernmental level we also have the advantage of the gradually widening circle of developing countries sending delegates to the ECE Facilitation Working Party and the unobtrusive but extremely valuable practical contacts and influence of UNCTAD FALPRO.

In the business sector, the SWIFT interbank electronic payment system is looking at possible extensions into external customer services. Given the spread of the current SWIFT network into developing as well as developed countries, such extensions by commercial banks could greatly stimulate business EDI usage.

Further useful assistance could come from lending and aid agencies which have, themselves, an important interest in seeing that their investment in and grants for developing countries' computer resources are linked to provisions which will ensure maximum benefit from systems inter-communication.

The EEC Communities have a self-evident political, economic, and commercial interest in all these EDI issues.

Politically the Commission has, for many years, emphasised its keen conviction that prosperity, like peace, is indivisible. The Third World occupies a major place in overall Community policy. The Lome Conventions and a number of special agreements with countries such as China and groups such as ASEAN and the ANDEAN pact countries underline this commitment.

Economically, the Community needs to receive raw materials, components and other imports from developing country suppliers, in the most efficient ways and at lowest delivered costs. It cannot but benefit from a growing standard of living — and hence, purchasing power — amongst the overwhelming majority of the world's population represented by the developing economies.

Commercially, these countries represent a large potential market for consultancy expertise and communications and computerisation software and hardware — precisely the skills and technologies which lie at the heart of the Commission's industrial strategy.

The Commission is uniquely placed to service and catalyse essential early developments. DG XIII can supply focal strategic and tactical management of information and advice. Frequent assurances by senior officials that the Commission recognise its special responsibilities on this front cannot be taken to cover only introspective EED requirements. The extension of DG XIII interest and attention to even ACP countries, would be a potent pace-setter in Third World EDI applications.

Furthermore, the Commission has close physical proximity to and friendly working links with the CCC, reinforced by active Council membership of Customs in all twelve Member States.

On the commercial front the Commission has the advantage of a most effective consultative interface with a number of the major multinational companies through the Roundtable of European Industrialists. It has a useful research tool in the Centre for European Policy Studies and

*(Continued on Page 35, Col. 2)*

# Privatisation of Port Activities Within the Context of Port Public Responsibilities

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## Part I

The privatisation of port activities is currently attracting a considerable amount of interest in market oriented countries. Many are the articles and papers read at various conferences that are devoted to this supposedly promising development. It would seem however that while the mechanics of privatisation and its merits have been extensively reviewed, little effort has been made to properly put privatisation in perspective within the broader context of port authorities' responsibilities. This is what this paper will attempt to do.

The first part is devoted to an assessment of the relevance of the public service concept to the conduct of port affairs. The second part will review some of the advantages of privatisation, how it can be implemented and some of the problems that are bound to arise if it is introduced.

## Ports and Public Service

### 1. The meaning of the word "port"

The word "port" is fraught with ambiguity.

The Port of London provides an example of this ambiguity. It comprises the Port of London Authority facilities, ie the upper docks system at present decommissioned and in the process of being used for urban redevelopment purposes, Tilbury Dock and the adjacent riverside grain and container terminal and in addition some 18 privately owned and operated wharves or facilities, all of them licensed by the PLA in its capacity of conservancy authority. Some of these private wharves are own-account facilities, they cater exclusively for the traffic generated by the industrial — eg refineries — or commercial — eg warehousing — activities of their owners. Others, among which are Purfleet Deep Wharf and Storage C and Dartford International Ferry Terminal, provide common user services and are thus in direct competition with the PLA. While the aggregate traffic of the Port of London is about 48 million tonnes, 10 to 12 million tonnes only are handled across the PLA's quays. It follows that the expressions "Port of London" or "Port of London Authority" should not be used indiscriminately since they do not refer to the same reality.

Unless otherwise required by the context, the word "port" or the expression "port authority" will be used to mean the authority responsible, either directly or indirectly through appropriate licences, for the provision of the facilities

and services required by the traffic and its foreseeable development and vested with the necessary powers to discharge conservancy functions within its area of jurisdiction.

### 2. Public goods and public service

Some definitions are in order to help clarify the proposed assessment of port functions. Two main concepts will be introduced and explained: public goods and public service.

#### 2.1. Public goods

Public goods are outside the market system since they are not sold, in contrast to consumer goods, a feature that is not to be construed as precluding the imposition of "user fees", despite strong opposition on the part of some economists. Public goods are either natural (the open sea described as being "res nullius") or "mare liberum" according to Grotius (XVIIth century), a navigable channel (natural or artificial) for national defense, the national weather service or lighthouses.

Such goods have peculiar characteristics:

- The consumption of public goods by one individual does not interfere with their consumption by another, in other terms they are non-exclusive. By way of contrast, private goods are exclusive since they cannot be consumed simultaneously by separate individuals.
- No one can be excluded from the use of public goods. It is not possible for instance to prevent a ship from taking advantage of the information provided by an existing system of aids to navigation.
- Public goods, those which are artificial, are produced by collective decisions, usually by the voting system of the community. Those which are natural may also require some sort of collective decision, for instance in terms of maintenance or to facilitate their use by the public as would be the provision of aids to navigation to mark an existing natural navigation channel.

Not all public goods are entirely "pure". Highways, the law courts and sanitation services are not so universally available as lighthouses or defense. The amount of road space, court time or garbage service consumed by an individual is not available for the others. But these less than perfect examples share in the third basic attribute of public goods. The concept of public goods is an ancient one. As far as the Western World is concerned, it dates back to the Christian Middle Ages. There exists a

common good and the king is under obligation to keep it safe. In France as in the United Kingdom navigable channels and seashores are part of this common good, as Crown property in the U.K. or public domain in France. The concept of public domain has been given far greater importance in France than in the U.K., following the earlier development of mercantile activities in that country. In particular, the French view holds that an activity that is carried out in the public domain has the characteristic of a public service and as such must come under some form of control to be exercised by a public body.

## 2.2. Public Service

The concept of public service is closely related to that of public goods. It is a service that is offered to anyone who wishes to make use of it and which is performed to meet the collective requirements of a community. This definition calls for two comments:

- It does not preclude the laying down of charges to be paid by the users of the service. The Post Office is a typical example of a public service whose services are sold to the public.
- It is silent on the way the service is to be provided, either left entirely to private initiative (baking bread is undoubtedly in the interest of the community but no one in our Western world would ever think of starting a national bakery), or assigned to some public body which may in turn take on the job itself or farm it out to a private undertaking within the framework of an appropriate contract, or entrusted to a specific organisation created for the purpose such as a Railway Executive or an Electricity Board or a Port Authority.

Community interest is of little use as a criterion to determine whether an activity is in the nature of a public service and how it should be carried out. Nor is the legal status of the land which, as the case may be, "supports" the activity in question, to be taken into account. This is peculiar to the French usage and has no economic justification. In fact tradition, lack of interest on the part of private entrepreneurs, and above all political decisions arising out of the leanings towards the right or towards the left of the government of the day or of the local communities play a dominant role.

Like public or common goods, public services have a number of features which are claimed to be special to them:

- a/ A public service should be available to anyone who wishes to make use of it, with the possible exception of cases of congestion,
- b/ A public service should be developed and adjusted to meet the changing requirements of its users,
- c/ A public service should not be discontinued on the sole initiative of its provider. Special permission granted by the authority which decided that the service should be provided is mandatory,
- d/ All users should be treated on equal terms, *ceteris paribus* however.

Two final remarks should be made to supplement these very general considerations. The view is often held that public services — at least some of them — should be provided free of charge, or, when there is a charge, it need not be cost-related. There is also the general misconception that the criterion of efficiency does not apply to public services. To these points I shall return later on.

## 3. Different public bodies

It has been said earlier that the provision of a public service could be entrusted to a public organisation known under the name of Board, Authority or Executive. This is common practice both in France and in other countries. However the make-up of their governing body, or board, reveals a different approach as to the management of their affairs. In France these boards comprise mostly representatives of the users of the service provided by the organization, of the supporting communities and of the staff. Government representatives may also be appointed to sit on the board. In the majority of other countries the emphasis is rather on the qualifications of the individuals in respect of trade, finance, labour relations and of the specific activities of the organization. Sometimes the general manager — the boards of British ports provide an example — and department heads may be coopted to sit on the board. There is no doubt that the management of these organisations is affected by these different philosophies.

## 4. Basic questions

To what extent are these concepts relevant to sea ports? This is what I intend to consider now.

The following questions are in order:

- Are ports as a whole common (or public) goods?
- Do ports provide a public service?
- If the answer is "yes", can the public service be left entirely to private initiative or should it be taken care of by a public body operating either alone or in cooperation with private undertakings or possibly other public organizations?

### 4.1. France

In France the answer to the first two questions is unreservedly positive. The port area belongs to the public domain and no difference is made between the approaches, be they a river or a dredged channel, the docks, tidal or enclosed, and the traffic area. From a legal point of view, in addition to the public interest in port functions, it is on the public ownership of the area of jurisdiction of a port that the public service character of its activities is founded. Indeed, according to the provisions of the 1965 French Maritime Ports Act, the autonomous ports are "public agencies of the State, the purpose of which is to manage a port or a group of ports within the framework of the general policy laid down by the government". As far as the other ports, ie the non-autonomous ones, are concerned, the fact that they are under the authority of either a field office of the Ministry or of a local community is in itself evidence of their public character.

In short, a public body — an autonomous port authority or a subordinate administrative unit — is responsible for the provision of the basic infrastructure, approach channel, breakwaters, locks, berths, aids to navigation, roads, railway tracks (through a special arrangement with the Railway Executive) within the limits of the port and for the discharge of conservancy duties.

The major components of the cargo handling facilities, dockside cranes, sheds and the like, belonging to what is usually called the "superstructure" are provided and operated by the port authority or by third parties.

The other facilities and services such as pilotage, towage, linesmen service and cargo handling including the provision of the yard handling plant, are the province of separate organisations and/or private undertakings subject to control

and monitoring by the port and according to licences and contracts mostly of the French "concession" type. Legally these various activities are deemed to be part of the public service. However, in the case of litigation the case would be brought before the civil courts.

It follows that in France a substantial number of port functions are already privatised. The present trend is towards an extension of the privatisation process and to achieve a greater involvement of private capital in the provision and operation of port facilities.

#### 4.2. United Kingdom

The concepts of public good, Crown estate and public service are not unknown in the United Kingdom. The approach as regards ports does not however follow the same lines as in France. It was very clearly expressed in the so-called Rochdale Report of 1962. Let me recall here that Lord Rochdale was the chairman of the "Committee of Enquiry into the ports of Great Britain", hence the name given to the report of the Committee, an excerpt of which is worth quoting:

"There has been a tendency, not only in this country, to treat various branches of the transport industry as some form of public service to which, for one reason or another, sound financial principles need not be applied. As far as the major ports are concerned, we entirely reject the concept of public service in so far as this might be held to limit the authorities' responsibility for conducting their affairs on the basis of sound economic and accounting principles. In other words, we see no reason why the major ports should not be treated for this purpose as commercial undertakings".

At a later date in 1966, the then Director-General of the P.L.A., Mr. Dudley Perkins, explained in the Dock and Harbour Authority his reasons for discarding the former motto of the P.L.A. "A public trust for a public service". Leaving aside for the time being the implications of the word "trust", which came under the fire of Mr Perkin's criticism, he expressed his apprehension as regards the financial consequences of the idea of public service. According to him there was a real danger that so long as the port organisation as a whole was financially solvent, the need would be ignored to examine and cost every individual operation, or even to curtail activities which were known to make a loss without any examination of economics being needed.

More recently Mr. J.K. Stuart, now Sir Keith Stuart, Chairman, Associated British Ports Holdings, in his presidential address to the Chartered Institute of Transport in 1985, reviewed the philosophy underlying the discharge of transport activities, of which sea ports are a part, and its recent evolution.

According to Sir Keith, the conventional wisdom is that transport is not like other industries and that it requires a special and different treatment in financial management and policy. Because transport naturally enjoys a monopoly, steps should be taken to prevent its providers from pursuing profit as a main objective rather than service. Furthermore transport can and should be used to foster overall economic growth, an objective Adam Smith's invisible hand is not capable of achieving and which justifies government intervention.

While accepting that the massive investments following war-time neglect, the limited resources and the needs of the community were good enough reasons to support the above philosophy, Sir Keith felt that there was a danger in public

opinion persuading itself that there was no alternative. Noting that the monopoly objection did not hold any more since the providers of transport and the various transport modes were actually in competition both nationally and internationally, he raised the question: "Why should transport not now be treated in the same way as the food and drink industry, or housing or pharmaceuticals, or clothing or telecommunications, all of which are powered primarily by the engines of private enterprise, competition and customer choice?"

These views underlie the policy of the present Conservative government, who feel that the provision of efficient port facilities should be best left to the workings of market forces.

Going into greater detail in respect of the extremely diversified organisation of British ports, one should note that some of them are already fully privatised, operating under the Companies Act. Among them are Felixstowe, Manchester, Liverpool and Associated British Ports. In terms of traffic they account for 38% (114 million tonnes) of British foreign trade. The other ports are run by public bodies under various names such as authority, board or trust. Most ports, privatised or not, are of the "full service" type. The share of private enterprise, with due regard to the activities of the private authorities, does not exceed 20% as far as cargo handling is concerned.

Furthermore, while the non-trading aspects of conservancy duties imposed on the majority of ports are properly recognised, very little attention is paid to the interest of considering separately the infrastructure and the superstructure, a distinction that is traditional as far as French practice is concerned.

#### 4.3. United States

In the United States following the 1776 Revolution the British Crown proprietary rights were transferred to the States. However, while the public right of navigation was held as paramount, in the majority of States private riparian rights were permitted to develop in the form of "wharfing out rights" resulting in the foreshore being encroached upon rapidly by private terminals.

The result was, in the absence of master plans, the setting up — in many instances by railroad companies, close to cities — of independent port facilities for exclusive use. In the course of time these facilities were taken over by local communities, States, counties and cities, in various ways according to the American Constitution which explicitly rules out any discrimination or favouring of one port as against another by the Federal authority in Washington.

As a result ports have to rely on local, county or state support for their infrastructures, other than channel improvements and breakwaters which are still considered federal responsibilities despite the recent introduction of cost-sharing legislation, along with the various services provided by the Coast Guard such as aids to navigation, policing, search and rescue.

Eventually — sometimes as late as 1959 as demonstrated by the amended zoning code of the city of Philadelphia establishing a "Port Industrial District" to stem the wasteful and anarchical use of the waterfront — two important developments took place:

- The Supreme Court decided that the lands underlying the waters of a harbour were held in trust by the State for the people of the State to which the harbour belonged.
- Water terminals became regulated as common carriers

according to the provisions of the Interstate Commerce Commission and Merchant Marine and Shipping Acts.

No undue heed has been paid in this general context to theoretical considerations as regards the organisational and managerial pattern of ports. Generally speaking they are local public bodies, operating as landlords, under diverse statutes and sometimes charged with non-port related responsibilities, such as airports. They are extremely conscious of their local, regional and national responsibilities and perhaps more than in any other country concerned with the necessity of maintaining a community approach and of improving the public awareness of port functions. This public service consciousness does not however prevent the ports from adhering to sound business like management principles. The search for financial independence and the provision of adequate reserves to take care of future developments are appropriate substitutes for the profit motive which is common to private enterprise (ref: Port of Los Angeles statement of objectives). Indeed, as regards the West Coast ports, the financial analysts Merrill Lynch and Associates Inc. found "that the extremely competitive environment in which they exist dictates that they be operated more like a private sector business than a public enterprise". There is no doubt that this statement applies also to the other US ports.

### 5. A public body, to what purpose?

Despite British misgivings, stemming from the erroneous conviction that public service is perforce synonymous with inefficient management, there is a large body of opinion that is willing to accept that ports do provide a public service under a variety of organisational arrangements. According to the size and nature of the port this service is performed in the interest of the nation as a whole or of a smaller community. There is no need in order to support this statement to take into account the fact that ports are always, at least in part, built on public land.

The problem that arises is to determine the ways and means to best serve the public interest.

#### 5.1. Public service constraints

Should the public service constraints which have been listed above be taken into account to guide the choice between a public or private organisation when the nature of the service to be provided is such that a choice is possible? The claim is made that as far as ports are concerned, the answer is in the negative.

- A port should accept any ship that has submitted a proper service application in keeping with the port's bye-laws. The only exception might be dangerous or sub-standard ships. There is of course an obvious proviso: the ship and her cargo must be consistent with the port's facilities. There is indeed nothing special in the matter: private firms are not permitted to exclude customers, except for valid reasons. Australia is currently very much concerned at the poor performance of her ports, which affects her export trade unfavourably.
- The provider of a public service should adjust it to the changing requirements of its users. While this in theory may be a legal obligation, as far as ports are concerned it is an absolute necessity if they wish to stay in business. This necessity is indeed common to all economic agents.
- Continuity of service is mandatory. In fact one would hardly expect a port to discontinue catering for a well

established trade. The PLA has not closed the Upper Docks to traffic of its own accord. The decision has been forced on the PLA by changing shipping modes.

- All the users of a port are treated on equal terms, provided however that the circumstances of their requirements are identical. In France as in the United Kingdom, it is commonly accepted that preference rights be granted to a shipping company or a group of shipping companies for the exclusive use of a berth, possibly a terminal, if the number of calls warrants a satisfactory degree of occupation.
- As regards port dues, they are subject to publication. Indeed, in a port context the expression "guidelines" would be more appropriate than the word "constraints". None of them is incompatible with the conduct of port affairs by a private undertaking.

#### 5.2. The basic missions of a port organisation

An in-depth assessment of these missions is felt necessary to guide the desired choice. It is suggested that they comprise the following areas which will be considered in turn: conservancy, long-term planning, basic infrastructural investments, monitoring of port-related activities, general promotion and public relations.

- A diversity of responsibilities is involved under the general heading "conservancy". Some belong unquestionably to the public sector: the preservation of the port estate, the operation of a "Vessel Traffic System" (VTS), navigational aids within the area of jurisdiction of the port, removal of wrecks, combating pollution, berth allocation, drawing up and enforcing port bye-laws.
- As regards the allocation of berths to incoming ships, a traditional responsibility of the harbour master, an evolution is discernible. In modern ports, as far as general cargo is concerned, the usual pattern of common user berths has given way to a system of self-contained specialised terminals — containers, ro-ro, multi-purpose — under the control of a single operator who takes care of the movement of the cargoes from ship to land conveyance and vice-versa. Ships know in advance which terminal they are bound for according to prior arrangements. Actual berth allocation is the responsibility of the operator.
- The purpose of long term planning is to provide the framework within which the development strategy of the port is to be implemented from the point of view of the volume of the traffic and of its changing modes. Close liaison with the national planning unit of the government is an obvious necessity. The main objectives are: the siting of heavy shore-based industries and the consistency of the inland lines of communication with the potential hinterland of the port. Not only are the physical features of the lines of communication of interest — for instance the possibility or the impossibility of running double-stack container trains due to clearance restrictions — but also the charges that are made for their usage. And finally the foreign trade strategy of the government does affect the long term planning of the ports.
- As regards the infrastructure, that part of it that provides the framework within which the port will develop must be considered separately. It comprises the approach channel, the protection works, the main locks if the port is affected by the tide, the major roads and tracks. It is this basic infrastructure that determines the shape of the port for many decades to come and supports the

provision of the various terminals. These are built either in anticipation of future trade requirements or when and as required to meet the needs of prospective users.

- And finally, it is a well known fact that the overall functioning of a port involves a number of economic and administrative agents whose objectives and purposes are very often conflicting. Among these Customs play a dominant role. It is within the province of the port authority to monitor these diverse activities, to act as a co-ordinator and to take the lead as regards the general promotion of the port.

### 5.3. A plea for a public body

The view is held that a public body would be better equipped to assume the basic or "core" responsibilities which have been reviewed above than a private organisation. In addition to the fact that some of these responsibilities are definitely of a public nature and do not belong to the market place, many others require to be approached with the long term in mind, something the forces of the market and Adam Smith's invisible hand cannot reasonably be expected to achieve. Indeed it is easier for a public body without share capital and relieved of the pressure of claimant share holders to take decisions in anticipation that would be the cause for a temporary decrease in the return on the capital invested. This should not be construed, however, as implying a complete disregard in the long run for such a return and a deviation from sound accounting principles, in which case the British objections quoted earlier would be fully justified. Some instances of such anticipative decisions may be quoted here: the Maasvlakte extension at Rotterdam, site preparation at Newark to prepare for the construction of the Port Newark and Port Elisabeth channels by the Port Authority of New York and New Jersey and the Fos extension at Marseilles.

Ten to twenty years may well elapse between the time a start is made on such schemes and the time when the first money-earning facility comes on stream.

And finally, it can be reasonably expected that the views of a public body would enjoy greater attention on the part of governmental quarters than those of a private concern in the various fields where the port and the government policies are closely associated.

Most certainly these considerations carry little weight with the present British Government as far as its ports policy is concerned. However, despite the outstanding performance of Felixstowe and of Associated British Ports, entrusting the core functions of a port to a private undertaking gives rise to some questions.

"We are a business that happens to be a port" was the proud statement of a Felixstowe executive. Now it happened that the parent company of the Felixstowe Docks and Railway Co., European Ferries, which also is the owner of the Port of Larne, has been compelled to sell its port activities to the P&O Group. The reason for this was the losses incurred by European Ferries as a result of the depreciation of its real estate assets in Texas following the decrease in the price of crude oil. More recently the 7 ports managed by the Sealink subsidiary, Sea Harbours Ltd., have come into the ownership of Sea Containers after its purchase of Sealink UK.

In a different area the chairman of Associated British Ports, Sir Keith Stuart, envisaged recently that in the near future the real estate profits of the group would exceed those derived from its port activities. Fortunately this happy state of affairs does not seem to have so far altered the port

consciousness of the undertaking.

These developments support the doubts that may be entertained as to the consequences of purely capitalistic decisions on the fortunes of a port.

A confirmation of these doubts is provided by a recent statement (Ports and Harbors, March 1988) of Jonathan Slogett, Managing Director, Dover Harbour Board, in response to a request directed to the public port industry, which accounts for 62% of British foreign trade (186 million tonnes), by the Secretary for Transport to consider the concept of privatisation prior to the determination of Government policy. Says Mr. Slogett:

"The community might not be any better served were we privatised. Indeed, Service could positively and significantly decline if predatory companies managed to get control of ports and use their position either to rig sectors of the market or sell off major assets. Some ports are of such overwhelming importance to their finely balanced local economies that trust or municipal status affords considerable protection".

## 6. Conclusion

Assuming there is a strong case for entrusting a public body or authority with the basic or "core" functions and responsibilities of a port, attention should turn on how best to provide for the other functions. It is recommended that the relevant decisions rest with the authority. The authority may choose to act as a landlord relying on private initiative or other bodies to provide certain services such as pilotage and towage or farm out to third parties the provision and management of cargo and passenger terminals. It may also provide the whole of the port services, assuming in this case the status of an operating port, or restrict its part to the provision and operation of the basic cargo handling equipment. It follows that the authority has a number of options from which to choose, each of which should be selected according to the specifics of the trade to be catered for.

Many of these options involve the privatisation of port activities. The associated issues will be considered in the second part of this paper.

## Part II

### Ports and Privatisation

#### 1. A not so novel development as far as the port industry is concerned

The present general use of the word "privatisation" can be traced to the stand taken fairly recently by a number of governments, and more particularly by the present British Conservative Government as regards the most efficient way to guide the economic activities of a country. But privatisation — understood as meaning the discharge of economic functions by a private organisation financed by equity participation — has never been ignored in the field of port functions. Returning to the definition of the "landlord" and "tool" port status, it is quite clear that at both types of ports a substantial array of port functions has at all times been operated privately, among which are cargo handling, the provision and operation of fully fledged terminals and a number of ancillary services: pilotage, towage, and line handling, some of which are operated by co-operative or-



ganisations.

## 2. The merits of privatisation

Referring to the presentation of Eric E. Pollock, Managing Director, ABP Research & Consultancy Ltd., to the recent Trans Med Conference, the following factors explain the renewed interest in privatisation as regards the port industry.

First there is a commonly shared feeling that public sector industrial, commercial and service organisations tend to be too bureaucratic, too inflexible, to respond adequately to customer requirements. Furthermore, where public sector organisations are efficient and profitable, they may still be adversely affected by public sector constraints and may only be able to fully achieve their potential in a private sector environment under the spur of the marketplace.

Broadly speaking these constraints usually relate to one or more of the following elements of the management of the undertaking:

- personnel management which may be hampered by the rigid rules of the Public Service, eg the short term rotation of high level staff at major Indian ports which is not conducive to continuity of policy,
- budget subject to the review and sanction of higher authority,
- rate making which may not be left to the discretion of the undertaking, and
- administrative impediments to a diversification of activities such as consultancy, inland transport developments in relation to port traffic, inland container depots (ICDS), or rehabilitation of disused dockland.

In addition to the removal of these constraints, an obvious advantage of privatisation arises from the unimpeded freedom of the port authority to farm out to third parties on its own terms any activity it would not wish to discharge itself.

There may also be on the part of the government the desire to reduce the financial and administrative burdens associated with a large para-statal sector.

## 3. The main privatisation patterns

Privatisation can be achieved in a number of different ways or rather on a more or less extensive scale.

### 3.1. The classical pattern

The classical and well-tried pattern is that which implements the landlord concept which has been explained earlier. Rotterdam, New York, Antwerp and Hamburg are perfect examples of the concept in respect of a variety of terminals: containers, multi-purpose and bulks — dry or liquid. In France Le Havre and the C.I.M. oil terminal may be quoted as well as various multi-purpose terminals at Rouen. In addition again in France, cargo-handling is carried out by private undertakings.

Leaving aside specific activities such as towage, light-erage and pilotage (although there are good reasons for a port authority to take charge of pilotage), which can be readily catered for by private organisations, and restricting the discussion to the handling of cargoes, the privatisation process may include the provision of the infrastructure, viz. the already quoted C.I.M. terminal at Le Havre and the Kwai Chung container terminal at Hong Kong, or be limited to the provision and operation of the superstructure. There are even cases where the dockside cranes are provided by the port authority. It is, however, generally agreed that the

share of private investment in the provision of a terminal should be as great as possible in order to ensure efficient management on the part of the operator.

The legal framework governing the relationships between the private operator and the authority is usually a lease, erroneously called "concession" in Belgium. The lease covers the upland area commanded by the terminal berths which may run into the tens of hectares. It is of long duration: from 20 to 50 years. It should state the purpose of the terminal, include an escalation clause and provide for termination arrangements at the expiry of the lease or in case of bankruptcy. It should also lay down the technical and monitoring provisions the authority might feel appropriate, such as safe loads, crane track gauge, building regulations and statistical returns. But basically it should respect the managerial initiative and responsibility of the operator.

"Concessions" in France are a substitute for leases. They involve a substantial amount of control on the part of the authority on the activities of the "concessionaire". The whole of the plant and various facilities provided by the operator should return to the authority in good condition and free of charge at the expiry of the concession. The present trend in France is to introduce a greater degree of flexibility in the operation of concessions, thus making them more or less similar to leases.

It is of interest to note that the concession pattern has received a spectacular application with the construction of the Channel Tunnel. More recently the British Administration has selected that same pattern for the construction of the third Thames crossing at Dartford. The proposed bridge is to be built by a consortium led by Trafalgar House. The duration of the concession is 20 years at the expiry of The former USL terminal at New York is a case in point, in which the bridge and the approaches will return to the Administration. The consortium will recoup the investment through tolls.

### 3.2. Comprehensive privatisation

Comprehensive privatisation appears to be restricted to the United Kingdom. It involves the ownership — or an equivalent arrangement in respect of the crown estate or public domain — of the land on which the port is built, the discharge of what has earlier been called the "core" functions of the port, and the provision of the other port facilities and services either directly or through third parties as felt appropriate by the authority. Although this pattern calls for serious reservations as explained already, its proponents feel that it has two particular advantages: in encouraging a coordinated approach to port management and development, eg the recent purchase by Associated British Ports of the local ports of Colchester and Teignmouth, and in helping to provide the maximum scope for the diversification of the activities of the privatised organisation.

Depending on the former status of the port, privatisation can be achieved through the sale of shares by the former owner of the port — in the case of A.B.P. the British Government — or in the case of an autonomous board through the issue of share to the former bondholders.

Comprehensive privatisation necessitates, at the governmental level, the making of decisions as to which private sector interest should be encouraged, restricted or debarred from involvement. For instance a government may wish to limit the proportion of shares that may be acquired by foreign interests. They may likewise be interested in the

extent of employee participation in privatisation, as an incentive to efficiency.

If it is accepted that privatisation implies financing by private equity participation, it follows that undertakings the capital of which remains in public hands should not be considered as truly private, although they may be directed to conduct their affairs as a private company. For instance the transforming of the autonomous Port of Dakar into a national company is but a ploy to circumvent the unjustified constraints that plague public bodies in Senegal and it is believed that similar reasons explain the setting up of the Port of Gothenburg A.B. in Sweden to take over the formerly Municipality controlled port facilities. By the way, the Port of Gothenburg A.B. has taken advantage of its so-called private status to diversify, to the extent that its subsidiaries show better results than the port proper.

Finally, an important technicality should not be overlooked. It is that which has to do with the public aspect of the conservancy duties which have been explained earlier. Although private, the private undertaking must be given the necessary powers to discharge the relevant responsibilities.

### 3.3. The division of port activities

The New Zealand Government is currently envisaging the possibility of a third avenue that takes care of the point made at the end of the previous paragraph. In keeping with the views expressed by the defunct National Ports Council in its 1978 report "The Ports Industry" submitted to the Secretary of State for Transport, the intention is to separate the "non-trading interests" and the public responsibilities from the industrial and commercial activities relating to the movement of cargoes. Each major harbour board would be obliged to form a port company or companies to operate its commercial facilities. Under the new "corporatisation" scheme, they would be required initially to own 50% of the shares in the new companies, with the other 50% distributed amongst constituent local authorities. The companies would operate under the provisions of the Companies and Commerce Acts and would be expected to operate as successful businesses, providing dividends to their shareholders.

A number of grey areas have, however, still to be clarified. It is not quite clear who will be responsible for the "basic" infrastructure and for that of the various terminals, nor whether the waterfront commission structure (the New Zealand counterpart of the British Dock Labour Scheme) will be amended or even terminated to make place for a pattern of direct relationship between employers and employees. The government hopes that this new avenue will make for increased competition both within and between ports, thus providing stevedores with real incentives to look rigorously at overall manning levels as well as their real equipment needs. Experience alone will tell whether these hopes are justified.

## 4. Problems arising

Privatisation brings up various problems in its train. The main ones will be reviewed, without making a claim to being exhaustive. The environment, the selection of a prospective operator to take care of the activity that is to be privatised, and the monitoring of his performance will be considered in succession.

### 4.1. The environment

The political, economic, and social environment must

be favourable. A competitive climate, if not within ports but at least between ports, is indispensable in order to avoid monopoly situations which would call for a measure of control strifling commercial initiative.

The consent, or at least a neutral attitude on the part of the labour force, is also a precondition of the success of a privatisation scheme. An information drive may be necessary to win over the workers to accept the development and in this case the necessity of providing for a sufficiently long lead time should not be overlooked. And finally the private sector must be willing and able to do the job. Fortunately the evidence is growing that it is.

### 4.2. Selecting a private operator

The selection of an operator is a difficult exercise in respect of which there is no standard or generally accepted procedures. It depends also on the nature of the activity it is envisaged to privatise. In France, for instance, cargo handling belongs to the free competitive sector. Anyone who wishes to offer cargo handling services may do so under the sole condition of undertaking to pay the Labour Board levy. On the contrary, in the UK a licence issued by the relevant port authority is required. Leaving aside these special cases the point to be dealt with is that of the provision and operation of terminals. Own account terminals and common user terminals must be treated separately.

There is no selection problem in the case of an own account terminal. The operator is either the shipping company that uses the terminal or a subsidiary or the trade organisation of the trade to be catered for. As explained earlier, the rights and duties of the operator are embodied in a lease which determines among other things that part of the equipment — usually the dockside cranes — that may be provided by the authority.

There are many examples of own account container terminals in the US: for instance, at New York the Sea Land and ACL terminals. As far as bulk cargoes are concerned, many examples may also be quoted: a number of grain terminals at Rouen, a sugar facility at Kaohsiung (Taiwan), a phosphate loading berth at Casablanca and of course the numerous crude oil loading and unloading facilities of the oil companies.

As far as common user terminals are concerned, there is no obvious solution. Inviting bids internationally is a possibility. This is the course that has been followed at Vancouver for the running of the Centerm and Vanterm terminals, at Port Kelang (Malaysia) in respect of the container port and at Hong Kong for the construction and operation of the Kwai Chung terminal. This last example is of particular interest since three options were proposed to bidders:

- leasing the sea bed and leaving the rest to the successful tenderer,
- having the Administration handle construction of the seawall and reclamation of the area and leasing for completion and operation,
- proceeding independently, or in conjunction with cargo handling interests, to build and operate a complete installation.

Eventually the Hong Kong Government adopted the first of the three listed options and this has been pursued with all the three terminal operators at Kwai Chung. According to the Director of Marine this has led to an extremely efficient operation.

An assessment of the merits of prospective operators,

is of paramount importance. In this respect a joint venture associating local interests and a port authority or cargo handling undertaking of high repute operating in a developed country has much to commend itself, combining expertise and reliability. Thus is the Liscont container terminal at the port of Lisbon run by a company in which a North German port and local Portuguese interests are associated. Similar arrangements are to be found at the recently created ports of the Persian Gulf, at Venice and the Port of Kelang.

Whatever the procedure the selection process may be the source of complaints and grumblings. At this very moment a number of Antwerpian operators are irked by the decision of the municipality — which is the port authority of the Port of Antwerp — to grant the new Berendrecht terminal to Hessenatic and one of them, Katoen Nati, is reported to have decided to invest 3 billion Belgian Francs in a container terminal at Zeebrugge while claiming the decision should not be interpreted as a retaliatory step against the city of Antwerp.

#### **4.3. The port authority and the operators: what sort of relationship?**

There are instances, New Zealand provides some of them, where port authorities are joint shareholders in terminal operating companies and as such in a position to monitor their performance. Despite this favourable condition doubts may be entertained as to the merits of such an arrangement. A deterioration of the hopefully aggressive commercial disposition of the company might be the result. Moreover, the authority would find itself in an invidious position were its representatives to sit on the boards of rival companies. The following discussion will accordingly be restricted to those cases where the port companies or operators are fully private and independent undertakings. At this point it is appropriate to quote what Sir Arthur Kirby, Chairman of the former British Transport Docks Board, said in his paper to the Institute of Transport in March 1965 about the powers of a port authority, and by implication about the difficulties arising out of the delegation of some of its functions:

"In present circumstances the port authorities exercise but limited power in practice. Too many people are involved: no one is wholly responsible and no one is wholly to blame when things go wrong. Ports can and do earn bad reputations for causes which may not be within the control of the port authority, whether it be cargo handling, the number of employers, operational practices, the activities of agencies of one sort or another or, indeed, the actual berthing and working of ships. Remedy is for the port authority to have power of control over every activity within its area of jurisdiction: in short, the port authority must be master in its own house — a dictum which, I realise, may well be unpopular with many".

The conditions prevailing at the time at British ports — among other things the inordinate number of labour employers — provide a partial explanation for this statement. But more importantly it points out the consequences of the division of responsibilities between the port authority and the operators. To a certain extent the difficulties arising can be taken care of in the contracts of leases entered into between the parties. However, constraining conditions — such as are to be found in French-type "concessions" — would affect undesirably the flexibility that is one of the advantages of private enterprise.

In fact, at Rotterdam and Antwerp the attitude of the

port authority can be described as a determined avoidance of interference. At New York the activities of the smaller operators are closely monitored by the authority while those of the larger ones are not interfered with.

The fostering of a climate of cooperation and mutual trust is indeed the objective that should be pursued so as to implement the motto of the Port of Antwerp: "What is good for the operator is also good for the port".

#### **5. Conclusion**

Privatisation, introduced according to what has been called the classical pattern, has proved itself very successful at a number of ports. It has many variants which make it adjustable to local conditions. It deserves therefore to be carefully considered, the more so since it fits quite well with the existence of a public body responsible for the long-term interests of the port and for its public duties. With these remarks in mind, the conclusion of Eric Pollock's presentation at Transmed which is quoted verbatim below provides a most appropriate conclusion to the present paper:

Port privatisation can give rise to added competitive strength and efficiency in the ports industry, to its own advantage, to the advantage of port users and to the advantage of the economies of the countries concerned. "However, there is no simple formula that can uniquely be applied, nor universally be accepted. The need is to consider the circumstances of each country, indeed each port, to consider the potential relevance of privatisation in all its different guises and if appropriate to carefully tailor-make a basis of privatisation that meets local needs and aspirations. If this is done thoroughly, the benefits can be considerable and, incidentally, can be achieved at relatively low cost."

#### **Acknowledgements:**

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J.G.B. March 1988

#### **EDI in Developing Countries**

*(Continued from Page 27, Col. 2)*

good relations with the COMPROs which, through their banker, carrier, forwarder and trader members, have many contacts with developing-country business sectors.

It may seem too early to attempt to assemble these and other organisations into a co-operative, systematic effort to bring the EDI message to the many developing countries which are now in a state to receive and benefit from it.

But the key EDIFACT standards are now available, and most of the main EDI principles are well understood. Finding the right medium for the EDI message, before too long, is as much in the interests of the established EDI community as in those of their potential Third World counterparts.

Here, as in so many other innovations, if we are not absurdly early we may well be catastrophically late.

# International Maritime Information

# WORLD PORT NEWS

## IMO

### Programme of Meetings 1 May – 31 Dec. 1988

**1988**

**9-13 May**

Sub-Committee on Containers and Cargoes – 29th session

**16-20 May**

Joint Intergovernmental Group of Experts on Maritime Liens and Mortgages and Related Subjects – 4th session

**23-27 May**

Sub-Committee on Bulk Chemicals – 18th session

**13-17 June**

Sub-Committee on Life-Saving, Search and Rescue – 20th session

**20-24 June**

Council – 60th session

**23 June**

Technical Co-operation Committee – 30th session

**4-8 July**

Sub-Committee on Stability and Load Lines and on Fishing Vessels Safety – 33rd session

**5-9 September**

Marine Environment Protection Committee – 26th session

**12-16 September**

Sub-Committee on the Carriage of Dangerous Goods – 41st session

**26-30 September**

Intergovernmental Panel of Experts on Radioactive Waste Disposal at Sea – 2nd meeting

**3-7 October**

Eleventh Consultative Meeting of Contracting Parties to the Convention on the Prevention of Marine Pollution by Dumping of Wastes and Other Matter

**10-14 October**

Legal Committee – 60th session

### Programme of Intersessional Meetings of Working Groups as Approved by the Council\*

**1988**

**20-24 June**

Working Group of the Sub-Committee on the Carriage of Dangerous Goods on Marine Pollution Aspects

**27 June – 1 July**

Editorial and Technical Group of the Sub-Committee on the Carriage of Dangerous Goods

**5-9 September**

Working Group of the Sub-Committee on the Carriage of Dangerous Goods on Portable Tanks

**24-28 October**

Working Group of the Sub-Committee on Radiocommunications on the GMDSS Master Plan

\* Working Groups held without interpretation and with documentation in original language only.

### Container Trade and Port Investment Levels – Ocean Shipping Consultants –

The relationship between container trade volumes and the level of port

investment in the major port ranges is the subject of a new in-depth study\* from U.K.-based Ocean Shipping Consultants. With major uncertainties governing the pace of future trade expansion the outlook for port demand and required investment is identified. This major study – the result of over one year's analysis – provides a detailed evaluation of forecast demand on a regional basis over the period to 1995.

The basis of the study team's approach has been to provide a detailed evaluation of future trade levels under general economic conditions to 1995 and to relate this demand to the availability of container handling capacity in major port ranges. By applying historically derived average productivity levels for average container terminals the level of future additional investment has been derived.

#### Trade Growth

Total container trade is forecast to continue recent expansionary trends to 1990 with trade tonnages totalling some 75.9m TEU in 1990 – this representing an increase of some 15 percent over recorded 1987 levels. Beyond 1990 the pace of expansion is closely related to more general economic conditions and these are summarised under the "Low" and "High" cases in the accompanying Tables. In the former case continuing recent trends

**Forecast Container Trade Growth By Major Port Range to 1995**  
(million TEU)

	1987	1990	1995 LOW	1995 HIGH
North America – Atlantic Seaboard	8.31	9.42	10.66	11.83
North America – Pacific Seaboard	6.80	7.34	8.72	9.60
North Continent – EEC Ports	10.48	12.31	13.92	14.62
Korea and Taiwan	7.00	8.68	10.57	12.57
Japan	6.15	6.72	8.18	9.87
East Asia Transshipment Terminals	6.59	8.30	10.62	13.20
Middle East	2.38	2.92	3.37	4.53
Others	18.29	20.12	24.66	26.90
Total	66.00	75.90	90.70	103.30

Source: Ocean Shipping Consultants

limit OECD growth to an average 2.25 percent over 1990/95, with continuing uncertainty and a prolonged downturn in oil prices. Under the more bullish high case an average annual OECD growth of some 4 percent is anticipated with the result that trade volumes with the LDC markets remain at high levels.

These two cases provide an effective range for trade development to 1995 with forecast trade volumes in that year of between 90.7/103.3m TEU. It must be underlined that even under the "Low" case this represents significant further trade expansion.

Although these increases will continue to be funded primarily by the major OECD markets the share of the East Asian export and transshipment economies will continue to increase. Indeed, it is forecast that shipments via these ports will increase from some 20 percent in 1987 to 22 percent in 1990 23/25 percent in 1995.

A further trend of some significance is the wide range of forecast trade growth in the Middle East markets. Whilst economic growth cases are of direct relevance the position is made more complex by uncertain oil revenues and the continuing Iran/Iraq conflict.

#### Container Port Demand

The study provides a detailed review of the development of port capacity to handle these anticipated demand growth levels. The approach here used is to assess the average level of unit productivity — per gantry crane and per berth — on a regional basis since 1980. These average figures are then used to define required future investment levels. The results of this analysis are summarised in the Table below.

On a regional basis the number of additional gantry cranes and container berths required to service forecast demand is defined. Current planned developments are excluded from this analysis as are units already on order. This method indicates the areas where

port capacity will move sharply in relation to demand.

Several important conclusions emerge from this analysis; Firstly, the scale of investment planned and underway in Japan, Korea and Taiwan indicate that no additional investment

will be necessitated to 1990. Given the scale of recent additions a similar result is generated for the Pacific coast ports of Canada and the U.S.A. For each of the other major port ranges under review demand development is forecast to result in increased investment needs.

#### Forecast Required Additional Port Capacity in Major Port Ranges

	1987/90		1990/95 LOW		1990/95 HIGH	
	A	B	A	B	A	B
North America — Atlantic Seaboard	4.6	19	9.8	39	17.9	74
North America — Pacific Seaboard	—	—	7.2	26	12.7	50
North Continent — EEC Ports	5.8	25	11.8	51	15.8	69
Japan	—	—	2.8	15	8.1	31
Korea and Taiwan	—	—	1.4	8	4.3	24
East Asia Transshipment Terminals	0.5	7	3.5	27	6.9	48
Middle East	2.0	8	3.7	16	7.8	34

A — Kilometres of container berths

B — Number of container gantry cranes

Source: Ocean Shipping Consultants

The continuation of rapid expansion in demand beyond 1990 results in uniform increases in container port investment levels — although the pace of this expansion is closely linked to the identified general economic growth cases. The wide differential between the efficiency of East Asian and OECD container terminals its forecast to continue over the study period. This will have the result of limiting further investment in East Asia given very high unit productivity levels for container gantries and for individual berths.

The study runs to some 192 pages and provides a detailed evaluation of the commercial climate for the major port ranges to 1995. In addition the study includes an analysis of current container port and terminal facilities on a worldwide basis.

\* "CONTAINER PORT PRESSURES TO 1995" — an analysis of port competition and trade development

Available immediately from: Ocean Shipping Consultants, Beacon House,

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Telephone: 0932 853150

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Telefax: 0932 857660

#### EDI for Administration, Commerce, Transport

(Extract from the IMO document: FAL 18/INF.2)

#### An Introduction to International EDI

International trade is just as dependent on information as it is on motor, rail, ocean and air carriers. Paper documents inhibit the smooth flow of goods, require redundant processing, permit the opportunity for error introduction, and increase administrative costs substantially. Unfortunately, paper documents exchanged between all the players in the international trade transaction cannot be moved quickly and efficiently to keep pace with modern manufacturing, marketing and flight schedules.

#### IAPH Representation—

(Continued from Page 23)

cargo handling, speed of transshipment in ports and the connection to the customer in the hinterland; helping to increase the chances for effective cooperation by division of labour between the modes of transport, for example promoting combined transport as an example

of an efficient division of labour between transport modes.

#### Concluding Remarks

IAPH wishes to express its appreciation to the Government of the USSR, to the ECE Secretariat, to the Local Authorities in Leningrad and to all those who were involved in the organisation and preparation of the seminar, for the excellent arrangements made and the hospitality provided.

Over a period of more than ten years, essential standards covering data elements, codes, and syntax rules for traders have been developed by the United Nations Working Party on the Facilitation of International Trade Procedures. These standards, approved by the International Standards Organization (ISO), provide the world marketplace with the necessary ingredients for developing messages for use by importers, exporters, forwarders, transportation firms, financial institutions, ports, Customs, and all other parties to the international trade transaction.

Multinational firms interested in maintaining and, when possible, increasing their competitive edge in the global marketplace either have incorporated or intend to incorporate electronic data interchange systems in their strategic plans. They recognize that electronic data interchange systems facilitate, among other things, the establishment of fewer and more dependable sources of goods and services; utilization of just-in-time inventory systems; paperwork reduction; more efficient staff utilization; and, profitability.

If your company or organization has not examined the role of international electronic data interchange in achieving a competitive edge in the global marketplace, the time to start is now. The information contained in this packet is intended to introduce you to EDIFACT — Electronic Data Interchange for Administration, Commerce and Transport — the emerging global standard for international trade communications.

#### **EDIFACT and Its Benefits**

EDIFACT is a set of principles which facilitate the international electronic interchange of business data between manufacturers, exporters, wholesalers, distributors, retailers, brokers, forwarders, shippers, consignees, carriers, banks, and government agencies.

EDIFACT is the abbreviation for Electronic Data Interchange For Administration, Commerce and Transport.

EDIFACT defines the rules for EDI — Electronic Data Interchange.

EDIFACT replaces the usual paper documents with electronic files.

EDIFACT offers uniformly built

messages which follow international standards.

EDIFACT realizes applications via open communications (ISO).

EDIFACT speeds up information flow and therefore business transactions.

EDIFACT allows the usage of most modern networks and services.

EDIFACT provides advantages among competitors — a competitive edge.

EDIFACT supports business in administration, commerce and transport.

EDIFACT improves trade facilitation due to worldwide acceptance and international support.

#### **MARINA 89 Conference At Southampton Univ.**

MARINA 89 will be held at Southampton University from 26-28 September 1989.

The Conference will cover the following topics:

- \* Feasibility studies and site investigation
- \* Physical model studies
- \* Mathematical models
- \* Hydraulic aspects with regard to coastal considerations
- \* Siltation and dredging
- \* Environmental aspects of marina development
- \* Pollution control
- \* Navigation considerations
- \* Marina architecture including the integral village complex concept
- \* Services and equipment
- \* Case studies of marina developments
- \* Design and construction
- \* Computer packages available for analysis design and management
- \* Breakwaters
- \* Layout of marinas
- \* Maintenance of marinas
- \* Security
- \* Planning and legal aspects

The Conference is sponsored by the National Yacht Harbour Association (NYHA) and the American Society of Civil Engineers (ASCE).

For further information please contact:

Liz Newman, Conference Secretary  
Computational Mechanics Institute  
Ashurst Lodge, Ashurst  
Southampton, SO4 2AA, UK

## **New Publications**

### **IMO Publications**

#### **Proceedings of the International Symposium on Reception Facilities for Noxious Liquid Substances**

This useful book contains a collection of papers submitted at the Symposium, held in London in May 1987, together with a summary of the discussion which followed. The aim of the Symposium was to present background information on requirements of the regulations for the control of pollution of the sea by noxious liquid substances in bulk contained in Annex II of MARPOL 73/78 which came into effect on 6 April 1987.

Sales number 622 87.15.E

Price: £12.00

#### **Manual on Oil Pollution Section II — Contingency Planning**

Prepared by the Marine Environment Protection Committee, this Manual provides guidance to Governments, particularly those of developing countries, on ways of preparing contingency plans, both local and regional. It covers national and international marine oil spill problems, dealing also with ports and terminals and intervention and cost recovery.

Sales number 560 88-02 E

Price: £7.00

#### **Uniform Rules of Conduct for Interchange of Trade Data by Teleco Teletransmission**

Published by the International Chamber of Commerce (ICC) 38, Cours Albert 1<sup>er</sup>, 75008 Paris

UNCID, "Uniform Rules of Conduct for Interchange of Trade Data by Teletransmission", have been developed by a special ICC Joint Committee made up of leading experts from a wide array of intergovernmental and non-governmental organizations, plus various ICC Commissions. They are another concrete example of the ICC's long-standing commitment to deal promptly and practically with technological innovation, and to codify and harmonize self-regulatory business



practices.

Through voluntary, like all ICC codes, rules and guidelines, UNCID provide a foundation on which the parties involved can build a "communication agreement", a contract with legally binding effect. A high official of the United Nations Commission on International Trade Law (UNCITRAL) Secretariat who helped draft UNCID has said that, once widely accepted by business and legal communities as appropriate Rules of Conduct, they should acquire a "semi-legal status as the standard which trade partners communicating by data transmission would ignore at their peril".

UNCID have now been adopted by the ICC and the United Nations Economic Commission for Europe (ECE), and are available for use. In fact, they have already been applied in at least two international trade projects. We thank all those who have helped to create UNCID, both organizations and individuals, and we commend UNCID to all users of EDI.

★ ★ ★

### LR's Register of Ships

The *Register of Ships* compiled and published by Lloyd's Register, the world's leading ship classification society, is the only definitive guide to merchant shipping. Containing details of more than 76,000 sea-going merchant ships of 100 gross tonnage and above, the three volumes of LR's *Register of Ships* list vessels in alphabetical order by name and provide essential information covering:

- \* ship name and former names
- \* owner and/or manager
- \* ship type and registration
- \* tonnages and dimensions
- \* builder and date of build
- \* call-sign and navigation aids
- \* holds and hatches — number and dimensions
- \* grain, bale and insulated capacities
- \* cranes and derricks, noting maximum and minimum SWL
- \* engine details.

Lloyd's Register of Shipping  
71 Fenchurch Street, London EC3M 4BS, UK  
Tel: 01-709 9166  
Telex: 888379 LRLONG  
Fax: 01-488 4796

## The Americas

### North Fraser Harbour Fetes 75th Anniversary

When most people think of the North and Middle Arms of the Fraser River, they think of tugs, barges and log booms. Synonymous with the North and Middle Arms of the Fraser is the North Fraser Harbour Commission, a federal crown agency, which has had a major influence on the growth of the surrounding municipalities of Vancouver, Richmond and Burnaby and the way they have developed. It is a unique agency which represents a point of direct contact between municipal and federal governments.

The Commission functions through a Board of five Commissioners. Three members are appointed by the Federal Government and two members are appointed on the recommendation of a joint committee comprised of the Mayors and Councils of the City of Vancouver and the municipalities of Richmond and Burnaby.

The Commissioners provide the overall policy direction to a professional staff of 14 headed by the Port Manager as chief executive officer.

The Commission is virtually autonomous, with authority to make all decisions concerning the harbour at a local level and to arrange its own financing. This autonomy allows the Commission to meet its objectives in management and operation of the port so that it is efficient, financially self-supporting and an effective instrument of support for the achievement of national, regional and local economic and social objectives consistent with the Minister of Transport to ensure the integrity and efficiency of the national ports system and the optimum deployment of resource.

As an integral part of the Fraser River Estuary, the North Fraser Harbour contains many of the unique features which are irreplaceable resources in the urban development of the Greater Vancouver area. Opportunities for economic development, maintenance of a viable eco-system and recreation are abundant. The North Fraser Harbour, as a part of the Greater Vancouver Urban Settlement, is one

of the most heavily industrialized areas of the province. In addition to the continued use of the harbour by industry, it has become a passive recreational area with commercial small boat marinas, fishing bars, walking trails and foreshore parks.

In this, its 75th year, the Commission observed a Special Events Day in the Port on July 24, 1988. In response to public demand, the Commission hosted its "3RD ANNUAL WORKBOAT PARADE", a parade of workboats, tugs, coastal freighters, fishboats and marine patrol vessels that form part of the marine transportation industry in the harbour.

### Study on Export Grain Movement in Canada

"Factors influencing the Direction of Export Grain Movement in Western Canada", a major study, is underway. Co-sponsored by the Port of Thunder Bay, the St. Lawrence Seaway Authority, Dominion Marine Association, Western Grain Elevators Association, Port of Quebec, Port of Montreal and the St. Lawrence and Atlantic Elevator Association, the study will assess the relative impact of the commercial and institutional factors influencing the proportion of export grain moving through Thunder Bay and the Seaway System.

The study should be completed by the fall and will assist those involved in the eastward movement of grain in developing strategic plans to address factors influencing the east/west movement of grain off the Prairies.

(Transport)

### Port of Halifax to Host 1993 AAPA Convention

Mr. David F. Bellefontaine, General Manager & CEO of the Halifax Port Corporation has announced that the Port has won its bid to host the 1993 annual convention of the American Association of Port Authorities.

The American Association of Port Authorities provides an organizational resource to the ports of the Western Hemisphere, dedicated to the service of the port industry and the professionalism of port managers. The association was formed in 1912, and held

its first convention in New York. Over the past 76 years, Canada has hosted the convention 12 times, and only once in Halifax in 1938.

Mr. Bellefontaine advises that this convention will enhance the image of the port, and provide considerable economic spin-offs to the Cities, the region and to the Province of Nova Scotia.

The announcement comes at a good time, when one considers that containerized traffic at the Port of Halifax has increased by 43% over the past two years.

### **Mr. McJunkin Named to Intergov't Committee**

Mr. James H. McJunkin, International Trade and Marketing Advisor to the Port of Long Beach, has been named to the prestigious Intergovernmental Policy Advisory Committee (IGPAC) by the U.S. Trade Representative, Mr. Clayton Yeutter.

The sole West Coast port appointee, Mr. McJunkin joins the governors of seven states, lieutenant governors of three states, and mayors of six cities on the 35-member committee.

The IGPAC, originally chartered in 1985, will focus on several critical issues, including implementation of the U.S.-Canada Free Trade Agreement and the ongoing Uruguay Round of GATT negotiations.

The committee will provide a forum for analyzing trade issues affecting state and local governments during the formative states of policy development. IGPAC members will also strategize the respective roles of state, local and federal government in developing the international competitiveness of United States industry.

### **Econ. Study Confirms Baltimore's Significance**

Trade and commerce shipped through the Port of Baltimore generated \$1.5 billion in revenues and employment for nearly 52,000 Marylanders in 1986, according to an economic impact study prepared for the Maryland Port Administration and the Greater Baltimore Committee by Martin Associates, a consulting firm based in Bethesda.

The study also reports that \$57

million in state and local taxes was generated by port activity. In addition, total of \$782 million in personal income was attributed to port employment.

Of the 52,000 state residents whose jobs were related to port activity, a total of 13,367 jobs were directly involved with waterfront operations, a total of 6,540 were induced by income spinoffs, and an additional 32,000 jobs were attributed to firms using the port. The port accounted for 2 percent of all jobs statewide, according to the study.

In terms of direct employment, the port was the third largest employer in the Baltimore region, the study said.

"The Port of Baltimore's status as a leading world class shipping center is confirmed by the results of this economic impact study," said Mr. David A. Wagner, Executive Director of the Maryland Port Administration. "The port is a major contributor to the economic vitality of the State of Maryland. Its business influence, as defined by this study, speaks well for Baltimore's ability to accommodate world trade in a revocue generating capacity."

The study said containerized cargo created more than 5,000 direct jobs for Maryland residents, breakbulk shipments generated more than 1,400 jobs and the movement and port processing of automobiles accounted for nearly 1,300 jobs for Marylanders. In the bulk area, coal exports generated 1,000 jobs, other dry bulk 1,400 jobs, iron ore 475 full time jobs, grain about 300 jobs and petroleum and other liquid bulk about 220 jobs for Marylanders.

Port revenues were distributed among a variety of industry sectors, the surface transportation sector received \$338 million in revenue due to port activity in 1986 and the maritime service sector firms received \$608 million in revenue. The banking and insurance sector received \$68 million in revenue in 1986 as a result of cargo shipped/received at Baltimore.

The Maryland Port Administration received \$13 million in revenue in 1986 in addition to revenue received from terminal operations. Another \$18 million was generated from terminal leases and equipment rental. The federal government received \$479 million from U.S. Customs collections.

The breakdown of revenue by sector in 1986 shows that the maritime service

sector received 40 percent of the total, surface transportation 22 percent, the federal government 32 percent, banking and insurance 5 percent and the MPA 1 percent.

On a unit basis, the greatest revenue impacts per ton were accrued to automobiles, breakbulk and containerized cargo, in that order.

In terms of total revenue, containerized cargo generated \$274 million, followed by automobiles at \$105 million and coal at \$105 million.

A comparison of this economic impact study to the one done in 1980 revealed that the overall economic impact of the port had increased from \$1.18 billion to \$1.51 billion despite significant port tonnage changes in the bulk commodities of grain, coal, and petroleum. There are 10,000 fewer jobs in the port area than in 1980, mostly in the areas of shipbuilding and ship repairs.

"We are a smaller port than we were 8 years ago, but our impact on the state and regional economy is still very large," said Mr. Wagner.

### **New Orleans Financial Gains Spur Optimism**

Results from calendar year 1987 and the first half of the 1987-88 fiscal year are in and look good.

During 1987, the Port of New Orleans handled 20.6 million tons of cargo over its public facilities, an increase of 20.3 percent over the prior year.

Between July 1 and the end of the year, the Port's financial picture improved dramatically. A positive cash flow of \$3 million during the first half of fiscal year 87-88 was a vast improvement over the \$9 million cash deficit the Port faced a year ago.

A number of decisive steps were taken to achieve these results. By leasing the Rivergate exhibition hall to the New Orleans Exhibition Hall Authority, the Port lifted a \$1.5 million annual financial burden from its operating budget. Developing tough cost containment policies throughout all departments, reducing the Port's fleet of vehicles and streamlining the work force from 559 budgeted positions to 397 also helped to lower port costs considerably.

The Port also took other positive steps to ensure growth. In late 1987,

a five-year, \$108 million capital improvements plan was approved by the Board. As part of this plan, a berth, an intermodal facility and extra flood protection will be added at France Road Container Complex. Lighting and fencing will be installed at the same site to expand container storage and handling there. Additionally, improvements will be made at the multi-purpose wharf at Jourdan Road and at some facilities along the Mississippi.

(Port Record)

## **Pusan, NY&NJ Form Sister Port Relationship**

A ceremony was held on May 24 at the World Trade Center inaugurating a "Sister Port" relationship between the Port of Pusan, Republic of Korea, and the New York-New Jersey Port.

Mr. Stephen Berger, Executive Director of The Port Authority of New York and New Jersey, and Mr. Taek Huh, Director General of the Pusan District Maritime and Port Authority, signed a proclamation establishing a "Sister Port" relationship between the two ports to promote closer commercial, social and cultural exchanges.

Participating in the ceremony were Mr. James J. Kirk, Port Department Director, and Mr. Robert Steiner, Deputy Director, for The Port Authority of New York and New Jersey and Mr. Kenneth L. LeFevre, Deputy Commissioner of the New Jersey Department of Commerce, Energy and Economic Development.

Republic of Korea officials participating included Mr. Ro-Myung Gong, Consul General in New York; Mr. Ok-In Baek, Maritime Attache, Republic of Korea Embassy, Washington D.C.; and Mr. Kyuchin Hwang, Deputy Administrator, Republic of Korea Maritime and Port Administration.

"The Republic of Korea, the third major trading partner of the United States, and sixth for this region, is an excellent example of a newly industrialized nation in a rapidly changing international environment," said Executive Director Berger at the ceremony.

"Its success, in a remarkably short period of time, places it high on the list of countries that offer increased trade opportunities for the New York-New Jersey Port," Mr. Berger added.

At the ceremony, Director General

Huh noted, "Over 40 percent of the Republic of Korea's exports are shipped to the United States and the Port of Pusan handles a large share of that trade. This new 'Sister Port' relationship will help to start an interchange of technical and marketing information to improve the flow of trade between our two countries and our two ports."

Port Authority Port Director Kirk stated, "The Republic of Korea ranks first for this Port in terms of our oceanborne general cargo export markets and tenth in imports. Our Port's general cargo trade with South Korea increased 10 percent in volume in 1987 to 625,000 long tons and 32 percent in value to \$1.9 billion.

"This new relationship will spur the growth of trade between our two great ports even further and will enhance the economy of our respective regions," Mr. Kirk added.

## **NY/NJ Cuts Assessments On Cargo Moving Inland**

Cargo assessments on imports and exports moving through the Port of New York and New Jersey to or from inland North American points have been cut by more than half, effective July 1.

The assessment rate has been dropped to \$2.85 per ton on cargo originating at, or destined for, North American locations more than 260 miles from the bi-state port, according to a joint announcement by the New York Shipping Association and the International Longshoremen's Association, AFL-CIO.

The reduction is aimed at encouraging intermodal container traffic from beyond the immediate New York-New Jersey region, said NYSA President Anthony J. Tozzoli and ILA President John Bowers.

The previous assessment rate for most containerized cargo was \$5.85 per ton.

"The rate reduction represents a concerted effort to promote New York-New Jersey participation in the large cargo market beyond our metropolitan region," Mr. Tozzoli and Mr. Bowers said.

"The bi-state metropolitan area is our traditional base, and it is a very strong market. But we also want to keep the business from beyond our imme-

diate area and the work it generates."

Cargo assessments fund the fringe-benefit programs for the New York-New Jersey longshore labor force.

The basic assessment rate, plus a system of container-unit charges within the metropolitan region, has been stable since it was introduced in May, 1985. There have been no increases, and the rate has been lowered for labor-intensive goods and certain other cargoes.

## **NYK Line Adds Oakland To Its FE Express Loop**

Nippon Yusen Kaisha\* (NYK Line), Japan's largest shipping company, has made Oakland, California a regular port of call in its Far East Express service with the arrival today (July 19) of the containership *Hakone Maru*. The service until now had called only at Los Angeles on the West Coast. Other ports served directly are Kaohsiung, Keelung and Hong Kong.

Oakland will continue to serve as last outbound port of call in NYK Line's Pacific Southwest service, which includes direct calls to Busan, Korea, and Kobe, Nagoya, Shimizu, and Tokyo in Japan. As a result the Port of Oakland will now have two, fixed-day of the week sailings by the Japanese carrier: the Far East Express service on Tuesday and the Pacific Southwest service on Sunday.

A total of five NYK vessels, with a combined capacity of more than 95,000 twenty-foot container equivalents (TEU) annually now will be deployed in the Far East Express rotation. All have extensive refrigerated container capacity and cruising speeds of more than twenty knots.

"A consistently strong intermodal gateway, Oakland will strengthen both westbound and eastbound opportunities for NYK between the Far East and the United States," said Mr. Eugene R. Swanson, President of Matson Agencies, who has served as the U.S. Pacific Coast general agent of NYK Since 1973.

At Oakland NYK Line uses the 65.5-acre (26.5 hectare) Matson Terminal, which has two containership berths served by three cranes and a 39,800-square-foot (3,700-square-meter) container freight station. It is op-

erated by Matson Terminals, Inc., under the terms of a lease agreement with the Port of Oakland.

\* Associate Member of IAPH

## Topgallant Grateful for Help from Charleston

Topgallant Group, Inc. a non-conference, independent U.S. flagcarrier, has completed a successful first year calling the Port of Charleston.

Mr. Frank Schachte, district manager for SEMCO, agent for the line, said the ships are leaving Charleston at 100 percent capacity. Topgallant operates a direct containership service to Europe, with Charleston as last outbound U.S. port.

He said Topgallant officials are very pleased with the cooperation and help the line has received from the Port of Charleston.

The two 2,220-TEU containerships in the Topgallant service are the *Chesapeake Bay* and *Delaware Bay*. The ships offer transit times from Charleston of 10 days to Rotterdam, 11 to Bremerhaven and 13 to Felixstowe. In the U.S., Topgallant calls New York, Baltimore, and Norfolk in addition to Charleston. From Felixstowe, the inbound rotation is New York, Baltimore, Norfolk, and Charleston.

Topgallant now calls North Charleston terminal, which Mr. Schachte says "will better accommodate our customers."

## Mr. Holmes Sworn In as Houston Port Chairman

Houston real estate developer Ned Holmes was sworn in as chairman of the Port of Houston Commission on June 7 in a ceremony held at the World Trade Building.

Mr. Holmes replaces Mr. Archie Bennett, Jr., whose term as chairman of the commission expired in May. Mr. Holmes has served as a Port Commissioner since August of 1987.

Mr. Holmes is chairman of Parkway Investments/Texas Inc., a firm that is involved in the development, construction and management of commercial, industrial, residential and retail projects as well as large-scale mixed-use developments.

## 1987 Good Year for Port of Palm Beach

In general, 1987 was a good year for the Port of Palm Beach. Although some areas showed a slight decline, many more showed marked improvement. Total assets improved approximately \$1.1 million, while total retained earnings were \$14.13 million versus \$12.64 million in 1986. Total operating revenues increased marginally by \$15,000, once again an all-time high in the 77-year history of "Florida's Biggest Little Port."

Due to the loss of two tenants this past year, retained earnings fell slightly, and expenses showed a minor increase.

## Africa/Europe

## Port of Rouen Generates 27,500 Jobs

The Port of Rouen generates 20,000 jobs in the Rouen area, representing 10 per cent of the total labour force, according to a study carried out by the regional office of the French national statistical institute, I.N.S.E.E. But a further 7,500 jobs are also dependent on the port's installations downstream of the Rouen conurbation at Le Trait, Saint-Wandrille, Port-Jérôme and Honfleur, the study found, increasing the total number of jobs engendered by the port to 27,500.

The study, written by Annick Richard and Martine Debiesse, looks at the neighbouring port of Le Havre, as well as Rouen, and tries to calculate the importance of both ports on the local jobs markets.

Although the study was essentially concerned with the Rouen and Le Havre conurbations, it did concede that the Port of Rouen's influence on the job market extended far beyond the city of Rouen and the surrounding districts by virtue of the port installations downstream of Rouen controlled by the port authority.

In the case of Rouen, it estimates that, in the Rouen conurbation:

- 5,700 people are **DIRECTLY** employed in port activities, particularly shipping and cargo services;
- 6,200 people have jobs which depend **INDIRECTLY** on the existence of the port, including those who work in the transport sector and in industries which need the presence of the port for their raw materials supplies;
- 7,900 people are in **INDUCED** jobs which depend on the spending power of people in the preceding two categories.

In the case of the Port of Le Havre, the study found that it generated 37,000 jobs in the area immediately around the city of Le Havre.

The authors of the study also make the point, however, that the national role played by the two ports means that their job-creating power goes way beyond the Lower Seine region.

(Rouen Port)



The Delaware Bay vessel is shown loading containers at North Charleston on the first anniversary of its service at Charleston.

## Total Transshipment at Rotterdam 3.1% Up

According to provisional figures, 65.7 million tons of goods were transhipped in the Port of Rotterdam in the first three months of this year. Total transshipment was 3.1% up on the average of the four quarters of 1987. Incoming tonnage rose by 3.6% and outgoing tonnage by 1.3%. The actual figures are in fact a few percent better than the Port Authority's short-term estimates of December 1987.

A comparison of the first quarter results of 1988 and 1987 shows a sharp increase of 11.2%, although not too much significance should be attached to this improvement on account of the strikes at the beginning of last year. Relative to the other quarters of last year, the first quarter of this year was good and the total transshipment is comparable with the figures for the third quarter of last year.

### Port of Helsinki in profile

Four hundred and thirty-seven years is a long time to look back on. Much has taken place in the time since King Gustavus Vasa of Sweden founded the city and port of Helsinki in 1550; the port has been moved to a new site, new harbour areas have been built, cargo handling has become mechanised, computers have arrived to handle invoicing, etc. A harbour can never claim to be complete, and Helsinki is no exception — development and new building work are going ahead all the time.

The Port of Helsinki Authority is a municipally-owned body, the capital investments of which are covered from income derived from harbour services. The State plays no part as such in the actual development of the port. Nevertheless, the State does administer the upkeep of fairways and handles legislative questions concerning the harbour.

The City of Helsinki is thus responsible for the day-to-day running of the port: the Port Authority sees to the technical and operational development of the harbour, maintains the necessary harbour services, and supplies crane-

vessel-, and warehousing services. A private company attends to stevedoring work and has its own warehousing facilities.

The port of Helsinki is developing into a harbour specialised in general cargo traffic. At present some 50% of the nation's general cargo shipments pass through the port. The hinterland extends right across Southern Finland. Helsinki is Finland's largest general cargo import harbour, the third-largest export harbour, the largest container port, and the leading passenger harbour. The overall cargo traffic through the Port of Helsinki in 1986 was 7.7 million tons, with imports accounting for 4.4 million tons, exports for 2.6 million tons, and coastal traffic for 1.1 million tons. A total of 2.4 million passengers passed through the port.

In terms of the value of goods carried, the harbour's position is equally strong: the value of shipments into Helsinki was some 41% of the national total for seaborne imports, and this rises to 55% if oil and coal imports are excluded. The corresponding figure for exports was 27%.

The Port of Helsinki is renowned for its operational efficiency and reliability. With its consistently high standard of equipment and services, the port is geared to meet the demands of modern seaborne trade and the handling and warehousing of goods. The harbour can offer an abundance of warehouse and outdoor storage space for long- and short-term storage of goods. The Free Zone, with sheds and storage areas, operates in principle as a free port.

There are frequent and regular sailings to and from ports on the Baltic, the North Sea, and across the Atlantic, and transshipments offer connections with ports anywhere in the world.

### Port Administration

The Port of Helsinki is one of 30 municipally-owned harbours around Finland. The City of Helsinki is responsible for the upkeep and development of the port, and executive management is in the hands of the Port Authority.

The Harbour Committee oversees the operations of the Port Authority. The Harbour Committee consists of nine members elected by the City Council for a four-year term. Each

regular member has a deputy. The election is carried out such that the members and their deputies reflect the political balance pertaining within the City Council itself. A Council representative also participates in Harbour Committee meetings.

### Port Authority

The Helsinki City Port Authority is a commercial enterprise, which creates through its services all the conditions for competitive harbour operations and for the Port's customers.

The Port of Helsinki serves primarily the interests of commerce in the Greater Helsinki area and Southern Finland.

*(Port of Helsinki Handbook 1987)*

## Gothenburg Rail-Ferry Link Given CIM Status

**The Port of Gothenburg is to add another 50 harbour workers to its labour force, increasing the number of harbour workers to 700.**

Although the port's general cargo rose by 7 percent last year, the recruitment is not strictly linked to the increase in traffic. Rather, the move is intended to raise the quality level in the harbour work.

Stevedoring today is often a qualified job, with sophisticated machinery and computers involved. The harbour workers now to be permanently employed will make us less dependent on extra hands, and this will increase the quality in our port work, comments Mr. Göran Wennergren, president of the Port of Gothenburg Co.

The Port of Gothenburg is in the process of changing from tractor-trailer combinations to straddle carriers in its Skandia and Älvsborg unit-load harbours. Also, an increasing portion of the machinery is equipped with wireless computer terminals, allowing the operator to communicate with the Port's central computer.

Some of the harbour workers now to be recruited will be employed within the Port's new organization for land terminal services. This unit offers complete warehousing, stuffing/stripping and distribution services to importers and exporters.

**From May 15, the Gothenburg-Frederikshavn rail-ferry link is enjoying CIM status, an international railway recognition that facilitates the exchange**





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The young rail-ferry link, opened last December, is operated by Stena Line through its subsidiary, Stena Rail Ferry AB. The vessel used, the *Stena Scanrail*, makes one crossing per day in each direction between Gothenburg and Frederikshavn.

The CIM status now awarded to this private rail-ferry link not only makes the use of railway waggons easier to administer and paperwork smoother.

It will also be easier to get return cargo north-bound (the main cargo flow so far has been southbound).

During the first months of operation, Danish and Swedish railway authorities have co-operated by letting their waggons be exchanged on the line, although CIM status was then yet to be decided upon. This has shown what was expected, namely that the link has opened up Jutland (i.e. continental Denmark) to Mid-Swedish and Norwegian exporters for certain cargoes, and vice

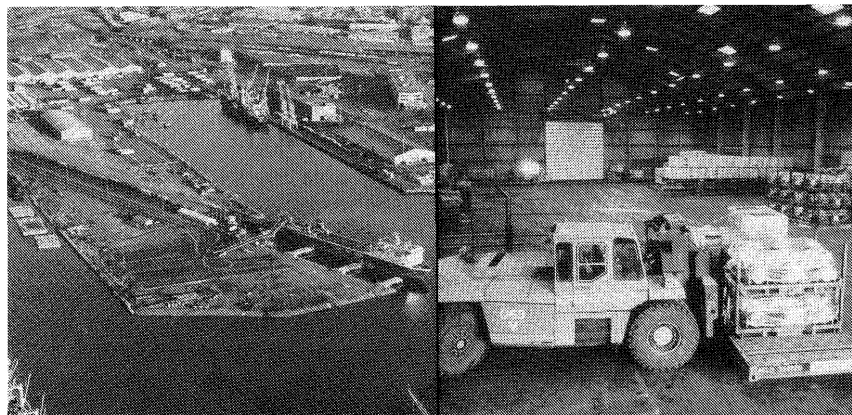
versa. With the CIM approval, the influence of the link is expected to reach further into continental Europe.

## **Port of London Authority Makes Good Progress**

The PLA made good progress in each of its River, Tilbury Docks and Property divisions in 1987.

Group profit for the year was £17.9 million compared with £0.8 million in 1986. The result, however, includes exceptional income of £13.5 million arising from final settlement of land transactions with the IDDC, stretching back to 1981. There were other special factors, both favourable and adverse, which distorted the result, making comparison with 1986, itself an exceptional year, misleading.

Having started the year with its workforce in balance with demand, PLA was faced with new surpluses of registered dock workers when a number of private employers ceased operating. The decision of the Tilbury division to close the West Africa Terminal at the end of the year added to this problem, which was tackled by a voluntary sev-



The "Stena Scanrail", seen here leaving her Gothenburg berth for Frederikshavn, is operating under CIM authorisation from May 15.



erance scheme. This exercise cost PLA some £4 million which partially eroded cost savings of £9.5 million achieved, principally, through manpower savings made in 1986.

Income from Port Rates was cut by nearly £4 million as part of a continuing policy of lowering this charge. As a result, annual turnover was down from £83.9 million to £79.6 million.

PLA calculates that after allowing for all these factors, the underlying profit of the group improved from £7.9 million to £10.6 million.

The total trade of the Port fell for the first time in four years due, entirely, to a fall in oil and coal traffic. All other River traffic showed healthy increases and Tilbury maintained the growth it achieved in preceding years. The Port total of 43.8 million tonnes leaves London comfortably ahead of all other UK ports, except for the North Sea oil port of Sullom Voe.

PLA Chairman, Sir Brian Kellett, sees a significant improvement in the underlying performance of the business, particularly at Tilbury. Looking ahead, he states, "among the major task ahead of us, the River Division will assume responsibility for pilotage later this year. At Tilbury we need to continue the progress made towards viability. The strength of our property portfolio must be deployed in the optimum way to meet our liabilities and to help put our other activities on a sound footing."

### 3 New Straddles for Southampton Terminal

Southampton Container Terminals Ltd. — the ABP subsidiary which runs Southampton's container port — has taken delivery of three Valmet Container Stacker straddle carriers as part of the terminal's modernization programme.

The three 40-tonne capacity carriers — costing £350,000 each — have been bought by SCT as part of a £15 million re-equipment and replacement scheme scheduled for the next five years. New tugmaster units and other mobile equipment are already in operation, and SCT expect to purchase a further seven straddle carriers for the terminal this year.

During 1987, the terminal berths operated by SCT achieved a record throughput of 31,800 TEUs.

## Asia/Oceania

### 'Australia's Waterfront Needs Improvements'

"It's time for action on the waterfront." ... That's the clear message from one of Australia's more prominent federal politicians, the shadow minister for transport and aviation (Mr. Julian Beale, M.H.R.).

Mr. Beale claims the waterfront is costing the Australian taxpayer \$2,000 million a year.

The cost flowed from ... "cosy cartels, lazy management, restrictive work practices, rorts, abuses, coercive power and bludging."

He delivered his criticisms and observations on March 30 when addressing an audience of more than 200 port, shipping and general business heads at a special function organised by the Port of Brisbane Authority.

Mr. Beale said the country had seen 17 reports on the waterfront in five years.

He added: "We don't want more reports, studies, inquiries and reviews — we want action."

"What the waterfront needs is a frame work for competition."

Mr. Beale said he was intrigued when the Port of Brisbane Authority — because of the 10-week delays on L.C.L. containers passing through Sydney depots — proposed that the L.C.L.'s be shipped through Brisbane where they would be cleared in a week.

He went on: "Guess what happened — the backlog in Sydney disappeared."

"Don't tell me that competition doesn't work."

Mr. Beale said Australia needed to abolish the "pool" of waterside workers system.

In its place there should be an industrial policy which allowed employer and employee to reach their own arrangements at an enterprise level and with agreements enforceable at law.

Then, if the employer wanted to break the rules, he could be sued for damages — and conversely, if employees penalised a business (and the community) sanctions could be enforced.

Mr. Beale said Australia was "a terrific place" with enormous human

and natural resources but — somehow — in the last generation it had drifted off the track.

The country's net overseas obligations amounted to about \$90,000 million — \$25,000 for every Australian family.

To improve that situation, Australia needed to sell more to the world and to improve efficiency and performance at every level.

An example was the comparative, average container handling rates. In Australia, it was 10 to 15 an hour but in major overseas ports, using similar equipment, it was 30 to 40 an hour.

Mr. Beale said watersiders had to have a more responsible approach.

Later, during a question/answer period, Mr. Beale said changes were taking place — the issue really was the rate of change.

To increase that rate, people in general had to use the tools available.

Ridicule was one of the tools.

Mr. Beale said the business of people standing around doing nothing, watching containers being loaded, and off-loaded, was stupid — and, the people involved knew it was stupid.

Overmanning was stupid. So, too were different loading rates at opposite ends of the same wharf.

Keeping "the heat" on the politicians also was important because it was the political structure which ultimately had to show the will to make the changes, he added.

(Brisbane Portrait)

### Gladstone Marina Open; Response Encouraging

Response to the Gladstone Marina in its first weeks of operation has been most encouraging. With facilities being commissioned and tenancies being established, the Authority has not sought extensive publicity of the Marina until all services are available.

Occupancy of the 100 private Marina Pens in Stage 1 of the development, has been in excess of 60% for permanent and permanent/casual moorings. A dramatic increase of visitors to the Port has seen well over 150 vessels per month staying in the Marina for periods of 1 to 5 days.

At this time of the cruising season the majority of visitors have been from southern and northern Queensland. A

number of overseas visitors cruising the Pacific area have also called. Word of mouth and the establishing of a good reputation of a friendly and helpful Marina service is the best form of advertising known. The response from the visiting vessels has been excellent with very favourable comments, not only on the Marina layout but also the atmosphere created by the architecture of the building and the extensive landscaping of the area.

Local Charter Operators have similarly seen the advantage that they can gain from basing their operation in the first class facility provided for them in the Ferry Terminal Building. Waiting area, baggage handling facility and amenities provide that all important first impression to patrons of the charter vessels.

Tenancies for providing services to the Marina users have now been established. For their convenience, tenancies catering for — general store and food lines, bait and tackle shop, chandlery lines, yacht and boat brokerage and of course, most importantly, the Laundromat.

With the peak cruising season rapidly approaching, the Authority is convinced that the benefits to the cruising public of the Gladstone Marina will guarantee Gladstone as a destination not to be missed.

*(Gladstone Port-Talk)*

## Final Report of 'Strategy Review'

The Port of Melbourne Authority has agreed with the key strategic elements outlined in the final management consultants' report of the Corporates Strategy Review, Report on the Implementation Planning Phase.

In order to reflect the key areas identified during the review, the following Mission Statement has also been adopted:

*To ensure the provision of port and marine related services for the economic and social benefit of the Victorian Community.*

Key actions to be addressed following the report include: to adopt a wider pro-active role, improve stakeholder relations, adopt a sourcing policy, establish a draught policy, upgrade and rationalise berths, reduce non-PMA port costs and direct PMA costs, im-

plement improved work practices, cease outside commercial work, adopt a new pricing policy, make Western Port more commercial, restrict non-strategic activities, minimise property activities, quarantine non-commercial operations and improve support systems.

The PMA is seeking the involvement of the Victorian Trades Hall Council, unions/associations and employees in the process of considering the final recommendations of the Corporate Strategy Review and in developing appropriate implementation plans.

A possible draught policy will consider draught limitations which exist at Port Phillip Heads, some berths and in the approach channels. The ability to handle Panamax vessels in the future will also be considered.

The upgrading and rationalising of berths will involve considering a reduction in the number of berths using the remaining berths more effectively and selling under utilised, expensive assets.

*(Panorama)*

## PMA to Expand Swanson Dock Facilities

The Port of Melbourne's major overseas container complex, Swanson Dock will be capable of handling the increased throughput expected in the next decade, upon the completion of an extension to the West side facilities, PMA General Manager, Mr. Jack Firman said.

"Following considerable consultation with Conaust Ltd. (the Materials Handling Division of P & O Australia) the PMA is to extend West Swanson Dock by 180 metres at an estimated cost of \$10.5 million," Mr. Firman said.

"The wharf extension, together with shore-side developments to be undertaken by Conaust Ltd. will establish facilities at West Swanson Dock for both roll-on/roll-off and container vessels and provide the capacity to handle up to 250,000 TEUs per annum".

"Recent negotiations by Conaust Ltd. have realised the transfer of several container services to its facilities at West Swanson Dock. Such transfers will increase the West side throughput and place pressure on current facilities.

In addition to the 180-metre wharf extension Conaust Ltd.'s development proposals include:

- A fifth container crane for the overall West Swanson Dock facility;
- Extension of the current container storage facilities;
- Construction of a 5,000-square-metre RoRo cargo shed;
- Improved traffic flows, vehicle access and on-site truck parking;
- Extension of existing programmed truck marshalling area and construction of a new terminal (access) gatehouse;
- Relocation of empty container park and extension of the existing depot building.

"Conaust has sought general approval from the PMA for such proposals which will see a company investment of \$13 million. Such an investment illustrates confidence in the projected growth of the container industry and overall trade through the Port of Melbourne," Mr. Firman said. "It is also illustrative of the PMA's commercial thinking and willingness to participate in partnerships with private enterprise".

"The PMA welcomes any operator who is willing to invest significant capital in port facilities and will encourage such investment providing it is consistent with the port development strategy. Naturally, it is desirable that any investment result in an improved level of service through the Port.

"The decision to extend West Swanson Dock is consistent with PMA objectives. Our projections from the likely transfers of trade within the port show a balanced utilisation of East side/West side facilities which, together with increased productivity, could bring about an increase in trade figures.

"The Port of Melbourne Authority has a major responsibility to contribute to the economic growth of Victoria and the social benefit of the State's community. It has a responsibility to its port users, to be both aggressive and innovative in providing facilities that will ensure it retains the position of Australia's major port," Mr. Firman said.

## Adelaide-Japan Ship Services to Be Doubled

Growth in business co-operation between the two centres, increasingly evident over recent years, has been

given a major boost by the decision to double shipping services between Port Adelaide and Japan from July.

The Australia Northbound Shipping Conference (ANSCON) decision, announced recently by chairman, Mr. M.W. Moore-Wilton, has been hailed by South Australian industry, government and union sectors as a major breakthrough, worth potentially millions of dollars, through invigorated existing trade links and new opportunities for the State.

The move also offers further reason for confidence in the stability and expansion of the State's existing industries, particularly in the agricultural and manufacturing sectors.

The decision to increase ship services to Adelaide followed South Australia's major trade mission to Japan when a government/industry delegation met the Japanese Conference shipping lines to discuss the need for additional services.

Benefits to the State will be far reaching — flowing from shipside to the commercial and industrial sectors, right through to the family dinner table.

South Australian Premier, John Bannon, sees the extra shipping link as a further step towards establishing Adelaide as a truly international business centre. It also reinforces the State's position as an excellent central distribution point from which to send goods to the rest of Australia.

"The links between this State and Japan will grow faster and stronger," he said.

"For Japanese investors, this improved shipping service means they can rely on efficient transport links between South Australia and Japan.

"Our agriculture, fishery, processing and manufacturing sectors can now realise many export opportunities that were constrained by the lack of a fortnightly service."

The South Australian Chamber of Commerce and Industry's general manager, Mr. Lindsay Thompson, says the way in which the agreement to double shipping services between Japan and South Australia was reached will give the Japanese further confidence in South Australia.

"Japan has looked upon South Australia as a State whose government and private sector work closely together.

"The first class relationship and pooling of resources between the Chamber, representing private industry, and the Department of Marine and Harbors was the catalyst for the State's success in winning the increased frequency of calls.

"South Australia now has a valuable opportunity to generate more wealth, through its commercial and industrial activity. This will provide better employment prospects and increase consumption," Mr. Thompson says.

*(SPJ South Australia)*

## **Cochin Port Workers Productivity Enhanced**

1987-88 saw Cochin Port Trust adding many feathers to its cap: maintaining last year's record level of traffic the Port achieved higher productivity, declared deeper draft, maintained a quiet labour front and launched or got ready futuristic development plans.

Cochin Port has achieved the incredible — a second consecutive strike-free year. Cochin may perhaps be the only Port in the whole country which has not lost any man-day during the period. Barring the two years under Emergency this is the first occasion for the Port to make such a claim since 1964 when the Port Trust was formed.

During this strike-free period the productivity of workers showed considerable increase too. Individual productivity of shore workers rose up to 10 tonnes per shift, almost double of what it was a few years ago. The ship-berth-day-output also increased from 1,507 tonnes in 1983-84 to 3,075 tonnes in 1987-88. Rate of handling containers has increased from 23 per shift to 39 per shift. The rate of stuffing and destuffing containers is 8 TEUs per shift. All these figures are almost the best among the Indian Ports.

The average turnaround time of the ships calling at Cochin decreased from 4.67 days in 1983-84 to 3.46 days in 1987-88.

The target for traffic assigned by the Government of India for 1987-88 was 6.7 million tonnes, but the Port exceeded the target and maintained the traffic levels of the previous year at 6.83 million tonnes.

The general cargo traffic in Cochin Port has been somewhat steady over the last many years at around half

million tonnes. This position remained more or less the same during 1987-88 also. The general cargo handled in 1987-88 however rose to 5.6 lakhs as against 4.8 lakh tonnes in the previous year. The total number of containers handled during the year was 43,014 as against 38,922 in the previous year. During March alone 3,778 boxes were handled.

An interesting feature of container traffic for 1987-88 is the impressive gains in traffic from Internal Container Depots. It may be recalled that the Port administration had started meeting the exporters in various centres of its hinterland over the last two years. This marketing strategy where the Chairman himself personally met the exporters of Tamil Nadu and Karnataka seems to be beginning to show results. As against 1,528 boxes and 9,254 Tons received from/forwarded to ICDs during the previous year, in 1987-88 2,129 ICD boxes involving cargo of 14,193 Tons were handled. These boxes came not only from Coimbatore and Bangalore but even from Guntur.

During the year under review the Port has also announced an increased draft of 38 ft. It may be recalled that the Port was designed by Sir Robert Bristow for a draft of 30 ft. which was raised to 35 ft. during Shri Mahabala Rao's time in late 70s. It is now proposed to increase the draft further to 42 ft. during 1988-89 so that oil tankers of 115,000 DWT can come in and unload not to speak of other large bulk or break-bulk vessels.

On the development side the Port has placed orders finally for construction of a dredger under the Indo-Dutch Bilateral Aid Programme; the dredger will reach Cochin towards the end of 1989. A computer has been installed and it has been possible for the Port administration to train up enough people to make use of the computer facilities. It is worth mentioning that even trade union leaders took a constructive approach to computerisation and attended an awareness programme for trade union leaders organised internally at the Port's Computer Centre.

During the year under review the Rs.53 crore ADB project was finally cleared by the Government of India and pre-qualification of contractors is over and the work is expected to be

taken up in 1988-89 and the terminal is expected to be ready by 1990. Once this terminal is ready Cochin Port will be on a par with Madras in terms of facilities and gearless vessels would be able to visit Cochin.

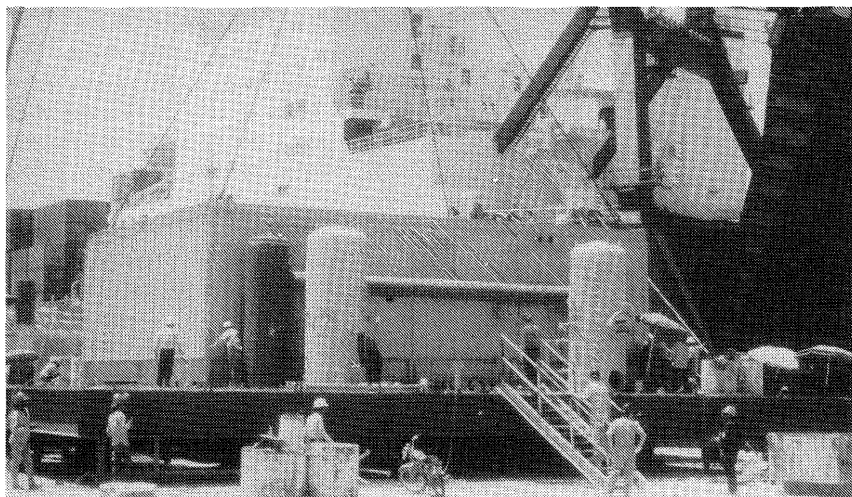
The long-term project of Vallarpadam Mother Terminal, as is already known, has been approved by the Government of India in principle and preparation of the Detailed Project Report in Holland under Indo-Dutch Bilateral Aid Programme is going according to schedule. It is expected that the Report would be available before the end of 1988.

### **Singapore Promotes Sea-Air Transshipment**

Prior to August 1984, shipping cargo by sea and air was handled by individual cargo agents. Sea-air transshipment through Singapore was in its infancy. In August 1984, a Working Committee spearheaded by Civil Aviation Au-

thority of Singapore (CAAS) and Port of Singapore Authority (PSA) and comprising representatives from government bodies, shipping lines, airlines and the freight forwarding industry was formed to undertake a feasibility study and draw up appropriate strategies to promote sea-air transshipment through Singapore. The Committee was formalised in August 1986 and known as Committee on Sea-Air Cargo (COSAC).

In 1986, sea-air cargo through Singapore amounted to 3,732 tonnes. Last year, 4,976 tonnes were handled, a 33% increase over the previous year. Most of Singapore's sea-air shipments originate from Taiwan, S. Korea and Japan and were destined for European cities in West Germany, The Netherlands and the United Kingdom. The worldwide sea-air traffic in 1987 is expected to double that of 1986 to reach 100,000 tonnes. The bulk of this is destined for Europe with about 50% for the West German market. (PSA News)



### **Another First Performed in Jebel Ali**

When the NSCSA Ro/Ro container vessel, the "Saudi Tabuk" arrived recently in Jebel Ali from the U.S.A., she performed yet another "first" for the service.

Instead of discharging all of her cargo on the container and Ro/Ro berths, she went first to one of the private jetties in the port to discharge heavy lift cargo direct to the construction site where these were required.

As can be seen in the photograph, the Saudi Tabuk berthed at the McDermott jetty on quay. Using one of their large crawler cranes McDermotts then discharged two integral modules direct to their couplings, on the very site where these offshore structures are being fabricated.

Weighing 86 and 46 tons respectively, the larger piece made up a total of 712 cubic meters making it a very awkward piece in terms of shipping and lifting. In the event, the entire operation from the U.S. to construction site was completed by N.S.C.S.A. and McDermotts without mishap — from where the entire unit will be moved to its worksite, somewhere offshore in the Arabian Gulf.

### **KPA Begins Study On Privatization**

The KPA has appointed Price-Waterhouse Associates to carry out a study on the privatisation of the port's remaining services.

The study has already started and will be completed in three months time.

One of the tasks of the consultants is to identify the various approaches in privatising the remaining port services e.g. corporatisation, outright sale of the facilities and formation of joint venture companies. The pros and cons of the various approaches would have to be considered in terms of time schedule, resources required and benefits to the government, the KPA and its employees, port users and the community at large.

The facilities and services to be privatised should be financially viable for the private operator and hence this will entail packaging the more viable services with less viable but compatible services.

Port Klang's container terminal which went private in early 1986 is the first major port facility to be privatised. The KPA has a 49 per cent stake in Klang Container Terminal, the current operator of the terminal.

(WARTA LPK)

### **Feasibility Study on Penang Privatization**

The feasibility study on the proposed privatization of Penang Port Commission (PPC) is expected to be completed soon.

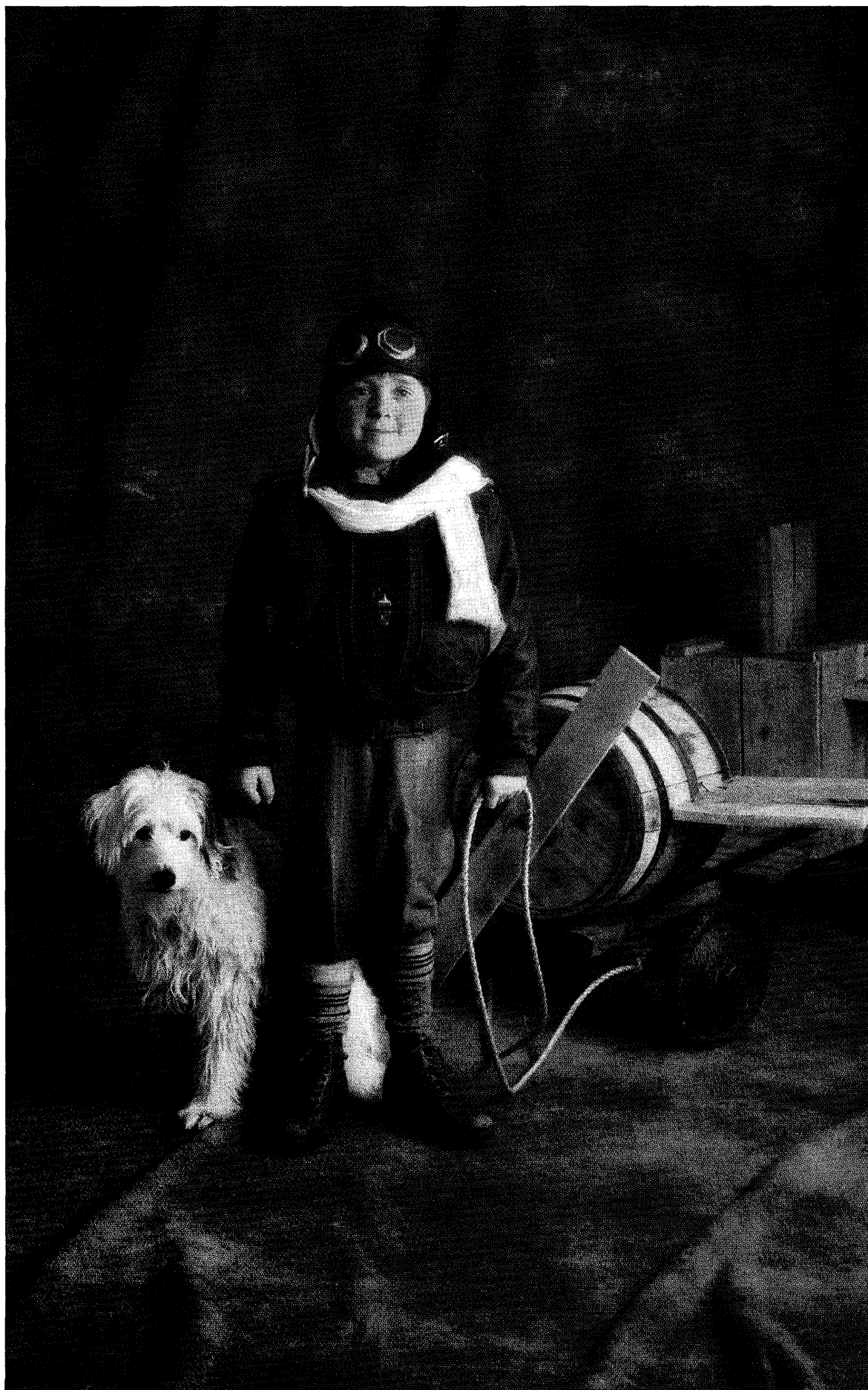
The report will be submitted to PPC by Amanah Merchant Bank Berhad (AMBB) which is currently conducting the study in association with consultants from Posford, Pavry and Partners, Peat Marwick and legal firm Messrs. Nik Saghir, Yaacob and Ismail.

The study will determine whether privatization is feasible and if so will identify the form of privatization most appropriate for Penang Port. The scope of study covers finance, port management, operations, engineering and economics, human resources and legal aspects.

The decision to conduct this study was made by PPC after the Government identified ports as one of the possible sectors to be privatized.

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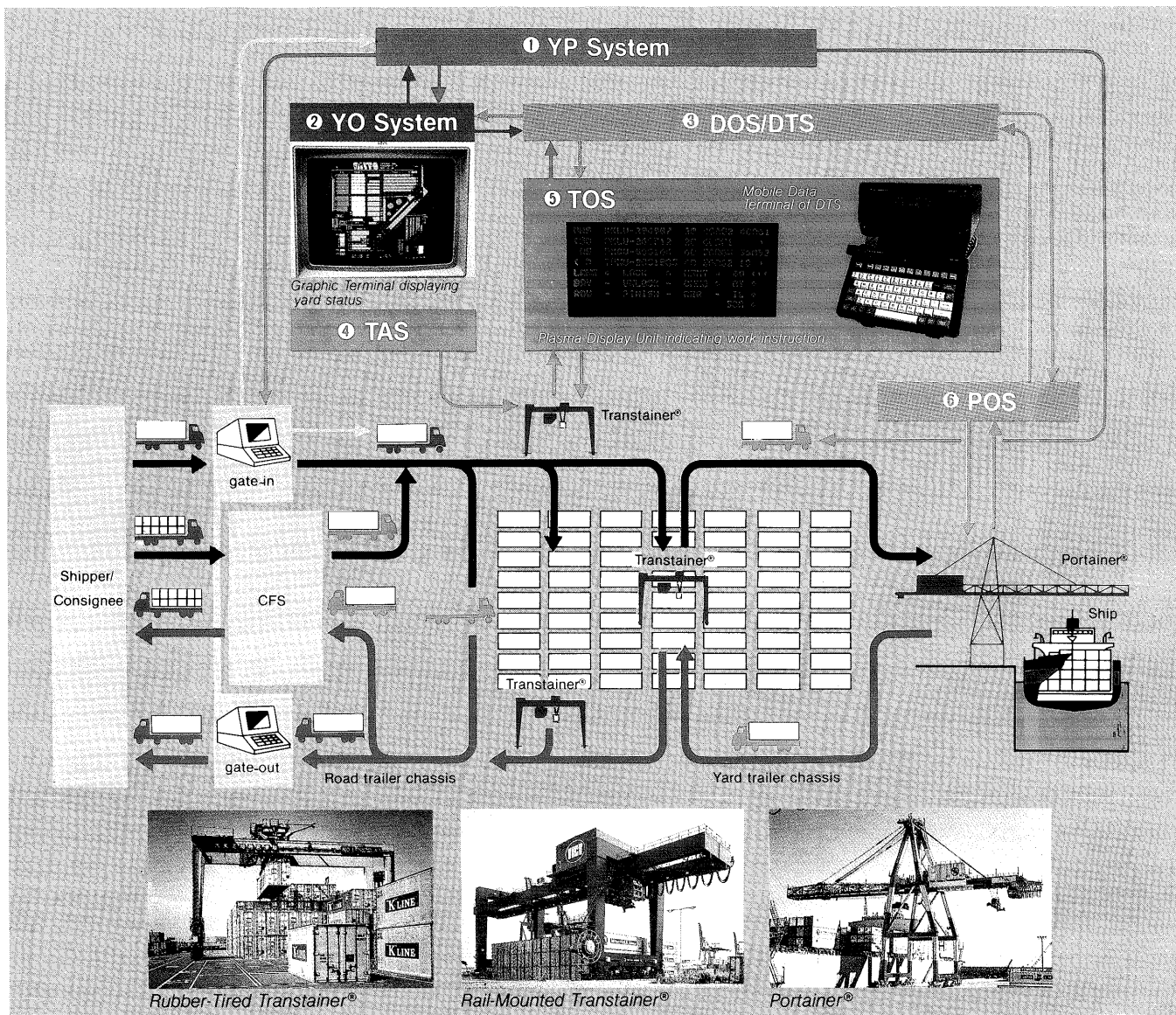


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