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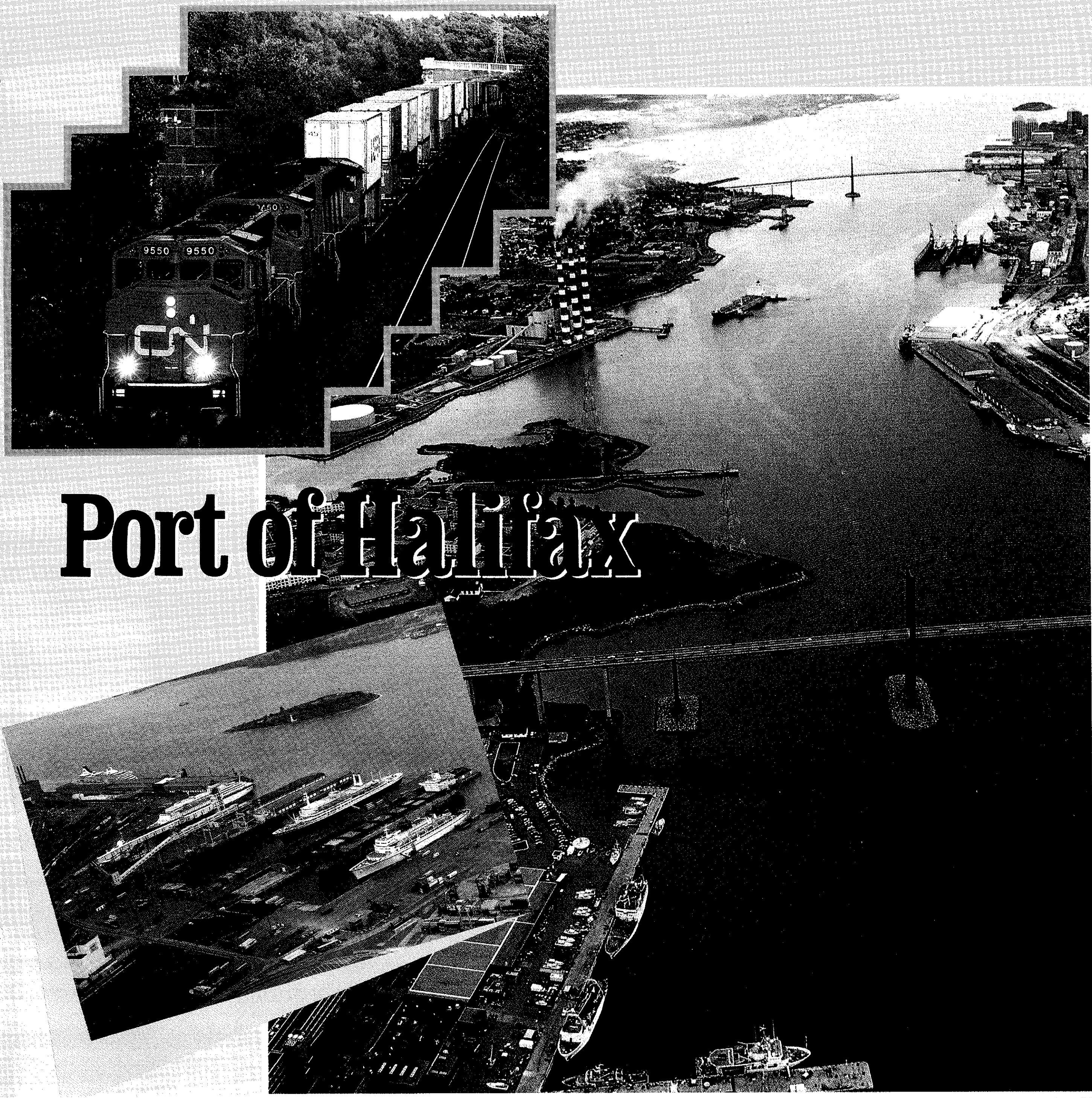
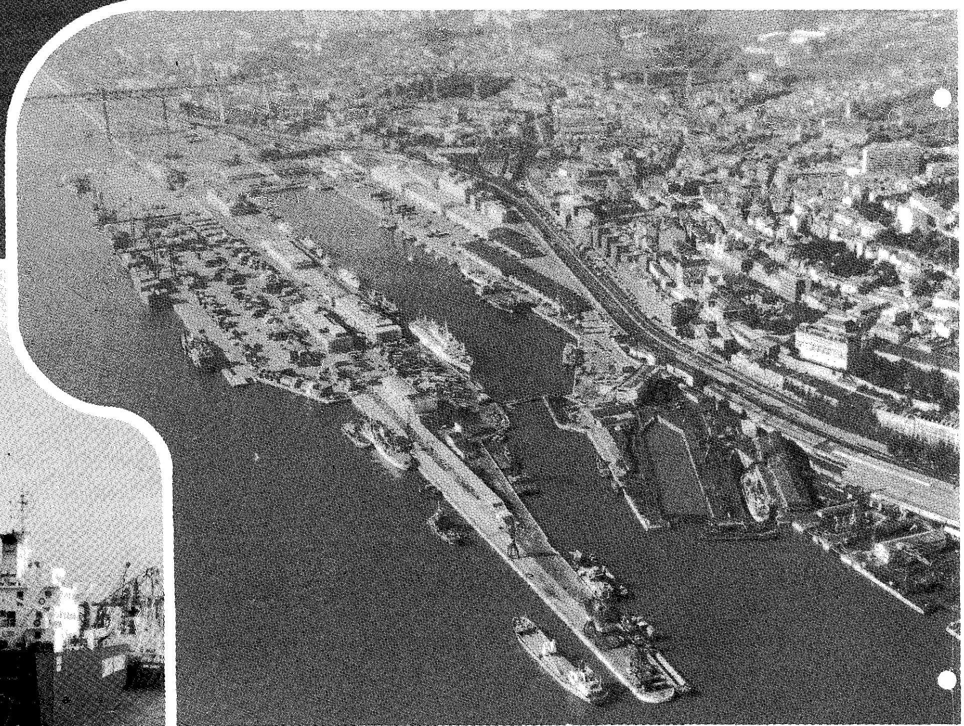
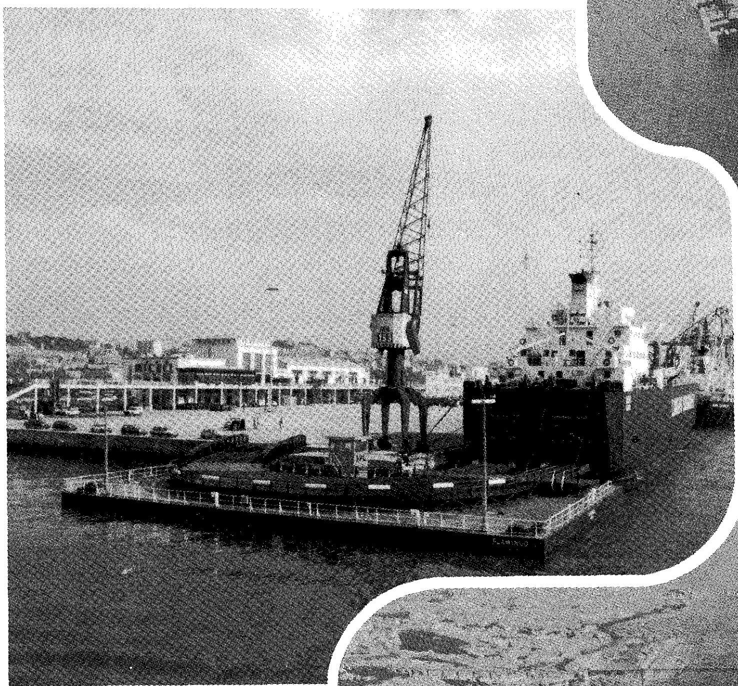
IAPH 19 Conference June 10-16 SEATTLE TACOMA 1995

INTERNATIONAL ASSOCIATION OF PORTS AND HARBORS · IAPH



Port of Halifax






A UNIQUE MILD INLET ON THE
DOORSTEP OF THE COMMON MARKET
AUTHORITHY PORT OF LISBON

Ports & Harbors
October, 1993
Vol. 38
No. 8

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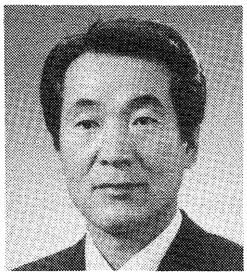
Contents

IAPH ANNOUNCEMENTS AND NEWS

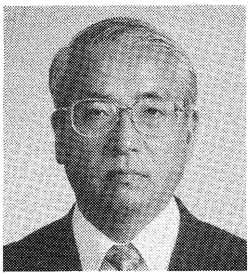
New Appointments:

Executive Committee

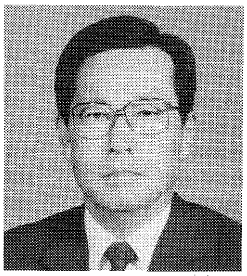
President Carmen Lunetta has appointed the following two individuals to serve on the IAPH Executive Committee to fill the vacancies created by the two Exco members from the Asian region:



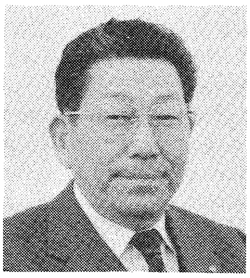
Lee Hang-Kyu



Akio Someya



Kim Jong-kil



Yoshiro Haraguchi

They are **Mr. Hang-Kyu Lee, Director-General, Pusan District Maritime and Port Authority, Korea,** who succeeded Mr. Kim Jong-Kil in May 1993, and **Mr. Akio Someya, Executive Vice President, Nagoya Port Authority, Japan,** who succeeded Mr. Yoshiro Haraguchi in June 1993, respectively. Mr. Someya has also succeeded Mr. Haraguchi as Director from Japan on the IAPH Board.

On behalf of all members of IAPH, Secretary General Kusaka has conveyed the deep appreciation of our Association to Mr. Kim and Mr. Haraguchi for the sterling efforts they made during their tenure of office. Mr. Kim has now been appointed as Director-General of the Marine Transport Bureau, Korea Maritime and Port Administration in Seoul, while Mr. Haraguchi, after serving as NPA's Executive Vice President for the past twelve years, remains as President of the Port of Nagoya Public Aquarium, which opened in October 1992 and as Advisor to Nagoya Port Terminal Public Corporation.

Legal Protection Committee

Mr. Carmen Lunetta, President of IAPH, has recently appointed **Mr. Paul Mallon, Through Transport Mutual Services*** in London, to serve on the Legal Protection Committee. The appointment was processed in accordance with Mr. Paul Valls's endorsement of the addition of Mr. Mallon to his Legal Protection Committee.

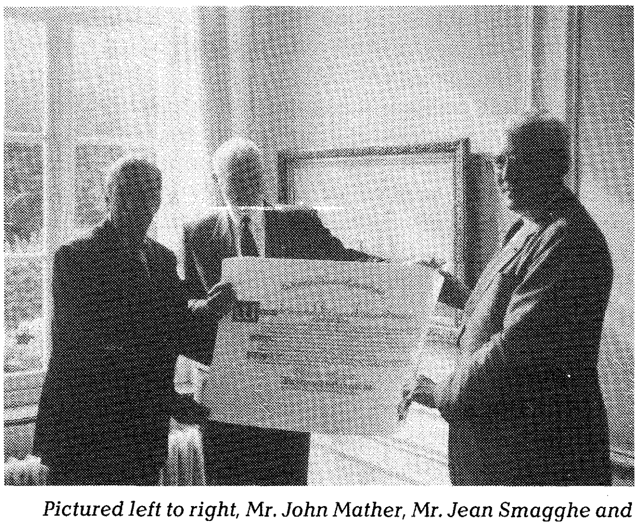
***Note:**

Through Transport Mutual Services (TTMS) is an Associate Member of IAPH. The following information has been received from Mr. Mallon, introducing his organization via Mr. Paul Valls.

TTMS provides the day to day management of the TT CLub, a specialist insurer of transport operators, terminal and port authorities. TTMS focuses on the provision of insurance and insurance related services to terminal operators and port authorities. This includes the handling of claims, the provision of loss prevention and legal advice and the development of insurance policies.

Honorary IAPH Membership Awarded to Mr. Suykens

On 20 July 1993, Mr. Fernand H. L. Suykens, Chairman of the European Community Sea Ports Organisation (ESPO) and Honorary Director General of the Port of Antwerp, Belgium was presented with the Scroll of Honorary Membership of IAPH by Immediate Past President Mr. John Mather at a ceremony in the ESPO offices, Brussels. Also present were Mme. Suykens, Mr. Jean Smagge, 2nd Vice-President of IAPH, Executive Director of the Port of Le Havre, Mr. A.J. Smith, IAPH Representative in Europe, and Mme. Pamela Le Garrec, Secretary General of ESPO.



Pictured left to right, Mr. John Mather, Mr. Jean Smagghe and Mr. Fernand Suykens.

UNCTAD/IAPH Monograph No. 11 Sent to All Members

Monograph No. 11, entitled "Electronic Data Interchanges Concerning Ports" authored by the three experts from the Port of Le Havre Authority, namely P. Lelarge, Planning Manager, J. Denel, Head of the Community Data Processing Mission and P. Herman, EDI Project Manager, was sent to all members from the Tokyo Head Office at the beginning of September 1993.

The monograph is one of the series being prepared by UNCTAD's Shipping Division in collaboration with IAPH. The content of the 30-page monograph is introduced as follows:

1. The intended purpose of this monograph is to provide a synthesize of the functions ensured by the main data-processing systems of ports, more specifically in the field of the automation of data interchanges connected with transport operations. In that context, it should be taken in conjunction with and complementarty to the reports "Guidelines for port managers on the use of computers" (TD/B/C.4/AC.7/11 and TD/B/C.4/AC.7/11/Supp.1).
2. Exchange of information are of key importance for any organization. This aspect is all the more sensitive in the field of international transport because it is one of the nerve centres for the operation of the enterprise. Given that this area of activity handles considerable flows of goods and the transport facilities involved, it calls for perfect mastery of the handling of information and of information exchanges. We shall begin this document with an account of the basic principles of electronic data interchange (EDI), the advantages from its use, and the need for standardization. Thereafter we shall turn to a presentation of the main information flows between enterprises that could be computerized to considerable competitive advantage: the term "enterprise" is used here in the sense of an entity involved in the transport chain and therefore applies to the port community. A detailed account will then be given of the various approaches to the transfer of information. An account of the various considerations for the implementation of externally open computerized systems for port operations will be followed by a presentation of the essential stages for the realization of EDI. The last part of the document will set out the steps that led the Port of Le Havre to implement EDI.
3. Given that a port is a cargo transhipment point, a frontier between carriage by land and carriage by sea, it is naturally a point of convergence for numerous information flows. Nowadays port communities are heavily involved in the implementation of computerized to control these information flows.

Bursary Recipient announced

Mr. Goon Kok Loon, Chairman of the IAPH Committee on Human Resources (Singaproe), has recently announced that he has approved the following individual as recipient of an IAPH bursary.

Mr. Robert Darku, Traffic Officer, Ghana Ports and Harbours Authority to attend the Seminar on "Port Management and Operations" to be organized by the Singapore Port Institute (SPI) from 22 November to 3 December this year.

The Secretary General has arranged for the applicant to receive the course fees and living expenses for a total of US$3,417.45 (within the maximum amount of US$3,500 for each recipient) through Capt. G.O. Asubonteng, Director-General, Ghana Ports and Harbours Authority, from whom the application was submitted to the Chairman of IAPH's Human Resources Committee for Mr. Darku.

Board to Approve Terms of Reference for Technical Committees

As one of the major fruits from the Sydney Conference in April this year, the Technical Committees were restructured and the chairpersons were appointed to head the respective committees for the new term leading up to the 19th Conference in Seattle/Tacoma in June 1995. However, it was technically difficult for the Board to approve the terms of reference for each committee at the meeting held on the final day of the Sydney Conference, as some newly created committees were yet to finalize their terms of reference for submission to the Board. Under this situation, the Board agreed in Sydney that it will hold a meeting by correspondence as soon as all the committees are ready to submit their terms of reference.

In this connection, the Secretary General circulated a letter to the Board members in late September 1993, in which the following terms of reference as confirmed by the respective committee chairpersons were referred to the Board for approval:

Terms of Reference of the IAPH Technical Committees (1993/1995)

I. PORT AFFAIRS GROUP

Committee on Cargo Operations

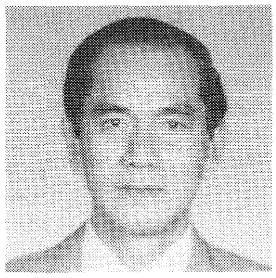
Chairman:
Mr. John J. Terpstra
Executive Director,
Port of Tacoma, U.S.A.

Terms of Reference Purpose

The Committee examines and reviews cargo handling matters to planning, development and operation of facilities and systems.
These include multi-modal transfer, equipment evaluabtion, manpower training, and other cargo handling criteria for assisting the movement of bulk, non-bulk, general cargo, container, Ro/Ro and barge cargo.

Objectives
Provide timely and practically useful information including data, processes, procedures and innovations concerning cargo handling operations worldwide.
Meet the needs of all IAPH members in this area, both large and sophisticated operations, and those that operate in less than optimum circumstances.
Learn from the best experiences of our members to help all of our members.
To these ends, expand the involvement of members with this committee to a broad spectrum of our membership.

Committee on Port Planning & Construction



Chairman:
Mr. Philip Ng
Director of Engineering,
Port of Singapore Authority,
Singapore

Terms of Reference
1. Following publication of the guidelines of Port Planning and Design, it was agreed to prepare a brief questionnaire which would be sent to all ports to ascertain whether the contents of the guidelines meet their requirements or whether any changes should be made (additions or deletions) or whether the whole emphasis of the report should be changed to cover only brief introduction to the various sections, details being covered in annexes.
2. Following receipt of the replies from the questionnaire referred to under Item 1 above, a new action programme will be prepared and, in addition, particular attention will be paid to the following:

1) Reference to coast erosion problems.
2) Multi-purpose terminal layout and the provision of covered storage areas.
3) Review/expand the section on port-city relations paying particular attention to port-community relations, including public access to ports.
4) Consider the effects of Occupational Safety and Health Legislation on port operations and whether this should be covered in the Port Planning Guidelines or by the Port Safety and Environmental Committee.
5) Consider in the review of the guidelines the inclusion of Total Quality Management.
6) Consider the consequences of returning unused land to government agencies or selling them to private sectors and its possible effects on future port expansion.
7) Continue updating the Bibliography included in the Guidelines.

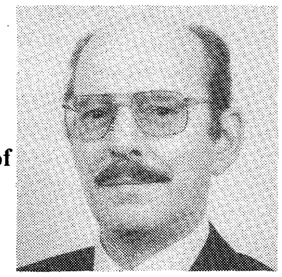
3. Monitor progress and contribute as necessary to the Work of the Joint IAPH/PIANC Working Group on channel dimensions. It is scheduled that the Working Group will report its recommendation to the Committee at the 1995 IAPH Conference.

Committee on Marine Operations & Safety

Chairman:
Capt. J.J. Watson
Chief Executive,
Dundee Port Authority, U.K.

Terms of Reference
1. To provide technical advice to the Executive Committee, Board of Directors and the IAPH membership on all matters relevant to securing safe and efficient marine operations in port waters within parameters defined by international, regional and national regulatory authorities.
2. To develop port-related marine operational policy at the behest of IAPH's policy-making bodies for general acceptance by the IAPH membership.
3. To further these objectives, the Committee will co-operate with other IAPH Committees and external organizations as circumstances make it appropriate to do so. The Committee will also monitor developing situations within the International Maritime Organisation and other marine related international fora and contribute appropriately expertise to their deliberations.

Committee on Port Safety & Environment



Chairman:
Mr. P. Van der Kluit
Executive Secretary to Director of Shipping/Policy Advisor,
Port of Rotterdam,
the Netherlands

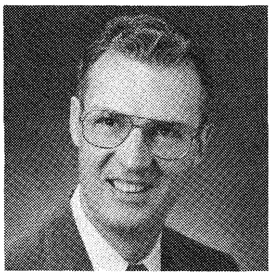
Terms of Reference
In accordance with the terms of reference of the International Association of Ports and Harbors, the Committee is to address matters relating to safety and environmental aspects in ports.
Special consideration will be given to aspects related to sustainable developments of ports.
Specific topics include:

- the transport, handling and storage of dangerous substances;
- aspects of the prevention or reduction of pollution in ports; such as:
  * water pollution
  * soil contamination
  * stench/dust
  * air pollution
  * noise
- the production of practical guidelines on these issues;
- the management of waste substances originating from port activities as well as waste substances which are

shipped through the port; and
- contingency planning and crisis management.

The Committee will continue to review and revise as and when necessary relevant chapters of the Guidelines on Port Safety and Environment Protection.
The Committee will participate in activities within the sphere of its interest of other relevant organizations such as ICS, OCIMF, etc.
The Commttee will offer support to the IAPH liaison officer with IMO in London.
The Committee will closely liaise with other Communities in order to ensure co-ordinated input to the IMO Working Group on Strategy for the Port Interface.

Dredging Task Force



Chairman:
Mr. D. Lee
Deputy Executive Director (Development),
Port of Los Angeles, U.S.A.

Terms of Reference
In accordance with the Terms of Reference (TOR), the Dredging Task Force (DTF) is to advise ports on all matters relevant to optimize maintenance and capital dredging needs, within the framework set by the national and international regulatory authorities and the needs of the port users.

The DTF will
A. On a continuing basis:
* Continue interface meetings and coordination with the London Convention of 1972 (LC72) and the Scientific Group of the LC72.
* Evaluate the long-term dredged material disposal problems of the ports, in order to recommend appropriate positions to the IAPH leadership to contribute to an IAPH strategy on environmental matters.
* Review relevant chapters of the IAPH Guidelines on Port Safety and Environmental Protection.
* Keep the IAPH membership informed on all dredging activities by providing news articles letters and informative alerts to the Secretary General for dissemination to the membership as it deems suitable.
* Review TOR for recommended changes as deemed necessary.

B. On a specific basis:
* Consider the feasibility of an IAPH acceptable standard contract document for port dredging works and facilitate distribution of same to members.
* Consider the feasibility of a Management Information System which would include, for instance, all relevant International Association of Ports and Harbors (IAPH), Permanent International Association of Navigation Congresses (PIANC), World Dredging Congress (WODCON), IADC, and CEDA documents bulletins and other appropriate literature.

II. TRADE AFFAIRS GROUP

Committee on Combined Transport & Distribution

Chairman:
Mr. Göran Wennergren
President,
Port of Gothenburg AB, Sweden

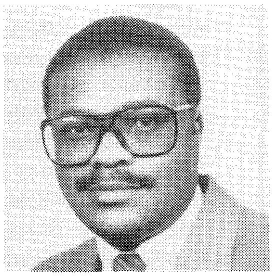
Terms of Reference
1. Intermodal is by definition the combination of different types of transport (sea, rail, road, river, air) to improve efficiency of the trade throughout the world.
2. Ports have always been an interface between, at least, two modes of transportation.
3. Nowadays, the role of the ports has been extended from a "passive" role of place of temporary storage to a "dynamic" role:
   .1 on the one hand, the trend is to set up distribution centers providing added value for special trades,
   .2 and on the other hand, the ports play the role of "appointment organizer" in order to speed up the goods interchange and avoid any delay for trades concerned by intermodal transportation.
4. The main purpose of the Intermodal and Combined Transport Committee is to stimulate port authorities of the three regions to achieve closer collaboration in:
   .1 Exchange knowledge and experience in the field of intermodal issues
   .2 Analyzing the technical issues and legislative aspects linked with the different modes of transportation,
   .3 Analyzing the new policies linked with inland transportation systems, interface facilities, distribution centers, etc.
   .4 Analyzing the economic impact for ports,
5. Therefore, the Committee will:
   .1 Analyze these different aspects of the intermodal applications in the three regions (African-European, American, and Asian) in tight cooperation with the other technical committees working on the related matters (CHOC, CLPPI, TF),
   .2 Liaise and carry out joint action programmes as appropriate with international and regional organizations to secure the benefits of intermodalism for the parties concerned.

Committee on Sea Trade

Chairperson:
Ms. Lillian Liburdi
Director, Port Department,
The Port Authority of
New York & New Jersey, USA

Terms of Reference
1. To recommend standard definition of cargo movement.
2. To define a unified global port forecast that would be able to be achieved and be of use to world ports.
3. To assemble a database of port capacity to understand whether the Port Community has the capability either now or in the long-term future to handle trade as we see it occurring world-wide.

Committee on Ship Trends



Chairman:
Mr. J.M. Moulod
Managing Director,
Port of Abidjan, Cote d'Ivoire

Terms of Reference
1. To collect information about the economy of maritime transport and the general policy of shipowners.
2. To follow the situation of the world fleet
3. To inquire and comment on trends in characteristics of ships
4. To consider the trends in ships characteristics and they concern designs and equipment for port facilities and to make appropriate recommendations.

Committee on Trade Facilitation

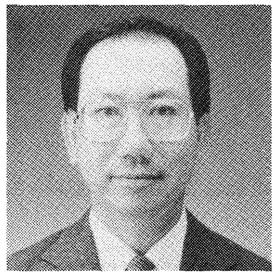
Chairman:
Mr. David Jeffery
Chief Executive,
The Port of London Authority,
U.K.

Terms of Reference
Recognising that the flow of cargo and movement of ships through a port can be significantly affected by the related documentation and information processes and other procedures, the task of the IAPH Trade Facilitation Committee is to seek to minimise the effects of such impediments.
The role of the Committee is to:-

i) Analyse documentation and information flows, and other similar procedures, both mandatory and commercial, related to the movement of cargo and ships through ports;
ii) Identify effective methods and processes to simplify and to harmonise such procedural requirements, so as to minimise disruption to the movement of cargo and ships through ports, in particularly by the use of modern Information Technology (IT) and electronic communications techniques, including Electronic Data Interchange (EDI);
iii) Ensure that member Ports are informed of such processes and techniques, as well as related developments, with a view to their wider adoption, further development and to increase compatibility within the ports industry;
iv) liaise with other relevant international bodies, be they official, trade or ad-hoc, in conjunction with other committees of the IAPH, to ensure that the interests of ports are properly represented.

III. HUMAN & EXTERNAL AFFAIRS GROUP

Committee on Human Resources



Chairman:
Mr. Goon Kok-Loon
Deputy Executive Director,
Port of Singapore Authority,
Singapore

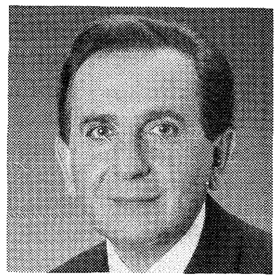
Terms of Reference
Proposes, develops and administers plans for the provision of training, education, and technical assistance to developing ports. The Committee works to promote cooperation between developing and developed ports.
Administers two IAPH programs devoted for the developing ports. One is the IAPH bursary scheme and the other is is IAPH award scheme, an essay context. Modest schemes in terms of financial scales, the two programs are widely accepted by the world port community.
From the Report to the Sydney Conference
The Committee proposes as the topic for the IAPH Essay Competition has remained the same - "How the Quality of Port Services Could be Improved?". It is therefore proposed that the topic for the next Essay Competition be selected with the view of linking it with the theme of the next IAPH Conference scheduled for 1995. The same principle could be adopted in the selection of topics for subsequent Essay Competitions.

Committee on Legal Protection

Chairman:
Mr. Paul Valls
Ingénieur Géneral des Ponts et,
Chaussées, Direction des Ports
Maritimes

Terms of Reference
The follow-up, study and recommendation of proposed action to be taken on behalf of the IAPH, of any demands in which the collective interests of port authorities are brought into question from the legal and financial points of view.
This especially applies to the Association's relationship with the IMO and its various partners in the maritime field.

Committee on Port Communities



Chairman:
Mr. Dominic J. Taddeo
President & CEO,
Port of Montreal,
Canada

Terms of Reference
Encourages the development of the whole port community by means of identifying community attitudes to port development and operations and the growth of industries in

port areas.
Also tries to assess the economic impact of the port on the daily lives of the community and to formulate a public relations strategy to deal with problems that may arise.

The IPD Fund: Contribution Report

Contributions to the Special Fund For the Term of 1992 to 1994 (As of Sept. 10, 1993)

Contributors	Amount
Paid:	(US$)
ABP (Associated British Ports), U.K.	3,000
Akatsuka, Dr. Yuzo, Univ. of Saitma, Japan	230
Akiyama, Mr. Toru, IAPH Secretary General Emeritus, Japan	1,000
Barcelona, Puerto Autonomo de, Spain	1,000
Cameroon National Ports Authority, Cameroon	480
Cayman Islands, Port Authority of, the Cayman Islands	250
Clydeport Ltd., U.K.	1,000
Constanta Port Administration, Romania	250
Copenhagen Authority, Port of, Denmark	1,000
Cotonou, Port Autonome de, Benin	100
Cyprus Ports Authority, Cyprus	1,000
Delfzijl/eemshaven, Port Authority of, the Netherlands	350
de Vos, Dr. Fred, IAPH Life Supporting Member, Canada	150
Dubai Ports Authority, U.A.E.	500
Dundee Port Authority, U.K.	250
Fiji, Ports Authority of, Fiji	100
Fraser River Harbour Commission, Canada	250
Gambia Ports Authority, the Gambia	250
Ghana Ports and Harbors Authority, Ghana	250
Halifax, Port of, Canada	250
Hiroshima Prefecture, Japan	523
Japan Academic Society for Port Affairs, the, Japan	267
Japan Cargo Handling Mechanization Association, Japan	259
Japan Port and Harbor Association, the, Japan	493
Japanese Shipowners' Association, the, Japan	516
Klang Port Authority, Malaysia	200
Korea Container Terminal Authority, Korea	100
KSC (Kuwait Oil Company), Kuwait	1,000
Marine Department, Hong Kong	500
Maritime Services Board of New South Wales, Australia	367
Mauritius Marine Authority, Mauritius	200
Montreal, Port of, Canada	500
Nagoya Container Berth Co., Ltd., Japan	518
Nagoya Port Authority, Japan	3,564
New York & New Jersey, Port Authority of, U.S.A.	1,000
Niigata, Port of, (Niigata Prefecture), Japan	860
Okubo, Mr. Kiichi, Japan	274
Pacific Consultants International, Japan	243
Penta Ocean Construction Co., Ltd., Japan	500
Point Lisas Industrial Port Development Co. Ltd., Trinidad	100
*Primer Concurso Internacional de Memorias Portuarias: Carlos Armero Sisto, Anuario de Puertos: Buenos Aires, Argentina	300
Public Port Corporation I, Indonesia	180
Qubec, Port of, Canada	250
Shipping Guides Limited, U.K.	500
South Carolina State Ports Authority, U.S.A.	1,000
Tauranga, Port of, New Zealand	500
Toyama Prefecture, Japan	254
UPACCIM (French Ports Association), France	1,905
Vancouver, Port of, Canada	500
Total:	US$29,033

**1st International Contest of Port Annual Reports sponsored by the Yearbook of the Port of Buenos Aires (Editor, Mr. Carlos Armero Sisto)*

15th Joint Meeting of Oslo, Paris Commissions in Berlin, 14-19 June '93

According to Mr. A.J. Smith, our European Representative in London, IAPH was represented by Mr. Guy Lannuzel, Chief of the Dredging Division, the Port Authority of Nantes-St. Nazaire, France, at the 15th Joint Meeting of the Oslo and Paris Commissions held in Berlin from 14 to 19 June 1993 under circumstances in which Mr. Smith himself was unable to attend the meeting due to an unavoidable engagement.

Mr. Lannuzel reportedly confirmed that IAPH's particular agenda interests on this occasion related to the Commission's Guidelines for the Management of Dredged Material. Mr. Lannuzel's report on the meeting as summarized by Mr. Smith is as follows.

The meeting was attended by 14 contracting parties (the EEC, Belgium, Denmark, France, Ireland, Finland, Germany, Norway, Portugal, Spain, Iceland, Sweden, the United Kingdom and the Netherlands), two observer countries (Switzerland and Luxembourg) and observers from eight international non-governmental organizations (NGOs) (Greenpeace, WWF, Friends of the Earth, Seas at Risk, ICES, CEFIC, EP Forum and IAPH).

Proposals by the Standing Advisory Committee for Scientific Advice (SACSA) to replace "Best Available Techniques (BAT)" by "Best Environmental Practice (BEP)" were endorsed by the Commissions.

The same criteria for the disposal of dredged material were to be used, whether from military or civil ports.

Additionally, Contracting Parties to the Commissions agreed to provide information for distribution at SACSA

(Continued on Page 9)

OPEN FORUM

Waterfront Ports and Shipping Conference 26 & 27 April 1993 in Auckland

PORT PRICING POLICIES A CASE STUDY

The Port of Geelong Authority "A NIL WHARFAGE PORT"

By Peter G Morgan
Chairman/Chief Executive Officer

1. INTRODUCTION

1.1 Competition between ports in Australia (except at the margin) virtually nil, perhaps with the exception of some Tasmanian ports. The geographical composition of the continent results in the main capital city ports being natural monopolies, or at the best, having substantial market power. Compounding this lack of competition is the population distribution with the major population centres being Sydney-Melbourne.

The regional, community based, bulk cargo ports such as Geelong, also do not have a great degree of competitors due to the nature of cargoes and the location of the cargo interests. Nevertheless, the pressure to remain competitive is imbued by the Port Authority and the community having a close relationship with the cargo owners. These owners are competing on international markets and are acutely aware of the needs for world competitive services and products from their ports.

1.2 **The objective of a publicly owned port is not profit maximisation, but throughput maximisation, subject to a net revenue or rate of return constraint.** The Australian Chamber of Shipping views the main objective of a port authority as being a **trade facilitator.** They, of course, would view the need to return a commercial rate on assets as being purely secondary.

This objective is of fundamental importance for price policy. Prices for any service will never be less than separable costs (i.e. the costs that would be saved if the services were not provided). If total revenue for any bundle of services exceeds total costs, their supply should be increased. If total revenue for any bundle of services is less than total costs, their supply should be reduced.

Given a reasonably realistic division of costs into separable and non separable (i.e. common or joint costs), prices will have two main components.

The first is the **separable cost** of any service provided by the port, which is the lower limit to any price.

The second is based on **what the traffic will bear,** or demand elasticities. Where **demand elasticities are low,** prices **will exceed separable costs** by a greater margin than where demand elasticities are high.

From an economic efficiency point of view, pricing under conditions of monopolies has very different results from pricing when there is a high level of competition. Although profit maximisation is the assumed objective of all firms,

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15th Joint Meeting—

(Continued from Page 8)

1994 as regards:

- improving sediment quality, including as appropriate the minimisation and prevention of ongoing contamination;
- beneficial uses of dredged material;
- the range of dredging techniques employed by Contracting Parties.

In that last regard it should be noted that SACSA had discussed matters of side-cast and agitation dredging on the basis of a synthesis report provided by the Netherlands and had agreed to keep the matter under review for further discussion at later meetings in the light of any additional information which was to be submitted to SACSA.

IAPH may wish to consider the provision of such information for SACSA 1994 as seen from a port operational standpoint.

the ability to do so **in the long term** without attracting competition depends on the presence and extent of monopoly power.

Ports are characterised by large investments and fixed costs are a large proportion of total costs. In these circumstances, pricing at short run marginal costs will not cover the total cost of port services. Given that port authorities in Australia should be required to cover the total cost of their operations, plus a rate of return on capital employed, the central issue in port pricing is how these costs which cannot be directly attributed to any one user (non-separable costs) are to be allocated eg costs relating to channels, breakwaters, navigation aids and common user facilities.

The port authority has a substantial fixed asset base on which a return on investment must be achieved (Australian ports do not have the volume of major overseas ports). For example, the PGA channels would cost some Australian $83 million to replace and the piers, wharves and storage facilities $140 million, a total of $223 million.

With this level of fixed costs, it is not surprising that a Port's prime objective is to attract shipping into the Port. There is, therefore, an overwhelming incentive for port authorities to ensure cost efficient land based facilities.

2. WHAT WE DID AND THE PRINCIPLES BEHIND OUR ACTIONS

2.1 Objectives of the New Pricing Structure

The key features of the new pricing structure were as follows:

.1 Cost Based

Charges were reflected in the costs incurred in providing the particular facilities or services for which the charges are to be made and levied on those using the facilities or services. The concept of cost based charges, as adopted by the PGA, was not synonymous with "cost plus" charging. Where possible, allowance was made for the build-up in demand for facilities over their life, and for the PGA's responsibility to see that facilities are utilised to an appropriate level.

.2 Efficiency Promotion

The new pricing structure was aimed at promoting efficiency, particularly efficient use of facilities which may be in short supply or have demand peaks.

Other areas of efficiency that were promoted included:

- better cargo space utilisation on vessels
- improved investment decisions by the PGA (based on users' willingness to pay rationally-set charges)

.3 Clarity

The cost category was readily identifiable and understood by those paying the charge. Revenue derived from the charge was able to be matched against the cost of the facilities or services provided.

.4 Simplicity

As far as possible, all aspects of a particular charge emphasised simplicity in terms of:

- ease of determining cost amounts for individual cost components
- customer administration and payment
- PGA administration and collection

One important aspect of simplicity was the rationalisation of a large number of charges into as few a number as possible. (Whilst simplicity is important, other more important objectives were not sacrificed for its attainment).

2.2 Problems with Old Pricing Structure

The old pricing structure had a number of flaws. In terms of its compliance with the previously proposed objectives, the old structure failed in the following ways;

1 Cost Based

- specific charges were not linked to specific costs
- users did not necessarily pay the true costs of the facilities they used
- all port costs in aggregate were, to a large degree, spread over all port users

.2 Efficiency Promoting

- very little promotion of operational efficiency due to heavy reliance on wharfage charged on cargo
- lack of realistic facilities' charges caused problems in appraising investment options

.3 Clarity

- it was not possible to tell customers what specific costs they were being charged for

.4 Simplicity

- it was not possible to tell customers what specific costs they were being charged for
- administratively cumbersome for Port customers
- administratively cumbersome for PGA in many areas

2.3 The New Structure

The new pricing structure was phased in over a three year period and on 1st July 1992, the PGA became the first port in Australia to eliminate cargo based charges (commonly known as 'wharfage') in favour of a cost based system.

The following charge types and definitions are applied under the new pricing structure:

Tonnage

A charge to recover the costs of navigation facilities and services within the Port:

- dredging the main channel
- navigation aids
- portion of workshops
- survey and soundings
- shipping control
- portion of corporate overheads

The Tonnage charge was and is based on the size (GRT) of the vessel and is levied on the vessel and paid by the shipping agent.

Berth Hire

A charge to recover the cost of facilities and services related directly to the berth at which the vessel is located. The capital, maintenance and operating costs recovered related to:

- dredging from the main channel to and including the berth
- wharf structure
- wharf maintenance
- what supervision
- water, electricity and telephone provision
- minor portion of corporate overheads

The old charges for the connection of wharf telephones, water and electricity and domestic use of water and electricity no longer applied. These costs, with some limitations, are now included in the berth hire charge.

The berth hire charge is based on the length of time a berth is occupied by a vessel and can be charged to either the shipper, stevedore or ship owner. Each berth has its own berth hire charge rate.

By way of summary, the two major charges are now **firstly** the tonnage charge (51%), based on GRT of the vessel, covering the use of the approach channel and ancillary marine services. The **second** major charge is the berth hire charge (49%), which is time based.

Prior to the new pricing system, we had **3 major charges:**

- **Firstly** the **tonnage charge** which represented approximately 14% of our income and 31% of our costs. This was a charge directed against the ship.
- **Secondly** the berth hire charge (covering the provision of berths and berth infrastructure). This represented about 6% of our revenue and 69% of our costs and was also directed against the ship.
- **Thirdly,** there was a charge called **wharfage** which represented 80% of our income, with no **identifiable costs** and it was a charge directed against the cargo interests. (Overheads 1 and 2.)

You will note from overhead 1, the wide disparity of sources of revenue between a number of ports in Australia, with one of Geelong's competitor ports for discretionary trades (Adelaide), still attracting the majority of its revenue from the cargo.

Overhead 2 summarises the percentage figures that I have just stated and shows how we have gone a long way towards eliminating cross subsidising various trades working through the Port.

In dollar terms, the tonnage revenue slightly exceeds the target whilst the berth hire revenue continues to fall short of the revenue required to achieve the Port's target return on assets. This is largely due to an over capacity of berths.

The Port's equipment hire area is a cause of considerable concern. It was virtually impossible to ascertain the true costs of providing this service under the old pricing systems because, in quite an arbitrary fashion, it benefited from a fat share of the wharfage revenue.

The scope of equipment hire in the PGA consists of a few obsolete wharf luffing cranes, a ship bulk unloader (which is not suitable for the range of bulk cargoes that we handle through the Port), a woodchip loader, a number of mobile equipment items such as forklifts, front end loaders, etc.

The equipment hire section, which also includes workshops, operates at a significant loss mainly because of under utilisation.

Ships gear today is often more effective and with reduced stevedoring costs, less expensive.

The actions we are taking to correct this situation are:

- selling the bulk unloader (it is a good piece of equipment for a dedicated right to cargo type, but not for our application).
- selling or scrapping the luffing cranes
- only keeping the minimum of mobile equipment necessary to facility trade, i.e., equipment that can be hired in by the stevedore from outside will be used and only equipment such as heavy fork trucks retained by the PGA
- reviewing our total workshop back up facilities and the number of people employ
- purchasing 2 new state of the art 20 tonne luffing grab cranes that will have the end effect of increasing current bulk handling productivity (i.e. reducing ship port time) by at least 60%.

Over the past three years, as part of the port reform process, we have reduced our permanent workforce by over 30% and by the end of the year, another 25% are scheduled to leave.

This will then leave us with a core multiskilled workforce which will be supplemented by contracting out to cover peak workloads.

A port cannot make good investment decisions when the costs of providing the facilities bear no relation to the income derived from the investment — severe cross subsidisation must occur.

The Port of Adelaide still charges about $4.00 per tonne wharfage for petroleum products and grain $1.57 per tonne. Liquid cargoes do not cost 160% more than dry cargoes. That port is distorting market forces.

2.4 The PGA's Pricing Structure

The new pricing structure involved the complete phasing out of wharfage with an increase in berth hire and tonnage charges to compensate. This achieved the objectives of only making charges against the **direct** commercial user.

The following important factors were considered:

.1 The PGA was and is a totally shipper driven port. Multiple cargo vessels are rare and when they occur, they involve only two cargoes and they remain shipper driven.

.2 The PGA's Strategic Plan identifies bulk and special cargoes as its target markets. All bulk cargoes are shipper driven and the majority of special cargoes are the same.

.3 Geelong is a regional port. Ships are generally able to carry multiple cargoes because the population at a single location is great enough to warrant a full ship load of smaller cargoes. Geelong's population is too small to justify this type of liner trade.
We could have halted the move to the final phase of our new pricing structure in order to help attract those ship owner driven cargoes, but this would have made the Port less attractive to shipper driven cargoes. Geelong would have become a mediocre port for both markets rather than a strong and attractive port for shippers.

.4 Geelong has an abundance of land available for new shippers to build businesses and we price to attract those shippers which has a much greater downstream benefit to the community than the liner trade ship driven cargoes.
I must stress Geelong is also very interested in ship driven trade but because we are situated within 100 kilometres of the Port of Melbourne, our geographic position is a disadvantage because of the extra cost in land transport. This factor in the past has outweighed

the many other advantages of using our port and as the centre of industry moves out into the western suburbs of Melbourne towards the Geelong region, the disadvantage of distance for lines trades will steadily decrease.

Implementation of the new pricing structure required some fine tuning in terms of administration of revised charges. For example, we developed a policy of what delays at berths will be exempted from berth hire charges. Delays directly attributable to actions by the PGA are not charged. Similarly rules for vessels using one berth and part of another were developed.

Three further adjustments to the pricing structure are now in place, i.e.:

— vessels handling under a certain volume of cargo receive a rebate on the tonnage charge.
— vessels in port for less than 48 hours receive a rebate on the berth hire charge.
— vessels can under certain circumstances, i.e., when no stevedoring labour is available, attract a nil berth hire charge or for other reasons, a lower charge is negotiated.

One of the hallmarks of the system today is its flexibility of application within its key principles. The days have long gone when port charges are applied with a bureaucratic rigidity that completely ignore the commercial realities of our customers.

2.5 The Other Side of the Coin

.1 Introduction

There are winners and losers whenever the status quo is disturbed, that is why the implementation of change is so difficult.

In the case of our cost based tariff, the winners are clearly those who maximise the productivity and efficiency of loading or unloading operations, the tankers, the grain carriers, the bulk carriers. All those who under the old system heavily subsidised the other users of the port.

The losers have been those trades and cargoes that are slow handling and low in productivity. They don't qualify for the 48 hour rebate, they occupy berth space for relatively long periods of time because they sometimes prefer to work day labour only and no weekends.

It is worthy of note that there are now clear signs that those less efficient operations are getting their act together and productivity levels are improving with the realisation that the longer the ship is alongside, the more it pays.

In overall terms, this total transition has resulted in just under a 4% **revenue loss to** the PGA, so in that respect, we could be classified as one of the losers! The more efficient stevedoring operations there are, the less revenue we receive, the less utilisation of expense capital assets, therefore, the less need for the current level of assets and better utilisation of these assets that remain.

Sure, there is a lower limit to the number of people we need to provide a first class service and there is no doubt that we expect to have at least some share of the benefits obtained from port reform. However, at the end of the day, our charges will be lower in a real sense because our assets will be better utilised and our share of the transport chain costs will be at an absolute minimum.

It is very important that we remind ourselves that over 60% of a number of Australian ports are already privatised. Geelong is one of these ports. Tugs, linesmen, stevedoring, pilots are all provided by the private sector. Regretfully, for a number of reasons, they are all monopoly providers and are one of the reasons why Australian port costs are so high compared with New Zealand.

As we move along our next stage in the reform process (by the end of the year, we expect to have company status), it will be necessary for us to note that when considering further privatisation moves, or contracting out in respect of port services, we must ensure that there is a competitive environment in the particular areas under consideration.

.2 The Losers

The shipowners, prior to implementation of the new structure and to a lesser degree since, have been amongst the most vocal critics of the system. They argued that whilst in total agreement with the "user pays" principle, they do not agree with:

i) The annuity method of calculation of the tonnage charge, which effectively continues to include a channel replacement component in the charge. This charge assumes that at some stage in the future, the Port may need to dredge new channels.
A 4% real rate of return on the written down current costs of the channels is included in the calculation. **The point that must be made is that the whole process approximates the return an investor could expect from investing funds long term in a financial institution.**

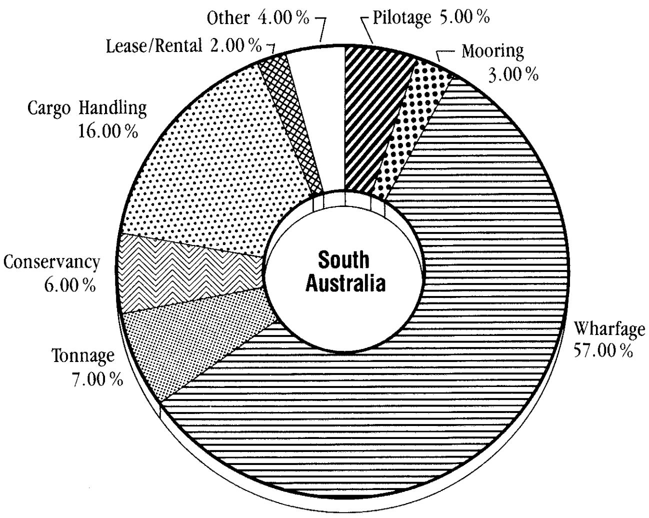
ii) The berth hire charge is levied at the hirer of the berth whether that be the ship, shipper or stevedore. It is still argued that this charge, being time based, is too open ended and should be levied against the shipper because in bulk operation, it is normally the shipper who controls the cargo flow and hence the time that the ship is alongside the berth. In other words, the berth hire charge should be paid by the person who controls the time that the ship is in port.
The shippers are of the view that this should, and is, a matter of negotiation when the charter rate conditions are agreed. They point out that the charge is not really open ended because when quoting for the charter, the ship will state the time in port and any time after that would be subject to demurrage recovery. Indeed, according to shippers, the shipowner will sometimes stipulate that their quote **specifically excludes berth hire charges.**
Of course, what the shipper doesn't say is that the current market for dry bulk vessels is a buyers market and that if a shipowner excludes berth hire or quotes too high a demurrage charge, then they may not get the charter. So in the end, the ship can often only negotiate a demurrage figure that is significantly below his true operating costs.
Nevertheless, it is an example of market forces at work and from a port point of view, we should not intervene in that process.

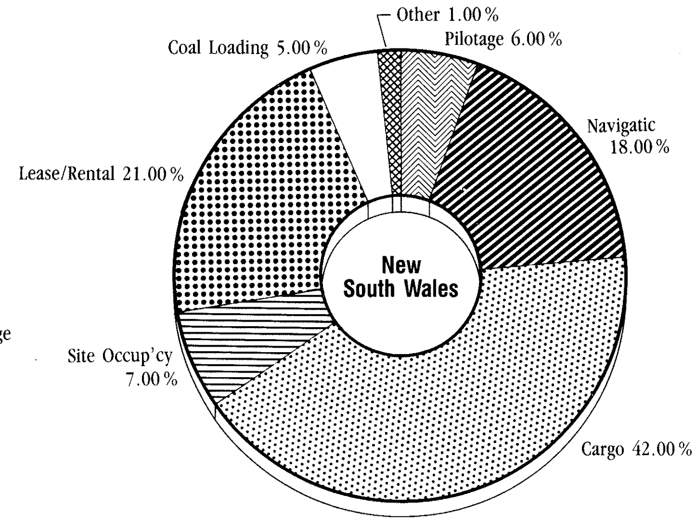
.3 The Winners

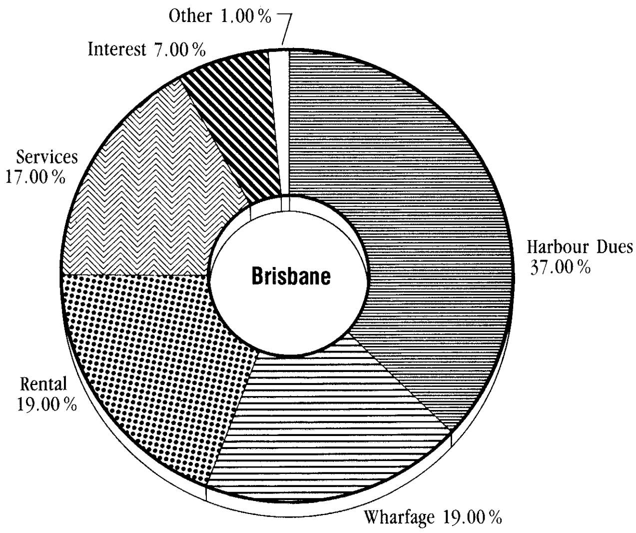
I have already referred to the obvious winners, by far the greatest of which are the crude oil tankers because they carry large cargoes in substantially full ships and discharge the product at a rapid rate. They no longer subsidise the rest of the port and substantial increases in the volume of crude and other petroleum products are being experienced

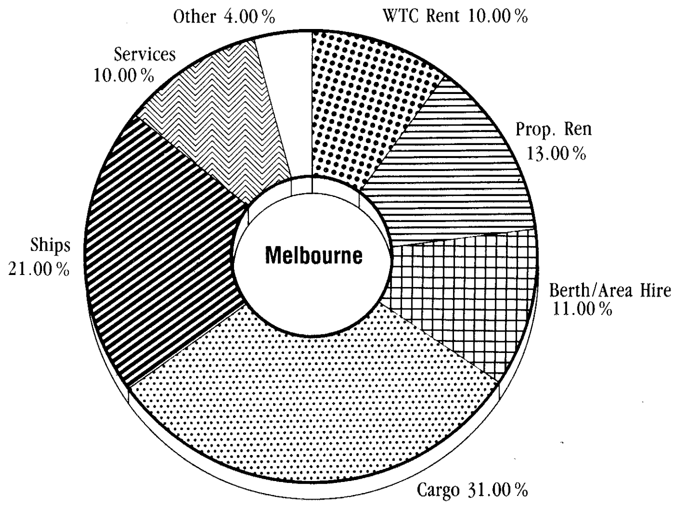
Port Authority Sources of Revenue-June 1991

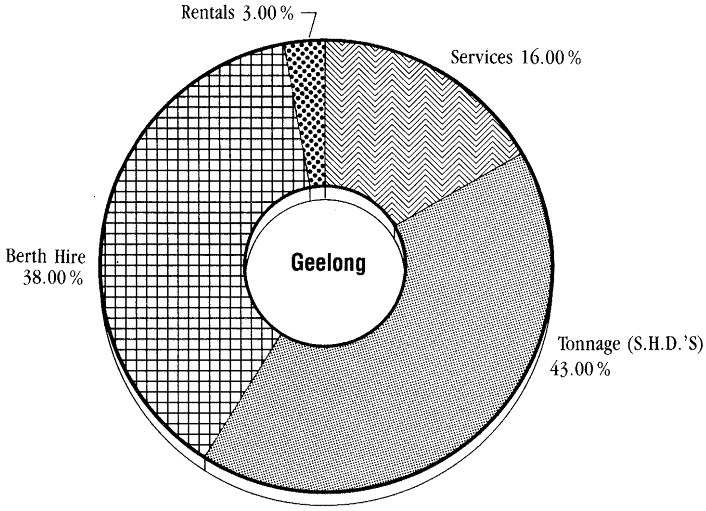
OVERHEAD 1











at the Geelong Terminal with other ports being cut out in favour of services by land mode from Geelong.

Other bulk shippers such as the Grain Pier and Alcoa, who have efficient handling systems, are also clear winners.

COMPARISON OF OLD AND NEW PRICING SYSTEMS IN TERMS OF RELATIONSHIP BETWEEN COSTS AND REVENUES

OVERHEAD 2

SERVICE	OLD SYSTEM Revenues	Cost	NEW SYSTEM Revenue
Tonnage (ship charge)	14%	31%	51%
Berth Hire (Ship charge)	6%	69%	49%
Wharfage (cargo charge)	80%	Nil	Nil

I also believe that the port and the shipowner are also winners in the longer term. For example, our investment in the world best standard bulk handling equipment will increase self discharge productivity levels by 300% and other bulk vessels by 60%. This means significantly less time in port and the ability to always qualify for the time based rebate discount on the tonnage charge. The rest is a matter for negotiation between the shipper and the shipowner. Don't forget it may not always be a buyers market!

The Port is really a winner despite the negative impact on overall revenue. We know a lot more about our real costs and sources of revenue. We can now make investment decisions based on factual information and it has certainly been a great contributor towards making us resist the temptation to over capitalise and over invest.

Ultimately, the total cost approach to port charges will, we believe, be the correct one. At least under our pricing system, the problem areas are not hidden or subsidised by

PORT OF GEELONG AUTHORITY COMPARISON OF PRICING STRUCTURE

TABLE 1 TONNAGE RATES

	Old Structure	New Structure	
Payer of charge —	Shipping Agent	Shipping Agent	
Calculation of charge	Charge calculated on total time of vessel in port using quarter day increments and one day minimum.	Charge calculated on a per visit basis with an hourly rate applicable for vessels that are alongside for less than 48 hours and a discounted rate for vessels with cargoes of less than 10,000 tonnes.	
	1988/89	**1990/91**	**1992/93**
Per GRT per day	$0.064		
Per GRT per visit		$0.289	$0.94
Per GRT per hour (up to 48 hours)		0.0060	0.0196

TABLE 2 BERTH HIRE RATES

	Old Structure	New Structure	
Payer of charge —	Shipping Agent	Shipping Agent or shipper or stevedore	
Calculation of charge —	Charge calculated on number of quarter days vessel at berth and on total length of vessel — one day minimum.	Charge calculated on total time of vessel at berth. (Hourly rate with no minimum).	
1989/89		**1992/93**	
			per hr $
Vessels not exceeding 250 tons	16.00	Bulk Grain Pier 1 &2	155
Up to 75 metres in length	40.00	Refinery Pier 1,2,3,4	229
Over 75 metres and under 150	49.00	Corio Quay Nth 1,2,3	125
150 metres or greater	56.00	Lascelles Wharf 1,2,3	251

wharfage charges.

3. CONCLUSION

Is this a better and fairer system?

I must stress that this case study is about the experience of one predominantly bulk port where a few major shippers have considerable market power. Nevertheless, we have attempted to also make the system attractive to shipowners by way of rebates and, more recently, by investing in equipment that will **substantially improve their port turnaround time.**

Our system facilitates the efficient allocation of resources. Distortions to the decision making process caused by asset cross subsidisation have been removed. Charges for assets now directly relate to the cost of providing the assets. This forces the authority to make asset allocation decisions based on what the market wants and is prepared to pay.

eg. Under the old system, berth revenue nearly 70% represented 6% of the total revenue whilst berth costs represented nearly 70% of the total costs. 80% of the revenue, however, was generated from wharfage which had no identifiable costs associated with it. Since the profitability of individual berths could not be determined, there was a tendency to apply wharfage revenue to justify the building of additional berths.

Total profitability was used in the decision making process rather than individual asset performance. As a result, the PGA has a number of excess or under utilised assets.

The new system has focussed management attention on the performance of individual assets and will therefore ensure that future investment decisions are based on detailed, relevant information, information that will ensure more accurate targeting of the needs of port customers.

Whilst there is a trend by Australian ports towards reducing cargo based charges, the Port of Geelong currently stands alone in the final move to eliminating wharfage.

Despite criticisms from certain quarters of the initial implementation of the new pricing system and the reluctance of some other Australian port authorities to end cross subsidising of general cargo and container trades, there can, in our view, be no case for reversion to the crudities of the former wharfage-based Tariff.

Yes, I believe that there is a valid argument for saying that this is fair and equitable pricing system.

Thank you for listening to me.

TABLE 3. WHARFAGE RATES

OLD STRUCTURE		NEW STRUCTURE		
Payer of charge —	Importer/Exporter through the Shipping Agent	Importer/Exporter through the Shipping Agent		
Calculation of charge —	Payable on the tonne, cubic metre, or kilolitre of cargo loaded or unloaded.	Payable on the tonne, cubic metre, or kilometre of cargo loaded or unloaded. (All figures in 1st July 1990 dollars)		
	1988/89	1990/91	1991/92	1992/93
INWARDS	$	$	$	$
Crude Oil	1.56	0.74	0.31	—
Fertilizer & Fertilizer raw materials	1.78	0.50	0.21	—
Alumina	2.68	0.74	0.31	—
Other Aluminium Smelt. raw materials	2.93	0.74	0.31	—
Other bulk commodities	1.78	0.58	0.22	—
All other non containerised goods	1.78	0.58	0.22	—
Containers (not empty)	1.78	0.58	0.22	—
Empty returns	0.34	0.16	0.05	—
Goods transhipped	1.14	0.42	0.16	—
OUTWARDS				
Bulk Grain	1.06	0.51	0.21	—
Refined Petroleum Products				
(a) Within Australia	0.75	0.51	0.21	—
(b) Overseas	0.91	0.51	0.21	—
Other bulk commodities	1.03	0.58	0.22	—
Manufactured Fertilizer	1.78	0.51	0.21	—
All other non containerised goods	1.60	0.58	0.22	—
Containers (not empty)	1.60	0.58	0.22	—
Empty returns	—	0.16	0.05	—
Goods Transhipped	0.34	0.42	0.16	—

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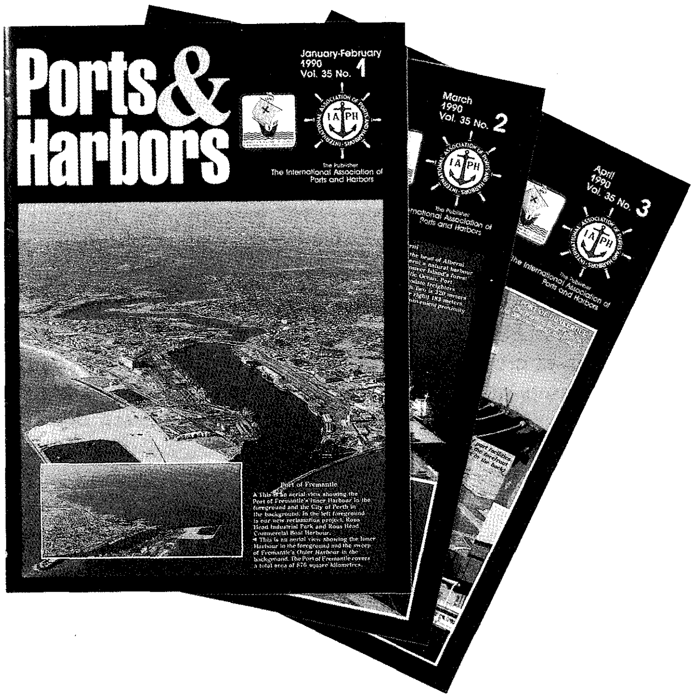

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Founded in 1952, ICHCA is the voice of the international transportation community. With members in practically every country, the London-based world body is dedicated to promoting the efficient and economical movement of cargo, from origin to destination, in all modes and phases of the international transport chain.

Ports Canada, the Federal agency that administers Canada's commercial ports, has gained a worldwide reputation for its business conferences. Toronto '94 marks Ports Canada's Eighth International Business Conference.

The first assembly of the world's most influential transportation executives from every facet of the industry, Toronto '94 promises to be the most unique gathering of its kind.

Venue: Canada's largest metropolis, Toronto boasts some of the finest amenities anywhere in North America — from the world's tallest free-standing structure, the spectacular CN Tower, to its world-champion baseball team, the Toronto Blue Jays; from its richly-diverse art galleries and fascinating museums to its dazzling entertainment and nightlife, haute cuisine restaurants and endless fashionable shops. Toronto is a model in planned urban development, a unique mosaic of varied cultures and one of North America's safest cities.

Come for an unforgettable taste of Canada's unequalled hospitality in this world-class cosmopolitan splendor.

Climate: Mid-June is one of the most pleasant times of the year in Toronto, with temperatures ranging from 14°C (57F) to 25°C (76 F) and an abundance of sunshine.

Conference: With the theme 2001: *A Transportation Odyssey,* the Toronto '94 conference program will be entirely devoted to identifying key characteristics of the industry in the coming millennium. An impressive array of eminently-qualified international speakers will address topical issues of concern to the future well-being of the industry in all its modes and facets. For a glimpse of the major forces shaping the transportation industry of tomorrow, Toronto '94 is the place to be.

The conference proceedings will be conducted in English or French with simultaneous translation.

Trade Exhibition: A major international trade exhibition will be held in conjunction with Toronto '94 and will be an integral part of this world congress. To ensure maximum exposure for the exhibitors, many activities are planned during the week in the Sheraton exhibition hall. This feature of the Toronto '94 program will offer the transportation and business community a rare opportunity to showcase their products and services to the industry's most senior decision-makers from around the world.

Social/Spousal Program: To complement the conference working sessions, the Toronto '94 organizers have planned an exceptional program for the participants and their companions. Toronto, renowned for its exquisite attractions, has something to offer every taste. The social and spousal programs will feature a sampling of the city's unparalleled amenities.

Pre/Post-Conference Tours: Located in Canada's heartland, Toronto is within easy reach of some of the most captivating attractions for visitors form near and afar. From a day trip to one of the world's wonders, the majestic Niagara Falls, to a week-end getaway in a romantic country inn in the UNESCO-designated heritage city of Quebec; from an adventure-filled excursion to one of the region's wilderness parks to the splendors of a cruise on the Great Lakes, the Toronto '94 organizers will be pleased to recommend or arrange a tour to suit your linking.

Come early, stay late for an incredible choice from among the most desirable vacation options anywhere.

Destination Toronto: Toronto is easily accessible by air, road and rail. The city is served by two airports. The Pearson International Airport is served by all Canadian, US and most international airlines. The Toronto Island Airport is conveniently located in downtown Toronto where Air Ontario, a commuter airline, links Toronto to major central Canadian and US cities.

The Hotel: The Sheraton Centre is centrally located across from Toronto's landmark City Hall. The Sheraton is the largest convention and meeting center in Toronto with unparalleled facilities, superior services and a great location. The 1,400-room hotel is also within walking distance of the world-famous Toronto Skydome, the CN Tower and many of the city's outstanding museums and art galleries. The Sheraton is a shopper's paradise being only one block away from everyone's favourite Toronto Eaton Centre, with more than 1,000 shops and retail services filled with glamour and elegance.

A special rate of $132.00 for single or double occupancy is available for delegates to Toronto '94. For hotel reservations, please contact the Sheraton Centre directly by telephone (416) 361-1000 or fax (416) 947-4801. Sheraton's toll-free reservation number for Canada or the US is: 1-800-325-3535. Please specify "Toronto '94" when making your reservation to receive the special group rate.

Registration & Information

Please register me.

- ☐ $795.00 ICHCA members*
- ☐ $895.00 non-ICHCA members*

Spousal program

- ☐ $150.00*
- ☐ Please send me information about exhibiting at Toronto '94.
- ☐ Please send me information about pre and post-conference tours.

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**Subject to an administration fee is cancelled before April 1, 1994. No refunds thereafter. Substitutes welcome.*

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UNCTAD Ad Hoc Group: Analysis of Privatization

UNCTAD's Ad Hoc Working Group on Comparative Experiences with Privatization on 6 June started a one-week session devoted to an in-depth consideration of the techniques and financing of privatization, including the role of foreign investment, international agencies and bilateral donors. The Chairman of the Group, which brings together government representatives and experts from all regions, is Bror Wahlroos (Finland).

In an introductory statement, Yves Berthelot, Deputy Secretary-General of UNCTAD, stated that the objective of the meeting was to give countries an opportunity to gain insights from each other's experiences and to formulate guiding principles that could be helpful for decision-makers in establishing privatization plans and programmes.

The Group will also review country experiences regarding the design, implementation and results of privatization programmes. It will do so on the basis of a cross-country analysis prepared by the UNCTAD secretariat, which draws on presentations submitted by 36 countries.

The debate on the aims and techniques of privatization was initiated by six panelists who addressed the Group in their personal capacity at an informal private meeting. The first speaker was Ambassador Juan Carlos Sanchez Arnau, Under-Secretary for Privatizations, Ministry of Economy and Public Works, of Argentina. Mr. Sanchez Arnau explained that the privatization process in his country had been launched in order to drastically reduce a huge fiscal deficit at a time of hyperinflation, to increase investment and to attract new technology, to improve management techniques, to provide a new framework for individual sectors of public utilities, to increase productivity, to create manageable and efficient units and to avoid the corruption which was associated with the activities of many state-owned enterprises and thus to improve the quality of services rendered.

For Thomas Janicki, Head of Competition Policy in the Federal Ministry of Economics of Germany, the key objective of privatization was economic efficiency through competition. Privatization techniques, however, depended very much on the size of the state sector in the economy. Whereas in the Western part of Germany privatization was decided on a case-by-case basis, mass privatization in the Eastern part required a more global policy approach implemented by a governmental agency created for that purpose. His view on the issue of whether public sector reform was an alternative to privatization was that the former could at best serve as a preliminary step towards privatization in order to enhance its sales value. Restructuring measures prior to the sale should, however, be limited to treatment of liabilities, staffing and splitting up of large enterprises into market-viable units; in no case should there be major new investment in a state-owned company before its privatization. Regarding the selection of sectors for privatization, his country's experience had shown that even, with an open policy, very few foreign investors had shown interest in national strategic sectors. Nevertheless a policy of "open doors" was crucial for a successful privatization policy.

According to the experience of Tissa Jayasinghe, Director of the Commercialisation Division, Ministry of Finance, Sri Lanka, privatization in a development country, to be successful, required broad-based social acceptance. This was a matter of education and involvement of the public in ownership through share issuance. A corporate investor was found to be necessary to ensure good corporate governance.

The social aspects of privatization were stressed also by George F. Mbowe, Chairman of the Presidential Commission on Privatization, Ministry of Finance, United Republic of Tanzania. He noted that privatization should enhance efficiency and contribute to the development of the national economy. By reducing the burden of loss-making public enterprises on government resources, it should allow government to focus expenditures on social services, such as health and education. By involving more actors in the management of economic activities, privatization also contributed to good governance and democracy. The United Republic of Tanzania was determined to eliminate practices that constituted indirect subsidies to state-owned companies and parastatals, such as tax exemptions and tax delays. If liquidity support was required, it should be based on transparent and clear criteria and be granted for a limited period only.

Alexander Radygin, Chief of the Privatization Division, Institute of Economy in Transition, Russian Federation, described the different stages of large-scale privatization in his country, the present one being that of "mass" privatization. This is a combination of setting up joint-stock companies and privatization by the voucher system. Vouchers, or privatization cheques, are given to all sections of the population and privileges to labour groups. Major problems encountered were the embryo stage of the Russian capital market, which was one of the main obstacles to the valuation of assets, and the political and populist pressure against a change in ownership. The aim was to reach a balance of interests and participation in privatization.

W. Neil Murdoch, Price Waterhouse, International Privatization Group, United States, stressed that privatization was first and foremost a political process and that a consensus was needed on the objectives to be reached. In the absence of strong political support, privatization was likely to fail. The second stage was to translate those objectives into techniques. He elaborated on five criteria he thought should be considered when deciding on the technique to be used. There were the speed of privatization, effective ownership and corporate governance, transparency, fiscal stability and the cost of the programme.

(TAD/INF/2333: UNCTAD Press Release)

Means of Financing Privatization Schemes

The financing of privatization schemes is one of the two major topics on the agenda of the current session of the UNCTAD Ad Hoc Working Group on Comparative Experiences with Privatization (7-11 June). As with the other topic, namely the objectives and techniques of privatization (see TAD/INF/2333), the informal discussions on sources of financing of privatization were introduced by six invited panelists specialized in the issue, who addressed the Group in their personal capacity. Over 60 countries and a number of international institutions are attending the meeting.

In addition to domestic and foreign investment, W. Neil Murdoch, Price Waterhouse, International Privatization Group, United States, pointed to three Government sources of finance for privatization schemes which were of particular relevance for countries facing difficulties in raising capital. One was mass privatization schemes, by which vouchers are distributed to the population at large to be exchanged for particular funds or enterprises. A second option consists of different forms of internal privatization involving workers and management, such as facilities for employee stock ownership plans. Debt/equity swaps, which may involve debts either of the country or of the enterprise, were yet another possible way of financing privatization. Domestic or foreign investors interested in a privatization project, Mr. Murdoch stressed, should be bound, through contractual arrangements, to meet their commitments for future capital expenditure, investment and enterprise development.

Such a course was adopted by Sri Lanka, as explained by Tissa Jayasinghe, Director of the Commercialization Division, Ministry of Finance. The Government, through memoranda of understanding seeks business plans from investors concerning the formulation of their proposed investment and business expansion plans and forbids foreign investors form transferring a privatized enterprise just bought to another foreign firm without formal approval. On the other hand, foreign investors are entitled to guarantees concerning the security of their investment, their property and ownership rights, exemption from double taxation and special taxes on privatization transactions, the nature and level of liabilities to be taken over by a new owner, and capital and dividend repatriation facilities.

According to Thomas Janicki, Head of Competition Policy in the Federal Ministry of Economics of Germany, his country's experience with capital mobilization for privatization purposes showed that capital constraints could be overcome even when the economy has thin capital markets, small savings and a limited number of potential investors. Existing domestic savings could be channelled to privatization programmes thanks to appropriate monetary policies and relevant fiscal instruments such as the use of privatization proceeds for tax reduction policies. Countries without access to international capital should rely on domestic resources and imaginative privatization approaches. For instance, in Eastern Germany, more than one quarter of privatization of small and medium-size enterprises were carried out through management buy-out operations made with the existing management staff and/or managers external to the company. These operations were facilitated by the creation or relevant financing schemes and incentive mechanisms, such as credit sales, loan capital and low fee leases.

Juan Carlos Sanchez Arnau, Under-Secretary for Privatization, Ministry of Economy and Public Works, of Argentina, noted that in order to attract more foreign investment as well as the huge amounts of capital (estimated at $35 billion) which were transferred outside the country by domestic investors years before, the Government had set up an enabling business environment through macro-economic and structural adjustments, including trade, payments and financial liberalization and full currency convertibility. Several measures had been taken to promote and protect foreign investments. Debt/equity swaps had been a central element of the country's privatization strategy and had permitted the cancellation of over $13 billion of debts. However, most privatization transactions were carried out through sales of assets; 59% of assets sold were bought by foreign firms from 19 countries.

Alexander Radygin, Chief of the Privatization Division, Institute of Economy in Transition, Russian Federation, indicated that large scale privatization in his country was mainly achieved through three instruments. One was the voucher system, or privatization cheques given to all sectors of the population. Investment funds were a second source. Over 1,500 such funds had been created for privatization purposes but few of them successfully performed this goal. Instead of investing in privatization ventures, they rather engaged in speculative transactions using privatization cheques on the stock exchange and outside markets. This was mainly to avoid paying dividends and related support costs for handling shares of privatized enterprises. Foreign investment was a third source of privatization finance, but only local subsidiaries of foreign firms are allowed to buy privatization cheques or to participate in open voucher auctions. Foreign investors need a special license from the Central Bank or the Ministry of Finance of the Russian Federation. However, they may take advantage of two other opportunities for private investment, namely money auctions and investment tenders for shares that remained after the closure of first subscriptions.

(TAD/INF/2334: UNCTAD Press Release)

New Publications

Series de Administration Portuaria

Thanks to the generosity of the Delaware River Port Authority (DRPA) and the Deputy Director of its World Trade and Economic Development Division, Dr. Raymond G. Heinzelmann, four papers in the Washington Sea Grant Port Administration Series authored or co-authored by Professor Tom Dowd have been printed in Spanish Translation as a single bound volume for distribution to public port agencies throughout Latin America.

The translated studies deal with container terminal productivity, strategic planning, capital investment decision making, and port pricing — timely topics, indeed, in an era of revolutionary change in public seaport policies throughout the region. The cover page carries the imprimaturs of both the DRPA and the Washington Sea Grant.

DRPA's contribution demonstrates clearly how AAPA member ports can lend substance to the spirit of "Puertos Amigos" and in so doing strengthen ties with their Latin American counterparts. *(AAPA Advisory)*

Waterfronts: Cities Reclaim Their Edge

By Ann Breen and Dick Rigby of The Waterfront Center.

New York: McGraw-Hill Professional Book Group.

352 pages, illustrated, hardback, August 1993, $49.95 ISBN 0-07-068548-8

Waterfronts: Cities Reclaim Their Edge, the definitive work on the widespread urban water front redevelopment phenomenon of the past 30 years, was released by McGraw-Hill Book Co. of New York. The authors are Ann Breen and Dick Rigby, co-directors of the non-profit Waterfront Center based here since 1981.

Authors Breen and Rigby contend that waterfront redevelopment since the 1960's, occurring in literally thousands of communities, is an unrecognized urban success story at a time when most news reports and academic studies on cities are negative.

The authors state that the urban waterfront, broadly defined, "is, and has been for years, the most fertile area of planning and development in our communities." They depict the trend as a classic story of cities reinventing themselves, as they have over history, taking outmoded territory and converting it to meet present-day needs.

The transformation of old industrial and transportation facilities and abandoned property on water bodies of all types into public realm, commercial and/or residential space constitutes a massive expenditure of public and private dollars. In the 75 projects and plans included in *Waterfronts: Cities Reclaim Their Edge,* the investment totals $12.4 billion.

Waterfronts: Cities Reclaim Their Edge contains analyses of diverse projects selected by interdisciplinary awards juries organized by the Waterfront Center between 1987 and 1991.

Coastal and Shortsea Shipping Technical Feasibility Study

Author: Anders Sjobris, MariTerm AB
ISBN 91-88370-42-9
ISSN 0282-8014
Publisher: The Swedish Transport Research Board, Stockholm, Sweden

At the beginning of 1990 the industry in the north of Sweden initiated a study regarding the potential of creating a sea transport system for domestic and short sea shipping to compete with the land transport modes.

A summary of the pre-study carried out 1990 is included in the report. The pre-study was carried out by MariTerm AB, a research company who was also commissioned to perform a technical feasibility study of a suitable transportation system based on sea transports.

These are the basic conclusions of the study:

- a substantial development of the sea transports is necessary in order to meet the competition from land transports
- daily calls to every port are needed to reach the required service level
- a door-to-door system must be the basis for the shipping concept
- the system must be able to carry units made for road transports
- the utilization level of the ship must be high
- the booking and communication system should be of the same standard as for modern road transports

A complete new transport system has been designed to meet the requirements listed above. The system is based on ships considered to have the best ice performance standards. The minimum ship size is set to 4,000 tonnes dw.

A shipping model has been set up for a system that fulfils the requirements. The model is used to find out the cost levels for a complete system.

The results are:

- a transport system of 2.5 million tonnes annual capacity
- fully mechanical and automatic port terminals
- a shipping system that utilizes the ships 24 hrs/day
- integrated feeder transport using existing handling technique in the road/rail transports for the land transport service
- a cost level fully competitive with road transports of more than 600 km in a door-to-door transport, all activities included
- an extremely environment-friendly transport system
- a very economic transport cost. The cost is fully comparable to the system transports used by the larger industries

As regards infrastructural transport systems the cost of a sea transport system will be of great benefit for society as it will provide an entirely new transport capacity at a very low cost as compared to infrastructural investments in rail or roads. The cost of an entire transport system comprising all investments in the ports, seven ships and load carriers (standard design) will be of the same level of investment as half a road bridge which will be built in the North of Sweden or abt 100 km rail road.

The Swedish Transport Research Board (TFB) is a government organization with supervisory and coordinating functions in Swedish transport research. TFB plans, supports and initiates research work and informs about research development in the field of transportation and traffic.

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Liability for Damage to the Marine Environment

Edited by Colin M De la Rue, Ince & Co
Published by Lloyd's of London Press in association with the Comite Maritime International
ISBN:1 85044 535 4
Hard Cover 292pp £55.00

Despite widely-accepted international systems of liability for pollution damage to the marine environment, uniformity is far from being achieved. Recent incidents such as the Aegean Sea and Braer casualties have lead to claims which underline the need for clarification of these issues. In the complex situation which exists, an up to date examination of this whole area of law is long overdue.

Liability for Damage to the Marine Environment is based on the papers delivered at the CMI Seminar on Liability for Pollution Damage. The purpose of this Seminar was to take stock of the legal position worldwide as a prelude to discussions on unification of laws relating to the admissibility and assessment of claims. *Liability for Damage to the Marine Environment* therefore represents the most authoritative and up-to-date review and discussion of the area currently available. Among the main issues addressed are; oil pollution prevention and response, the effectiveness of present compensation methods, the importance of recent Protocols to the compensation

Conventions, the ramifications of OPA 90, the underwriting of oil pollution risks and the need for an international Convention on hazardous and noxious substances.

These issues are covered by a broad range of international experts. In addition, there are chapters which provide individual country perspectives from China, Russia, the USA, Canada and France, and others written from the viewpoints of the insurance and shipping communities.

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Contracts for the Carriage of Goods by Land, Sea and Air

Published by Lloyd's of London Press
1 85044 481 1 Looseleaf July 1993
£150.00 to 30/9/93, £195.00 thereafter
c.1,300 pp

Drafting and interpreting contracts for the carriage of goods can be a time consuming and difficult process. The worldwide expansion of containerisation, the growth of multimodal transport and the special problems of the oil trade have created new challenges for the drafters of carriage contracts. Now Lloyd's of London Press are publishing an innovative new looseleaf which will provide a single up-to-date reference source to assist all those involved with this complex area of the law.

The carriage of goods contracts are divided into well organised sections, covering sea, inland water, road, rail and air. There are also divisions dealing with freight forwarding and multi-modal transport. Each category is subdivided by reference to the type of contract and finally by reference to the types of clause. The Editor-in-Chief, David Yates, has extensive experience in the field of commercial law and carriage of goods matters and has drawn together an eminent team of editors and contributors to write the looseleaf. *Contacts for the Carriage of Goods* will be of major benefit to all those involved in drafting and interpreting carriage contacts.

Editor-in Chief:
David Yates, MA (Oxon), Solicitor, Director of Professional Development for the international law firm of Baker & McKenzie

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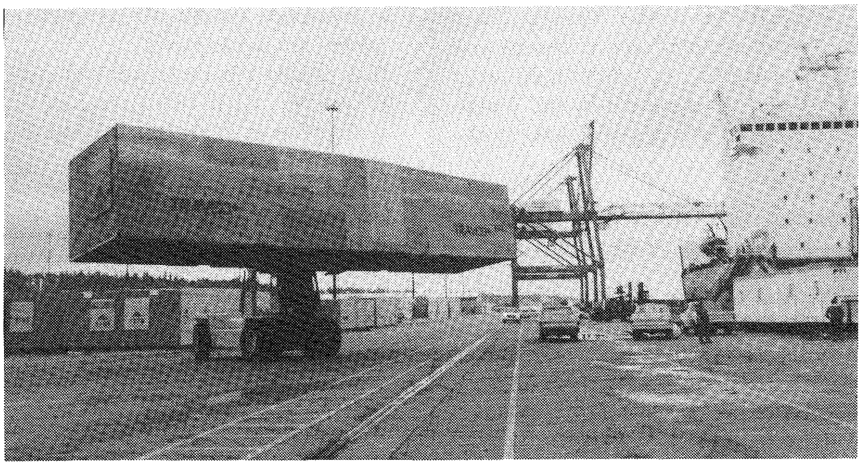
The Americas

Hotel Shipped From Fraser Surrey Docks

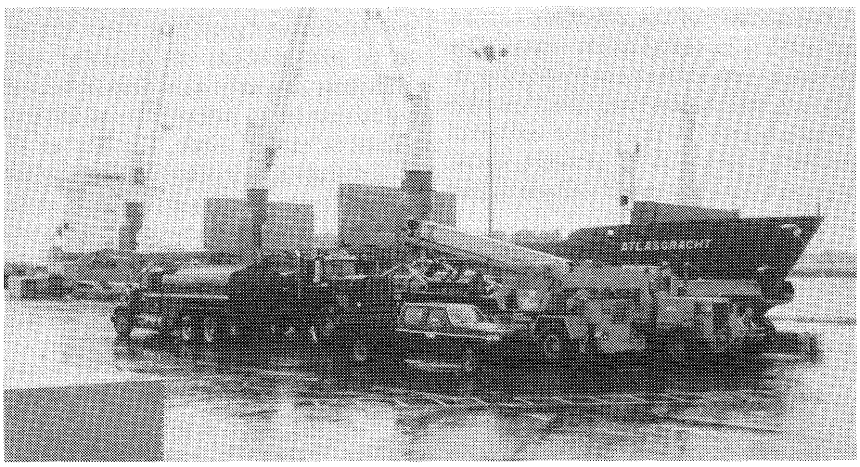
It is not every day that a complete 120-room hotel facility is loaded onto a ship at Fraser Surrey Docks (FSD) bound for Siberia. The pre-fab hotel built in Alberta was loaded in the hold of the Russian Kapitan Man while heavy construction equipment and all necessary vehicles were loaded on the Atlasgracht. Both vessels were built to handle the ice in the Arctic.

The hotel, manufactured in Ed-



Two Hotel Rooms Being Loaded on Russian Freighters

One of 90 containers holding a complete pre-fab 120-room hotel are loaded at Fraser Surrey Docks on the Russian freighter "Kapitan Man" bound for Siberia. The hotel to be called "Alberta House" is expected to be ready for its first guests early in December 1993.



Two ships built to handle Arctic ice were used to transport an Alberta-built 120-room hotel to Siberia. Here all the necessary construction equipment, trucks, cars and food are being loaded on the "Atlasgracht" while the pre-fab rooms are being loaded on the "Kapitan Man" at Fraser Surrey Docks.

monton, Alta., by the PTI Group, consisted of 84 trailerhome-sized sections and transported to Surrey by trucks. Each unit is a one or two bedroom unit. Included in each container besides the walls and ceilings, are beds, all linens, rugs, curtains, bathroom fixtures and electrical wiring and fixtures. The hotel is called "Alberta House".

The three storey, full service hotel will be assembled by some 40 Canadian workers in the midst of the Siberian oilfields at Nizhnevartovsk. Included in the shipment were all the construction equipment and materials to assemble the structure. Even Canadian food supplies were shipped.

Bill Fitzmaurice, Regional Manager for the PTI Group, said the hotel was shipped from FSD because the terminal is the only one on the West Coast with the necessary facilities to assemble and handle the number of large containers and vehicles on its docks.

"Competitive rates, an open berth for the vessels and the necessary container loading equipment made the Surrey facility a logical choice", Mr. Fitzmaurice said.

FSD is operated by Fraser Surrey Docks Ltd. for the Fraser River Harbour Commission.

Nanaimo Developments Completing Soon

Nanaimo's downtown inner harbour is changing rapidly.

Many new projects are nearing completion, including the visiting vessel pier and related small craft docks, the public walkway and fishing pier off Swy-a-lana Lagoon, the Pioneer Waterfront Plaza, and the Bosa development on Cameron Island and related public walkways.

"We are most excited with the calibre of the developments and improvements of the amenities for the general public's enjoyment of our outstanding waterfront," said Nanaimo Harbor Commission Chairman Gino Sedola. "The Board of Commissioners is extremely pleased with the co-operation received from City Council and administration. Bosa Development and Fisheries and Oceans, in bringing these projects to fruition."

The first phase of the 74-unit Bosa condominium development already houses a number of tenants, and is almost complete. Phase 2, a duplicate of the first phase, is already under construction.

The Pioneer Waterfront Plaza project will provide a public plaza, an outdoor meeting place, and a viewing platform overlooking Nanaimo's historic waterfront.

Specially commercial space will add a retail flavor. In addition, 180 parking spaces will be made available to the downtown sector.

It is scheduled to open in September. The total value for this project is estimated to be $6.3 million.

(Port of Nanaimo Harbour News)

US Port Development Expenditure Report

By the U.S. Maritime Administration, Office of Port & Intermodal Development. Washington, DC: 1993. 17 pages. Tables. Figures. Appendix. Order from: Maritime Administration, Office of Port & Intermodal Development, U.S. Department of Transportation, MAR-830, Room 7201, 400 Seventh Street, N.W., Washington, DC 20590. Tel: (202) 366-4357. Fax: (202) 366-5522. No charge.

U.S. public ports spent more than $2.7 billion for capital improvements in 1988-92 and plan spending more than $5.5 billion for the same purpose over the next five years, according to the Maritime Administration's (MarAd) latest review. MarAd's 1993 report is the third to be published in the last three years and continues a series first begun by The Port Authority of New York and New Jersey in 1956.

As with its two predecessors, MarAd compiled its 1993 report from data collected from survey questionnaires circulated by AAPA to all of its U.S. Corporate members. Responses were received from a total of 59 public seaport agencies.

The latest numbers show public seaport capital expenditures amounted to $682 million in 1991, an increase of 2.1 percent from the previous year. The 1991 figures bring to $11.9 billion total spending by U.S. public seaport agencies for facility construction and modernization since the end of World War II. They do not include spending by the private sector for the same purpose.

South Pacific region ports accounted for the greatest share (30.3 percent) in 1992, followed by the Gulf (22.9 percent), and the North Atlantic (18.2 percent). The spending pattern, by region, for the past four years is reflected in Table 1.

1. U.S. Public Ports Capital Expenditures 1989-91 (Millions of Dollars)

Region	1991	1990	1989	1988
North Atlantic	$124.4	$116.4	$156.0	$178.4
South Atlantic	109.6	169.3	146.4	135.6
Gulf	156.1	97.7	97.1	82.1
South Pacific	206.4	209.9	149.3	176.4
North Pacific	84.9	60.4	106.1	75.0
Great Lakes	.7	4.3	2.6	.8
AK. HI, PR, VI (*)	-.-	10.2	17.0	23.1
Guam, Saipan	-.-	-.-	14.8	13.4
Total	$682.0	$668.1	$689.2	$684.8

(*) Alaska, Hawaii, Puerto Rico, U.S. Virgin Islands

Source: U.S. Maritime Administration, **United States Port Expenditure Report** (March 1993), p. 4.

MarAd cautions that some of the differences in the year-to-year data may be explained by differences in the number of respondents to each of its annual surveys. It also notes that annual expenditures can be expected to fluctuate "due to new starts and/or completions of major terminal projects."

Top spenders in 1991 were the ports of Los Angeles ($89.2 million), New York/New Jersey ($73.2 million), Long Beach ($71.9 million), Beaumont ($46.5 million), Oakland ($37.1 million), Port Everglades ($32.8 million), Seattle ($32.0 million), Houston ($31.9 million), Tacoma ($24.9 million), and Miami ($24.1 million).

These 10 ports together accounted for 67.9 percent of total expenditures in 1991.

Expenditures in 1991 by facility type show "specialized general cargo" (e.g., container, ro/ro, etc.) accounting for $328.5 million (48.3 percent), general cargo for $82.4 million (12.1 percent), bulk for $51.9 million (7.6 percent), and "other" for $217.0 million (31.9 percent). "Other" captures investment in "structures, spaces and fixtures not directly related to the movement of cargo, such as maintenance and administrative facilities, passenger terminals, and dredging."

The South Pacific was the biggest

spender under "specialized general cargo" ($152.5 million), the Gulf led in "general cargo" ($45.9 million) and the North Atlantic topped the others in "bulk" ($19.4 million).

As for "funding sources," MarAd reports that port revenues and revenue bonds "predominated" during 1988-91, with shares of 47.1 and 20.5 percent, respectively, in 1991 alone. However, their "combined use" fell, from 88.3 percent in 1988 to 67.6 percent in 1991. It also identifies "a steady resurgence" in the use of general obligation (GO) bonds, from 2.7 percent in 1988 to 15.8 percent in 1991. On the other hand, "the collective use of grants, and "other" funding methods has remained a "fairly constant" 16 percent since 1988.

The MarAd study also reports projected capital expenditures by U.S. public ports will total some $5.5 billion in the period 1993-97. Nearly 60 percent will occur in the South Pacific and South Atlantic regions, as indicated below.

2. U.S. Public Ports Capital Expenditures 1993-98, by Region (Thousands of Dollars) (a)

Region	Expenditures	Percentage
North Atlantic	$649,898	11.8%
South Atlantic	1,151,248	20.9%
Gulf	723,178	13.1%
South Pacific	2,065,863	37.4%
North Pacific	811.631	14.7%
Great Lakes	60,373	1.1%
AK, HI, PR, VI	57,000	1.0%
Guam, Saipan	48	0.0%
Total	$5,519,239	100.0%

(a) Excludes expenditures of $2,343,000 that were not broken down by type of facility.
Source: U.S. Maritime Administration, **United States Port Expenditure Report** (March 1993), p.5.

Fifty percent of the planned investment is targeted at specialized general cargo facilities. Port revenues will be the primary source of funding (33.2 percent), followed by revenue bonds (31.7 percent), and GO bonds (17.7 percent). MarAd finds that the South Pacific will be the most reliant on port revenues (58.9 percent) and revenue bonds (70.5 percent), while the South Atlantic and Gulf will be the primary users of GO bonds (54.5 percent and 33.4 percent, respectively).

Projected expenditures by facility type are listed in Table 3.

3. U.S. Public Ports Capital Expenditures by Facility Type 1993-98 (Thousands of Dollars) (a)

Facility Type	Expenditures	Share
General Cargo	$826,418	15.0%
Specialized General Cargo	2,757,240	50.0%
Bulk	362,831	6.6%
Other	1,570,407	28.5%
Total	$5,516,896	-.-

(a) Excludes expenditures of $2,343,000 that were not broken down by type of facility.
Source: U.S. Maritime Administration, **United States Port Expenditure Report** (March 1993), p. 9.

In summary, MarAd concludes that the public port industry "appears to be continuing its commitment to provide the Nation with modern and efficient cargo handling facilities." Expenditures during 1988-91 averaged $680 million "despite the recent economic slow down." It further concludes that the industry's "choice of funding methods ... is reflective of the economic conditions faced by industry and government." This means pressure will likely "persist into the foreseeable future" for individual ports "to maintain or become more self-sufficient," which implies continuing reliance on port revenues and revenue bonds as "the predominant forms of financing ... to fund ... current and proposed expenditure plans." *(AAPA Advisory)*

A Commitment to North Fraser Environment

NFHC Environmental Management Plan

In 1993, the North Fraser Harbour Commission Environmental Plan will enter its fifth year of operation. The plan has been well received by a variety of government agencies, local governments and non-governmental environmental organizations. It has also received international recognition from the American Association of Port Authorities, Ocean Yearbook, Coastal Society and other agencies. Based on feedback from presentations made in the United States and abroad, the plan and implementation using an ecological perspective has been praised and acknowledged as being at the forefront of environmental management.

Accomplishments during the first four years of operation include:

- finalization of the colour-coded shoreline habitat classification.
- establishment of habitat banking (Fraser Lands).
- initiation of the North Fraser Harbour Environmental Surveillance patrol.
- sponsorship of environmental workshops and seminars.
- enhancement of communications with municipal and environmental agencies through preparation of information reports on habitat and water quality, direct involvement, and physical management of the environment.

Our objective for 1993 is to accomplish five main components under Environmental Management.

- preparation of Harbour User Profiles which will pull together diverse types of information specific to a geographic location occupied by each harbour user.
- construction of the first NFHC habit bank will commence in 1993 at Fraser Lands.
- information on acceptable design, siting, construction materials, federal, provincial and municipal requirements, etc. will be produced in booklet form as Development Guidelines.
- a NFHC/Constituent workshop examining Commission services will be held in the fall. The workshop will explore services constituents foresee the NFHC providing in the future.
- an assessment of the successes and failures of the plan will be compiled in a State of the Harbour Report. This will serve as an innovative way to report on the initial five year phase of the NFHC Environmental Management Plan.

Fraser River Estuary Management Program (FREMP)

The Fraser River Estuary Management Program has reached the stage where integration of the needs and future actions regarding the key sectors of estuary use is the primary objective. Based on the inventories, issues and trend analyses compiled for development, habitat, recreation and waste management over the past six years, FREMP must strike a balance between these uses and resolve conflicts that arise in reaching and maintaining economic and environmental sustainability in the estuary. This integration phase is underway.

The FREMP Coordinated Project Review process continues to be one of FREMP's tangible activities and is recognized as a key component.

The main focus of the Water Quality/Waste Management Committee is to coordinate monitoring of the Estuary's environmental quality. This committee has placed priority on establishing a common compliance monitoring and surveillance network similar to that conducted under NFHC's Environmental Management Plan.

The Water and Land Use Committee will be the central forum for integrating demands for the use of the estuary. The key mechanism for this effort will be the development of an estuary-wide plan which combines the features of a policy plan, a strategy, and an action program in one overall and cohesive document. The plan is analogous to the municipal OCP (Official Community Plans) and will be referred to as FREMP's Estuary Management Plan (EMP). *(1992 Annual Report)*

EMPORCHI in profile

Continuing a decade-long pattern, Empresa Portuaria de Chile (EMPORCHI) reports yet another year of impressive gains in 1992 for the 10 ports that fall under its administrative control.

System-wide cargo for totaled 16.8 million metric tons, an increase of 14.2 percent from 1991 and more than double the 1983 volume of 8.3 million tons. Furthermore, container movements through its ports leaped to a record 386,665 TEUs. At the Port of Valparaiso, with more than 60 percent of the national total, throughput shot up by 31.7 percent in 1992, to 229,919 TEUs.

Firm evidence of EMPORCHI's accomplishments comes from the historic traffic data presented in the following table.

1. Empresa Portuaria de Chile Port Traffic 1983-1992 (Metric Tons)

Year	Volume	TEUs
1992	16,852,556	380,665
1991	14,756,932	256,125
1990	13,639,462	183,511
1989	13,612,349	177,282
1988	11,770,632	146,793
1987	10,838,481	144,581
1986	9,415,248	116,150
1985	9,354,452	134,766
1984	9,181,830	102,311
1983	8,302,164	79,250

Source: Empresa Portuaria de Chile and *Containerisation International Yearbook.*

Compared to 1991, imports increased by 33.7 percent, export by 7.8 percent, coastwise shipments by 5.9 percent, and transshipments of cargo through Chilean ports to neighboring countries such as Bolivia and Argentina gained by 14.6 percent.

Cargos that contributed significantly to the 1992 increase were fruit and copper exports and imported manufactures. Wood chips, though accounting for 10 percent of total cargo, experienced a decrease of 21 percent.

Port-specific results are summarized below.

Arica: Cargo overall increased by 12.2 percent, with transshipments to Bolivia (548,671 tons) and fish meal (164,422 tons) each registering gains of 10 percent.

Antofagasta: Traffic rebounded from the depressed levels of the previous year, increasing by 17.1 percent in 1992 to almost 1.8 million tons. Top gainers were copper (+11 percent), cargo transiting to Bolivia (+12 percent), and copper concentrated (+52 percent).

Chacabuco: Total of 119,069 tons handled in 1992, up 17.7 percent from the preceding year. Mineral products, especially zinc concentrate rose 27 percent. However, the Chacabuco Transshpping Terminal experienced a drop of 3.0 percent, to 191,591 tons.

Coquimbo: 1992 cargo rose 22.6 percent compared to 1991 to 299,713 tons thanks to increase in fruit (+45 percent), copper concentrates (+30 percent), and imported wheat (+230 percent).

Iquique: 1992 cargo totaled 798,405 tons, up 24.7 percent from 1991. Top gainers: imported industrial products (+139 percent), fish meal (+24 percent) and sulphur (+228 percent). Rising sales in the local Free Trade Zone helped boost industrial imports through the Port.

Puerto Montt: Cargo increased by 6.5 percent in 1992, to 714,622 tons. Wood chip exports, which increased by 6.0 percent, accounted for 79 percent of the cargo tonnage handled at the Port.

San Antonio: Total cargo increased by 19.3 percent from 1991 to 2,839,757 tons in 1992. Wheat was up by 27.2 percent and corn by 22 percent. Container TEUs rose by 2 percent, to 33,936.

Talcahuano/San Vicente: 1992 shipments totaled 562,811 at Talcahuano (+3.2 percent) and 3,181,740 tons at San Vicente (+8.7 percent) at San Vicente. Pulp exports were the principal source of growth, up 345 percent, while wood chips fell by 30 percent.

Valparaiso: The 1992 total of 4,742,051 tons represented an increase from 1991 of 37 percent. Containerized cargo increased by 29 percent, copper by 27 percent, and fruit (20 percent of total tonnage) by just 2 percent. *(AAPA Advisory)*

Congress Challenged to Break Dredging Gridlock

It is time to break the mudlock! Around the country, our nation's harbors can't be dredged to accommodate shipping needs because permit applications have become mired in seemingly endless, costly and counter-productive regulatory delays.

It is not simply a problem of project delay. If ports are not dredged in a timely and cost-effective manner, jobs are lost, cargo is diverted to foreign ports, the threat of ships running aground is increased, and the efficiency and competitiveness of our freight transportation system is undermined.

The Port of Boston dredging project has been in planning since 1972, but despite the 20-year wait, dredging is not scheduled to begin until 1995. In an effort to speed up the process to meet the needs of a new shipping service, the port sought to fast track dredging of one berth by proposing upland disposal. However, bids for the alternative land disposal raised the cost of disposing a single cubic yard of material to $175, compared to less than $10 for ocean disposal.

A permit to dredge access channels and berths in The Port Authority of New York and New Jersey took over three years to process. The delay resulted in the berths filling up with silt to the extent that ships had to lighten their loads at other ports in order to get into the berths, or they simply took their cargo to other Northeast and Canadian ports. The New York Shipping Association and local International Longshoremen Association estimated they lost 100,000 man hours in just the first quarter of 1993.

The Port of Palm Beach, Florida, was forced to suspend molasses shipments and limit shipments of cement when dredging was delayed due to a dispute over where the clean dredged material, to be used for beach nourishment, was to be placed. The sand buildup at the port had reduced channel depth to 28 feed from its authorized 33 feet and cut in half the authorized width to 400 feet.

At the Port of Oakland, California, it took a ship loaded with newsprint running aground in San Francisco Bay and a concerted effort by Bay area marine business and labor interests to secure a maintenance permit to dredge its harbor. Federal, state and local agencies continue to bicker over where to place dredged material from the port's planned harbor deepening project which will take it from 35 to 42 feet.

Despite the importance of an efficient waterborne transportation system to the economic vitality of our country, there is no consistent, coherent national dredging policy designed to ensure that navigational channels are dredged in a timely manner and kept open for trade. AAPA has called on the Administration and the Congress to adopt a National Dredging Policy. We need a National Dredging Policy to cut through the grid of laws and regulations applicable to the management and disposal of dredged sediments. That Policy should include the following essential components.

- First, the Administration and its agencies must make a federal commitment to the need to dredge our nation's navigation channels and harbors in a timely and cost effective manner. Without strong federal leadership we will not be able to overcome bureaucratic roadblocks to dredging projects.
- Second, we must develop a long-term plan to identify and site dredged material disposal areas and provide federal funds for their construction. All disposal options, including ocean disposal, must be available with the decision based on a relative assessment of environmental risk and overall cost.
- Third, we must use our limited resources wisely. It is neither environmentally productive nor cost-effective to direct limited public resources to clean up the large volume, but low level, pollutant usually found in navigation channels. Rather, we should concentrate our efforts on safe management and disposal practices which minimize environmental impacts.
- Finally, we must reform the regulatory process to streamline consideration of reviews, require concurrent reviews wherever possible, establish clear lines of responsibility, and reinforce the role of the U.S. Army Corps of Engineers as a proponent of navigation projects, consistent with environmental regulations.

Federal or state resource agencies that oppose the dredge disposal option selected by the Corps should be required to identify acceptable alternatives and to identify funding to cover any costs above the recommended alternative. While the AAPA strongly supports research and development of decontamination and remediation technologies, we must recognize that there are no magic solutions. The high cost of implementing expensive technological solutions may not be justified by the environmental benefits.

Major Laws Governing Dredging and Disposal

Rivers and Harbors Act of 1899, Section 10 authorizes the Army Corps of Engineers to regulate almost all kinds of obstruction to navigation.

Clean Water Act, Section 404 gives the Corps the legal authority to regulate dredge and fill activities and disposal of dredged material in inland waterways, wetlands, and the ocean out to the three-mile limit. The corps must provide notice and opportunity for public hearing and apply guidelines developed by the Environmental Protection Agency (EPA). Section 401 provides that dredging and disposal activities within the state jurisdiction must be certified by the affected states to comply with applicable state water quality standards.

Marine Protection, Research and Sanctuaries Act, Section 103 authorizes the Corps to issue permits, subject to EPA review, for dumping dredged materials into ocean waters. It requires notice and opportunity for public hearings; compliance with criteria developed by the EPA; and use of EPA designated sites.

Coastal Zone Management Act requires the Corps to coordinate permit review with state Coastal Zone Review Agencies. Federal permits must have a certification that the proposed disposal is consistent with the states' Coastal Zone Management Plan.

(AAPA Port Report)

Shipments of Coal Lowest in 5 Years

It's been a cold winter thus far for U.S. coal exporters with little prospects of a warming trend in the near-term. First quarter shipments of bituminous coal fell to their lowest level in five years, with both the met and thermal coal trades taking heaving hits. March loadings were the lowest for any month since February 1988. April and May data from the major loading ports all point to continued decline. The Lake Carriers' Associations reports coal shipments across Lake Erie fell by more than 40 percent in April due to "reduced power generating capacity at Ontario Hydro," which is the largest Canadian importer of U.S. coal. The outlook is further dimmed by the ongoing United Mine Workers strike.

All major markets are hurting — Canada, the European Community, and Japan. The few bright spots in the first quarter were Taiwan, Turkey, Romania, Brazil, Argentina, and Mexico.

Ironically, U.S. bituminous coal imports are moving at a record pace, a total of 1.2 million short tons in this year's first quarter, up from 679,000 tons a year ago and 972,000 tons for the January-March quarter of 1991. Substantial increases were registered by imports from Colombia, Indonesia, and Venezuela.

Relevant data are shown in the next page:

U.S. Bituminous and Related Coal Trades (Millions of Short Tons) January/March Quarter

	1993	1992	1991	1990
Exports				
Overseas (a)				
Metallurgical	11.91	14.93	15.14	15.51
Steam	6.67	8.59	7.16	6.11
Total	18.59	23.52	22.31	21.62
Total Exports (b)				
Metallurgical	12.11	15.13	15.15	15.54
Steam	6.71	9.54	7.23	6.78
Total	18.83	24.68	22.37	22.32
Imports				
Bituminous Coal	1.20	.68	.93	.73
Furnace Coke	.36	.51	.17	.17

(a) Exports to countries other than Canada
(b) Exports to all countries, including Canada
Note: Due to rounding, met and steam coal figures may not sum exactly to totals.
Source: National Coal Association

(AAPA Advisory)

Georgia Ports Authority Elects New Officers

William O. Faulkner, Jr., of Macon was elected chairman of the Georgia Ports Authority at the group's monthly meeting. Other members elected to office were vice chairman Harry Jackson of Columbus and secretary-treasurer, James Mason of Atlanta.

Mr. Faulkner has served on the GPA board since 1983.

Wilmington Terminal Forest Products Center

Construction has begun on the new forest products center at the North Carolina State Ports Authority's (NCSPA) Wilmington Terminal.

The NCSPA received the green light in January to commence construction of the 108,000 square foot dedicated forest products center in Wilmington. The expected completion date is March 1994.

Woodpulp is the leading export product at the Wilmington Terminal. A record 594,000 tons moved in Fiscal Year 1992, up 7 percent over Fiscal Year 1991 and 19 percent over Fiscal Year 1990.

According to Robert G. Jacobi, NCSPA Director of Business Development, "Customers' response has been favorable. With the increase in forest products tonnage this new facility will enhance the ports handling operation."

(CARGO)

GPA Sets New Volume Records in Fiscal '93

The Georgia Ports Authority (GPA) set new volume records in the fiscal year ending June 30, 1993, according to figures released at the group's board of directors meeting.

"This is the fifth consecutive year in which total tonnage as well as the number of ocean-going containers has increased," said George J. Nichols, GPA executive director. "We have every reason to take great pride in our performance given the worldwide economic slow-down and the fact that the steamship lines are operating on razor thin margins."

Total tonnage at all GPA terminals pushed ahead to 8.7 million tons, a 1.4 percent increase over the record volumes set in the previous fiscal year. "That increase was achieved despite a softening demand for one of our principal export commodities – forest products," Mr. Nichols said. "Fortunately, the world markets appear to be stabilizing and the worst should be behind us."

That decline was more than offset by the continued strong performance in container traffic and breakbulk cargoes, moving in and out of GPA's two Savannah locations. For the first time, GPA moved more than half a million TEUs in a fiscal year. GPA recorded 526,523 TEUs, a strong 5.5 percent increase over the 498,843 TEUs moved in the previous fiscal year. Likewise, container tonnage was up 5.7 percent to 4.072 million tons.

"This continued pacesetting performance helped keep the Port of Savannah secure in its position as the tenth largest container port in the United States," Mr. Nichols said. "Our strength in the container market comes from the number of quality services we offer. Our smooth and competent professionalism provides our customers with the assurances they need that their freight will be handled quickly and efficiently."

In addition to the record container volumes, GPA reported strong growth in the general cargo, or breakbulk segment. Overall, breakbulk tonnage increased by 50,000 tons, or 3.9 percent at GPA's Ocean Terminal. The increase was almost entirely attributable to exports of kaolin clay, which was up by45,000 tons. Cocoa beans and woodpulp helped offset the drop in shipments of iron, steel, linerboard, plywood and paper products.

"Increasingly, shippers are looking to ports to provide the facilities and the flexibility to move either containerized or breakbulk cargoes," Nichols said. "We have never turned our backs on breakbulk markets. The wisdom of this commitment is paying off today as many shippers are pulling freight out of containers and shipping it breakbulk to take advantage of the lower ocean-going rates."

Oakland Naval Supply Center Available to Port

Congressman Ronald V. Dellums, Oakland Mayor Elihu Mr. Harris and Oakland Port Commission President James B. Lockhart enthusiastically greeted President Bill Clinton's announcements on base conversion plans involving the Oakland Naval Supply Center and Oakland harbor dredging.

"For years the Port of Oakland has been trying to lease 200 acres of Navy property at the Oakland Naval Supply Center so that it could expand," said the President in an address at Alameda Naval Air Station. "For years there was a stalemate. Today (August 13) I announced that that property will be rented out, much of it for $1 a year. That will create hundreds of good jobs."

"To make the port a magnet for shipping and commerce," Mr. Clinton continued, "we must deepen the channels. For years, environmental concerns have slowed this process. I have directed the Army Corps of Engineers, the EPA and all other concerned agencies to get on with it, and to act as quickly as possible to resolve the issues so that we can dredge the channels and bring more opportunity to the people who live here."

Buoyed by the President's words, Representative Dellums (D-Oakland) said: "The Port of Oakland represents the single best opportunity to quickly create new economic growth and jobs that will allow us to successfully convert our military bases to productive civilian activity."

"That is why I have pressed the White House to work to ensure that excess land is delivered promptly and economically to the port's use; and that the White House ensure that the essential 42-foot dredging project is completed on time, on the original schedule," Dellums continued. "The Administration has committed to work with us to make these goals a reality, and we appreciate the President's coming to the Oakland community to demonstrate the Administration's willingness to make things happen."

Mayor Harris said, "The President's plans will expand the role of Oakland's maritime facilities and will leverage our ability to create productive jobs at liveable wages. President Clinton is personally committed to ensuring the base conversion process is successful."

"Today's announcement offers concrete assistance and is pivotal to revitalizing Oakland's economy. This directive is a victory for those who have lobbied hard for tangible economic support while providing an opportunity for our port to achieve a sharper competitive edge in the international market," Harris added.

Port Commission President Lockhart said, "I know I speak not only for the port but for all those with an interest in the economic well-being of the Bay Area in applauding the bold, far-sighted action taken today by President Clinton — an action that, by providing significant job opportunities and a stimulus to the local economy, will help offset the job losses and economic impact of the planned base closures."

At the President's direction, the Federal government will take steps to make available more than 100 acres of the Oakland Naval Supply Center to the port on a long-term lease for nominal rental.

As the nation's fourth largest containerport, Oakland has a clearly demonstrated need for the property and specific plans for its use, Lockhart said.

One portion will be combined with adjacent port-owned land to develop six new containership berths and the terminal area needed to support them. While these facilities are developed, the port will use existing buildings on the site for warehousing, providing immediate economic impact and employment.

The other portion will be combined with adjacent property owned by Southern Pacific Transportation Company to create a centrally located facility for transferring containers between ships and trains. Lockhart also noted that the port is working with the Administration to secure Intermodal Surface Transportation Efficiency Act (ISTEA) funding for the project.

Called the Joint Intermodal Terminal, the project will consolidate operations of the three railroads that serve the port — Southern Pacific, Union Pacific and Santa Fe. According to port officials, it will reduce railroad costs by eliminating redundant facilities, sharing overhead and cutting the cost of capital development, with the net effect of enhancing Oakland's competitiveness as an intemodal gateway.

The availability of the Navy property for a nominal lease rental makes it much easier for the port to market the resulting new marine and rail facilities, they added, citing the high construction costs that make it difficult to produce a competitively marketable terminal if the underlying land is also highly priced. Conversely, a lower cost of land enables the port to use its capital funds to build high quality, commercially attractive facilities which should enable Oakland not only to maintain but to increase its West Coast market share.

The officials pointed out that the expanded commercial cargo facilities would improve the port's ability to handle military shipments in the event of wartime.

They also said the port's planned projects on the two Navy parcels offer an obvious potential for creating numerous, well-paying jobs in the interim use phase, in the new facilities construction phase and ultimately in the operations phase.

They cited analysis showing that the six new containership berths access to the Navy property makes possible will create up to 3,800 jobs, producing personal income of $172 million. The Joint Intermodal Terminal can create up to 300 jobs and $15 million in personal income, according to the same study.

The two projects combined can generate a total of 4,100 jobs, $187 million in wages and salaries, $15 million in state and local taxes and $500 million in business revenue.

"Given this new opportunity, combined with the Port of Oakland's demonstrated experience in terminal design and development, we are confident that conversion of the Naval Supply Center to commercial use will be accomplished quickly and successfully, to the lasting benefit of the entire region," Lockhart concluded.

Port of Oakland's plan to use naval supply center land

Maritime use:

* short term: warehousing & trucking support facilities
* long term: develop 6 new containship berths
* shipping terminal support areas

Joint intermodal terminal

* consolidate operations of three railroads
* streamline transport of cargo between ship & rail

Ecomic impact of port plans

* Potential 4,100 jobs (direct and induced)
* $187 million in wages and salaries
* $500 million in business revenue
* $15 million in taxes (state/local)

Sea-Land, Oakland Launch Modernization

Sea-Land Service, Inc. and the Port of Oakland have announced a $5.5 million plan to upgrade the carrier's terminal facility at Oakland's Outer Harbor.

The project, which will include main gate modernizations, yard paving, crane improvements, auto yard reconstruction and other upgrades, will be financed jointly by Sea-Land and the Port of Oakland. The port will put up $3.5 million; Sea-Land will invest the remaining $2 million.

The main gate project will include state-of-the-art technology which utilizes a video identification system, will speed up processing time, reduce congestion and errors, and allow truckers to remain in their trucks while delivering and picking up containers at the terminal.

The contract for the gate construction project, valued at $800,000, was awarded to Aztec Construction. Completion is scheduled for August.

Crane renovations will include raising the height on one of the four gantry cranes and widening the legs on three of them. Also slated are modifications to the crane transfer and power systems and some pile repairs. These improvements will allow for the handling of additional capacity and a more efficient operation, according to Sea-Land officials in Oakland.

"These projects will allow Sea-Land to better meet the needs of our customers while employing the best technology available in our industry," said Jerry Bridges, Oakland Port Manager for Sea-Land.

Sea-Land was the first container carrier to call the Port of Oakland upon completion of the port's conversion to then-experimental container technology in 1962. Sea-Land, the largest container shipper in the United States, handled 83,000 loads at their Oakland facility in 1992, which represented an 8-1/2% increase over the previous year. Oakland serves as a key hub port for Sea-land transpacific and Hawaii/Guam services.

New Portland Dept. To Enhance Marketing

Concluding a year-long analysis of how to best improve service and provide increased market access for its customers, the Port of Portland in May implemented a new department that crosses operating and support division lines to combine the talents of many of the Port's staff.

According to Executive Director Mike Thorne, the goal of the new marketing department is to integrate and expand the Port's marketing and business development activities. Emphasizing that "structure should follow strategy," Thorne said the interdivisional nature of the new department will provide the basis for increased sensitivity to market changes while allowing more efficient use of staff to further enhance customer service.

"The implementation of the new marketing department is part of an on-going process we employ to continually improve the way the Port does business," sand Thorne. "In this instance, we've restructured our marketing efforts to more effectively support our operating divisions so we can best fulfill customer needs and meet or exceed their demands."

The key elements to establishing and maintaining long-standing customer relationships are teamwork and sharing a common goal, according to Pat Fiske, the newly-appointed director of the Port's new marketing department.

"While we've been successful in our marketing efforts to date, we must continue to get better at what we do so we can keep our customers happy, win new ones, and enter new markets," remarked Fiske. To achieve its goals, the marketing department is implementing a program that will include:

- Establishing a marketing planning process that precedes the Port's budget process;
- Developing strategies to fit specific customer segments; and
- Communicating the distinct assets and intermodal advantages the Port of Portland brings to the marketplace.

"This new structure will provide us a greater understanding of the markets we serve and provide our current and prospective customers a greater understanding of the Port of Portland and our commitment to continually improving the service we provide to our customers," concluded Fiske.

(Portside)

Niche for Transload Co. In Bulk Goods Market

Tacoma Transload, a company that was launched last January to handle agricultural commodities shipped through Tacoma, recently delivered its 1,000th container.

The company, 501 E. 19th St., Tacoma, was formed to provide transloading services for the increasing volumes of bulk agricultural products now being shipped in containers. Everything from corn gluten meal to hay cubes and sugar beet pellets are shipped to Southeast Asian countries in 20- and 40-foot containers.

Most of the transloaded agricultural products originate in the Midwest United States, although goods such as hay cubes, peas, beans and buck wheat come from farmers as close as Eastern Washington.

Many of these commodities are used in Pacific Rim countries as feed for livestock and for other food production processes. Corn gluten meal, for example, is a mainstay feed product for the poultry industry. Sugar beet pellets and hay cubes are used to feed cattle.

Tacoma Transload's $2 million facility, which lies within a mile of the Port's shipping terminals, was built to handle incoming rail cars loaded with various bulk products. The facility is built so it straddles rail lines served by both Burlington Northern and Union Pacific.

The rail cars are unloaded using a gravity-fed conveyor system that carries the product into one of four loading systems. Depending on the commodity, the product is then transloaded into bags or directly into containers. The facility is equipped with both an auger and a conveyor belt to complete the loading and is one of the only transload facilities on the West Coast to offer both loading systems, according to Gary Hofmann, manager of the facility.

A full rail car can be unloaded in just over an hour.

"We have to be able to turn things around right away," said Mr. Hofmann. "We've very careful to schedule the containers to be here when the rail cars arrive."

Part of the company's service includes picking up empty containers from nearby steamship terminals and returning them full and ready for international shipment. Tacoma Transload works primarily with Tacoma steamship lines.

About 90 percent of the company's shipments move through the Port of Tacoma. In a busy week, the company handles about 2,000 tons of bulk goods – or about 75 (MORE) percent of the facility's capacity.

Mr. Hofmann said the company, which now employs seven people, expects business to grow as new inroads are made to the People's Republic of China. Protein feeds like corn gluten meal and soy meal should find strong markets there, he said.

This summer's floods in the Midwest are expected to cause prices for bulk agricultural goods to increase, but Mr. Hofmann said he expects basic demand for bulk goods to remain strong.

The transloading facility has boosted the Port of Tacoma's volume of containerized agricultural goods. For the first quarter of 1993, the shipping lines using Tacoma Transload saw a collective 46.8 percent increase in containerized bulk commodities compared to the same period a year earlier.

Those exports rose from 8,373 metric tons in the first quarter of 1992 to 12,289 metric tons in the first quarter of 1993.

"This transloading service has attracted new volumes of agricultural bulk commodities to Tacoma," said Jack Fabulich, president of the Port of Tacoma Commission. "It's helping to provide a vital link between American farmers and international markets."

Africa/Europe

New Le Havre System: Radar Data Processing

Without a radar, a ship is blind. Without a radar, Port Officers and Maritime Traffic Controllers cannot safely guide the ship into the port. In May 1973, the Port of Le Havre equipped with high-performance tools for the time: one piece of equipment displaying radar echoes on a screen and the other one, the "SETER" (a system of extracting and processing of radar echoes), working with these echoes to calculate the routes and speeds of the ships.

Originally designed to cope with the traffic requirements during about ten years, this radar equipment has met the pressing need of guaranteeing a free and safe flow of maritime traffic far beyond what was expected, both in the port areas of Le Havre, Antifer and in the Seine Bay and the inner port, thus enabling ships to sail the port and carry out their operations once at berth, whatever the sea and visibility conditions.

20 years later — with a few days' difference — the engineers from the Electricity Department of the Port Authority together with the executives of the Harbour Master's office have put a brand new system into operation — a unique system of processing and display of radar data, achieving the double performance of never disrupting the work of the Control Centre (the radar coverage and the guidance of ships around the clock have never been hindered during the works) and completing the job a few weeks ahead of schedule.

The designers of the system — the Norwegian Company NORCONTROL and the Engineers of the PAH Electricity Department — have had the concern of meeting the requirements of the Maritime Traffic Controllers and the Port Officers of the Harbour Master's office by selecting an extremely flexible system.

· display of radar echoes in real time on colour graphic screens,

· initialization of "tracks" (automatic tracking of the ship's route and updating of its data: route, speed, distance, in real time — at each revolution of the radar antenna —) associated to the radar echoes,

· recording of "plots' (non-identified echoes) and "tracks" (identified ships),

· use of various configurations on the radar screen, each controller being able to pass, as he wishes, from raw radar data (ships'echoes, channel buoys..) to the full video display integrating coast lines, tidal data, channel lines.

· possibility of zooming with a large choice of display scales for the areas under radar coverage, taking equally well into account the data provided by any of the three radars in operation (La Heve, Outer-Port, Tidal Dock),

All this displayed on a graphic screen of 1,600 x 1,280 pixels in order to guarantee an excellent definition of the radar picture.

In addition to this extraordinary flexibility which enables each Maritime Traffic Controller to work on a "flexible" screen configuration nd the Port Officer in charge of movements to get an overall view of the ship's location, first of all the equipment has to be reliable.

The setting-up of a highly sophisticated remote control system with a remote control of the three radars but also of the signal masts and leading lights has made it possible to follow up on a permanent basis all the equipment of navigation aids and to guarantee reliable operation around the clock.

In case of incidents,keeping the audio and video recordings during a few days makes it possible to keep a trace of the relevant event (manoeuvring incidents). This may be necessary for the purposes of a maritime survey and in order to determine the possible liabilities of the various participants (ships, pilots, tugs, port officers, traffic controllers...). In addition, this system of processing and display of the radar data has a parameterized ancillary unit in order to be able to "play again" all the course of the event with the "reactivation" of all the parameters (speeds, ship's routes, etc...); then, this system is giving the Port of Le Havre a remarkable tool, available to ships, the Le Havre, Rouen pilotage and the Seine Bay traffic.

Port of Rouen-Seine Valley: Transport Hub

Loaders and shippers were informed of the Port's targets at a meeting the Port Authority organised on 13 May. Heavy investments and modernised cargo handling will make the Port of Rouen-Seine Valley even more a key transport hub.

"The Seine is one of the great lanes for trade. It flows straight to the heart of Paris. Rouen is the gate to the Seine," said Mr. Jacques Mouchard, chairman of the Port Authority board, to illustrate the geographically advantageous location of the Port to loaders and shippers at the meeting. "The installations downstream on the Seine's estuary at Honfleur, Radicatel/Port-Jerome and Saint Wandrille/Le Trait provide remarkable facilities for storage-distribution and transformation," he added.

The French automobile manufacturer Renault, for example, invested in the Port of Rouen-Seine Valley whence it forwards parts for its automotive factories located in around 30 countries worldwide. This investment took the site's direct access to economically advantageous maritime transport as well as river, road and rail transport into consideration. SAIPOL, too, opted for the Port of Rouen-Seine Valley where it is investing Ffr350 million in its colza trituration plant. The storage units and know-how available at the Port are very seductive indeed. These factors will stimulate SAIPOL's expansion, such as its ventures in diester production, in an industrial environment propitious to such initiatives.

At the Port of Rouen-Seine Valley, industrial expansion goes hand-in-hand with protection of the environment and of historic monuments. "The Seine Valley is largely unspoiled. Its cliffs, forests and abbeys contribute to the beauty of its landscape and attract cruise ships to Rouen," said Mr Jacques Mouchard.

This transport hub is, by the very nature of its infrastructure, services and know-how and its proximity to the French capital and key economic centre, Paris, attractive to shippers and loaders. "The Port community is dedicated to providing quality services and to preserving its good relationship with its users and partners," concluded the chairman of the Port Authority's board.

(Rouen Port)

Cork Hails Expansion of Brittany Ferries Services

The arrival of the m.v. *Duchesse Anne* this morning (21 June) marks a further milestone in the development of car ferry traffic at the Port of Cork. In particular, it marks a major increase in the commitment of Brittany Ferries to the Port of Cork and to Irish tourism, particularly to tourism in the south west and west of the country.

Brittany Ferries first came to Cork in 1978 when the m.v. *Armorique* inaugurated the Cork-Roscoff service by calling to Tivoli in May of that year. When Cork Harbour Commissioners built this ferry terminal at Ringaskiddy in 1982 the first users were Brittany Ferries and over the past fifteen years we have always enjoyed an excellent relationship with the company — both with the very efficient Cork office and with the senior management in the U.K. and France. Today we celebrate an increase in the Roscoff schedule from one sailing to two sailings per week and the introduction of a new connection to St. Malo. All of these developments confirm the growing importance of the Port of Cork as the principle entry point to Ireland for continental holidaymakers.

To cater for the projected increase in the port's ferry traffic, we are planning a major capital injection commencing next winter. In total, almost £5 million will be invested in providing a second linkspan which will enable us to handle two ferries simultaneously and the Terminal Building will be enlarged and significantly upgraded to provide an improved level of comfort for passengers.

Today is a nostalgic day as well as it is most significant this vessel, the *Duchesse Anne,* which was built here in Cork Harbour at the then Verolme Shipbuilding yard and it originally went into service in 1979 on the Cork-Swansea route. It is great to see the vessel looking so well and perhaps it reminds us once again of the great loss of shipbuilding to the Cork area.

Ports of Stockholm Annual Report 1992 (Extracts)

Summary of 1992

Earnings after financial income and expenses were MSEK 16.2. Total revenues were MSEK 385.3. Investment was MSEK 39.1 including acquisition of companies.

Nynashamns Hamn AB with its subsidiaries and land at Norviks Udde were acquired during the year. Nynashamns Mark AB, a company jointly owned by Stockholms Hamn and Nynashamns City Council, was formed during the year. The company bought the land, buildings and structures used by Nynashamns Hamn in its port activities.

Consolidated Balance — the Group

	1988	1989	1990	1991	1992
Turnover. Mill SEK	240.7	263.0	308.8	348.9	385.3
Turnover increase. %	7.2	9.3	17.4	13.0	10.4
Result before allocation and taxes. Mill SEK	14.2	6.2	30.7	16.3	16.2
Profit margin. %	5.9	2.4	10.0	4.5	4.0
Capital turnover rate. times	—	—	—	1.3	1.3
Earning capacity. total capital. %	—	—	—	11.5	9.4
Times interest earned	—	—	—	2.1	2.3
Visible equity capital ratio. %	—	—	—	22.8	22.8
Investments. Mill SEK	40.8	58.8	48.9	54.8	39.1
Degree of self-financing. %	—	—	—	15.9	89.5
Average number of employees	405	388	379	366	378
Turnover per employees. Mill SEK	0.6	0.7	0.8	1.0	1.0
Personnel costs. turnover %	35.0	34.3	31.9	29.5	28.5

Definitions

Profit margin. Result before allocation and taxes, turnover in per cent.
Capital turnover rate, times. Turnover divided with an average of the total assets.
Earning capacity, total capital, %. Result after financial revenues in per cent on an average of the total assets.
Times interest earned. Result after financial revenues divided with interest expenses.
Visible equity capital ratio. Visible equity, and 70% of untaxed reserves and minority interest in per cent of the total assets.
Degree of self-financing. Internal provided funds in per cent of the year's investments.

Turnover Allocated to Business Areas, Mill Sek

	1988	1989	1990	1991	1992
Ferry traffic	93.7	111.0	133.8	165.1	197.8
Oil traffic	22.3	22.1	19.2	23.9	24.0
Dry bulk	14.4	12.9	15.2	15.7	14.6
General cargo	40.1	41.3	47.9	49.4	43.6
Property	45.2	48.0	56.3	61.5	66.4
Miscellaneous activities	25.0	27.7	36.4	33.3	38.9
Total income	240.7	263.0	308.8	348.9	385.3

Freight Turnover in Mill Tonnes

	1988	1989	1990	1991	1992
Ferry cargo	2.1	1.8	1.9	2.0	2.3
Oil traffic	1.3	1.4	1.0	1.0	1.2
Dry bulk	2.0	1.7	2.0	1.8	1.4
General cargo	0.2	0.2	0.2	0.2	0.2
Total freight turnover	5.6	5.1	5.1	5.0	5.1
Total tonnage Mill GRT*	146.5	183.5	216.2	249.4	274.2
Passengers. Mill*	5.3	6.0	6.7	8.4	9.0

* the archipelago traffic excluded

The Market

In 1992 the ports of Stockholm further strengthened their position because of increased ferry services across the Baltic and increased feeder traffic to and from Germany.

Against the background of the weak business climate the increase in the feeder traffic must be seen as the start of a structural change which will enhance the position of the Port of Stockholm as the leading container port on the east coast.

The number of passengers to and from the ports of Stockholm was 9 million. The number of passengers on the cruise ferry services to Riga, St. Petersburg and Tallinn and the traffic to Gotland from Nynashamn increased somewhat in comparison with 1991.

As a result of another mild winter the import of oil and coal for heating purposes fell by about 15% compared with the previous year. At the end of the year the import of coal for Hasselbyverket ceased as the power station changed over to oil and biofuel.

The sharp reduction in the building market in the Stockholm region brought about a further reduction in the amount of sand and cement handled by the port.

More Passenger Liners Calling at Lisbon

In the first quarter of 1993, the number of passengers passing through the passenger docks amounted to 8,418, representing an increase of 45% in relation to the same period in 1992 (5,837). This increase was specially significant concerning passengers going on board (+ 2,642) and arrivals (+ 1,937).

Thus the future outlook for cruise liners to include Lisbon on the main world tourist routes is very encouraging. In the course of 1992, 57 cruise liners called at the port of Lisbon, totalling 159 calls. In the last five years alone the number of cruise calls has risen by 40.7%, whilst the number of passengers shot up by 26.5%.

In order to boost yet further the number of cruise liners calling at Lisbon, this year the Authority of the Port of Lisbon joined the CRUISE EUROPE Association, whose main goal is to increase the number of cruises offered in Europe, a part of the world that has been so far overlooked by cruise operators.

Evolution in the Number of Cruisers

	1988	1989	1990	1991	1992	VAR % 92/88
No. of calls	113	122	133	169	159	40.7%
No. of passengers	67,034	74,241	77,263	88,857	84,825	26.5%

(Port of Lisbon News)

Asia/Oceania

Super Bund Signals FI Port Expansion

Port of Brisbane Authority dredging and reclamation staff have completed the largest bund ever built in Brisbane to enable 200 hectares of land to be reclaimed, and allow the next stage of port expansion to begin at Fisherman Islands (FI).

PBA Chairman, Mr. Ian Brusasco said the 3,000 metre long sea wall, built at the northern end of FI for $2.1 million, was a priority development under the port's published Strategic Plan to 2005 and Beyond.

"Brisbane is the fastest growing capital city port in Australia and this latest development will help ensure we have the facilities to cater for future demand," Mr Brusasco said. Under the plan, trade is expected to grow by 80% to 29 million tonnes by 2005, requiring the construction of an additional five berths. During the same period, there will be a greater concentration of port-related activities in the FI area.

The PBA has therefore developed a long-term reclamation plan to allow for construction of these additional facilities. Initially, 15 hectares enclosed within the completed bund are being developed to form the site for a standard gauge rail connection and new container park.

Crucial Additions

A rail intermodal terminal and standard gauge rail connection are crucial additions to the port, allowing transport of interstate cargo and improved links between Australian ports.

The container park will help consolidate storage areas around Brisbane, and in so doing will enhance handling efficiencies by providing a central focus for exporters. Mr Brusasco added that the method used to construct and now fill the bund is the most environmentally responsible and cost effective reclamation process available.

The bund, which has taken since mid-1992 to complete, effectively forms a "dam" to isolate an area from water. Over the next five years, this 200 hectare "dam" will gradually be filled with approximately eight million cubic metres of dredged material to raise it to existing terminal levels.

The base of the enclosed area will be material dredged from the Brisbane River as part of the PBA's routine maintenance of shipping channels. It will then be topped off with high quality sand dredged from navigation channels in Moreton Bay. Disposal of material within the bund will protect marine habitats in Moreton Bay.

Considerable effort has been made to protect, nurture and where possible, re-establish sea grass and mangrove areas near the bund.

(Brisbane Portrait)

MELBOURNE: a hard act to follow

Landlord Port

Most of the Port of Melbourne is already in private enterprise hands and the Authority is not involved in many of the port activities that make up the waterfront, including pilotage, towage, stevedoring, storage and transport.

Early in 1991 the PMA recognised that there was a problem with common user facilities.

The PMA's view is that its role should be confined to activities up to the berthface but not beyond and at the same time the Authority should retain its role as a landlord with responsibility for determining the longterm land use and development in the port. The developments at Swanson Dock East, which have been in the pipeline since early 1992, exemplify the Authority's redefined role.

Attracting Investment

The abolition of the assets reversion policy in 1991 has allowed the Authority to adopt a more flexible approach to land leasing and this has attracted approximately $200 million of private investment.

The old policy meant that any improvements made by a tenant reverted to the Port Authority at the conclusion of the lease, even if the tenant took a further lease. The effect was that the tenant ended up paying rent on his own capital investment.

It is not only private industry that is investing in the port. The Federal Government has allocated $115 million to standardise the rail line to Adelaide. $20 million will be spent upgrading the South Dynon rail freight terminal adjacent to the port lifting annual throughput by 50,000 containers to 300,000. This money will cover Stage One of the project over the next two years, and is part of a long term upgrading plan worth $47 million.

$5 million is being spent to build a direct road connection from the rail freight terminal to Swanson and Appleton Docks. Work on this project began on 10th February. Containers unloaded from ships in port will be carried by internal transfer vehicles via the road link to the rail terminal for loading onto interstate trains. Costs and handling time of the sea/rail transfer of freight will be significantly reduced and th Port's productivity improved. Costs will be reduced by 75 per cent, from around $80 down to $20 per container.

The State Government is also preparing a transport hub strategy which will address the infrastructure, freight system management and regulatory changes required to improve the transport chain between the Port of Melbourne and the principal manufacturing areas.

Greater Productivity

As a result of the Enterprise Based Agreements reached during the three year Federal Government Waterfront reform process, port productivity has been continually improving.

Strang report averaging more than 24 units per net crane hour for a medium-sized cellular ship of up to 1,400 TEU capacity, comparing more than favourably with many major overseas ports. A computerised Vehicle Booking Service has been introduced and the company reports vehicles spend less than 30 minutes at the terminal.

National Terminals (Australia) Limited, operating at Webb Dock, has also seen significant performance improvements. The company says that to date it has achieved a 45% improvement in the number of TEUs per man hour worked per client and a 60% improvement in overall productivity. It reports crane lifts are now consistently in the range of 24 to 32 lifts per hour depending on the nature of the vessel and stow.

Conaust Limited which operates Swanson Dock West says rates for crane working have improved by as much as 50% and depending on vessel type and stow, are regularly achieving rates in excess of 20 lifts an hour. Conaust have also introduced a computerised Vehicle Booking Service, and require all transport operators to pre-book time slots for delivery or receival of containers during day shift. It reports that the system has totally eliminated the problem of truck queuing.

Technological Achievements

Melbourne has been at the forefront of waterfront and port reform in Australia. It has introduced a range of initiatives including Vehicle Booking Services, reforms in part pricing (moved to cost based pricing) and the introduction of Electronic Data Interchange.

Technology has changed the race of the port from the labour intensive past to the high-tech present.

The latest technological innovation, developed by the Authority and known as the Ships' System, offers a group of key operational computer systems used in port related areas.

The system automates much of the paper work associated with vessel visits and therefore increases the PMA's efficiency dramatically.

It also has network capabilities and is designed to be fully integrated with Electronic Data Interchange.

It can also be adapted for use in any port in the world and the PMA has established a partnership with Nynex World Trade to commercialise and market these systems around the world. Several Australian and overseas ports have already expressed interest.

21st Century Operations

The Port of Melburne's dredging moved into the 21st century with the recent purchase of state of the art software NAMASYS. Now the PMA dredge "Vella", one of only two in Australia using the system.

Advances in computer graphics replace the old style of mechanical display systems and the hydrographic chart and the ability to monitor real-time progress of the dredge guarantees greater efficiency.

The Port of Melbourne is channeling its expertise in Asia. The "Vella" has been time chartered for six months to Cheramping Ltd H.K., and is performing harbour maintenance in Taichung and Tsoying harbours. This contract will reduce total expenditure on the PMA's dredging operations by as much as 50 per cent.

Leaner and Meaner

The introduction of leading edge technology and the recent operational rationalisation of the PMA's floating plant secured the contract. The PMA's first Enterprise Based Agreement has been floating plant crew levels reduced from 65 to 37 and efficiency has increased 35 percent, not only making PMA operations commercially viable but obviously competitive.

Employees numbers at the PMA have fallen from more than 1,600 in 1989 to 1,337 in 1990, 1,265 at the end of 1991, 946 at the end of 1992 and in March 1993 reached 788.

The organisation has been actively downsizing through a Voluntary Departure Program since August 1991 and by the end of 1993 expects a core workforce of 400, of whom 150 will be shore based blue collar workers. Employees engaged in community service obligations and coastal outports, which the State Government proposes to remove from port authority responsibility, will number an additional 150.

Trade

Trade is increasing through the port with 23.1 million revenue tonnes recorded in 1991/1992. Overseas exports increased 7 percent to 7.2 million revenue tonnes, overseas imports increased 1.6 per cent to 8.6 million revenue tonnes.

Export commodity trade displayed a growth of 12.7 per cent to reach a new record high of 6.2 million revenue tonnes. Products which displayed solid growth over the previous year's exports included: cereal grains (+19.2%); dairy produce (+13.9%); fruit and vegetables (+24.7%); lamb and mutton (+19.8%); petroleum products (+124.6%); stockfeed (+26.0%) and wool (+37.4%). These increases reflect the growing preference for Melbourne by shippers.

Australia's Top Port

Shippers continue to show confidence in the Port of Melbourne. Their support has seen Melbourne remain Australia's principal general cargo and container port, handling 44% of Australia's overseas container trade, almost double that of Adelaide, Brisbane and Fremantle combined.

Melbourne offers today what other ports promise tomorrow. It holds the real key to good business — proximity to high population and markets — because it is located at the centre of a triangle linking Sydney, Adelaide and Hobart, containing 70% of Australia's population. This ensures a favourable balance of import and exports guaranteeing the best cargo exchanges in Australia.

Whilst other ports in Australia try to compete, Melbourne is taking on the world.

Kuantan Port: A Buoyant Performance

The performance of Kuantan Port for the first half of the year 1993 showed a buoyant increase as compared for the same period last year. The total tonnage handled increased by 39.5% i.e. from 1,230,783 tonnes last year to 1,716,946 tonnes this year.

This buoyant performance was mainly due to the export sector which increased by 62.4% i.e. from 742,954 tonnes last year to 1,206,368 tonnes this year. This was mainly due to export of new cargoes by MTBE and FPGO namely MTBE, Esther and Glycerine which amounted to 74,274 tonnes as well as the increased export of steel pipes, palm oil and timber.

In the import sector, a slight increase was attained i.e. a growth of 4.7% where a total import tonnage of 510,578 tonnes was recorded as compared to 487,829 tonnes last year. The import of chemical products attained a buoyant increase of 285.1% this year mainly due to the import of chemical for new users of Kuantan Port namely MTBE, Polypropylene and FPGO as well as the increased import by Dovechem.

Over to the shipping front, the number of vessels handled at Kuantan Port for the first half of the year 1993 also recorded an increase of 11.8% i.e. from 536 vessels last year to 599 vessels, from 2,905,582 GRT to 3,316,763 GRT, an increase of 14.2%. In line with this increase, the average gross registered tonnage per vessel also increased by 2.1% i.e. from 5,421 GRT to 5,537 GRT.

Overall for the first half of the year 1993, palm oil still remain as the major contributor to the total tonnage contributing 23.2%, followed by steel pipe (21.6%), timber (17.8%) and chemical products (8.5%). The share of commodities was slightly different as compared to last year where timber was the second major contributor, followed by steel pipes and petroleum.

On the whole the performance of Kuantan Port for the first half of the year 1993 showed a drastic improvement and should the trend continue, the performance for the year 1993 will exceed the budgetted figure of 3,179,000 tonnes and might even be the highest ever tonnage handled by Kuantan Port exceeding what was attained in 1991 where a tonnage of 3,317,648 tonnes was attained.

(BERITA LPKtn)

Ports of Auckland Crack 300,000-TEU Barrier

A container full of dairy products destined for the United States gained fame for half-a-day at the Ports of Auckland's Fergusson Container Terminal late in June. It set a New Zealand record in cargo handling to become the 300,000th container to be handled through Auckland's wharves in less than a year.

While the container, suitably signed and festooned rested in the customs-bonded area waiting to sail with the America Star, the Ports' team was having a celebration nearby.

"We felt it was a good opportunity to bring together some of our team who had been involved in setting the record with some of our shipping line customers and others who had provided or received the cargoes," said Mr Robert Cooper, Chief Executive of the Ports of Auckland.

Speaking at the function, Mr Cooper thanked guests and staff for sharing the occasion and representing the many more who, with the port working 24 hours a day, were unable to be present.

"When I stress that the Ports of Auckland is very client-focused, it should not be surprising, because our main product is service," he said.

Mr Cooper thanked the customers for their support and said the Ports' company continued to drive its business further ahead from the 300,000 container mark.

"In our view, it is simply not good enough to be the biggest and best in New Zealand. We have some challenging international targets in mind, and these will unfold in coming months," he said.

Last year, the Ports handled 251,838 TEU's. "This year's total is more than 19% increase on that throughput figure," said Mr Cooper. "In fact, since the company was formed five years ago we have increased the number of containers handled by 61.3% and that is quite an awesome achievement in what were some recessionary times."

Mr Cooper said that Ports had captured trade to the Mediterranean and Middle East from other ports as well as an increased market share of dairy and forestry products from exporters in the Waikato and Bay of Plenty. "Within the last few weeks, Anchor Products, the major Waikato dairy product exporter, has agreed to transfer its Auckland-based container packing operations to one of our stores on the wharf," he said.

He added that Ports handled some 51.7% of all containers in New Zealand this year, up from 46% last year. "It used to take some 38 hours to turn-around container ships. Now the Ports' team have got ship time at the terminal reduced to an average of 15.7 hours. This sort of performance enabled us to set today's record," he said.

"Auckland is the country's largest importing port but it has steadily increased its share of high-value export goods. Trade patterns are changing, with increasing prominence of Asian ports included in the 170 ports in 63 countries we are linked with by liner shipping services," said Mr Cooper.

(Ports)

Port of Tauranga Cargo Volumes Up 19.3%

Following the first six months of the 1993 financial year the Company reports an unaudited net operating profit from current operations of $2.976 million, which is 23.9% above the comparable period last year.

The profit, of $9.477 million before interest, depreciation and taxation, was achieved on exceptionally high volumes of cargo through the Port (3.472 million tonnes — up 19.3% on last year). Indications for the full year are that overall trade will be in excess of 7 million tonnes. Looking at the twelve months to 31 March 1993, trade through the Port reached 6.935 million tonnes.

Export volumes of 2.662 million tonnes exceeded budget and were over 20% higher than the comparable six months last year. Log exports (1.397 million cubic metres) were higher than last year, as were exports of sawn timber, paper products, wood panels and woodchips. The sustained growth of the forestry industry augurs well for the future. Trade forecasts lead us to expect further increases in the exporting of forestry products, including the first export of hardwood chips. Increases in trade are expected for New Zealand's other primary products.

The increase in container trade through the Port (up to 24,862 TEUs) was particularly encouraging. The figure is 13% higher than last year and we confidently expect this positive trend to continue. A further encouraging sign is that fertiliser imports were up 35% on last year, a reflection of improving rural confidence.

The total of 417 ship calls was 83 more than the previous comparable six months. Last year's record of 747 calls will certainly be exceeded. Despite the increase in ship numbers, berth occupancy remains at internationally competitive rates, 31% for the six months ended 31 March 1993, compared with 33% for the 1992 financial year. The trend continues to reflect the high productivity and efficiencies being achieved by the entire workforce at the Port of Tauranga.

The Company continues to have a strong cash flow, with an interest cover of 3.5 times and an equity to debt ratio of 58:42. The return on average shareholders' funds, on an annualised basis, is 6.1%.

The Directors are recommending an interim dividend of 2.0 cents per share, fully imputed, payable 22 June 1993. The dividend payout of $1.524 million is similar to that paid last year and, barring unforeseen circumstances, the end of year dividend should be 3.0 cents per share. This shows a modest increase consistent with the Directors' policy of steadily increasing dividend payout as profitability increases.

The Company is pleased to see the reduction in interest rates to just under 7.0% for 90 day bills following the sharp jump in December - January. Consistent with our treasury policy, the Company will take advantage of rates at this level and lock in for the next few years.

The future of the Company looks reasonably bright. With the Port infrastructure completed and in place, the Company can only benefit from the continuing export drive associated with New Zealand's international competitiveness. The growth in all sectors of the forestry industry is welcomed and the Company was also pleased to see the first shipment of apples through the Port during April.

It is pleasing that FESCO have included the Port of Tauranga for their scheduled liner container service through our Sulphur Point facility. We are also encouraged by both the number of new services planning calls on the Port and the continuing growth in existing services.

F G McKenzie
Chairman

J M Halling
Chief Executive

Port of Tauranga Limited
Results in Brief

Year Ended 30/9/92 NZ$000's		6 Months Ended 31/3/93 NZ$000's	6 Months Ended 31/3/92 NZ$000's
31,613	Revenue	16,543	14,454
7,098	Net Profit After Tax	2,976	2,402
166,615	Total Assets	166,971	158,115
98,307	Total Shareholders' Funds	96,485	74,740
59.0%	Shareholders' Equity	57.8%	47.3%
9.3c	Earnings per Share	3.9c	4.4c
4.8c	Dividends per Share	2.0c	2.0c
$1.29	Net Asset Backing per Share	$1.27	$1.36
9.6%	Return on Shareholders' Funds	6.1%	6.5%
6,373	Cargo Throughput (000's Tonnes)	3,472	2,906

PSA's Largest Contract For New Container

The Port of Singapore Authority (PSA) has awarded a $373 million contract for reclamation and construction works for Phase 1 of its new container terminal at Pasir Panjang to Penta-Ocean/Econ Joint Venture.

The contract was signed by CDRE (Res) James Leo, Executive Director, PSA, Mr Rempei Mizuno, Chairman, Representative Director and President, Penta-Ocean Construction Co Ltd, and Mr Chew Tiong Kheng, Managing Director, Econ Piling Pte Ltd, at PSA Building on 18 Aug 93.

This is the largest contract awarded to-date for construction projects by PSA and it is also the first major contract for the new container terminal at Pasir Panjang. The contract includes reclamation of 129 hectares of land and the construction of eight container berths of a total length of 2,730 metres. 103 units of concrete caisson weighing 5,500 tonnes each will be constructed in this project. The caisson method will be used for the first time in Singapore for wharf construction. Works will start in Sep 93 and are expected to be completed by end 1997.

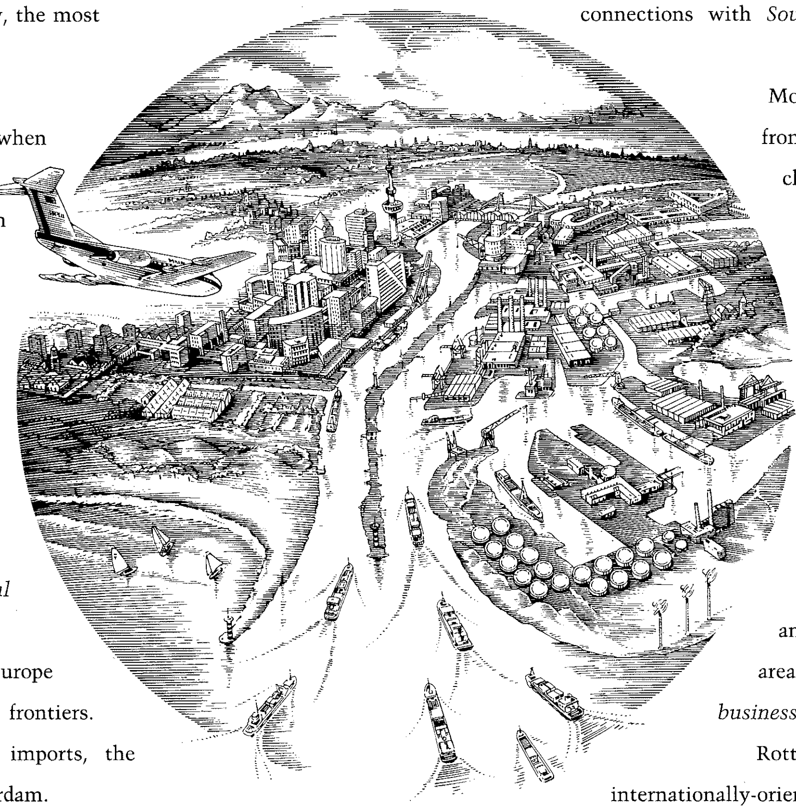
Established in 1965, Penta-Ocean Construction Co Ltd is one of the largest Japanese construction companies operating in this region. It has vast experience in port construction projects which include the Jurong Port expansion at Pulau Damar Laut and the construction of the container stacking yard at the former Empire Dock in Keppel Terminal. Econ Piling Pte Ltd is one of the leading local piling and civil engineering contractors whose past projects for PSA include piling works at the World Trade Centre and berth conversion in the upgrading of Tanjong Pagar and Keppel Terminals.

PSA will take measures to ensure that the reclamation and construction works for the project will have as little impact as possible on the surrounding areas. Hoardings will be put up along the fringe of the West Coast Park for the safety of park users and to screen off the works. Sections of the Park's jogging and cycling tracks will be re-sited to allow users to continue to enjoy their recreational activities. Noise and dust pollution will be kept to a minimum as the caisson method for construction involves very little piling and most of the construction materials will be brought in on barges by sea instead of on trucks by the public roads. Construction will take place only during daylight hours. Traffic and noise impact studies conducted will further help to improve the existing road network to provide for smooth traffic flow and to minimise noise pollution in the vicinity.

In its port expansion and development plans, PSA is not only committed to providing excellent services and facilities to port users, but also to co-exist with the community in an environmentally friendly manner.

MADE FOR
EUROPE

Rotterdam is the logical home port for your European business traffic from all over the whole world. Just consider: Rotterdam handles as imports and exports more cargo than the next five European ports *added together*. Rotterdam is, quite simply, the most European port there is.



After *1993*, when many trade barriers will disappear, Rotterdam will be even more the trading centre of Europe. With us, you can benefit from a long-standing trading tradition.

Of the *total movement of goods crossing frontiers* in Europe *40%* cross Dutch frontiers. Whether for exports or imports, the vital link is usually Rotterdam. The Netherlands leads in *logistics, transport, industry* and *distribution*. Your commercial traffic is in good hands with us.

One worker in ten in The Netherlands is involved directly in transport and distribution, and many more indirectly (banking, insurance, telecommunications etc.).

Rotterdam offers outstanding *integrated* connections to and from the hinterland, by road, rail and waterway. For *just-in-time* receipts and deliveries. We offer for example extensive container facilities, more than 12,500 worldwide shipping connections and remarkably frequent connections with *Southern Europe*.

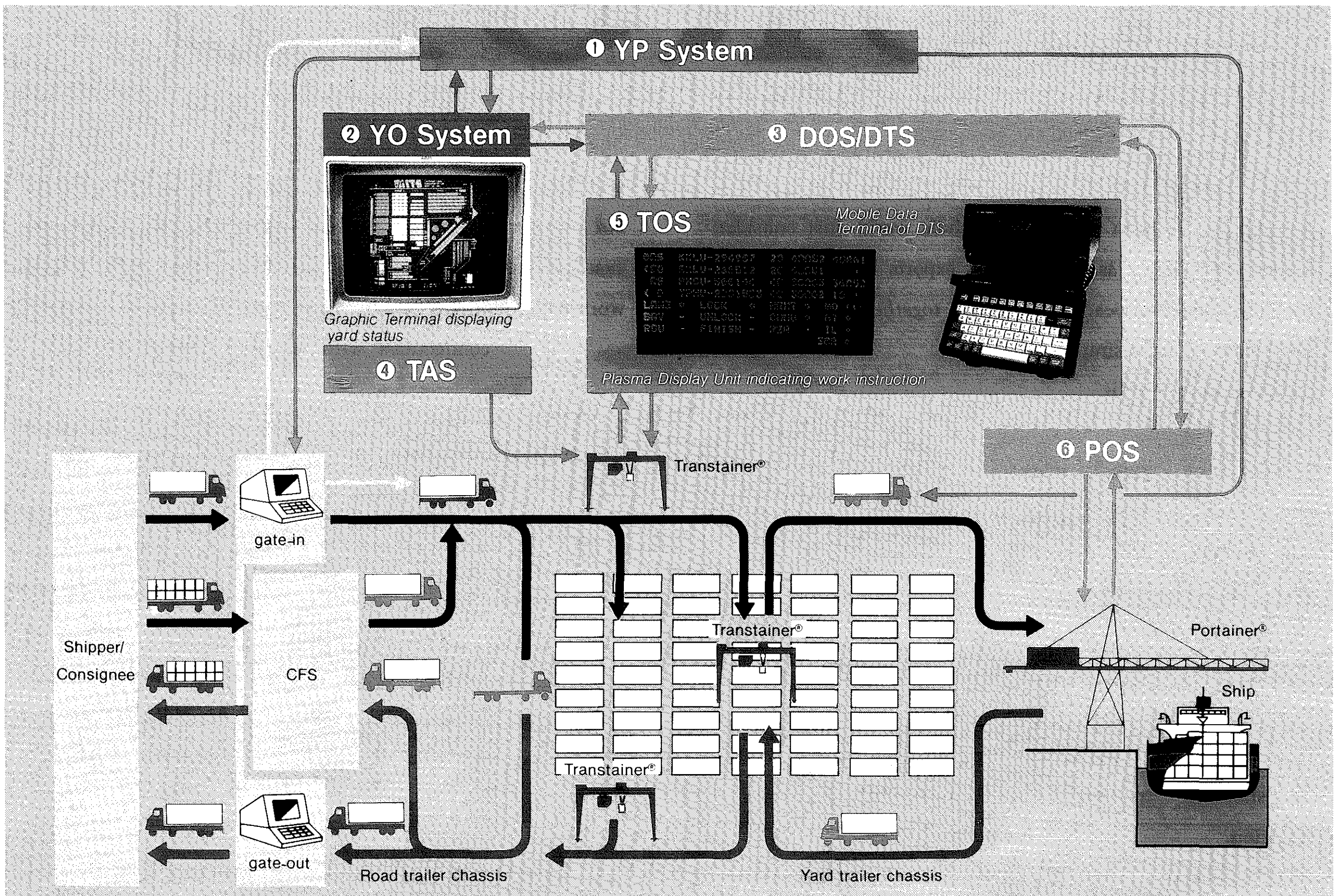
More and more companies from all over the world are choosing Rotterdam as their vital link for their European trade, including the developing trade with Eastern Europe. As *Mainport Europe*, and as a site for their business. Government and business help to remove the barriers in the regulations and in the legal and fiscal areas. Because we want to *do business*. Rotterdam is also a hospitable, internationally-oriented city in which to live, with excellent recreational and educational facilities.

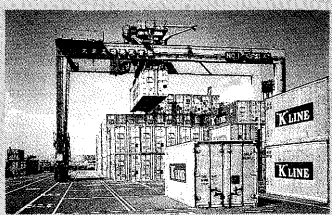
Welcome to *Mainport Rotterdam*. As a business partner. As a world citizen in a European city with the best of prospects. Get in touch with the Rotterdam Municipal Port Management, Public Relations Department, phone 011-31-10-4896508 and have a European conversation.

Port of Rotterdam

ROTTERDAM: MAINPORT EUROPE

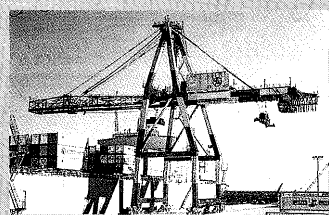
MITSUI Automated Container Terminal System





Rubber-Tired Transtainer®

Rail-Mounted Transtainer®



Portainer®

❶**YP System**: Yard Plan Computer System
❷**YO System**: Yard Operation Computer System
❸**DOS**: Data Transmission & Oral Communication System (Inductive radio)
DTS: Data Transmission System (Radio)
❹**TAS**: Transtainer® Automatic Steering System
❺**TOS**: Transtainer® Operation Supervising System
❻**POS**: Portainer® Operation Supervising System

MES **MITSUI ENGINEERING & SHIPBUILDING CO., LTD.**

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