

# Ports & Harbors

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# IAPH ANNOUNCEMENTS AND NEWS

## President Cooper Visits Head Office

On the late afternoon of 4 October, IAPH President Robert Cooper, Chief Executive of the Ports of Auckland Ltd., together with the Company's Marketing Manager David Catty, visited the Head Office, where they were welcomed by Secretary General Hiroshi Kusaka and his senior staff. They were visiting Japan on a promotional tour.

President Cooper was briefed by the secretariat staff on the latest situations concerning the Association's finance and membership as well as the state of the preparations for next year's mid-term Exco in Indonesia.

The items the Secretary General reported to the President include:

### The 1995 tonnage survey of Regular Members

As a result of the biennial tonnage survey 1995 of Regular Members and notification of their membership dues units for the next two years, the total number of units to be subscribed by the Regular Members will slightly increase for the next two years. Although an increase of 30 units is expected, this will be offset in cases whereby some members have filed a fewer number of units than the previous term and in the regrettable situation in which have had to make the decision to discontinue their IAPH membership for financial reasons.

### Sponsors sought to share the production costs of IAPH publications

At the Seattle Conference, the recommendation was made that the Association should seek ways in which the revenues of IAPH can be enhanced through means other than raising dues. For this purpose the Secretary General made an appeal to the members at large to sponsor the production costs of IAPH publications, further to the support given by a number of IAPH members through their regular advertising in the journal of IAPH and in the annual Membership Directory. To answer the call, the following members have paid or pledged funds to sponsor the production of the IAPH publications:

### Sponsors for the Production of IAPH Publication

(in order of offers received, as of November 13, 1995)

#### 1. The Proceedings of the 19th IAPH Conference

• Pacific Consultants International, Japan	¥100,000
• The Ports of Auckland Ltd., New Zealand	US\$1,000
• Nanaimo Harbour Commission, Canada	US\$250
• Sydney Ports Corporation, Australia	US\$1,000
• Port of Melbourne, Australia	US\$1,000
• Port of Yokohama, Japan	¥100,000
• Port of Montreal, Canada	US\$1,000



*President Cooper (seated, right) is welcomed by Secretary General Kusaka (seated, left), R. Kondoh (standing, right) and Kimiko Takeda.*

• Port of Osaka, Japan	¥100,000
• Portnet, South Africa	US\$1,000
*Port of Nagoya, Japan	¥100,000

(Note: The Nagoya Port Authority contributed ¥300,000 to sponsor part of the Secretary General's report to the 19th Conference in June.)

#### 2. Gantry Crane Report

Sri Lanka Ports Authority, Sri Lanka	US\$1,000
Georgia Ports Authority, U.S.A.	US\$1,000
Port of Miami, U.S.A.	US\$1,000
Port of Copenhagen, Denmark	US\$1,000

## Mid-term Exco

**21-27 April 1996, Bali and Jakarta**

Mr. Sudjanadi, Sea Communication, Ministry of Communications, our host in Indonesia, has recently confirmed the dates of the meetings of the Executive Committee and various committees, as shown below. The **Grand Bali Hotel** will be the venue for the meetings and the hotel for the participants in Bali, and the **Horizon Hotel** in Jakarta will be used during the technical tour to the port of Tanjung Priok-Jakarta. As of October 23, 1995, approximately 130 rooms have been reserved in the two hotels by our hosts.

Day	Am/Pm	Overall program
Sat, 20 April:		Delegates arrive
Sun, 21 April:	Am/Pm	Committees meet (reserve)
Mon, 22 April:	Am	Finance, Constitution and By-Laws, Membership

	Pm	Human and External Affairs Group Meeting (Co-ordinating Vice-President and Chairmen)
	Evening:	Welcome reception by IAPH suggested
Tue, 23 April:	Am	Ports Affairs Group Meeting (VP and Chairmen)
	Pm	Trade Affairs Group Meeting (VP and Chairmen)
Wed, 24 April:	Am	Exco Meeting
	Pm	Exco Meeting
Thu, 25 April:	Am	Exco Meeting (Reserve)
	Pm	Move to Jakarta
Fri, 26 April:	Am	Courtesy visit to Mr. Soentro, Director General of Sea Communication to be followed by a technical visit to Tanjung Priok Port
Sat, 27 April:		Delegates leave

representatives who will attend the 18th Meeting to ask for support for the IAPH positions which are outlined in the following letter.

Date: Oct 12, 1995

## IAPH ALERT

### The 18th Meeting of the London Convention 1972 4-8 December 1995 At the International Maritime Organization (IMO) London, U.K.

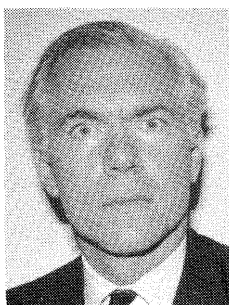
At the 18th Meeting of the London Convention 1972 (LC1972) to be held in London, U.K. on 4-8 December 1995, Contracting Parties will make final decisions on amendments to the Convention that have been under review and discussion for the last three years. These amendments will have a major impact on port operations. The LC 72 has become primarily a "dredging Convention" since the adoption of prohibitions against the sea disposal of industrial waste, radioactive waste, and incineration at sea, and restrictions on sewage sludge disposal. The Convention now applies almost entirely to dredged material and effects port operations most directly.

IAPH has worked hard to protect port interests during the amendment process and urges each port to contact its national representatives who will attend the 18th Meeting to support the following IAPH positions on key amendment proposals:

- Proposals have been made to incorporate the "precautionary approach" – which is presently set forth in Resolution LDC 44.(14) – into the Convention or its annexes. The existing resolution requires preventive measures when there is reason to believe that disposal at sea "is likely to" have adverse effects. A proposal has been made to adopt a much more stringent standard to require preventive measures (including prohibition of sea disposal) whenever there "may" be adverse effects. IAPH has strongly opposed this change. It would create an impossible standard that could shut down the sea disposal option for ports. It is imperative that the "likely to" language be retained. This is the single most important issue in the entire amendment process. The precautionary approach will govern how all other provisions of the Convention and its annexes are applied. The wording of the precautionary approach is crucial.
- There are proposals to incorporate a "polluter pays principle" into the Convention, i.e., polluters must internalize and bear the costs of pollution. This concept was developed in the context of waste disposal associated with industrial or manufacturing operations – not dredging needs over which ports have no control. It is essential that any statement of the principle clearly recognize that it applies only to "primary polluters" and would not impose costs upon ports for controlling or eliminating sediment contamination caused by others or upstream sources of pollution. Otherwise, efforts may be made to apply the principle to impose enormous remedial costs upon ports.
- Proposals have been made to incorporate parts of the existing Waste Assessment Framework (WAF) guidelines into a binding Annex to the Convention. The provisions of the current WAF recognize the special needs of ports, and IAPH has pressed hard to have these provisions carried forward into any WAF Annex. This is of particular importance in view of the binding effect of an Annex provision, which could be asserted as superseding matters addressed only in guidelines. In order to assure that port interests are adequately protected, it is necessary that any

## McDonald Assumes IAPH DTF Chairmanship

At the Seattle Conference, Mr. Anthony MacDonald, AAPA Director of Environmental Affairs, took over from Mr. Dwayne Lee (who was retiring from the Port of Los Angeles) as Chairman Interim of the IAPH Dredging Task Force, on the understanding that his official appointment to the chairmanship was yet to be approved by the Executive Committee of AAPA.



In his letter dated October 27, 1995, Mr. Kurt J. Nagle, President of AAPA (American Association of Port Authorities), informed the IAPH Secretary General that the AAPA Annual Convention held the previous week in New Orleans, had voted to recommend to IAPH the appointment of Mr. MacDonald as Chairman of the Dredging Task Force.

Mr. Nagle says, "AAPA strongly supports the activities of the Dredging Task Force, particularly in connection with proposed amendments to the London Convention which are reaching a critical stage. AAPA is also committed to continued cooperation with IAPH on all issues of mutual concern to ports throughout the world."

## DTF Chair Issues Alert On LC1972 Meeting

*In the previous issue of this journal, an article by Tony MacDonald, Chairman, the Dredging Task Force (DTF) of IAPH, appeared calling IAPH members' attention to the 18th Meeting of the London Convention 1972 (LC1972), scheduled for 4 - 8 December 1995 in London, where the Contracting Parties will make final decisions on amendments to the Convention that will have a major impact on port operations.*

*Furthermore, a letter was circulated to all IAPH members from the Tokyo Head Office alerting them to contact their national rep-*



WAF Annex recognize (i) the importance of dredging operations for worldwide commerce; (ii) dredged material is different from other forms of waste and requires different assessment; (iii) waste management techniques such as capping can be effectively used to dispose of contaminated sediments; (iv) ports are not responsible for sediment contamination caused by others; and (v) it is the responsibility of national authorities – not ports – to identify and control upstream sources of pollution.

- After years of effort by IAPH, special guidelines for dredged material were adopted in 1986 (Resolution LDC 23(10)). These dredged material guidelines were recently revised in a new Dredged Material Assessment Framework (DMAF) developed at a conference of dredging experts sponsored by IAPH in January 1995 in Los Angeles, California, U.S.A. The Scientific Group of the Convention has endorsed the DMAF and recommended its adoption by Contracting Parties at the 18th Meeting. The DMAF reflects the major progress IAPH has made over the last 15 years in obtaining a realistic treatment of dredged material. It is important that it be adopted at the 18th Meeting to assure the continued fair treatment of port interests.

IAPH urges all ports to explain the importance of these issues to their national representatives who will attend the 18th Meeting and to ask for their support.

## Two IAPH Committees to Meet in Durban in Dec.

According to information received from Mr. P.C. van der Kluit, Chairman of the IAPH Committee on Port Safety & Environment, a combined meeting of his Committee and the Marine Operations Committee is scheduled to take place in Durban, South Africa, hosted by PORTNET, the Regular Member of IAPH from South Africa.

Mr. van der Kluit, in letter of 25 October 1995 sent by fax to the members of the two Committees, outlines the program and arrangements as follows:

Friday, 1 December: all day meeting in the offices of PORTNET in Durban.

Saturday morning, 2 December, is available as extra, should the meeting not manage to finish the agenda on Friday. PORTNET will organize a tour through the Port of Durban on Sunday, 3 December.

Mr. Mors of PORTNET has made a block booking for the participants in the **Holiday Inn Garden Court**, North Beach.

The topics to be dealt with will include:

- Waste management policies for ports
- Port health and safety policy
- TBT paint on ships' hulls
- Consequences for ports of the precautionary principle;
- Environmental aspects of port state control;
- Pollution from ships' bunkers; MF and possible influence on contents
- Activities in relation to the Ship/Port Interface Working Group
  - \* Financing of reception facilities
  - \* Inventory of training courses
  - \* Contingency planning and risk analysis
  - \* Regulations for entry of disabled ships
- Safety of intermodal transport

- Co-operation of ship and terminal
- Communication of ports with national authorities
- Aquatic organisms in ballast water
- VTS affairs
- Hydrographic surveying/nautical charting
- Safety of dry bulk carriers
- Workshops in developing countries
- Drugs in relation to the report on WCO meeting (Brussels, 25-26 September 1995)

## Arrangements Made for Algeciras Seminar, Meeting

According to Mr. Mariano Navas Gutierrez, General Secretary, Puertos del Estado, Madrid, who is making arrangements for the seminar and the Africa/Europe officers meeting, a provisional program has been arranged as follows:

### First day (25th February)

Participants to arrive in Madrid - Reception by the Puertos del Estado (Spanish States Ports)  
 Welcome cocktail party at the **Hotel Sofitel**  
 Transfer to the train station to take the AVE (High Speed Train) to Seville  
 Pick up in Seville and transfer by bus to Algeciras; visit to several wine cellars and dinner on the way.  
 Arrival at the **Hotel Cristina** in Algeciras

### Second day (26th February)

#### Morning

Working day  
 Lunch

#### Afternoon

Working day  
 Visit to Terminal 2000 of Maersk Espana in the Port of Algeciras  
 Transfer to the hotel  
 Dinner hosted by the Port Authority of Algeciras

### Third Day (27th February)

#### Morning

Working day  
 End of the Seminar  
 Lunch

#### Afternoon

Pick up at the hotel to visit the show "The Andalusian Horses of Jerex"  
 Transfer to the AVE train  
 Arrival at Madrid and transfer to the hotel

The expenses to be covered by participants will be for the AVE train tickets (Madrid-Seville-Madrid) and the hotel charges. Approximate prices are:

- AVE FARE: 17,000 pesetas
- Double room with breakfast in the Hotel Sofitel (Madrid): 19,000 pesetas
- Double room with breakfast in the Hotel Cristina (Algeciras): 12,000 pesetas

# IAPH/IMO Interface Group Meets in London

on 14 September 1995 in the offices of British Ports Association

Report by Alex J. Smith  
IAPH European Representative

## Present:

Mr Jean Smagghe (Chairman)	1st Vice President, IAPH
Mr Patrick J Keenan	Port of Cork
Mr Tom Kornegay	Port of Houston
Mr Mariano Navas	Puertos del Estado (Madrid)
Mr Philippe Prevot	Port of Le Havre
Mr Pieter Struijs	Port of Rotterdam
Mr Tu Deming	Port of Shanghai
Mr Dai Lipeng	Port of Shanghai
Mr Yeo Hock Beng	Port of Singapore
Mr Alex J Smith	IAPH's Representative in Europe

## By Invitation:

Mr Peter van der Kluit	Chairman, Port Safety and Environment Committee
Mme Pamela Le Garrec	ESPO, Brussels

Apologies for absence were received from Mr Goon Kok Loon (Singapore), Mr John Hayes (Sydney), Mr John Hirst (AAPMA), Capt Norman Stark (Vancouver), Mr John Watson (Dundee) and Mr John Mather (Clydeport).

In his brief opening remarks the Chairman welcomed participants and new members in particular and thanked their respective Port Authorities for affording them the opportunity to be present. He also thanked Mr P Struijs for hosting a successful and valuable informal dinner for participants on 13 September. It was agreed that such an arrangement be hosted by members sequentially.

## 1 Record of Previous Meeting

The minutes of the meeting held on 10 June 1995 were formally approved.

## 2 Matters Arising

An update was provided on a number of matters arising in the minutes of the last meeting, as follows:

### Item 6 – Financing Reception Facilities

Mr Smith reported that a paper entitled "Financing Port Reception Facilities" had been submitted for presentation to the next meeting of IMO's Working Group on Ship/Port Interface to be held from 8 to 12 January 1996. He further reported that the issue had been addressed by IMO's Marine Environment Protection Committee (MEPC) which was currently in session. Particular attention had been given by MEPC to a Correspondence Group report on the subject which, from an IAPH perspective, had left a number of important matters unsaid. MEPC however had conceded that the subject could best be progressed at the meeting of the SPIWG in the first instance.

The Group noted that IAPH's Port Safety and Environment (PSE) Committee hoped to meet in the latter part of 1995.

The Group therefore requested the Chairman PSEC to reinforce basic IAPH arguments for presentation to the SPIWG meeting taking full account of the remit provided to SPIWG by MEPC as regards the development of guidelines for funding reception facilities, as follows:

"develop guidelines, guided by the options for cost recovery set out in the Comprehensive Manual for Shore Reception Facilities, that could be used to fund the establishment and operation of reception facilities, taking into consideration the work of SPI 3 and the correspondence group. In so doing, account should be taken of such on-going studies on this topic as are submitted by Member Governments, regional organizations and other relevant bodies".

### Item 7 – Air Pollution from Ships

The Group took note of two papers submitted to MEPC 37. Mr Smith then reported on discussions during the week in MEPC 37, on this subject, which to say the least were inconclusive.

Due to time and other constraints it had not been possible to develop IAPH arguments in MEPC 37.

There appears to be no doubt of MEPC's general wish to develop a new Annex VI to MARPOL 73/78 on Prevention of Air Pollution from Ships and that it should be adopted as a Protocol of 1997 to the Protocol of 1978. The details of its contents, however, are less clear. IAPH members however should be concerned as respects the proposed regulations dealing, in particular, with fuel oil quality and bunker delivery notes, global capping of sulphurs, and delineation of special areas. More especially, should there be a failure to achieve an acceptable compromise on contentious issues it may be supposed that attempts will be made to provide regional solutions to air pollution problems.

The Group felt it necessary to try to achieve coherent positions between IAPH, OCIMF, ICS, BIMCO and Intertanko. Mr Smith was asked to arrange meetings between Mr Struijs and the first three of these organizations. Mr Struijs will report the outcome of a meeting he had already arranged with Intertanko.

The Group then asked the Chairman of PSE Committee to prepare a new paper on the subject for consideration at the next Group meeting.

### Item 11 – Port Dues/Environmentally Friendly Tankers

The Group noted a paper submitted by IAPH to MEPC 37. MEPC 37 however has decided to defer a discussion on the subject and has referred it for consideration by IMO's Bulk Liquids and Gases (BLG) Sub-Committee which meets in March 1996.

## 3 Scheduled IMO Meetings

The Group noted scheduled IMO meetings, as follows:-



**(a) Marine Environment Protection Committee (MEPC 37) – 11 to 15 September 1995**

Mr Smith reported on on-going discussions within MEPC 37 of specific interest to IAPH members. He drew attention in particular to matters which were the subject of papers presented to MEPC 37 by IAPH to which reference has earlier been made under Agenda Item 2 above.

The subject matter dealt with by MEPC is important from a port standpoint both generally and in particular. Within strict time constraints however, coupled with an excessive amount of documentation MEPC 37's consideration and, more importantly, resolution of a range of problem areas was effective only in parts.

Issues which IAPH's PS and E Committee will have to address at its next meeting should include:

- (a) Aspects of follow-up action to UNCED including the implications for ports of the application of the "Precautionary Approach" principle on MEPC activities; of IMO-UNCED's Strategy for Extra-Budgetary Activities; and IAPH's follow-up action to its own programme of UNCED-related activities.
- (b) Environmental aspects of port state control.
- (c) Pollution from ships' bunkers - reporting current consideration by IMO and others.
- (d) IAPH's contributions to oil preparedness and response, (OPRC Convention).
- (e) MEPC's future work programme.

Mr Smith concluded by indicating that an anticipated heavy workload would need an extended MEPC 38 which would be held from 1 to 10 July 1996.

Mr Struijs referred to the issue of the use of tri-butyl tin on ships' hulls to which reference was made in item 9 of the minutes of the last Group meeting and asked about its current status.

Mr Tu expressed the view that the related issues were complex and did not merit a high priority.

The Group noted, in the event, that the PS and E Committee would be reviewing and revising its draft paper on the subject for submission to the Group before their meeting next January.

**(b) Sub-Committee on Safety of Navigation (NAV 41) – 18 to 22 September 1995**

The Group noted the agenda for the meeting of NAV 41 and discussed in particular the subject areas of **Vessel Traffic Services, Ship Reporting and Navigational Aids.**

Mr Smith expressed the view that the general implementation of VTS systems and related funding throughout the world was in a state of flux. In so far as Port VTS and Coastal VTS systems had markedly different objectives it was important that IAPH should be in a position to give guidance to members on the former.

Mr Komegay reported that US ports with others were participating in a committee formed in Washington to study VTS implications and objectives.

Mr Tu spoke of the interest of China ports as regards the development of VTS systems which were currently under the unified control of the Ministry of Communications. The application of mandatory VTS in Shanghai had resulted in a 30% reduction in marine accidents. He felt however that given local differences the development and application of

technical standards would be a difficult process.

Mr Navas referred to related problems which were becoming apparent in Europe. These included questions of standardizing equipment, coordination of roles and functions between countries, funding and recuperation of costs by, for example, the adoption of the "user pays" principle though that in itself was not an ideal solution.

The Group said it would be helpful to have the views of regional port organizations such as ESPO, AAPA and AAPMA on these questions. More particularly they needed to be addressed by IAPH's Marine Operations Committee with a view to submitting a report to the January meeting of the Group.

In a related discussion the Group expressed concern that the Marine Operations Committee appeared not to be sufficiently structured to deal with and provide policy recommendations on matters such as those referred to earlier. The Chairman therefore asked Mr Keenan as Committee Coordinator, to take up the matter with Mr Watson, and in particular to ensure that an early meeting be held with the President and Council of the European Harbour Masters Association to determine how they could assist in the process. 17 November 1995 was suggested as a suitable date.

**(c) Legal Committee (Leg 73) – 11 to 13 October 1995**

Mme Le Garrec reported that the Committee on Legal Protection had made itself familiar with matters arising on both the agendas of Leg 73 and the joint International Group of Experts Meeting on Maritime Liens and Mortgages respectively. A paper dealing with "Arrest of Ships" had been submitted for consideration by the latter at a meeting to be held on 9/10 October 1995.

**(d) Assembly (19th session) – 13 to 24 November**

The Chairman asked members who wished to attend the 19th Assembly to contact Mr Smith.

**(e) Working Group on Ship/Port Interface (SPIWG) – 8 to 12 January 1996**

The Group acknowledged that IAPH would have an interest in all agenda items. It was noted in particular, however that IAPH was committed to presenting papers for consideration on the following subjects:

- \* Financing of Reception Facilities (see item 2 (b) above).
- \* Inventory of Training Courses for Cargo Handling in Port Areas.
- \* Contingency Planning and Risk Analysis
- \* Guidelines on the Procedures which might be adopted by Port Authorities in authorizing entry of a disabled ship to a port or other designated safe haven.

Additionally the Group considered possible IAPH contributions to other agenda items and agreed, as follows:

- (i) Revision of the IMO/ILO Guidelines on Packing Cargo in Freight Containers, other Transport Units and Vehicles - The Chairman undertook to ask the Chairman of IAPH's Cargo Operations Committee whether IAPH could usefully contribute to the revisionary process.
- (ii) Safety Problems connected with Intermodal Transport - Mr Struijs undertook to provide a draft paper for the Group's consideration. It was also noted that ESPO was working on a background document in this regard and

would provide the Group with a copy.

- (iii) Ship/Terminal Cooperation – Mr Struijs agreed to provide a draft paper for consideration by the Group.
- (iv) Communication between Maritime Administrations and Port Authorities – Mr Struijs agreed to provide a draft paper for consideration by the Group.

The Chairman agreed to write to Technical Committee Chairmen regarding agenda items of interest to their respective Committees with a view to encouraging their direct representation at the meeting of SPIWG. Group members were also encouraged to participate if at all possible.

**(f) Maritime Safety Committee, MSC 66 – 28 May to 6 June 1996 and MSC 67 – 2 to 6 December 1996**

The Group considered that a principal concern for ports as respects matters to be discussed on the MSC 66 and MSC 67 agendas was the subject of Port State Control, the implications of which were often not wholly understood.

It was agreed for example that IAPH should be encouraging MSC to be even more active in upgrading standards of inspection than has been the case thus far.

The MSC 66 and 67 agenda items would be considered by the Group in greater detail at the next meeting.

**4 Transfer of Marine Organisms by Ballast Water**

- (a) Mr Smith reported that MEPC 37's Working Group was continuing its examination of comments, mainly of a scientific nature, received intersessionally. Note was also taken of related work being carried out by other international bodies. The intention continues to be to work towards a possible new Annex to MARPOL 73/78. To that end, a working schedule was developed with tasks set up to October 1997. The core elements of the plan consist of a small set of regulations, revised guidelines referred to by the regulations and an outline and description of topics to be included in a ballast water management plan.

The Working Group has expressed the view that a new technological approach with conclusive proof on biological and cost effectiveness may still be years away. The MARPOL Annex however could be based on uptake and discharge management procedures and ballast water exchange.

The intersessional correspondence group continues in being.

- (b) Mr Smith also reported that a brief interim report had been prepared by Captain Ian Baird, Port Hedland, Australia, on a survey as to the amount of ballast water transported between ports. Such practical and factual information will be of considerable use to IMO's Working Group referred to in (a) above.

The Group expressed its appreciation of the reports and, with regard to IAPH's survey suggested that its findings could be made more useful with the inclusion of additional questions dealing with traffic patterns.

**5 Bulk Carrier Safety**

The Group noted that a number of references had been made over the past two years Bulk Carrier Safety and the need for an IAPH input to IMO's deliberations on the subject.

The urgency and importance of the work was acknowledged and the Group asked that the Cargo Operations Committee in particular should consider whether and to what extent it could help in IMO's work.

**6 Hydrographic Surveying/Nautical Charting**

The Group noted a report from Mr Smith that IMO was required to address the subject area within its commitment to making progress on Agenda 21 of UNCED. The Group was also aware that inadequate charting could in certain circumstances be responsible for marine accidents/incidents in or near port waters with consequential adverse legal and financial implications for ports.

The Group agreed that the Marine Operations Committee should consider the matter with a view to preparing a recommended course of action for IAPH members generally and IAPH participants at relevant IMO meetings in particular.

The Group also noted a report of a course on Hydrographic Surveying held in Bordeaux and asked that enquiries be made to determine its relevance for port operational purposes.

**7 Technical Assistance/Regional Cooperation**

The Group acknowledged the importance attached to the subject matter by IMO and noted IAPH's intention, as stated at the Sea-Tac Conference, to hold Workshops in the Regions beginning with Africa.

The Group was appreciative of the offer from the Port of Singapore to fund the initial Workshop as a "learning experience". In his capacity as Vice Chairman of the Human Resources Committee Mr Joseph Bayada (Cyprus) was well-placed to help Mr Goon in that respect.

Mr Tu warmly supported Mr Goon's initiative and IAPH's intentions which accord with an increased pro-active role. He felt, and the Group agreed, that such activities would receive membership approval and increase IAPH's credibility in international fora.

**8 Voluntary Contributions to the Technical Cooperation Activities of IMO**

The Group considered IMO Circular letter No 1831 of 3 July 1995 on the subject under reference and expressed the view that in so far as IAPH would be prepared to make contributions to IMO from time to time a prerequisite for these should be an identification by IAPH and IMO of areas of joint effort and mutual benefit in the activities to be supported.

The Group asked that their views be conveyed to the Executive Committee through the Secretary General who is required to reply to the Circular.

**9 Any other Business  
Organization of the Group and Related Matters**

The Chairman invited members to consider how best to restructure the Group's activities and procedures to deal with increasingly urgent and important business, and be prepared to discuss the matter at the next meeting.

**10 Next Meeting**

The Group accepted Mr Kornegay's invitation to hold the next meeting in Houston on 25/26 January 1996. The Group also noted that the Europe/Africa Region's Vice-Presidential meeting would be held in Madrid/Algeciras in mid-February 1996.

# IMO Meeting Sub-Committee on Safety of Navigation (NAV) Report by Alex J. Smith IAPH European Representative

The 41st session of the Sub-Committee on Safety of Navigation (NAV 41) was held in London, U.K. from 18 to 22 September 1995, under the chairmanship of Mr. J.C. Leclair (France).

The session was attended by delegations from 44 Member States and 1 Associate Member. Representatives from 27 UN, intergovernmental and non-governmental organizations, including IAPH, were also present.

Conclusions reached by the Sub-Committee as regards agenda items which could potentially impact on the operations of IAPH members are detailed hereunder.

## Vessel Traffic Services (VTS) and Ship Reporting

IAPH had previously contributed to work leading to a report of a Correspondence Group dealing with the revision of IMO Resolution A578(14) on Guidelines for VTS. IAPH's concerns then, as now, are specifically related to the guidance needed by ports in the establishment and operation of Port or Harbor VTS systems in so far as these had been seen to be necessary for the safe and efficient movement of shipping to and from the ports concerned.

NAV 41 has concluded that IMO's Maritime Safety Committee should be encouraged to submit a revised version of Resolution A578(14) for adoption by the 20th Assembly in 1997. IAPH should review the Guidelines for VTS as revised by NAV 41 to

determine whether they are in accord with port operational requirements.

In so far as NAV 41 has concluded that a VTS provides for an essential traffic management system the Sub-Committee has recommended that the Maritime Safety Committee should approve a draft Regulation on VTS for inclusion in Draft Solas Chapter V. The point to be made here is that Contracting Governments to SOLAS will require to undertake to arrange for the establishment of VTS where, in their opinion, the volume of traffic or the degree of risk justifies such services. VTS operations, moreover, will need to comply with IMO's Guidelines on VTS. IAPH will no doubt wish to reflect on its position in these respects.

NAV 41 noted that the new SOLAS V/8-1 on ship reporting (Resolution MSC 31 (63) which allows for mandatory ship reporting systems and the associated guidelines and criteria for ship reporting systems (Resolution MSC 43 (64) will enter into force on 1 January 1996.

## Navigational Aids and Related Matters

IAPH will wish to note that consideration is being given by NAV 42 (15 to 19 July 1996) to the development of guidelines for the use of transponder systems for VTS, ship reporting systems and ship to ship identification. IAPH views on the matter will be welcomed.

# Observer's Report on ISO/TC8 14th Plenary Session Beijing, China, 13-15 October 1995

By Li Minggui

Secretary General  
China Ports and Harbors Association  
Shanghai

At the invitation of Capt. Piersall, chairman of ISO/TC8 (Committee on Ship and Marine Technology) and appointed by the IAPH Secretary General Mr. H. Kusaka, I represented IAPH at the ISO/TC8 14th Plenary Meeting and its Advisory Group (decision-making) meeting, together with my assistant, Mr. Gu Quanlin, from Shanghai Port Authority, from 13th to 15th October, at Central Garden Hotel in Beijing, China.

## 1. General information

The Chinese host of the meeting was the Science & Technology Department, China State Shipping Industry Corp. The meeting was attended by 25 voting delegates from China, the U.S.A., the Netherlands, Germany, Denmark, Japan, the U. K., Portugal and Norway, nine non-voting delegates from China and representatives of three international organizations, IMO (Mr. S.D. Srivastava), IACS (Mr. H. Jin) and IAPH.

The agenda of the plenary meeting included reports of ISO-TC8 subcommittees, a review of projects of direct interest to IMO, liaisons of ISO/TC8 and its sub-committees, and requirements concerning subsequent meetings. Ten resolutions were adopted, the main contents of which were: confirmation of the titles and scopes of SC2 and SC4; submission of the 4th edition of Review of Existing Maritime Standards to IMO, IACS and IAPH; inviting the chairman of ISO/TC134 SC4 to attend the next

ISO/TC8 meeting; tasking the Advisory Group to decide measures for completing bulk carrier repair quality standards before the autumn of 1997; requiring that it be indicated whether they are applicable to passenger ships and other special types of ships apart from cargo ships when new ISO standards are being made; and the convening of the next plenary meeting in the vicinity of Lisbon, Portugal, in the week of 14 October 1995.

## 2. Matters that could be of interest to IAPH and ports worldwide

### a) ISO/TCS requests to IAPH

Captain Piersall made repeated emphases during the meeting of the need to enhance cooperation with IAPH and to get the support



Mr. Li Minggui (extreme right, clockwise) represents IAPH at the ISO meeting in Beijing

of IAPH on the ship/port interface. Mr. Glan Ashe from American Bureau of Shipping (ABS) expressed his wish to know more about IAPH, a view shared by many other delegates. (In this connection, the IAPH Head Office has agreed to make arrangements for these delegates to receive all available IAPH information and publications and to have the ISO/TC8 publications introduced in the journal of IAPH.)

#### b) Drafting bulk carrier repair standards

Following the request from Maritime Safety Committee, IMO, ISO/TC8 will embark on the drafting of repair standards for bulk carriers. The main argument underlying this is that the stevedoring of bulk cargo, especially high density bulk cargo are of a corrosive nature and stevedoring equipment (such as grabs) will cause damage to the hull.

As its Advisory Group meeting on 15th October, it was decided that the name of the project should be "International Standard for Repair of Bulk Carrier Structures", the scope of which includes steel material, coating material, the welding and workmanship of the hull structure, but excludes machinery, electrical and other equipment.

This standard will have some implications for the port sector. Therefore, due concern is to be shown by IAPH over the progress of the drafting of the standard.

#### Agenda

1. Opening of the meeting (10:00)
2. Roll call of delegates
3. Adoption of the agenda – Doc. ISO/TC8N 856
4. Appointment of the drafting committee
5. Report of the secretariat
6. Reports of ISO/TC8 subcommittees
  - 6.1 SC1 – Lifesaving and fire protection
  - 6.2 SC2 – Marine environment protection
  - 6.3 SC3 – Piping and machinery
  - 6.4 SC4 – Outfitting and deck machinery
  - 6.5 SC5 – Ships' bridge layout
  - 6.6 SC6 – Navigation
  - 6.7 SC7 – Inland navigation vessels
    - 6.7.1 Scope of SC7 and possible overlap with other subcommittees
  - 6.8 SC8 – Structures
  - 6.9 SC9 – General requirements
  - 6.10 SC10 – Computer applications
7. Review of projects of direct interest to IMO
  - 7.1 Report of Chairman's visit to IMO
  - 7.2 IMO request for standardization on bulk carriers
  - 7.3 Other IMO matters
8. Liaisons of ISO/TC8 and its subcommittees
9. Procedural matters – Relations between ISO/TC8 and its subcommittees
10. Requirements concerning subsequent meetings – two-year programme for ISO/TC8 and subcommittees
11. Any other business
19. Approval of resolutions

## Conference Proceedings: Almost Completed

The official Proceedings of the 19th World Ports Conference of IAPH held in Seattle in June this year, the compilation work for which is being undertaken by the Head Office staff, were at the final stage for publication in late November for distribution to all

members in early December.

The publication consists of a 16-page gravure of color photographs showing various scenes of the participants at business sessions or social functions which were taken by the Port of Seattle's photographer Don Wilson, the speeches by the dignitaries at the Opening Ceremony, the minutes of the Plenary Sessions, the discussions at the six Working Sessions together with their summaries as prepared by Dr. Peter Rimmer (of the Australian National University) who acted as our reporter, the final list of Participants as announced by the Organizing Committee and other information on the day-to-day programs and arrangements for the 19th Conference.

Secretary General Kusaka in his introductory remarks to the publication, reiterates his deep appreciation for the generous cooperation of our hosts in supplying Tokyo with materials and information for use in the Proceedings. The Secretary General also expresses his thanks to those organizations who sponsored the production costs of this publication.

## Monrovia Appeals to IAPH Ports for Aid

*The Secretary General has recently received a letter from Mr. T. Fassue Kelleh, Managing Director & Chief Executive Officer, National Port Authority, Monrovia, Liberia, in which he appeals to IAPH members to give any possible support to the NPA as they are faced with the urgent need to rehabilitate port equipment. In order to convey the message of the letter from Monrovia to our members, we reproduce part of it here.*

The National Port Authority (NPA) of Liberia has a new management team under a Unified Government – The Liberian National Transitional Government (LNTG II). Under this arrangement, the NPA Management is now in full control of, and has access to all its pre-war ports: The Freeport of Monrovia, Ports of Buchanan, Greenville and Harper.

However, as we strive to continue productivity and port efficiency in the execution of our duties, we are faced with the urgent need to rehabilitate port equipment, infrastructure and the removal of ship wrecks from within the various harbour basins. All of this requires substantial capital investments which the Management cannot afford at this time.

On the other hand, we find ourselves compelled to provide the needed port services in support of humanitarian, rehabilitation and development needs of our people and nation as a whole. Without these port services the whole national process would encounter a setback.

In light of the above, it is our appeal to sister Ports of the IAPH to come to our aid where possible, with the requisite technical assistance for wreck removal, pile driving and cargo handling (tractors, trailers, forklifts etc.).

Finally, we want to assure you and members of IAPH of our willingness to continue support to the programmes and objectives of our esteemed organization and our preparedness to visit or receive visits from friendly ports geared towards assistance and a genuine sister ports relationship.

For further details, please contact:

Fassue Kelleh, Managing Director & Chief Executive Officer  
NATIONAL PORT AUTHORITY

Bushrod Island, P.O. Box 1849, Monrovia, Liberia

Fax: 231-226388

Cable Address: NATPORT

Telex: 44275 Telephone: 221332/221577

# The IPD Fund: Contribution Report

We thank you for the contributions from the organizations and individuals whose names are listed in the box, with the amount donated. We look forward to the support of as many people as possible in coming up with voluntary contributions to the Fund so as to achieve the targeted amount of US\$70,000.

## Contributions to The Special Fund Since June 1992 (As of November 10, 1995)

Contributors (in alphabetical order)	Amount
<b>Paid:</b>	<b>(US\$)</b>
ABP (Associated British Ports), U.K.	3,000
Abu Dhabi Seaport Authority (Mina Zayed), U.A.E.	3,000
Akatsuka, Dr Yuzo, Univ, of Saitama, Japan	230
Akiyama, Mr Toru, IAPH Secretary General	
Emeritus, Japan	1,000
Auckland, Ports of, Limited, New Zealand	500
Barcelona, Puerto Autonomo de, Spain	1,000
Bintulu Port SDN BHD, Malaysia	200
Cameroon National Ports Authority, Cameroon	480
Cayman Islands Port Authority of, the	
Cayman Islands	250
Clydeport Ltd., U.K.	1,000
Constantza 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	500
Dubai Ports Authority, U.A.E.	500
Dundee Port Authority, U.K.	250
Empresa Nacional de Administracao dos Portos, E.P.,	
Cape Verde	250
Fiji, Ports Authority of, Fiji	100
Fraser River Harbour Commission, Canada	250
Fremantle Port Authority, Australia	250
Gambia Ports Authority, the Gambia	250
Ghana Ports and Harbors Authority, Ghana	250
Hakata (Fukuoka City), Port of, Japan	1,705
Halifax, Port of, Canada	250
Helsingborg, Port of, Sweden	500
Hiroshima Prefecture, Japan	523
Irish Port Authorities Association, Ireland	1,000
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
Johor Port Sdn. Bhd., Malaysia	500
Kawasaki, City of, Japan	1,702
Klang Port Authority, Malaysia	200
Kobe, Port of, Japan	3,665
Kobe Port Terminal Corporation, Japan	924
Korea Container Terminal Authority, Korea	100
KSC (Kuwait Oil Company), Kuwait	1,000

Kudo, Dr. Kazuo, Tokyo Denki University,	
Japan	4,000
London Authority, Port of, U.K.	500
Maldives Ports Authority, Maldives	100
Marine and Harbours Agency of the	
Department of Transport South Australia,	
Australia	150
Marine Department, Hong Kong	500
Sydney Ports Corp (former MSB NSW),	
Australia	367
Mauritius Marine Authority, Mauritius	200
Melbourne Authority, Port of, Australia	1,000
Miri Port Authority, Malaysia	100
Montreal, Port of, Canada	500
Nagoya Container Berth Co., Ltd., Japan	518
Nagoya Port Authority, Japan	3,564
Nanaimo Harbour Commission, Canada	250
Napier, Port of, Limited, New Zealand	100
New York & New Jersey, Port Authority	
of, U.S.A.	1,000
Niigata (Niigata Prefecture), Port of, Japan	860
Okubo, Mr. Kiichi, Japan	274
Osaka, City of, Japan	3,185
Osaka Port Terminal Development Corp.,	
Japan	570
Pacific Consultants International, Japan	243
Penta Ocean Construction Co., Ltd., Japan	500
Point Lisas Industrial Port Development Co., Ltd.,	
Trinidad and Tobago	100
*Primer Concurso Internacional de Memorias	
Portuarias: Carlos Armero Sisto, Anuario	
de Puertos: Buenos Aires, Argentina	300
Public Port Corporation I, Indonesia	180
Pusan East Container Terminal Co., Ltd., Korea	200
Quebec, Port of, Canada	250
Shipping Guides Limited, U.K.	500
Solomon Islands Ports Authority, Solomon	
Island	100
South Carolina State Ports Authority, U.S.A.	1,000
Tauranga, Port of, New Zealand	500
Toyama Prefecture, Japan	254
UPA CCIM (French Ports Association), France	1,905
Vancouver, Port of, Canada	500
WorldCargo News, U.K.	100
Yamaguchi Prefecture, Japan	32
<b>Total:</b>	<b>US\$54,259</b>

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

## Correction

On page 13 of the October 1995 issue of this journal, we carried a list of the donors to the IPD Fund as of September 10, 1995. In that list, the name of the Port of Napier was incorrect due to a printer's error and it was only from the previous issue that we carry an updated list of donors. We apologize to the Port of Napier for this mishap and renew our deep appreciation to the Port as well as to all the donors for their support to the fund-raising campaign.

— IAPH Head Office

## Visitors to Head Office

On October 2, some 200 people representing Japan's leading companies in the shipping, trading and maritime businesses were the guests of **Mr. Richard Riordan**, Mayor of the City of Los Angeles, at a reception held at the Hotel Seiyo in Tokyo. Mayor Riordan was heading the Port of Los Angeles delegation to Japan for a promotional tour for the World Port LA. The delegation members included **Mr. Leland Wong**, President, Los Angeles Board of Harbor Commissioners, **Ezunial Burts**, Executive Director, and **Mr. Albert Fierstine**, Director of Marketing, the Port of Los Angeles. On behalf of the IAPH Secretary General, Kimiko Takeda of the Head Office attended the gathering and was welcomed by Mayor Riordan (pictured left) and the Port's Executive Director Burts (right).



October 11, **Mr. Daniel Pleindoux** (pictured left, seated), Direction Commerciale, Port Autonome de Marseille, together with **Mr. Shozo Adachi** (seated, right), the Port of Marseilles' Japan Representative, visited the Head Office, where they were received by Mr. R. Kondoh and Ms K. Takeda, with whom they exchanged views and information on the latest situation concerning the ports in Europe. Marseilles is promoting its strategic location as a distribution center in Southern Europe and the Mediterranean.



On the afternoon of October 11, a press conference was held by the Port of Bremen and Bremerhaven (BLG) at the Palace Hotel in Tokyo, attended by some 50 press people representing the shipping and maritime media in Japan. The delegation members included **Senator Uwe Beckmeyer**, Senator for Ports, Transport and Foreign Trade of the Free Hanseatic City of Bremen; **Mr. Emanuel Schiffer**, Board Member of the BLG Container Division, **Mr. Wolfgang Hofmann**, Chief Executive Officer of Bremen Business International, and **Mr. Helmut H. Detken**, Chief Executive Officer of the Bremen Port Promotion Agency and Bremen Business International. Pictured from left, Messrs. Detken, Hofmann, Senator Beckmeyer, Schiffer and Shibayama (BLG's Tokyo representative).

Following the press conference, a reception was given by the delegation, to which some 200 people from various Japanese companies which are customers of BLG were invited. Mr. Susumu Temporin, Chairman of Mitsui OSK Lines Ltd., whose relationship with BLG reportedly started some 35 years ago, acted as toast master for the gathering. Mr. Schiffer's presentation at the press conference is featured later in this issue.



On October 26, **Mr. R. C. Pearce** (pictured left, seated), Port Manager and Chief Executive Officer, and **Mr. M. J. Jones** (seated, right), Chairman, Fraser River Harbour Commission, British Columbia, Canada, visited the Head Office, where they were welcomed by Deputy Secretary General R. Kondoh and Under Secretary K. Takeda. The visitors assured the Secretariat members of their increased support of the work carried out by the various Technical Committees of IAPH.



# OPEN FORUM

## Liability of Corporate Directors

*with special emphasis on the duties and obligations of directors of port corporations, authorities and harbours boards*

**By Captain Peter Heathcote**

*Regional Maritime Legal Advisor for Secretary General  
Forum Secretariat, Suva, Fiji*

**Acknowledgement:** We express our deep appreciation to the South Pacific Forum Secretariat and the Canadian International Development Agency for the permission afforded IAPH to publish this article in this journal.

In this publication, the footnotes and a bibliography which are contained in the original paper have been omitted because of limitations of space.

The views expressed in this paper are those of the author and do not necessarily reflect those of the International Association of Ports and Harbors. IAPH Head Office

### INTRODUCTION

"Directors have never been under closer scrutiny in respect of their duties or faced more complex legal responsibilities than in recent times". Directors Responsibilities – A Working Guide of Australia, Price Waterhouse and The Australian Institute of Company Directors.

"On the basis of recent court decisions, it is clear that all directors are expected to have a reasonable understanding of their legal responsibilities. Directors – Your Responsibilities and Liabilities, The Institute of Chartered Accountants of England and Wales.

This paper attempts to identify, for members of Boards of Directors of Harbour Boards and Port Authorities, the increasing burden of legal responsibility they have for their actions and omissions; the rising ethical expectations of society and the Courts; and the greater potential of sanctions and penalties for individual Directors. Research material was based mainly on Canadian law, but several English and Australian sources have been utilized. No attempt has been made to research the "company" legislation of individual countries within the Pacific, because of the difficulty, complexity and possible futility (of not finding any). Even if there is legislation in place in respect of Director's liability in some countries of the South Pacific, it is believed generally that any such legislation is probably outdated in 1995. Throughout Europe, North America and Australasia, in countries with legislation in respect of Director's liability, Courts have been interpreting a Director's common law duties in an increasingly restrictive and all encompassing manner.

More and more people are investing in privately held companies and publicly traded corporations. Many people's life savings or pension funds are tied up in equity investments in many corporations through mutual funds or unit trusts. Mutual fund holding is becoming increasingly international. Corporate decisions are becoming more numerous, technically or financially more complex, and more life-threatening to the corporation itself. Take-over bids and investment criteria are often based on mathematical models or complex economic forecasting. It is no longer good

enough for a board member to be guided by intuition or even by experience in an unrelated business. Much more emphasis is being placed on proper corporate strategy, financial planning, market forecasting, budgeting and both operational and financial monitoring. Success in these areas is often crucial to a company's survival in competitive global markets. Directors are becoming charged with the responsibility to provide direction to management in these increasingly complex and crucial areas. While a Director's responsibility is to "direct" and not to manage, no Director can fulfill his or her responsibility today if he is not knowledgeable, does not study his briefing material provided by management and does not attend board meetings. But even if a Director fails to carry out the obvious duties and fulfill the expected responsibilities under common law, a Director may have committed an offense under some specific legislation, or have left him - or her-self open to some civil action brought by an aggrieved party who has suffered loss or damage.

### DUTIES

The primary duty of a Director is to give "direction" to management. Directors are usually appointed by the Shareholders of the company and are required to protect their interests. In some jurisdictions, even the rights of the minority shareholders are protected by legislation. These duties apply to all Directors irrespective of the size of the company and a Director is expected to bring all the necessary competence, knowledge and experience commensurate with the nature of the business. Not all members of the Board of Directors of a Harbours Board or Port Authority will be expected to have experience in port operations. In fact, it could be disastrous if there were eight or twelve board members second guessing the Manager of Operations. What is required in the composition of a Board of Directors is a broad mix of skill and competence: Board members should be selected on the basis of how their individual skills blend with those of other board members. Too often board members are selected on the basis of their connection with a major shareholder, or in corporatized government organizations by their political affiliation.

Directors have three primary duties:

- (a) a fiduciary duty to the company to act honestly and in good faith and in the best interests of the company as a whole;
- (b) a duty to exercise such a degree of skill and care, when carrying out their duties as a Director, as might be reasonably expected from someone of their ability and experience; and
- (c) a duty to carry out the statutory obligations imposed by the Companies Act and other legislation.

One of the first duties of a Director is to use his best efforts and

act in good faith in the interests of the organization and for the benefit of the shareholders. This involves avoiding conflicts of interest, or using knowledge gained as a Director for one's personal gain or advantage. A Director is expected to bring to the boardroom table the degree of skill as might be reasonably expected from someone of that degree of ability and experience. That Director is also expected to exercise a reasonable degree of care and diligence once he is at the table. A Director should be cognizant of the powers granted under the memorandum of incorporation. This document usually prescribes the purposes for which the organization was incorporated, although in recent years there has been a tendency not to limit its powers but to grant it authority to do anything necessary to pursue its business. A Director should also be fully aware of the articles of association or By-laws which may prescribe his role at board meetings or circumscribe his actions or behaviour. Statute law in respect of companies or corporations will usually prescribe things that the corporation has to do. This includes activities such as filing annual returns or other information with the Registrar appointed under the Companies Act; holding annual meetings and preparing an Annual Report. There will also be other requirements especially in the issuing of new or treasury stock, such as the preparation and distribution of prospectuses in the proper form. All these corporate tasks must be done by people, usually management or sub-contracted agencies. Even so, it is the duty of the Board of Directors to ensure that all these statutory functions are properly carried out. Board members would usually be guided by the Corporate Secretary and/or Legal Counsel. In some jurisdictions, a corporation is obliged to disclose the changes in Board members' holdings of the company's stock. Presumably, one can then tell of the company's potential fortunes by the way the Directors invest in or divest them holding of the company's stock. It will also indicate any "insider trading".

## RESPONSIBILITIES

Whereas a "duty" is often described as a "moral or legal obligation", "responsibility" is used to connote "being accountable for" or "a commitment". Duty is what is strictly prescribed by law, whereas responsibility is the standard of care that is expected of Directors in carrying out their duties. Shareholders (and Courts when interpreting the standard of care a Director has to Shareholders) will expect competence, knowledge and expertise as prerequisites, but will also expect diligence, conscientiousness and good faith. Directors can, and should, set broad policy objectives, then delegate many of the day-to-day tasks to management. This does not absolve Directors from ensuring that these delegated tasks have been properly carried out. A Court, or the media, will not be particularly impressed with defences such as ignorance of legal responsibilities, or that a Director was unaware of, or failed to keep himself informed about the true position of the company. A Director can be just as derelict in his duties by being passive as he would if he were carrying out some act in a reckless manner or without a true appreciation of the consequences. A member of the Board of Directors is expected to be aware of the responsibilities of the corporation prescribed by law; to delegate those responsibilities to management and to follow up to ensure that all necessary functions have been carried out. Today, these corporate responsibilities are manifold and will include, inter alia, compliance with corporate law, taxation and customs law, proper accounting practices, stock exchange rules, occupational health and safety legislation, appropriate industrial relations practices, accepted hiring practices and (in some jurisdictions) equal opportunity requirements. Directors will also be expected to be familiar with the provisions of the laws and regulations in respect of dangerous goods, pollution prevention, environmental protection,

equipment standards, fire safety and so on. Members of the Board of Directors of ports and harbours will have to be aware of their, and the corporation's obligations in respect of many detailed issues such as pilotage, dumping of wastes, levying of port dues, arrest of vessels, the law in respect of bailees, contracts of affreightment and maritime law generally.

## RIGHTS

Rights are granted to Board members to allow them to fulfill the "Responsibilities" just described. The duties of Directors are increasingly onerous and therefore Directors must have access to information to allow them to determine whether the tasks delegated to management have been carried out according to their directions and in accordance with the law, and whether the company is in good financial health. Thus, Directors will have the right to receive all internal information concerning company affairs; the right to inspect any internal document or contract; the right to appoint auditors to inspect the accounts or accounting methods of the company; and the right to appoint consultants to review and report back to the Board on the company's fulfillment of any obligations. While the rights of the Directors enable them to do virtually anything necessary to fulfill their duties and responsibilities, it is usual to receive this information through responsible management. It is trite to say that if the Board does not trust management to provide proper, correct and accurate information in a manner which is easily comprehensible, the Board should seriously think about replacing certain key officers. The corollary is also true, in that if the Board are too incursive into management's normal functions, there will be a tendency for management to be either less forthcoming with detailed information, or, alternatively, to bombard the Board with material leading to an "information overload" situation. Rights should be exercised only as necessary, and tempered with a good deal of common sense and respect for management's capability and intelligence.

## OFFENSES

The potential liabilities of Directors are great and unlimited, but the company's liabilities are only passed to directors and management in specified circumstances. Personal liability, both civil and criminal can flow from a breach of statutory or other duty, or where there is fraud. A Director may also be personally liable, for instance, for the personal injury to an employee, if the Director was clearly at fault or in dereliction of duty. An example might be where the board knew that a part of the wharf was unsafe for vehicles carrying a certain weight, but deferred maintenance and directed that cargo still be worked in that area. Offenses are usually provided for a failure to carry out a Director's statutory duties and responsibilities or for the breach of the law by the company about which the Director should have known. Examples of the first category include:

- Acting dishonestly in the exercise of power or discharge of duties;
- Making use of privileged information, gained by virtue of the position;
  - (a) to one's own benefit;
  - (b) to the benefit of another person;
  - (c) to the detriment of the company;
- Abusing the authority by directing the company to act in a manner favouring others;
- Falsifying the financial position or credit-worthiness of the company;
- Authorizing misleading advertising;
- Issuing false or misleading publications, reports or prospectuses.

Examples of the second category include:

- Allowing the company to engage in improper accounting practices;
- Allowing the company to make misleading or incorrect tax returns;
- Allowing the company to fix or attempt to fix prices;
- Allowing the company to pollute or harm the environment;
- Allowing the company to handle or store dangerous goods in an improper manner;
- Allowing the company to engage in unsafe work practices;
- Allowing the company to follow illegal employment or other practices.

In most cases the offense attaches to the Board member whether or not the act was committed personally. Most legislation defines an offense as a situation in which the Director aided, abetted, counselled, procured, induced or knowing by conspired whether directly or indirectly to commit the offense. Directors are still responsible for their actions even if they are nominees or alternates for other named persons. In some cases Directors will still be deemed liable even though their appointment may be subsequently found to be invalid.

## **PENALTIES**

The penalties for not properly performing the duties of a Director can be severe. In Australia, for example, the maximum penalty for a breach of duty to act honestly in the exercise of a Director's powers is A\$20,000 or imprisonment for five years or both, and the penalty for breach of environmental protection legislation is up to A\$500,000 or seven years imprisonment or both. These penalties are levied personally on the Director, and are in addition to those levied on the company. In addition to criminal charges, Directors can be sued in civil actions for breach of statutory duty, tort or breach of contract. Many of these cases arise out of the Tendering Procedure, (or lack of one), where unsuccessful bidders believe an equitable tender was not offered or the low bidder not selected or the selection criteria was not followed. In many cases damages are supplemented by punitive damages, costs of restitution and the costs of varying or voiding any contracts involved. Directors can be personally liable for misfeasance - for wrongdoing, such as making secret profits at the company's expense, but in some jurisdictions nonfeasance - doing nothing where something was required to be done - can result in dismissal. Directors generally only become personally liable if they fail to exercise the skill and expertise that may reasonably be expected of someone in their position, having regard to their capabilities and experience.

## **KNOWLEDGE**

In addition to knowing what a Director's duties, responsibilities and rights are, a potential Director should really determine what he is expected to bring to the table in respect of knowledge, experience and special talents. Is the skill, expertise and wisdom of the new member going to complement the same qualities of existing board members? Is the Board a democratic body with real authority? Or does the Chairman run through the agenda so that all the business will be finished before lunch? Is the information supplied by management sufficient for board members to obtain a realistic and yet succinct picture of where the company is? Are board meetings held sufficiently frequently for members to be properly appraised of the real business of the company? The

first question that a potential member should ask himself is, "Do I know enough about the business of the corporation and is it the type of company that I want to be associated with?" The second question should be, "Can I make a valuable contribution and will my opinions be considered?" Knowledge of a particular discipline or faculty such as accounting, law, human resource management, marketing, public affairs, or labour relations will all be useful to a board member, but knowledge of the corporation's business, market and competition, product or service line, or major customers will also be important. It was the practice in the past to invite persons to join a board of Directors on the basis of their position in society, or standing in industry or academe, or membership of other Boards of Directors, but in the Author's opinion these were seriously flawed criteria. Obviously, experience on the board of another company will bring with it certain experience, not all of it necessarily good, but it will provide knowledge of the function of a board, some of the issues a board has to deal with and possibly experience of certain problems and, hopefully, how they were successfully resolved. It should go without saying that a Director should familiarize himself with the company's By-laws, policy manuals, governing legislation or regulations, collective agreements, major contracts, certain technical aspects of the company's business and the competitive situation in the market. A certain amount of knowledge can be gained from listening to experienced fellow boardroom members or talking informally. A certain amount of knowledge can be gained from reading material written specifically for the guidance of existing and potential board members, such as that listed in the bibliography.

## **TIME AND ATTENDANCE**

Board meetings should not be so frequent that management's time and energy is consumed with the preparation of reports and briefings for the board of directors, nor should they be so infrequent that board members are merely a rubber stamp to past actions of management. Most small or intermediate companies have between four and ten board meetings a year depending on the concerns of the board and the financial health of the company. Some corporations and authorities may have provisions for automatic dismissal from office for failure to attend all meetings of the board within a specified period of time. Not only is the frequency and duration of Board meetings an issue, but a Director of a corporation should consider carefully whether he or she has the time available to properly prepare and attend the meetings. A useful rule of thumb is that it takes about three hours of preparation for each hour of actual meeting, and that assumes a reasonable comprehension of accounting and financial reporting as well as an understanding of the accounting treatment used in the particular industry and any special accounting practices of the corporation and such as the method of inventory or work-in-progress valuation, the calculation of depreciation and taxation credits. Of course, any information must be received in a timely manner to allow for perusal, understanding and the formulation of questions for raising in the boardroom. As in any new endeavour there is a steep learning curve at first, which should ease off as a Director becomes more comfortable with the presentation of the material for his perusal, but that should not lead to complacency and a Director should be using the time saved in perusal of financial documents in studying other issues involving the corporation. He or she could also be using their special talents on one or more committees of the Board. The final decision one has to make before joining or remaining on a Board of Directors is whether the rewards are commensurate with the increasing responsibilities. It once was that some businessmen collected directorships like hunting trophies and coveted the associated prestige, but now with society and the Courts insisting on increased commitment and

accountability, many Directors are limiting their involvement to only what they can properly handle. It necessitates careful, cold and unemotional thinking before committing oneself to serve on a Board of Directors.

## WHAT DIRECTORS DIRECT

Directors should address the "big picture" and delegate to management the day-to-day operations of the company. A great deal has been said in the last twenty years about strategic planning, but this is a legitimate responsibility of the board. Questions such as "What business should we be in?", "What return on investment should we be seeking?", "Which product line should we concentrate on?" and "What are the corporation's strengths and weaknesses and how can we improve?" should be the type of questions the board tries to resolve. So often, too much time is spent on frivolous detail or extraneous discussion. Too often the right issues are not brought to the board. The following are some of the issues which a board should be concerned with:

- Long term strategy and planning
- Policy formulation and monitoring
- Board and committee evaluation
- Management performance and evaluation
- Quality of reporting – internal management and control
- Quality of internal control systems – regulatory compliance, accounting and fraud
- Sources of capital or loans
- Acquisitions, mergers and take-overs
- Review of internal and external audit functions
- Short term budgeting and monitoring

In any corporation, large or small, there should be a Mission Statement or Corporate Strategy. This is not something which is hung up on the boardroom wall, but rather a "living document" which forms the basis of how the company is to be run, from "corporate philosophy" to something which will guide the actions of all employees. For such a document to have utility it must be well thought out and succinctly state the overall aims of the company. So the board from time to time should assess whether this mission statement is well written, properly communicated and being acted upon throughout the company. Furthermore, every company should have an overall policy and a policy manual. This is to be differentiated from detailed Procedures which will indicate how the broad Policy is to be implemented. A policy might be that Board members and employees (including management) should refrain from involving themselves in situations which bring them into a conflict of interest with the corporation. A procedures manual probably outline the form of the declarations to be made annually by members and employees alike. The Price Waterhouse publications list several areas where certain Policy should be formulated and monitored. These include, inter alia, back-up and storage of key data, credit terms and conditions, delegation of authority, dividend policy, environmental strategy, employment practices, industrial relations and media and public relations, occupational health and safety, quality control for goods and services, risk management, shareholder relations, treasury management. These policies must be reviewed and updated on a regular basis; properly communicated and documented and checked from time to time to ensure management is following and enforcing them.

## WHAT TO DO IF THE INFORMATION IS NOT FORTHCOMING

First of all, the board must determine what information it needs to make its decisions. Too often, management information sys-

tems are not sufficiently selective. Too much data is given to executive management without systematic explanation. It is trite to say that you should have only the information you require to make a decision at your level. A terminal manager may require just as much information to run his terminal as the chief executive needs to run the company, but the information each receives will be different in scope and detail. Yet it should all come from the same data which is entered into the information system only once. The system should be designed so information is consolidated and reduced in detail as the scope is widened. Some key indicators should be identified. Non-financial information is often a good weathervane for financial information which often cannot be prepared for several days after month-end or even several months after year end. The number of containers handled inbound and outbound must be a good indication of revenue, as is the number of employees or hours worked in a week or month. Given that Directors should stay out of the detail of day-to-day management, what then should they see? This will be a function of the particular business of the corporation, but it will consist of non-financial and financial data on a compared to budget basis at a fairly macro level, as well as any reports requested from either the internal audit function or the external auditors, and management reports on a functional or divisional basis. The composition of the agenda is very important, as is the conduct of the meeting. The quality and format of the board information papers is critical to members understanding of the issues and to their providing the right sort of information on which quality decisions can be made. Ideally, questions should arise from the logical understanding of the documentation rather than from the need to seek explanations of the data, which should be self explanatory. The board should have all the material it requires to make a decision. If that is not forthcoming or the information is not presented in the manner requested, the chief executive should be asked why it cannot be prepared or presented. If the information is not then forthcoming, Board members will have to ask themselves, "Why, if they require information in order to make decisions, does senior management seem not to need it?" "Is it essential to decision-making?" "Is management missing something?". While Directors have a right to demand the production of any document or information, one should remember that adequate notice should be given and the proper channels should be followed. Directors should not approach any employee for information and any information so gained should be treated with the strictest confidence.

## RESPONSIBILITY TO SHAREHOLDERS

The corporation is owned by its shareholders. Usually these are too numerous to be consulted in business decisions concerning their company. The shareholders therefore appoint Directors to hold their proxy and look after their interests. The Board of Directors then delegates the day-to-day stewardship of the company to professional, paid management. The Board of Directors should therefore ensure that the shareholders' equity is not squandered and that it earns a fair return on that investment. It should ensure that the assets of the company are protected and that new assets are only acquired if the cash flow from the asset exceeds the required rate of return. Otherwise, the funds might better be invested in Treasury Bills or in the equity of another company. Directors are also responsible to shareholders to ensure that the company is not involved in any legal action or civil suit that could jeopardise shareholders' investment. Directors should also ensure that the company does not engage in any illegal activities which could invite a criminal prosecution, since they themselves might be deemed personally liable and subjected to large fines or even imprisonment. In some cases selection, election or appointment to the Board of Directors is conducted by major shareholders.

Sometimes board members are required to vote on an issue that benefits the majority shareholders and harms the interests of the minority shareholders. This often happens in the case of take-over bids or major acquisitions of shares. In some jurisdictions the rights of these minority shareholders are protected by legislation or have been favourably regarded in judgments for actions brought by the minority. It would seem, at least on the surface, that the interests of all shareholders should be parallel and the optimisation of return on assets was the desire of each and every shareholder. Therefore Directors should base their decisions on criteria that will benefit all shareholders.

## AUDITS

Publicly held companies will be required to report in a manner prescribed by legislation or regulation and Annual Reports will have to be verified by external auditors. Government held "corporatized" companies will have to report to and in the manner prescribed in its founding legislation. Private companies may not be required to publish financial reports but may be required to produce audited financial statements for taxation purposes. A company may have an Internal Audit function which may focus on operational auditing, "value for money" auditing, or "comprehensive" auditing. Additionally the Internal Audit function can conduct spot checks on cash, inventory, numerically sequenced forms such as invoices, supplies and any other assets. Such a function may also determine whether management objectives have been fulfilled to act as a check on management's optimistic forecasting or less than candid reporting. External auditors on the other hand usually check the veracity of the financial reporting or appropriateness of accounting procedures. Most boards have an Audit Committee and this usually recommends the appointment of auditors and reviews the auditors' report before its inclusion in the Annual Report. Some of the things the Audit Committee should consider are: Has there been any change in the accounting practices of the company since the last report? Is the method of accounting appropriate for the industry and is it the same as used by our competitors? Does it truly represent the actual financial picture of the company? Have the accounting practices been evaluated to determine if they are the most appropriate? Do our reports meet the requirements for the regulatory authorities? In North America the concept of Generally Accepted Accounting Principles is followed and accounting is carried out in a relatively uniform manner. Might Directors wish to follow this concept for the organizations for which they are responsible?

## COMPLIANCE WITH THE LAW

Directors have a duty to ensure that the company which they are "directing" complies with the law. This means that all laws, not just the company law of the jurisdiction, are to be adhered to. There will be many laws from securities legislation; to monopolies, price-fixing, or competition legislation; to environment and anti-pollution laws; to occupational health and safety rules; to collective bargaining legislation, employment law, and so on. The list is endless. This does not mean to say every Director must be a lawyer, but in most countries ignorance of the law is no defense. So what a board must do is to use its collective knowledge, wisdom and experience, calling in assistance if necessary, to find out what laws apply to their business and then establish a system which will ensure compliance at all times. Sometimes companies are not responsible for the actions of their employees or agents, even when acting in the course of their duty, but today Courts are imputing a higher standard of care, especially if some person is injured or hurt, or something belonging to someone else is damaged. The Court will be reluctant to attribute damage to Act of God or unforeseeable circumstances. Today, a Director is expect-

ed to have perfect foresight and even hindsight and anticipate that the actions of employees might lead to damage to innocent third parties.

## ILLEGAL BENEFITS

A Director is expected to act in good faith for the benefit of the shareholders. He is not expected to use this position of trust to benefit himself, over and above his agreed remuneration. This can involve tendering situations; contracts for goods and service to be provided; and loans to a Director. It may not arise in the case of ports authorities and harbours boards, but Directors should also exercise extreme caution in buy-out or take-over situations. Insider trading has been an illegal practice for some years in many jurisdictions. A board member should never place himself in a situation where the interests of the corporation conflict with his personal or business interests. Furthermore, a board member should not gain from information received in the course of his appointment. Many port authorities and harbours boards will have By-laws which will provide that:

"No member shall derive any direct or indirect benefit or interest resulting from any account, purchase, sale, tender, disbursement, procurement, contract or other financial transaction with, for or on behalf of the Authority."; and

"A Member shall not place himself in a position where he is under an obligation to any person who might benefit from special consideration or favour on his part, or seek in any way to gain special treatment from him."; as well as

"A member who has any pecuniary or other interest, direct or indirect, in any contract or proposed contract or other matter relating to the Board shall, as soon as possible, disclose to the Chairman of the Board the fact and nature of such interest, and thereafter the member shall not take part in any deliberation or decision relating to such contract or proposed contract or other matter and the member shall leave the meeting until the matter is resolved."

Directors should also "exercise care in the management of their private affairs so as not to benefit, or appear to benefit, from the use of information acquired in the course of their official duties, which information is not generally available to the public". In England, the Criminal Justice Act 1993 forbids any manipulation of price-sensitive information, which has not been made public, for personal advantage. A Director who deals in shares, or advises someone else to deal in them, on the basis of confidential price-sensitive information is guilty of a criminal offense. Inside knowledge can represent information obtained by a Director not just about his own company, but about another company with which he or his company has had dealings and which comes to him by virtue of his position. Under the English Act, insider trading is punishable by a fine of unlimited amount or a prison sentence of up to seven years.

## WHAT TO WATCH OUT FOR

Board members meet infrequently, are not conversant with the company's day-to-day activities and are reliant on information presented by management, who (not unnaturally) may want to make things sound pretty good all round. Board members will have to learn to take things with a pinch of salt to be able to gauge the health and fitness of the company from an objective standpoint. This means asking the right questions and interpreting the answers correctly. Board members should satisfy themselves that all the regulatory requirements have been met; that no laws have been broken; that no civil suits are latent or pending and that the system of accounting is satisfactory. Board member should also

consider whether the Internal Audit function is reviewing the right things, in the right manner and reporting in a manner that enables action to be taken to rectify problems. They should also take steps to assure themselves that documents or other material available to the public or a matter of public record do not contain inaccuracies, misrepresentations or false promises, and that they cannot be construed as being misleading or deceptive. Not only might there be adverse public and customer reaction, there might be potential legal action. On many occasions, Boards of Directors and corporations must use professionals and consultants. It is often most difficult to assess the quality of a final report. It is easier to take the professional opinion of an accountant or lawyer since these are usually self-governing professions. In some jurisdictions lawyers and accountants have been sued as a result of their poor practice, inaccurate reporting, omissions and errors. Assessing the merit of other consultants' reports is more difficult, but Directors should be guided by their knowledge, experience and common sense, since it is for these qualities that they were selected in the first place. Directors should also be on the lookout for changes in the financial position of the company; a sudden depletion of cash or other assets; outstanding receivables or rapidly increasing payables. These indices of financial performance can be gleaned from a detailed perusal of the financial statements, either monthly or quarterly, and any Director having difficulty in interpreting financial statements should take the time to study the usual analytical methods. Alternatively, a qualified independent accountant can review the financial statements in detail and make marginal comments of the Director. This should be considered an interim measure only.

#### REMUNERATION AND LIABILITY INSURANCE

In many large corporations Directors are paid large sums of money. In some jurisdictions, companies have to disclose what remuneration is paid to Directors: This is often reported in a lump sum amount. Some jurisdictions require the Director's individual share-holding to be reported and purchases or sales of the company's stock. Most small or intermediate companies or statutory bodies pay their Directors an annual retainer, a fee for attending a Board or committee meeting, and expenses for travel and accom-

modation, or a per diem in lieu. These are not usually grandiose amounts, but rather a token recognition for a service provided. On the liability side of the coin, a harbours board or port authority will usually have provisions in its By-laws indemnifying and saving harmless any Director who undertakes any liability on behalf of the corporation or authority, and stipulating that any action in contract or tort will be defended by the organization and that damages will be paid out of corporate funds. Even if this protection is provided, it may not be enough. In some jurisdictions a Director may not be exempted from liability or indemnified in respect of any liability in relation to the company unless in connection with the successful defense of a prosecution or by an insurance policy where the premiums are not paid by the company. Other jurisdictions allow a company to take out Director's liability insurance and pay premiums to cover officers against civil liability, provided that the Director did not act dishonestly or in his own self interest rather than in the interest of the company.

#### IS IT WORTH IT?

This will depend on the organization and the type of business it is in, the composition of the Board, the complexity of issues, the frequency of meetings and the level of competence of management. In most cases, appointment to a board of directors is interesting, challenging, and rewarding as well as being demanding, time consuming and sometimes frustrating. There may be some prestige remaining but this is an intrinsic reward. More often a feeling of being willing to serve or contributing certain skills or particular insights and experience is a much better reason for accepting a position as a Director. Frequently the remuneration does not usually fully compensate for the time and effort, especially if one includes the time for preparation and committee work. However, there is a certain satisfaction in meeting a challenge and in seeing one's ideas being carried out. Some people find reward in just doing a job and doing it well. The risks and liabilities are greater than they ever were, but they are not insurmountable. If a Director brings to the boardroom table appropriate skills, experience and wisdom and is honest, conscientious, thoughtful, patient and dedicated, the benefits from serving on a board will far outweigh any potential downside.



### SABAH PORTS AUTHORITY

#### LEMBAGA PELABUHAN-PELABUHAN SABAH

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# Ports of Bremen/Bremerhaven Intermodal Hub for Europe

**Address by E. Schiffer, BLG Board Member  
at Press Conference in Tokyo, 11 October 1995**

Ladies and gentlemen:

It is a great pleasure for me to greet you at our press conference on the occasion of the Bremen delegation's visit here in Tokyo.

Senator Beckmeyer has already informed you about the investments now being made to guarantee that our ports will keep up their competitive standing and continue to offer high performance in the future.

Now I would like to tell you something about the activities of our company.

BLG is the most important port operating company in the Ports of Bremen and Bremerhaven and takes care of all cargo handling in the freeports. A total of 3,250 employees are now working in BLG's central divisions and its separate business divisions. These business divisions include the areas of container handling, distribution and warehousing, automobiles, and general cargo, as well as subsidiaries and joint ventures. BLG is responsible for cargo handling for both ocean-going ships and inland barges and all associated activities, including loading and unloading trains and trucks as well as cargo distribution.

To give you an idea of the extent of our business activities, I would like to mention some statistics, which you will of course also find in the press kit in front of you. A total of 31 million metric tons of all kinds of cargo were handled in the Ports of Bremen and Bremerhaven in 1994. Of these, around 20 million tons were handled in BLG facilities. Fifteen million tons of containerized cargo were handled in 1.5 million containers (TEU) in Bremen and Bremerhaven. Along with its container terminal, Bremerhaven is important as Europe's leading car terminal. Last year, 736,000 cars were imported and exported worldwide via the BLG Ro/Ro terminals, including many to and from Japan. In the first eight months of this year, 524,000 vehicles passed through our terminals, that is 12.2 percent more than in the same period last year. The Japanese car brands Toyota, Lexus, Mitsubishi, Suzuki, Subaru, Mazda, Daihatsu and Isuzu are "regular visitors" that we like to welcome to our terminals. Via Bremerhaven, they reach their customers in Germany and all of Europe. A total of some 350,000 import and export cars passed through Bremerhaven on their way to or from Asia last year.

In view of the global scope of markets, BLG no longer just carries out traditional cargo handling, but is developing into a global service company as well. As project manager or logistics service, BLG now already offers complete logistics solutions for our customers. Besides, data and communications systems must nowadays be adapted to customers' needs and production processes. BLG's logistics systems accompany goods on every step of the way from their domestic production plant to their destination overseas or the other way around. For example, BLG's Distribution Division carries out ckd (completely knocked down) and skd (semi knocked down) vehicle exports for Mercedes Benz. Car shipments arrive as completely or partially disassembled components at special distribution facilities. There the parts and components are processed, packed into containers for ocean transport, and delivered right on time to assembly plants overseas. Similar distribution services are also offered for imports to Germany. One example is Suzuki. Parts for their "Swift" model are shipped in containers to the Suzuki plant in Esztergom in Hungary. The Suzuki Swifts are assembled there and then deliv-



*Emanuel Schiffer, board member of the BLG and head of the BLG container division.*

ered to German and several other European dealers. A small number of the cars are even exported via Bremerhaven to China.

Ladies and gentlemen, what has brought us together here today is our common interest in developing foreign trade. And that includes facing the special kinds of logistical challenges that a company like BLG deals with. To keep up with international competition, we have to stay at the forefront of developments in logistics and land-sea transport systems.

The European Single Market, the opening of the Eastern European markets, and the continuing business boom here in Asia open what we see as positive perspectives for foreign trade via our seaports, which are located in the heart of Europe. Japanese economic policy not only views Germany as the largest market sector of the European Union for Japanese exports, but also as a gateway for Japanese firms to become involved in the EU and Eastern Europe. As a gateway to Europe, Bremerhaven offers excellent opportunities for such businesses.

The World Trade Organisation (WTO) has calculated that world trade is growing at a rate of 9 percent annually, while worldwide production is only growing 3.5 percent. From this we can conclude that the future will belong to foreign trade, and thus also to intelligent logistics services carried out in the seaport, right at the interface of land and sea transport.

Container traffic to and from Asia (including East Asia, South East Asia, and the Middle East) now makes up about 22 percent of our container business and thus is very important to BLG. In 1994 we handled a total of 323,000 containers (TEU) for Asia. This was an increase of around 21 percent compared to the year before. The consortia Alliance, ACE, Tricon, and Maersk/P&O all run container liner services between East Asia and Europe that regularly call at Bremerhaven, thus ensuring six calls per week. As part of the ACE and Alliance services, container ships from K-Line, Mitsui O.S.K. also regularly call at Bremerhaven. Container shipping to and from Japan has developed particularly well for BLG this year. The first six months already showed an increase of 21 percent over the year before.

Bremerhaven offers Japanese importers and exporters an excel-

lent "Intermodal Hub for Europe". Work has already begun on an extension of the Container Terminal and construction will be completed in 1997. The Bremerhaven Container Terminal, the only one in Germany located directly on the open sea, will then have 3000 meters of quays providing ten berths for even the largest container ships right on the channel. At the same time, the navigation channel into Bremerhaven will be deepened to 14.5 meters.

Excellent transport connections to the rest of Germany and Europe are another reason for Bremerhaven's success. The importance of a good traffic network becomes evident when one considers that about 75 percent of the containers handled in Bremerhaven are transported to the hinterland. The most important means of transport for long hauls is the railway, which carries about 66 percent of the containers. We are confident that the railway's share in transports will increase even further in the future. Around thirty container trains and numerous car transport trains connect the Bremerhaven Container and Car Terminals with German and European business centers every working day. For example, there are regular direct train connections to Austria, Italy, Denmark, the Czech Republic, Poland, and Hungary. Besides these optimal land transport connections, Bremerhaven offers twenty regularly scheduled feeder services that connect the BLG terminals to all the important ports in the North Sea and Baltic Sea regions.

In order to meet today's demands on a main port, a modern seaport must not only be an efficient land-sea interface, but must also be active in all areas of logistics and cargo transport. Thus, it

must be engaged in transport to and from the port as well. This can be achieved through close cooperation with transport companies, by taking on coordinating functions, or by offering integrated service packages for consignors and shipping lines. Through our subsidiaries and joint ventures, BLG is expanding its activities along the whole chain of transport. Consolidation of transports to and from the seaport is one example of how a port can gain a competitive advantage. BLG's subsidiary SCL operates container shuttles by barge between Bremerhaven and Bremen and by feeder ship between Bremerhaven and Hamburg. These services have shown that improvements in hinterland connections find a ready market.

We view integrated logistic systems with a preference toward railway and coastal or inland waterway shipping as the way to go in the future. Environmental factors now play an increasingly important role in the management of transport chains. BLG has developed "eco-logistic" transport concepts; that is, concepts which bring economical advantages to all involved and at the same time are ecologically sound. Together with our business partners, we have recently implemented such plans, which have the goal of getting cargo transport off the roads and onto railways, barges, and feeder ships.

The tough competition among the ports along European coastline has taught us that main ports must be intermodal service centres. Our customers are at the focus of all our activities. We are always prepared to fulfil the levels of service they require to make them happy.

I thank you very much for your kind attention.



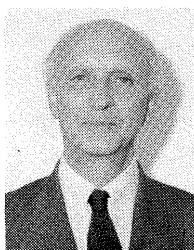
*To meet the growing container traffic in Bremerhaven, the River Quay is being further extended to the north. Up to now the total of 700 meters have been completed.*

# International Maritime Information

# WORLD PORT NEWS

## Ricupero of Brazil UNCTAD Sec'y-General

In the previous issue on page 24, we featured the appointment of Rubens Ricupero of Brazil as the Secretary-General of UNCTAD. As his photograph reached Tokyo only after the issuance of the November issue, we introduce the photograph in this issue.



## Diploma in Shipping, Port Management '96

The Singapore Port Institute (SPI), training arm of the Port of Singapore Authority (PSA), will be conducting the 6th run of the Diploma in Shipping and Port Management in March 1996.

The Programme is jointly organised with the University of Delaware, USA. It is designed to upgrade the knowledge and professionalism of personnel in the port and shipping industries. Participants who successfully complete the Programme will be awarded a Diploma jointly issued by SPI and the University of Delaware.

### Programme Objective

The programme is designed to present information and materials which are academically sound and of special value to personnel engaged or likely to be engaged in the operations and management of shipping and ports. Through a series of lectures, readings, computer exercises and case studies, students will study the following aspects of shipping and port management:

- (a) International trade environment in which the modern shipping industry must operate.
- (b) Essential elements of marketing, accounting, and finance which are key to the efficiency of the shipping industry and the management of ports.

- (c) Organisation and administration of shipping companies/ports, with application of automation and information systems.
- (d) Current and future technological developments which are likely to result in major changes in the operations of ships and ports and which will require imaginative responses by carriers and port authorities in physical as well as service facilities.
- (e) Legal framework within which shipping and ports must operate, including international law of the sea and maritime law.

### Structure

The programme comprises 5 modules of intensive lectures and exercises spread over 5 months and interspersed with periods of self-study. Each module will be one week in duration. Lectures will be held from Mondays to Fridays from 0900-1600 hours and from 0900 to 1200 hours on Saturdays.

### Schedule

Lectures on the five modules will be conducted at SPI by highly qualified and experienced lecturers selected by the University of Delaware. The schedule will be as follows.

Module & Dates	Lecturers
Trade & Marketing Functions (4 - 9 March 1996)	Dr E Cameron Williams
Structure & Technological Changes (8 - 13 April 1996)	Dr Roy J Pearson
Governance, Planning & Design (6 - 11 May 1996)	Captain Richard D Stewart
Accounting & Financial Considerations (3 - 8 Jun 1996)	Dr John J Hampton
Admiralty & Maritime Law (1 - 6 Jul 1996)	Dr Gerard J Mangone

End-of-module examinations will be

conducted on the following dates:

Module I	Saturday, 6 Apr 1996
Module II	Saturday, 4 May 1996
Module III	Saturday, 1 Jun 1996
Module IV	Saturday, 29 Jun 1996
Module V	Saturday, 27 Jul 1996

### Coverage of Modules

#### Trade & Marketing Functions

- Introduction to world trade & marketing management.
- The global maritime transportation system.
- Privatisation: maritime marketing in a competitive environment.
- Promotion strategies for seaports, ocean carriers & third parties.
- Researching maritime markets.
- Marketing segmentation & target marketing.
- Organising for marketing strategy formulation & execution.

#### Structure & Technological Changes

- Growth & development of international seaborne trade.
- Structural changes in shipping & technological changes in ships.
- Developments in the inland transportation sector.
- How port costs affect intermodalism.
- Shipping deregulation & competition rules for liner shipping conferences.

#### Governance, Planning & Design

- Governance of ports, public administration & privatisation.
- Terminal planning & design: environmental issues.
- Terminal management & support operations.
- Design of merchant vessels & operations.
- Vessel management & future ship design.

#### Accounting & Financial Considerations

- Financial & managerial accounting.
- Transportation planning & model building.
- Economics of the vessel & voyages.
- Capital budgeting.
- Port management case study.

### Admiralty & Maritime Law

- International law of the sea.
- Development of admiralty law & its jurisdiction.
- Carriage of goods by sea.
- Injuries & death: seamen, longshoremen & passengers.
- Collisions & maritime insurance.
- Marine pollution, wrecks & salvage

### Entry Requirements

Candidates with a minimum of 5 GCE "O" level passes or equivalent qualifications may apply for admission into the programme. Working experience in port and shipping industries will be an advantage.

### Award of Diploma

Students who successfully complete the required course of study and who pass the end-of-module examinations in accordance with the standards set by the University of Delaware will be awarded a Diploma jointly by the University of Delaware and SPI. Students who fail in one or more of the examinations will only be issued with a Certificate of Attendance.

### Application for Degree Course

Students who pass with distinction and who are awarded the Diploma, may wish to apply for admission to the University of Delaware's Graduate College of Marine Studies for matriculation for the Master of Marine Policy degree. All admission decisions will be made by the Faculty of the Marine Policy Programme subject to the University's regulations.

**Application Procedures:** Application for the programme must be made on the prescribed form enclosed with the brochure. The duly-completed application form with a cheque or bank draft for the full amount of fee should be submitted to reach SPI not later than 6 January 1996. The cheque or bank draft should be made payable to the "Port of Singapore Authority".

**Programme Fee:** The fee for local participants is S\$5,665 inclusive of 3% Goods and Services Tax (GST) and \$5,500 for overseas participants attending the programme in their business capacity. Such participants from overseas are exempt from GST.

**Closing Date of Application:** Saturday, 6 January 1996

For more information on the programme, please contact:  
Training Manager

Singapore Port Institute  
Port of Singapore Authority  
No 2, Maritime Square  
Telok Blangah Road  
Singapore 099255

Telex : RS 28676  
Telephone : 321-1825/321-1822  
(Singapore)  
(65) 274-7111 Ext 1825/1822 (Overseas)  
Telefax : 321-1416 (Singapore)  
(65) 276-9450 (Overseas)

## Container Asia 96 In June in Singapore

Scheduled to be held from 25th to 27th June 1996 at Raffles City Convention Center, Westin Stamford Hotel, Singapore, Container Asia 96, featuring Container Expo, the Container Management Conference and FoodTrans Asia will focus on developments in Asia in container shipping, transport, handling, intermodalism, infrastructure, container technology and manufacturing. There will be a special emphasis on the transport of foodgrade products using reefer, CA and the latest temperature-controlled technology.

After the success of Container Expo 95 and the Container Management Conference, the event will take place again in 1996, renamed Container Asia 96, and will comprise a larger exhibition and expanded conference coverage.

For more information please contact:

Paddy Payne, Baltic Conventions, in London:

Tel: +44 181 847 2446 \* Fax: +44 181 569 8688

or

Rosalind Foo, CEHRS/Baltic Conventions, in Singapore:

Tel: +65 337 9368 \* Fax: +65 337 9395

## BIMCO: "FUELCON" For Purchasing Fuels

The Baltic and International Maritime Council (BIMCO) has recently issued a new Standard Contract for the Purchase of Marine Fuels, with the codename FUELCON. This document has been developed by a group of experts and in consultation with a number of buyers and suppliers, the purpose being to improve worldwide standards of bunker operations and its documentation.

## New Publications

### CORRECTION

On page 23 of the June 1995 issue of this journal, in its "New Publications" column, the *Guide to Port Entry 1995/96 Edition* was reviewed. In the review, the number of pages was erroneously referred to as "1,748 pages", whereas the publication in fact has over 4,300 pages. With our apologies, we again introduce updated information on the *Guide* below.

### Guide to Port Entry 1995/96

Ed. by Robert Pedlow. 2 Vols. 4,300 pages in extent. Diagrams and plans. Indexes.

Order from: Shipping Guides Limited, 75 Bell Street, Reigate, Surrey RH2 7AN, UK. Tel: 011 44 1737 242255 Fax: 011 44 1737 222449

Price: UK only £205; outside UK £215, including postage, discount is available on bulk orders.

This monumental directory provides comprehensive and highly detailed information on some 2,400 ports, large and small, throughout the world, from Albania to Zaire. The text is arranged alphabetically, by country and port.

Port-specific information typically includes descriptions of port limits, vessel documentation, pilotage requirements, anchorage, vessel restrictions, tugs and towage, health regulations, radio and VHF communications facilities and procedures, radar, and medical services and facilities.

Further details are provided as to berthing, cramage, bridge clearances, ship repair, stevedoring services, fresh water and bunker services, fire precautions, water salinity, customs allowances, and various amenities for visiting merchant seamen.

Also listed are foreign consulates, airports, holidays, ship supply services, and addresses and other contact information for local port authorities.

## The Americas

### 2-phase Expansion for Fraser Surrey Docks

The Fraser River Harbour Commission announced a \$19 million capital construction program at its Fraser Surrey Docks

complex. The main components of the two-phase program are a new pulp and paper shed and a new berth.

"Fraser Port has developed a reputation for first class service and first class facilities. We hope to maintain that reputation by responding to the needs of our customers with this program," announced Chairman Mike Jones.

Forest products cargoes through the Fraser Surrey Docks terminal have steadily increased in recent years, creating a demand for more covered storage for weather sensitive cargoes. "The pulp and paper industry have stringent specifications for the handling of their product," states Peter Jaskiewicz, manager - forest products at Fraser Surrey. "With the new shed and our newly acquired ISO 9000 designation, our customers will have the confidence that their product will be handled in the best way possible."

The new 12,077 m<sup>2</sup> transit shed is due for completion by January 1996. Other improvements include two new rail tracks serving the shed and two new storage tracks, and increases to surfaced and lighted storage areas.

Once the decision to build the shed was made, it became logical to expand berth capacity at the same time. Berths 7 and 8, each at 229 m in length, are located closest to the gantry cranes and are continuously in demand. The 244m long Berth 9 will be adjacent to the new shed and will give ocean carriers additional berthing space at Fraser Surrey Docks. The new structure is expected to cost \$14 million and create over 150 person - years of work. The target completion date is December 1996.

The Environmental Review Committee of the Fraser River Estuary Management Program (FREMP) has confirmed the environmental criteria established for the berth expansion. Plans for bank stabilization, maintenance dredging and berth con-

struction have been reviewed by all applicable environmental agencies and the City of Surrey.

The Fraser River Harbour Commission administers the harbour known as Fraser Port. The jurisdiction borders on nine municipalities with over 227 km of shoreline from the mouth of the Fraser River to Kanaka Creek and along Pitt River to Pitt Lake.

Total international and domestic cargo through the Port was over 22 million tonnes in 1994. Fraser Surrey Docks Ltd operates Fraser Surrey Docks terminal for the Commission under a long term contract.

### Hapag-Lloyd: Halifax as Base for New England

On December 1, 1995, Hapag-Lloyd will re-establish Halifax as their "load centre" for New England cargo. One year ago Hapag-Lloyd discontinued its *Yankee Clipper* feeder service in Halifax after 15 years of service in favour of using a barge operation via New York.

Hapag-Lloyd will use SPM Container Line to feed cargo to New England on a weekly basis. This will coincide with a realignment of SPM's service to include a weekly call in Portland, Maine. The vessel will load in Halifax every Wednesday, discharge and load in Boston on Fridays, and discharge in Halifax on Sundays.

According to David Bellefontaine, President and CEO, Halifax Port Corporation, "much credit must be given to SPM Container Line which inaugurated a common user Boston service last year, have since upgraded frequency, and have demonstrated their ability to establish a reliable, efficient service. This has been a key in re-establishing Halifax as a base for

New England traffic."

Another important element is the Halifax Port Corporation incentive for feeder business, amounting to a saving of about \$30.00 per container. This incentive has been put in place with the objective of building the Port as a load centre.

The incentive also applies to the Port's U.S. midwest traffic, which is also expanding rapidly. U.S. midwest business has increased by 300% so far this year over last.

Finally, Mr. Bellefontaine noted that "this recent decision by our important customer, Hapag-Lloyd, will have a significant economic impact and will benefit the Port's labour force. Most importantly, it reconfirms the Port's ability to compete with New York as a load centre."

### Longshoremen, MEA Ink 5-year Pact at Montreal

The Montreal Port Corporation is delighted that the Maritime Employers Association (MEA) and the Canadian Union of Public Employees, Local 375, representing Montreal longshoremen, have signed a new collective agreement.

The five-year contract, signed June 22, 1995, is retroactive to January 1, 1993, and expires December 31, 1997.

"The new provisions in the collective agreement will allow us to maintain the Port of Montreal's competitiveness and ensure better service to its clientele," said Mr. Bryan Mackasey, president of the MEA.

"This announcement is wonderful news for shippers, labour and employers," said Mr. Dominic J. Taddeo, president and chief executive officer of the Montreal Port Corporation.

"We are confident that this is the beginning of another long period of labour

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peace at the Port of Montreal.

"We congratulate the two parties for reaching this agreement and we take off our hats to special mediator Pierre Dufresne who was appointed by Federal Labour Minister Lucienne Robillard to help the MEA and the longshoremen come to a negotiated agreement," Mr. Taddeo continued.

"With this new agreement, shippers can now again be totally confident in using the Port of Montreal, which will be able to maintain and even improve its competitive edge."

Mr. Taddeo said that all those involved in port activity are now "working closer together than ever to provide faster and more efficient door-to-door transportation services at more competitive prices."

(Portinfo)

## Over \$4 Million for Montreal Terminal

The Montreal Port Corporation is investing more than \$4 million to expand and improve Cast Terminal, one of the Port of Montreal's five container terminals.

The project will increase the facility's operating efficiency and productivity and bring the total area of the terminal to 20.6 hectares (51 acres) from 16.2 hectares (40 acres). Work starts in September and should finish by the beginning of December.

To coincide with the expansion, Cast Terminal Inc., which operates the facility, will invest \$4.5 million to add a third dockside gantry crane as well as eight other pieces of container-handling equipment. The stevedoring company also operates a mobile harbour crane to load and unload containers to and from vessels.

The expansion project comes on the heels of a strong increase in containerized general cargo traffic at the Port of Montreal. The port set a double record in 1994 by handling 7.1 million tonnes of containerized cargo—up 18.9 per cent—and 728,799 containers. The increases—1.1 million tonnes or 130,679 containers over 1993—were spectacular.

The lion's share of the 4.4-hectare (11-acre) expansion involves development of a 3.2-hectare (eight-acre) piece of land between the terminal and Notre Dame St., a major Montreal thoroughfare.

In addition, the port corporation will redeploy a non-paved section of the terminal used as a temporary parking lot.

These expanded and redeployed areas will be used for container storage and handling.

To help speed up traffic in and out of the terminal, the port corporation will add two lanes to the entrance and checking complex for trucks as well as a special lane for visitors and service and delivery vehicles.

Relocation and expansion of parking facilities to another area of the terminal, meanwhile, will add spaces for 225 more cars.

The entire project calls for the building of foundations, the installation of drainage and lighting systems, and paving.

Another project in 1996 will improve the terminal's electrical system and 50 outlets for temperature-controlled containers will be added.

In order to help improve the quality of life for people who live in the immediate area of Cast Terminal, the Montreal Port Corporation has extended eastward and westward the buffer zone that runs along the container facility and Notre Dame St. Work, which began in autumn 1994, finished in June.

The buffer zone reduces noise and makes the area more esthetically pleasing. It consists of a sound barrier made up of walls and embankments.

It also includes landscaping and a bicycle path for which the City of Montreal is responsible.

The port corporation has invested about \$600,000 to build and extend the buffer zone since the last expansion of Cast Terminal in 1989.

The current expansion of Cast Terminal became a priority following the strong increase in container traffic at the port in 1994 and the enhancement of the Joint Mediterranean Canada Container Service (JMCS), a partnership among Canada Maritime, Cast, DSR-Senator Lines and Jadroplov.

A second loop was introduced to the JMCS in July. This route employs four 1,500-TEU ships calling Montreal; Valencia, Spain; and Genoa and Livorno, Italy. In Montreal, the vessels call at Cast Terminal.

The other route uses four 700-TEU vessels calling Montreal; Naples, Italy; Fos, France; Cadiz, Spain; and Lisbon, Portugal. In Montreal, the ships call at Racine Terminal.

The Cast expansion will allow the service to maximize productivity and efficiency at both container facilities.

Cast Terminal also handles four Cast container ships that sail between Montreal and Zeebrugge, Belgium; and Felixstowe and Liverpool, United Kingdom. Melfi Lines vessels also call at the facility.

The port corporation invested \$5 million to expand and improve Cast Terminal in 1989. Among the changes then were the new entrance and checking complex for trucks, an expanded area for container storage and handling, and a new office building.

## Errol Bush Installed As AAPA Chairman

Over 600 delegates at the American Association of Port Authorities' (AAPA) 84th Annual Convention installed Errol Bush as their new chairman of the board. Mr. Bush, MBE, is director of ports for the Port Authority of the Cayman Islands. He succeeds Davis Helberg, executive director of the Seaway Port Authority of Duluth.

Mr. Bush was elected chairman in March 1995 during AAPA's Spring Conference in Washington, D.C. He is the second Caribbean port official in AAPA's 87-year history to become AAPA chairman of the board. The first Caribbean delegation chairman was Jan Oenes of Curacao Ports Authority, Netherlands Antilles, from 1970 to 1971.

(AAPA News Release)

## Refinery Units Loaded For Export to Korea

After four months of careful planning, engineering and hard work, two pieces of heavy lift project cargo were loaded for export on Friday, October 6.

Two refinery process modules, weighing 90 and 184 metric tons respectively, were loaded from barge to the vessel M/V *Nomadic Princess*. The modules, part of a sulphur recovery and emissions control process for Sang Yung Refinery, were moved to Busan, Korea.

Fred Babin, manager of transportation for the Port of Corpus Christi, was on hand to watch the transfer from barge to ship. "This proves that the Port of Corpus Christi can handle world-class shipping and that we are vitally interested in project cargo here at the port," Babin said.

"This is good business for the docks, the port and the community," he said. "It enhances employment opportunities for the area." Babin said he foresees the port handling more and more large project cargo like the refinery units. "I don't know of any other dock in the Gulf of Mexico or in Texas that has the capabilities of this dock," he said. "We'd someday like to see this dock covered with cargo."



## **GPA: Radio Frequency Network Implemented**

The Georgia Ports Authority (GPA) has completed installation of a technologically advanced Radio Frequency Data Collection (RF/DC) network with associated computer terminals. The GPA is a leader among U.S. ports in the science of electronic data interchange services and the first port in the South Atlantic range to implement RF technology to enhance container terminal operations and improve customer service.

The new integrated, multifunctional computer terminals provide terminal crews with direct RF access to the GPA main-frame computer system in order to verify and record all terminal operations in a real-time environment. RF terminals have been installed in all toplift equipment, yard trucks and supervisory vehicles and handheld units have been issued to personnel involved in container terminal operations. The real time access capabilities of the innovative system ensures more efficient operations and more timely reporting of terminal activity. In addition to efficiency gains in terminal services, GPA customers will benefit greatly through the elimination of redundant manual input efforts, the significant reduction of paperwork and the circumvention of time-consuming input backlogs.

The new remote-access radio frequency computer terminals were purchased from the Teklogix Corporation and represent the latest in leading-edge cargo handling and distribution technology. Future modifications to the system will make it possible for stevedores and steamship companies to utilize the technology and subsequent applications will involve ICTF operations, warehousing, breakbulk cargo operations, equipment maintenance and numerous other activities.

In addition to the RF/DC network, the Georgia Ports Authority is in the process of completing the development of a new container inventory system. The RF/DC network will be an integral part of the new system and will provide immediate and comprehensive access to the container inventory system from anywhere within the 838-acre containerport.

The RF/DC network computer terminal installation and the development of the new container inventory system are only two of many strategic technology initiatives the Georgia Ports Authority is taking in order to provide improved service to its clients into the next century. Other efforts include the development of advanced con-

tainer tagging and tracking technologies, automated identification of truckers servicing GPA terminals, and development of on-line access for retrieval of container status, vessel sailing schedules and general port information.

## **GPA: Tonnage Increase Impressive for 1st Quarter**

Approximately 2.5 million tons of cargo was handled through Georgia Ports Authority (GPA) facilities during the first quarter of fiscal year 1996. Total tonnage for all port facilities increased 9.3% for the fiscal year quarter ending September 30, 1995 on a comparative basis. According to Executive Director Doug J. Marchand, the fiscal year quarterly tonnage results for container, breakbulk and bulk cargoes were very encouraging and reflective of the GPA's commitment to customer service, productivity and diversity in cargo handling capabilities.

GPA Director of Operations Fitz Hiltzheimer reported that containerized cargo tonnage via Garden City and Ocean Terminals advanced 7.4% compared to the results of FY1995 first quarter operations. As a result of the increase in container traffic, the number of TEU's climbed 13.3%. The quarterly increase in containerized cargo contributed significantly to the overall growth in total tonnage moving through Savannah facilities: sustaining a trend begun more than seven years ago.

The overall tonnage increase in container, breakbulk and bulk cargoes for the quarter generated a 7.7% increase in operating revenue and a 6.6% increase in total revenue for the GPA as compared to the fiscal year quarter ending September, 1994.

First quarter results portend a favorable annual performance and indicate that GPA will exceed its FY1995 record-setting year when it handled more than 9.5 million tons of cargo during the 12 month period.

## **Groundbreaking for Colonel's Island Facility**

The Georgia Ports Authority will host a groundbreaking ceremony in Brunswick, Georgia, on November 16, 1995, to commemorate the expansion of its bulk materials storage and distribution facility on Colonel's Island. The \$8.6 million project will equip the existing facility with signifi-

cantly improved capability to store, blend, dry, screen and ship dry bulk commodities in domestic or foreign commerce.

The Colonel's Island improvements will be complete on or before July 1, 1996 to ensure the uninterrupted availability of deepwater terminal accommodations for Georgia agricultural products. Terminal accommodations for bulk agricultural exports, currently available at the Port of Savannah, will be demolished in the summer of 1996 to make way for the expansion of container facilities at that location.

During the 1995 legislative session, the Georgia General Assembly appropriated funding to modify and enhance the Brunswick Colonel's Island bulk facility to replace like facilities in Savannah and to guarantee that Georgia agricultural producers will retain competitive access to world markets. The Georgia Ports Authority is coordinating and managing construction activities and will continue to serve as operator of the facility on a public house basis once the improvements are in place. The Georgia Ports Authority is endeavoring to communicate comprehensively with the Georgia agricultural community concerning the availability of grain storage facilities and the transition of operations from Savannah to Brunswick.

## **Containerized Cargo Wharfage Conversion**

On January 1, 1996, the Port of Long Beach will convert its wharfage for containerized cargoes from commodity-based rates to box rates. With some exceptions, the new rates will assess wharfage according to the size of the container rather than its contents.

The conversion is a response to port customers' request for a simplified tariff structure. The port's Trade and Maritime Services staff has been meeting with customers since May to discuss the conversion and obtain feedback on the proposed changes. The decision to implement the new structure was made in late August and the new rates will be available after October 1.

*(Tie Lines)*

## **Largest Container Ship Docks at Long Beach**

The OOCL *California*, the world's largest container vessel...in size and TEUs, completed her maiden voyage on September 17 by docking at Long Beach Container Terminal (LBCT). The 4,960-

TEU ship is the first of six sister vessels that will be deployed in the next eight months.

All but one of the new ships will be deployed into the trans-Pacific service; the other will serve on the Far East-Europe route.

Built by Mitsubishi Heavy Industries in Nagasaki, Japan, the 905-foot long California is 131 feet wide, cruises at 25 knots and has a bank of 300 refrigerated container slots.

The ship will call at LBCT every 42 days, on a scheduled rotation of Hong Kong, Yantian, Singapore, Chiwan, Hong Kong, Oakland and back to Long Beach.

(Tie Lines)

## Oakland Dredging Ahead of Schedule

A \$100 million dredging project that took 23 years to plan and permit is more than 20 percent complete less than five months after it started.

Since the actual digging began last May, more than 1.3 million cubic yards of silty sand and clay have been removed from the floor of Oakland's harbor — one fifth of the 5.7 million total cubic yards to be dredged there.

This places the project, which originally aimed for completion in early 1997, ahead of schedule. Work is now expected to be completed in November, 1996.

The Oakland material is first being used to restore Sonoma Baylands, 322 acres of San Pablo Bay tidal marsh that is habitat for two endangered species, a bird called the clapper rail and the salt marsh harvest mouse. When all of the mud used for restoration is delivered next month, the contractor, Dutra Construction of San Rafael, CA, will begin disposing material at sea, 51 miles west of the Golden Gate. Another one million cubic yards later will be used to restore the Galbraith municipal golf course near Oakland Airport.

When the dredging is finished, minimum channel depth will be 42 feet, allowing Oakland to handle most of the world's largest container ships. It also will create a new turning basin that will reduce steaming time for ships entering port.

Employment directly resulting from the port's added capacity will be 1,700 jobs in the year 2000, according to port analysts. There will be another 700 jobs created through the ripple effect of employee re-spending. Altogether these jobs, the analysts say, will pay more than \$110 million

in wages. State, country and local taxes generated by the additional cargo will total \$10 million.

Oakland marine facilities handled more than 1.2 million containers last year, making it the nation's fourth busiest boxport. Since 1990 its containerized cargo has grown 41 percent. Among U.S. ports, only Long Beach, with 49 percent, has grown at a faster rate in the past five years.

## Charleston Report Card For 1995 Its Best Ever

SPA Executive Director W. Don Welch offered his annual State of the Port Address to the Charleston Chapter of the Propeller Club in mid-September.

"I've been addressing this organization every year for 24 years, and I've always told you the truth as I see it, no matter what it is. I'm happy to report that this year, the truth is all good."

The truth is that the Port of Charleston's report card for fiscal year 1995, ended June 30, was its best ever. Over 8.6 million tons of general cargo were handled at the port, which includes a 17 percent increase in container tonnage for the year. Welch noted that in the last six months, the figure has gone up 21 percent.

"We attracted new business totalling more than one million tons of container cargo, in the 12 months just passed," Welch noted. "All of us had something to do with that, in one form or another."

"The increase in ship calls and cargo stretched us out flat, and we enjoyed every minute of it," he continues. Welch congratulated the operations and marketing and sales departments for jobs well done, and acknowledged that the challenge now lies in maximizing efficiencies in every step of an international transaction.

"What we're doing now is re-studying all of our terminals, and rationalizing the assignments of steamship lines, to improve upon the productivity and success of every steamship line that has committed their services to the Port of Charleston. The capital investment of steamship lines calling this port is well over \$2 billion. We sometimes take it for granted, but it really is hard money with an expectation of return and success."

Welch recognized that the steamship service profile, updated monthly in *Port News* magazine, is absolutely critical for any port. "You can have all kind of concrete and all kind of steel and all kind of machines and all kind of willing people,

but you don't really have much unless the steamship lines come. Some of the world's premier steamship lines have selected Charleston as a place to do business. And they are pleased with their results, obviously, or they wouldn't continue to be here.

"From Charleston, you can ship goods directly to well over 100 different countries. That opens up opportunities for sales and purchases overseas. And those business transactions are what keep us moving. Billions of dollars are generated in economic development, in terms of volume of trade activity (\$14 billion), jobs directly related to the port industry (over 66,000), and tax impact (up to \$300 million in tax revenue for state and local governments).

"We need to have a full appreciation that we all are a part of something very significant to the state of South Carolina," Welch said. "One of the things I am most proud of is the degree of cooperation and good will that exists among the waterfront people here in Charleston. There is no comparison."

"The quality of a port is measured by the strength of its services. And when you look in this room tonight, there can be no question about the strength of the services that support the Port of Charleston. The collective maritime community is one of the strongest of any port in the United States, and in fact throughout the world. It's been my experience that people may not know where South Carolina is, but they certainly know where the Port of Charleston is."

Welch put the port's growth in perspective during his tenure. "The first year I was here, in 1971, we had 300,000 tons of container cargo. Today, 24 years later, we have over eight million container tons. That calculates to a 2,500 percent increase. And we intend to keep growing."

In terms of accommodating future growth, Welch explained that the port is currently focused on developing "Terminal X" on Daniel Island. "It's no mystery anymore. We are fully committed to Daniel Island. We have just about completed the channel studies in cooperation with the Corps of Engineers. Our pilots have been running simulated voyages up and down and back and forth, to study every conceivable condition that may effect the safe handling of a ship. The final report on Terminal X is due out by the end of this year."

Welch expects to address the Propeller Club again next year — to tell the truth as he sees it, no matter what it is.

After Welch's presentation, Club

President Paul Tecklenburg recognized Treasurer Carlton Simons with a plaque commemorating his distinction as 1995 Propeller Club Man of the Year for the Southeastern region. *(Port News)*

## Africa/Europe

### General Cargo Trade Increases at Le Havre

The cargo-handling reform produces its effects in Le Havre: the cut in stevedoring rates noted by shipping lines progressively brings about a reduction in Terminal Handling Charges for containers. Thus, after the FEFC, the India-Pakistan-Bangladesh-Ceylon Conference has decided to reduce its THC's by 7.5%, that is, from FF.900 to 809 per 20' or 40' container. This move is far from being over.

The trade in general cargo increased by 100,000t in August 1995, compared to August 1994 and amounted to 1,081,000t, that is +10% compared to the same period of time which corresponded to a month of recovery after the signing of the agreement on cargo-handling in July 1994.

The total cumulated trade in general cargo by late August thus increased by 13.1% compared to 1994 reaching around 9,200,000t and that in containers rose by 13.5% amounting to 6,080,000t.

The trade in dry bulks, coal, grain, cattle food, cements clearly increased.

On the contrary, the trade in crude oil, especially as regards transshipment, is still as low.

As for the trade in refined products, it strongly decreased, especially outward, further to the drop in exports to North America, owing to alterations in this market.

### Port Dues and Charges For Use of Equipment

The Board of Directors approved the draft port dues of the Port of Le Havre Authority as from January 1st, 1996, showing a very slight increase of the rates which follows the inflation of the year 1995 less 1%.

Considering that these rates apply to units (ship volumes, crane hours) the transit costs expressed in francs per tonne of cargo handled should remain constant and

even decrease.

It approved the project of increasing the rates for the use of equipment up to the same level as port dues; this project has to be considered and worked out with port professionals with a view to their final approval by the Board of Directors. Within the scope of the alteration of the charges for equipment, formulas committing PAH on the quality of the services it provides, are under study.

### IMO Port Operation, Management Course

For the ninth year running the port operation and management course for senior executives was held in Le Havre between September 4th and October 6th, under the auspices of the International Maritime Organisation, the United Nations special agency for safety at sea and the prevention of oil pollution.

At the course was organised by the Havre Port Studies Institute (I.P.E.R.), with the active participation of the Port of Le Havre Authority and the Havre Chamber of Commerce and Industry. A number of private companies in the port community were also associated with it.

Since 1987 the course has been designed for senior managers from the developing countries holding posts of high responsibility in port-related administrations and public bodies.

This year, 24 participants were welcomed to Le Havre. 14 opted for the French-speaking group: Albania, Algeria, Cap Verde, Ivory Coast, Jibouti, Gabon, Guinea, Haiti, Madagascar, Morocco, Senegal, Togo, Tunisia and Uruguay. The remaining 10 joined the English-speaking group and came from Brazil, China, Cuba, Kenya, Latvia, Lithuania, Roumania, Russia, Sierra Leone and Tanzania. Since the courses were started 18 years ago, 157 members of port communities in 60 different countries have already taken advantage of the very specific training provided.

*(Port of Le Havre Flashes)*

### Hamburg Sees Trade With Malaysia Rising

As Prof. Dr. Rittershaus, Hamburg's Deputy Mayor and Economics Minister, travels to the Malaysian Federation with a business and trade delegation, the growing significance of this newly-industrializing

country for the Port of Hamburg is emphasized by Port of Hamburg Marketing and Public Relations (HHVW). Hamburg's port economy is convinced that Malaysia will continue to strengthen its position in South-East Asia, the world's fastest-growing economic region.

German foreign trade accounts for the lion's share of seaborne traffic with Malaysia (direct and in transit). In 1994 it totalled 657,500 t. Incoming cargoes through the Port of Hamburg made up 414,000 t while outgoing traffic totalled 243,000 t. There was also transit traffic totalling 154,000 t – cargoes passing through the Port of Hamburg on their way to and from Malaysia and Scandinavia, Central and Eastern Europe. Malaysian exports to Germany rose by an above-average 29% in 1994.

As Malaysia expects its economy to grow at an average of 7% p.a. for the next quarter of a century, Hamburg's port economy is confident that seaborne traffic with the Malaysian Federation will continue to grow. Deutschland and UK are Malaysia's most important trading partners in the EU. In structural terms, German-Malaysian trade is becoming increasingly similar to the customary exchange of goods between industrialized nations so that proportion accounted for by finished goods, and with it the containerization rate, are increasing all the time.

### Hamburg, Singapore: Two Powerful Partners

With a container turnover of some 313,000 TEUs in 1994 Singapore was second only to Hong Kong in the list of the Port of Hamburg's trading partner. Of the goods handled in the Port of Hamburg incoming traffic accounted for some 176,000 TEUs (up from 148,000 TEUs in 1993) and outgoing for 137,000 TEUs (139,000 TEUs in 1991).

Singapore and Hamburg have much in common. Both are city-states and important centres of manufacturing industry. What's more, they have two of the most dynamic ports in their respective regions. Singapore is second in the world's container-port league, Hamburg seventh. Local traffic and transit cargoes play an important role for two ports. In their respective regions both cities are distribution centres (for feeder traffic) – Singapore for the whole of South-East Asia, Hamburg for Scandinavia, Central and Eastern Europe. Moreover, Germany plays a leading role

among Singapore's EU trading partners. In the North Range (seaports on Northern Europe's continental coastline from Antwerp to Hamburg) some 40% of container turnover is accounted for by the Port of Hamburg.

By opening up a representative's office in Singapore back in 1993, Port of Hamburg Marketing and Public Relations (HHVW) intensified its marketing and advertising activities in South-East Asia. The direct customer-care service offered is not just confined to the city-state itself but also covers Thailand, Malaysia, Vietnam and Indonesia.

South-East Asia is the area with the great growth potential for the Port of Hamburg. Already some 42% of total container turnover in the Port of Hamburg is accounted for by East Asian routes (some 1.14 million TEUs). Around 320,000 TEUs were handled on South-East Asian routes. On liner services from Hamburg to Far East destinations Singapore has by far the highest frequency of sailings—and they are nearly all direct connections with no transshipment. In the first nine months of this year Hamburg's container turnover on routes to and from South-East Asia rose by 9.1% to 167,000 TEUs.

## **More Goods Through Amsterdam in 1995**

Over the past six months the Amsterdam port region handled more goods than in the same period of 1994. According to figures published by the Port, over 24.7 million tons of goods were transshipped, an increase of 1.4 percent.

The largest portion of transshipments consisted of dry bulk; over 16.8 million tons. Compared with the first half of last year, this means a gain of 5.7 percent. The share of liquid bulk goods decreased slightly with regard to last year; by 2.5 percent to a total of 4.6 million tons. General cargo was also down, dropping by 12.2 percent to 3.3 million tons.

The Port of Amsterdam expects growth in transshipment to continue over the next six months, allowing the Amsterdam port region to close the year with total figures approaching fifty million tons. More important for employment opportunities and the economy is the growing interest in new company start-ups in the area. So far this year, three companies have decided to locate in the Port of Amsterdam: LB Cement Import, BFI waste processors and

very recently a briquette factory. Valfracht RoRo Line, a Maltese shipping company, selected Amsterdam as a regular fixed port of call.

## **Six Ports Interchange Dangerous Goods Data**

Six northwestern European ports Antwerp, Bremen/Bremerhaven, Felixstowe, Hamburg, Le Havre and Rotterdam have harmonised part of their electronic data interchange. To begin with, as announced in a meeting at the WTC in Rotterdam, this involves the electronic notification of dangerous goods entering or leaving the ports. The notifying parties, the vessel operators and their agents and the forwarders, can thus notify their dangerous goods electronically and in a uniform manner to the six port authorities concerned. Electronic notification encourages administrative closure and improves the quality of the reports, thus fostering safety.

The harmonisation was carried out as part of PROTECT, a collaboration among the port authorities and the port community system operators in the six ports. The PROTECT Message Management Group has presented a harmonized user guide for the implementation of the electronic notification.

The six Port Community Systems are working together in EurotransPortnet EEIG. They are providing interconnectivity between the port communities to transfer the information on the content of vessels among the notifying agents.

With this cooperation the ports are also anticipating the European Union's Directive 93/75, known as the 'HAZMAT-Directive'. This regulation requires each EU member state to appoint a national competent authority that is informed by the vessels operators about all movements of ships calling its country's ports. According to this directive the vessel operator is obliged to notify the dangerous goods on board of the vessel at arrival and departure. As the PROTECT implementation Guide as presented by the six ports meets the requirement of the EU as well as the requirements of the local port authorities, it avoids a double notification requirement for the vessel operator.

## **Transshipment Brisk At Port of Rotterdam**

The supply and shipment of goods in the Port of Rotterdam is now, following the

first nine months of 1995, still somewhat (+0.4%) above its high level of 1994. From January through September a total of 219.6 million tons of goods was transferred. The transshipment of containers in particular is continuing to show big increases (+6.5%) throughout the year.

During the first nine months in Rotterdam, 3.5 million TEUs were dispatched; this is 220,000 more than during the same period last year. The supply of container cargo in particular continues to develop satisfactorily.

## **Algeciras Committed To Efficient Operations**

*The Port Authority of Algeciras Bay is pleased to present to the international port and maritime communities the first issue of its Newsletter, which will appear every four months.*

The Port of Algeciras Bay has become in recent years one of preferential points of reference within the international port network.

Having moved over 1 million TEU and close to 35 million tonnes in 1994, the Port of Algeciras Bay occupies first place in container traffic on the Mediterranean. It is also Spain's leading port in total traffic volume.

Aside from these distinguishing features, the Port of Algeciras Bay is deeply committed to the progressive expansion and upgrading of its facilities and services. This commitment has given rise to recent significant achievements and ambitious projects for the future. The goal in all cases is more efficient operations in the benefit of its numerous and important customers.

It is the intention of the Port to keep its present and future friends and business partners informed of its newest developments as they occur, through this Newsletter, now appearing for the first time.

As was recently stated by José Arana, President of the Port Authority of Algeciras Bay, "Our goal is to place ourselves among the twenty leading ports of the world". In view of the results and the projects described here, this goal is ambitious but achievable. The new Maersk "Terminal 2000" stands as proof.

Though inaugurated only months ago, its volume will have exceeded 400,000 TEU by year-end. Further proof can be found in the newly operational Sea-Land lines and the expanding volumes of other

types of traffic and activities.

But the goal is not just a matter of quantity. Equally important to the Port is quality, in management and in the services offered to customers and users. Doing honour to its reputation for swift service and as a pacemaker in advanced telecommunications and automated operations, Algeciras has made itself two immediate new challenges of great scope: its Northern Access, for which the works have recently been commissioned, and the "Master Bay" project.

The Port of Algeciras Bay hopes that the information provided through this Newsletter on all of these developments will help you to become better acquainted with the Port and feel closer to it.

*(Puerto Bahia de Algeciras Newsletter)*

### **Sea.Net, ANAVE Sign Joint Cooperation Deal**

"There is no doubt that Internet represents a revolution in the distribution of information within the shipping industry. This agreement gives us a strong influence in shaping the network and its services," said the President of the Spanish Shipowners' Association (ANAVE), Carlos Barreda, at the recent signing of their agreement with Sea.Net, the communication and information network based in London and Madrid.

To ensure that Spanish shipowners adapt quickly to the new trading conditions resulting from Sea.Net's worldwide databases, ANAVE is strongly encouraging its members to join the network. In the process it aims to halve its own communications costs by using Sea.Net.

Carl Lee, the London shipbroker who set up the Sea.Net operation, was equally pleased at the warm response from the Spanish industry, particularly the owners. "Sea.Net was conceived from the start as an international enterprise and ANAVE's full commitment to the concept has convinced us that the idea is a good one. Aside from Spain's long seafaring tradition in its own right, its strong ties with Latin America make it a key partner in the development of the network."

ANAVE will take an active part in the steering committees to establish the guidelines for Sea.Net operations on key trading issues affected by the information super-highways. It will join the Baltic Exchange, BIFA and the Chamber of Shipping as one of the four founder associations of Sea.Net.

### **Felixstowe Stays on Track for Record Year**

The Port of Felixstowe has broken two more records – handling 29,839 containers in one week and transporting 3,785 of them overland by rail.

Total throughput in the week ending October 22 was the best ever for the Port, by far the busiest container hub in the British Isles and ranking fourth in Europe, 15th in the world.

The two Freightliner rail terminals received or dispatched almost 17% of available container traffic carried to and from Felixstowe by sea – that is, excluding the 25% transhipped within the Port.

Freight trains link Felixstowe day and night with Coatbridge (Glasgow), Manchester (Trafford Park), Dagenham, Liverpool, Leeds, Cleveland, Birmingham, Cardiff and Seaford (for Ireland).

Derek Harrington, Managing Director, said: "Felixstowe expands in keeping with its customers' demands and these two trends are encouraging, not least from an environmental point of view."

Allied with overall increases in cargo business through Felixstowe higher proportions of containers are being transported across country by rail, or transhipped without leaving the Port's terminals. Transshipment traffic in previous years has accounted for 15% (1993) and 20% (1994) of Felixstowe's container throughput, with railborne traffic amounting to almost 15%.

### **"K" Line/Yang Ming Picks Felixstowe as Base-port**

The port of Felixstowe is delighted to confirm that the new consortium of "K" LINE and YANG MING, both members of the Far East Freight Conference, has nominated Felixstowe as its United Kingdom base-port.

Felixstowe's capacity capability—giving an operating flexibility superior to that of any other UK port—complemented by excellent land and sea access, has satisfied the Lines as to the Port's unique ability to meet the challenges of ever larger container vessels operating under rigorous schedule demands, and the new partnership service will commence as from 1 January 1996.

With close to 50% of the UK's deep sea containerised trade moving over Felixstowe, the Port's pre-eminent position will shortly be further enhanced by the opening of TRINITY III, a £45 million expansion project, bringing an additional

25% of hi-tech deep sea capacity on stream.

### **Dublin : New Record Set in Cargo Handling**

Dramatic changes for the better continue to be seen and felt in Dublin Port since the re-organisation which took place in 1992. One of the most obvious changes is the amount of cargo handled in Dublin Port which has continued to increase each year:-

- 1992 - 6.6 million tonnes
- 1993 - 8.5 million tonnes - a record\*
- 1994 - 9.5 million tonnes - a record\*
- 1995 (6 months to June) 5.5 million tonnes - a record\*

\* When we claim a record, we do not mean just for Dublin. These figures were the highest recorded for any commercial port in the Republic of Ireland. In 1993 the 8 million tonnes barrier was broken for the first time; in 1994 the 9 million tonnes barrier was breached; and now in 1995 to the 30th June we have the highest six months figure ever recorded, beating by a whopping 25% the previous highest figure for six months. Indeed the throughput for the twelve months ending 30th June showed a total tonnage of 10.6 million tonnes.

Since 1993, therefore, Dublin Port has created new records at over 8 million, 9 million and 10 million tonnes. The throughput for the calendar year 1995 is forecast to break the 11 million tonnes barrier.

In the first six months of 1995 it was the unitised modes which were the main growth areas. While accounting for 64% of all port traffic, they contributed 85% to the total growth in trade during the period. This trend is expected to continue with the additional and improved facilities at Dublin Port providing the necessary infrastructure to cater for the growing needs of our economy.

*(Port Times)*

## **Asia/Oceania**

### **Port of Brisbane Works Closely With Its Clients**

The Port of Brisbane Corporation recently had the opportunity to revisit its strategic plan with a group of 50 clients and others representing the port's key

stakeholders. Our focus was on the future development of the Port of Brisbane, and the group looked at the issues which were likely to have the most impact on the future operations of the port over the next five to eight years.

Out of the discussions, the group nominated six significant issues for the port, and of these, the top three were:

- improved road access to the port
- the fall in port productivity (Brisbane's productivity is now down to Sydney's level)
- the need to build longer lead times into planning cycles to accommodate environmental assessments.

At the stakeholder seminar, we were fortunate to have the participation not only of port users and suppliers, but also of community and other interest groups. This was important to give them the opportunity to contribute to the decision-making processes the Corporation engages in.

It also served to emphasise the port's position, not only as a facility for maximising trade for those shippers and shipping lines who use it, but as a key contributor to Queensland's economic and social prosperity. *(Brisbane Portrait)*

## **Slotting System Saves Time, Money: Brisbane**

**By Justine Day**

Truck turnaround times through the port have been reduced by up to 50% since the introduction of a new Truck Time Slotting System at the Conaust terminal at Fisherman Islands. Under the Conaust initiative, designed to combat problems caused by the random arrival of trucks, transport companies must pre-book allocated time slots for delivery and collection of containers.

"We used to have been 70 and 80 trucks lined up at 7.30 am and it was impossible to turn them all around at once," said Mr Mal Czisowski, Conaust's Control Superintendent. "It was causing delays for the transport companies and we had the ridiculous situation of machinery sitting idle after the rush. Now the work load is spread more evenly across the day at the rate of around 45 boxes per hour."

The result is that trucks averaging two containers are now being turned around in under half an hour compared to the hour or more taken before. However, Conaust concedes that the system has not been without teething troubles.

"We trialled the system over a four week period from August to September,

and everything that could possibly go wrong, went wrong!" said Mr Czisowski. "We had civil works on both berths plus we were going through an exceptionally busy period, averaging around 3,000 containers per week. We also had labour shortages beyond our control, but in three out of the four weeks, there were still remarkable improvements."

Another hurdle has been initial resistance amongst some sectors of the transport industry. Mr Rowan Bullock, Manager Terminal Services, acknowledged some adjustments to operations have had to be made to work within the new parameters. "We are spending time with individual transport companies to help them work through any problems and we will continue to monitor and refine the system. For example, in the long run, the need for companies to phone in to book slots will be replaced by a PC modum link to our computer system."

One of the biggest challenges facing the system lies in "no shows". These occur when a booked slot is not used, because complications at packing facilities, traffic or other factors have delayed a truck's arrival. "If a company misses a slot, there is provision to cancel it or to come back after 1800 hours and process out of sequence," Mr Bullock said. While Conaust agrees that some delays are beyond the control of transport operators, they insist the "no shows" highlight the need for improvements to happen off-wharf. "We are striving to get closer to the industry to assist this process," he said. "In Melbourne, transport companies have to pay a penalty if they do not show but we would prefer to find a Brisbane solution to a Brisbane problem."

Operations Manager of Hemmant-based transport company, Container Swinglift Services Pty Ltd, Mr Bill Turner, is realistic about the need for all parties to work together to get results. "After the initial settling down process, we have been able to use the system to our advantage," he stated. "The problems that existed in the first three weeks of operation have to a degree been overcome and with realistic planning, moves into and out of Conaust wharf are now running better than they have for quite some time."

Focusing on the gains to be had from the system, Mr Turner said, "In today's economic climate, where costs are critical, detention charges levied on clients for delays at the wharf have almost been deleted. The new system has reduced those delays and therefore the need to charge detention. Our average turnaround time at

the wharf has gone from 75 minutes to around 30 minutes at present. So in that respect, the system has greatly assisted us, enabling us to accomplish additional moves in and out of the wharf in a day."

## **Newcastle Sets New Monthly Trade Record**

The Port of Newcastle set a new record monthly trade throughput in the month of August reaching 5,594,161 tonnes.

The new record eclipsed the previous record of 5,297,182 tonnes set in November, 1994.

A new record monthly tonnage of coal was exported, with the 5,032,483 tonnes shipped in August exceeding the previous record (4,603,805 tonnes) set in November 1994 by more than 400,000 tonnes.

Acting Chief Executive of the Newcastle Port Corporation, Captain Neil Morrison said that the new record is very encouraging. "The continued growth in trade through the Port of Newcastle holds much promise for the future well being of the Region," he said. "The Newcastle Port Corporation's activities to increase and diversify trade through the Port, along with the continued development of coal loading facilities at Port Waratah Coal Services Kooragang Terminal, will see this figure undoubtedly topped again in the near future," Neil Morrison said.

## **New Port Development At Ennore, India**

India's second port, Madras, in the Southeastern State of Tamil Nadu, is being expanded by constructing a satellite port, the New Port of Ennore. Ennore is located 20 km north of Madras, along the Coromandel Coast, on the Bay of Bengal. The project, executed by Madras Port Trust, is funded by the Port Trust and partly financed by an Asian Development Bank loan. HASKONING Royal Dutch Consulting Engineers and Architects in association with RITES of India have been appointed as Consultants for design and supervision by the Port Trust.

At present, design work is being carried out for a first phase development of the port. This phase consists of the construction of two breakwaters (total length 3.8 km), 2 wharves (total length 550 m), dredging of an entrance channel and basin (depth 15.5 m), and furthermore coastal protection works, onshore infrastructure



works and utilities and procurement of tug boats and navigational aids. Total value of the first phase is approximately US\$250 million; completion is planned for end 1999.

The design vessel for the initial port development is 65,000 DWT. The port

design allows for expansion to Suezmax size vessels. The two wharves will be used for receiving bulk carriers with coal from the Talcher coal fields in Orissa, via the port of Paradip. An annual throughput of 16 million tonnes of coal is expected. The present throughput of Madras Port is

28 million tonnes per annum.

Further development of the port may include facilities for LPG, various liquid and dry bulk commodities and containers. Ample space has been allowed in the designed layout of the New Port for provision of these facilities.

## New Container Handling System For the Dream Ship 'TSL'

Cruising at a speed of 50 knots (93 kmh) and carrying a payload of 1,000 tons (the design criteria being to carry 20-footer containers) for a distance of 500 nautical miles (930 km) are the major target areas of a concept of the "Techno Super Liner" which has been promoted by the Japanese government and the domestic shipbuilding industry since 1989, as firstly reported in the December 1988 issue of this journal. So far, a 1/2 hovercraft type model ship known as *Hisho* and 1/6 hydrofoil type model ship known as *Hayate* have been constructed and tested extensively.

The aim is to accomplish cargo handling for one hundred 20-footer containers for loading and unloading respectively within a time frame of one hour and to complete

the cargo process within two hours.

Recently, on 26 August, 1995, a test on the handling system utilizing a conventional gantry crane was conducted at Hachinohe Port, under the auspices of the local institution known as the Japan Cargo Handling Mechanization Association, a Japanese faction of the ICHCA.

The new cargo handling system compatible with the TSL ship is, in short, to handle four 20-footer boxes at a time, by using a specially designed spreader, after making a block of two boxes vertically connected by utilizing a new block-making (unblocking) apparatus.

According to an expert who witnessed the testing, the first trial was successful. The expert commented that the new sys-



*Two blocks of two vertically connected boxes under the newly designed spreader being hoisted*



*A block of two, vertically connected, being hoisted out of the block-making apparatus for loading (unloading is the reverse process of loading)*



*Four boxes being placed on the pad on board the model ship "Hisho"*

tem proved to be a viable method though continued testing and improvement work would be essential.

(Pictures contributed by ICHCA Japan)

## Port of Colombo Growing Rapidly

With the establishment of the Sri Lanka Ports Authority in 1979 by the amalgamation of the three different State Organisations which were responsible for administering, developing and operating the Ports of Sri Lanka, the foundation had been laid for the development of the Port of Colombo as a major Container Port in South Asia. In this process financial assistance was obtained from the Government of Japan and a Master Plan was drawn up for the development of container handling facilities in the Port of Colombo, with special emphasis on utilising its favourable geographical location to function as a transshipment hub-port in the Indian Ocean.

In terms of the Master Plan for the Port of Colombo, the construction of the Jaya Container Terminal was commenced in 1982, and Berth No. 1 (quay length of 300m and depth of 12m) was commissioned in 1985. Berth No. 2 (quay length of 332m and depth of 13m) was commissioned in 1987. Berth No. 3 (quay length of 330m and depth of 13.5m) was commissioned in February 1995. Berth No. 4 (quay length of 330m and depth of 14m) is scheduled to be commissioned before the end of 1995. This latest facility will also have a Feeder Berth (180m in length and 9m in depth).

The Jaya Container Terminal is equipped at present with thirteen Gantry Cranes, including five Post-Panamax type Gantry Cranes, together with 30 Transfer Cranes and 14 Top-Lifters. The total container-stacking capacity at this terminal is 35,500 TEU, and the annual handling capacity would exceed 1,200,000 TEU. Five Container Freight Stations have also been provided at this Terminal.

The QEQ Container Terminal (Quay length of 480m and depth of 10.8m) which was the first Container Terminal to come into operation in the Port of Colombo, i.e. in 1980, is equipped with three Gantry Cranes and 15 Top Lifters. It is now being provided with extra Yard space by having a large warehouse demolished. Container-stacking capacity at this terminal would exceed 10,000 TEU. Two Freight Stations are also provided at this Terminal.

With the attractive handling rates and the generous volume-rebates granted in respect of Transshipment Containers, the volumes handled in Colombo have steadily increased over the past few years, and in 1994 Colombo had handled 972,642 TEU, bringing it up to the position of the 27th Container Port in the World. During the past 12 months, berthing delays, queues and congestion in the Port of Colombo have been eliminated, and streamlined procedures have been introduced so as to ensure a faster turnaround for all vessels.

## PSA Offers Technical Aid to Tanjung Priok

The Port of Singapore Authority (PSA) signed a Technical-Cooperation Agreement for technical assistance with PT Pelabuhan Indonesia II (Pelabuhan II) to boost productivity of Tanjung Priok Container Terminal.

The agreement was signed on 20 Oct 95 in Jakarta between Mr Ng Chee Keong, PSA's Director (Operations), and Mr A. Harbani, Managing Director of Pelabuhan II. Mr Goon Kok Loon, PSA's Deputy Chief Executive Officer (International), and Admiral Soentoro, Indonesia's Director-general of Sea Communications, witnessed the signing.

The technical cooperation includes exchange of information and consultation on port operations, capacity expansion, equipment maintenance and computer-systems application.

Admiral Soentoro said, "The technical assistance stemmed from a preceding discussion of HE Minister for Communications, Republic of Singapore, Mr Mah Bow Tan, and HE Minister of Communications, Dr Haryanto Dhanutirto, focusing on ways to resolve problems associated with container operating systems and equipment maintenance at Tanjung Priok Container Terminal."

Mr Harbani said, "This agreement is a testimony of the spirit of cooperation and friendship between Indonesia and Singapore."

Mr Goon said, "PSA is sincere and keen to collaborate with Tanjung Priok Container Terminal. We will be working with our counterparts in Tanjung Priok to gather data, exchange and sound out ideas to come up with the best recommendations to enhance productivity."

Mr Goon added, "PSA has gone through the same experience that Tanjung Priok is facing. We went through a surge in

growth and a need to expand capacities, so a sharing of experiences will be mutually beneficial."

Tanjung Priok, near Jakarta, handles 70 per cent of the total cargo traffic in Indonesia.

## S'pore Maritime Week 25-30 March 1996

Singapore, Asia's largest maritime exhibition and conference, and SIBCON (Singapore International Bunkering Conference), the world's premier event for the shipping and bunkering industries, will for the first time be held as part of the inaugural Singapore Maritime Week, 25-30 March 96. These premier events are organised by the Port of Singapore Authority (PSA) and managed by Times Conferences and Exhibitions. SingaPort (a biennial event) and SIBCON (an annual event), were inaugurated in 1989 and 1988 respectively. They have over the years expanded to serve as umbrellas to incorporate other satellite events, such as the Container Efficiency Conference and China Intermodalism '96.

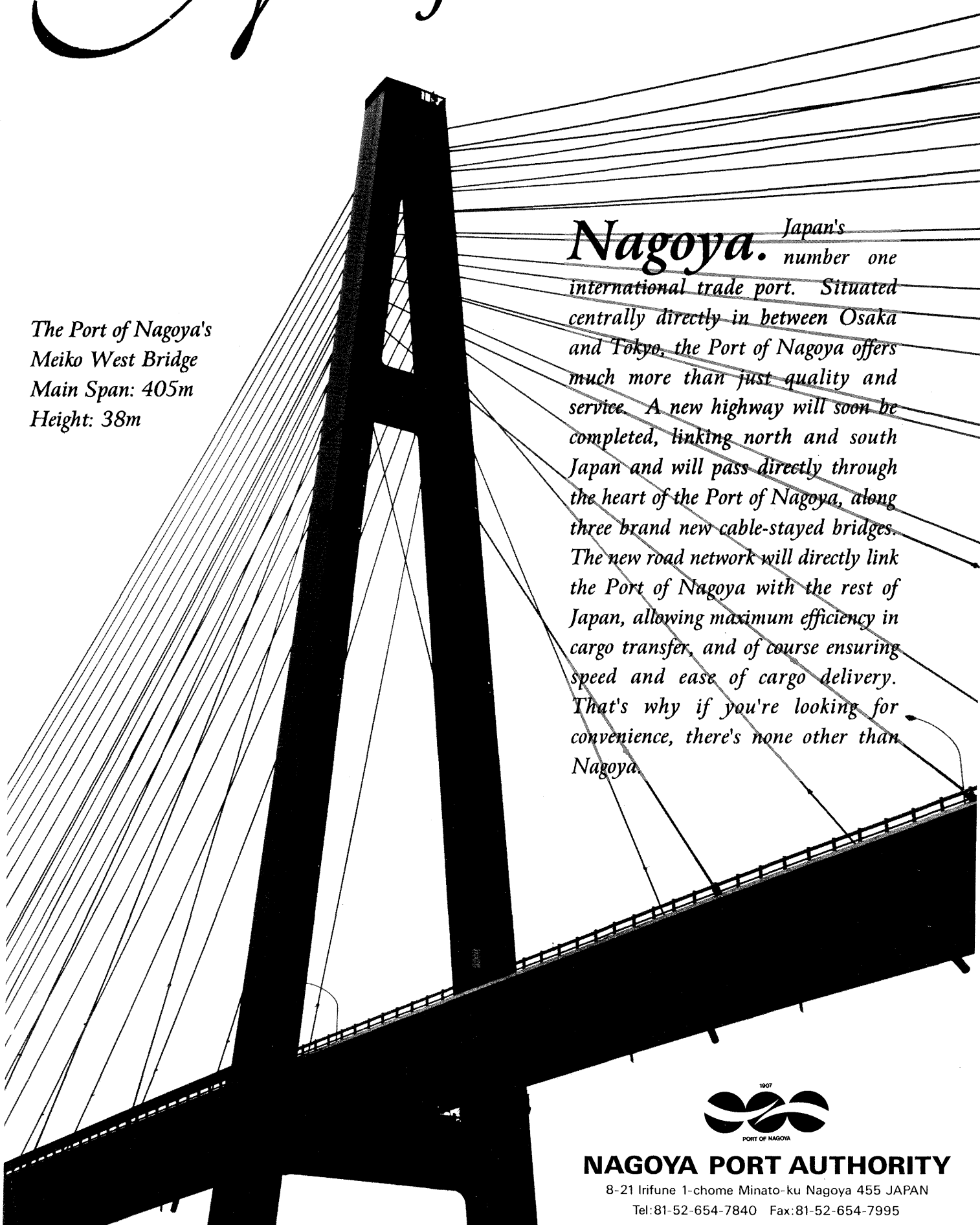
In addition, the 10th Asian Freight Industry Awards Ceremony will be held in Singapore, during the Singapore Maritime Week.

The Singapore Maritime Week also promises to be a fun-filled week for the public. The PSA will be organising various social programmes to educate the public on the Port of Singapore. Some of the activities planned include tours around the port and the opening of the SingaPort exhibition to the public on 29 March 96.

The Singapore Maritime Week will therefore feature a week of Conferences, technical seminars and an exhibition to cater to the varied interests of the trade audience. At the same time, interesting social programmes will also be organised for the public.

The Objectives of the Singapore Maritime Week:

- initiate the Singapore Maritime Week as a leading week in the international and regional calendar of maritime events;
- satisfy the diverse interests of the international maritime community by holding concurrently four different Conferences, technical seminars and an exhibition;
- strengthen links between the maritime industry and the community via the organisation of various social programmes for the public.



# *N* is for Convenience.

*The Port of Nagoya's  
Meiko West Bridge  
Main Span: 405m  
Height: 38m*

***Nagoya.*** *Japan's number one international trade port. Situated centrally directly in between Osaka and Tokyo, the Port of Nagoya offers much more than just quality and service. A new highway will soon be completed, linking north and south Japan and will pass directly through the heart of the Port of Nagoya, along three brand new cable-stayed bridges. The new road network will directly link the Port of Nagoya with the rest of Japan, allowing maximum efficiency in cargo transfer, and of course ensuring speed and ease of cargo delivery. That's why if you're looking for convenience, there's none other than Nagoya.*



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## **IAPH SUPPORTS ALL EFFORTS TO PREVENT DRUG TRAFFICKING**

Drug trafficking through seaports is a global problem requiring vigilance and the co-operation of the World's Port Communities.

World Ports must accept their responsibility to the World Community by working together to enhance security measures and improve communication of information to fight the movement of illegal drugs.

The International Association of Ports and Harbors (IAPH) fully supports the efforts and initiatives of the **World Customs Organisations (WCO)** in their fight against the trafficking of illegal drugs.



### **IAPH will meet in London from 31 May to 6 June, 1997 At its 20th World Ports Conference**

**Conference Host:** THE PORT OF LONDON AUTHORITY

**Conference Theme:** MARITIME HERITAGE — MARITIME FUTURE

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