

# Ports & Harbors

The Publisher The International Association of Ports and Harbors

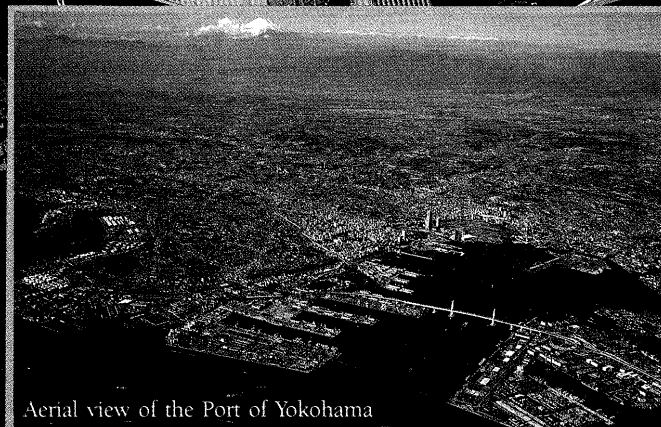
June  
1995  
Vol.40 No. 5



## Port of Yokohama

Yokohama's most active and advanced  
container terminal, Honmoku Pier

Pukari Sanbashi—a European-style  
waterfront gate to Minato Mirai 21



Aerial view of the Port of Yokohama



The main passenger terminal in Lisbon (Rocha do Conde de Óbidos)

# IMPROVEMENT IN THE COMPETITIVITY AND EFFICIENCY OF THE PORT OF LISBON



Third passenger terminal will be here, just in the City Center

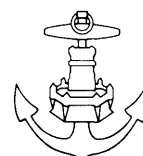
A more rational use of the existing equipment and certain building, to say nothing of improving the road and rail approaches to the Port of Lisbon (which are expected to cost some Esc.: 15 000 000 000\$00) will make the port more attractive commercially, thus paving the way for additional recourse to its services and, consequently, the offer of more competitive charges for international sea-going traffic.

A new passenger terminal is due to operate throughout 1995 at Santa Apolónia facilities, while the existing Santa Apolónia Container Terminal (TCSA) is to 18 ha (app.) with a 1,300 m long wharf and draught of 8,5 m (app.)

We are adapting an existing warehouse at Jardim do Tabaco to become the third passenger terminal in Lisbon, besides Rocha and Alcântara.

Rocha is the existing main terminal, Alcântara has mixed functions and is used solely when Rocha is fully occupied and there are extra vessels in the port or if some vessels have a deeper draught.

Jardim do Tabaco will provide a new terminal, 10 minutes away from the airport and in the city center, in the vicinity of the most typical quarter in town - Alfama - which was a former Moorish area, near Lisbon's castle.



**AUTHORITY OF THE PORT OF LISBON**

Rua da Junqueira, 94 - 1349 Lisboa Codex  
Tel.: 361 10 24 - Fax: 361 10 19

## IAPH Officers

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Port Director, Port of Miami  
U.S.A.

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Robert Cooper  
Chief Executive  
Ports of Auckland Ltd.  
New Zealand

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Ports (UPACCIM)

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Canada

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Executive Director  
Port of Tacoma  
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*The Port of Nagoya's  
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Main Span: 405m  
Height: 38m*

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**NAGOYA PORT AUTHORITY**

8-21 Irifune 1-chome Minato-ku Nagoya 455 JAPAN

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# IAPH ANNOUNCEMENTS AND NEWS

## Board to Appoint Nominating Comm. Members

In accordance with the requirements of the By-Laws, five committees are to be formed for each conference of our Association. Of the five conference committees, the members of the Nominating Committee (which will prepare the nominations of the offices of President, First Vice-President, Second Vice-President and Third Vice-President for the next two-year term, and will present them to the Board) are to be appointed by the Board, while those of the other four committees – the Credentials, Budget, Resolutions and Bills and Honorary Membership Committees – are to be appointed by the President from among the Association's eligible members whose registrations have been confirmed.

The Secretary General, upon consultation with the President, has prepared a list of the proposed Nominating Committee members and submitted it to the Board of Directors for their voting by correspondence, setting the voting date for May 27, 1995. Furthermore, the membership of the other committees is to be appointed by President Lunetta prior to the June Conference. The proposed membership of the Nominating Committee submitted for Board's voting was as follows:

### Proposed Membership of the Nominating Committee

(The meeting is scheduled for 1700-1730, Saturday, June 10, 1995)

#### African/European Region:

P.J. Keenan, Cork Harbour Commissioners, Ireland  
J.M. Moulod, Port of Abidjan, Cote d'Ivoire  
A. Graillot, Port of Le Havre, France

#### American Region

D.F. Bellefontaine, Port of Halifax, Canada  
C. J. Lunetta, Port of Miami, U.S.A. (as Chairman)  
C. M. Rowland, Canaveral Port Authority, U.S.A.

#### Asian Region:

John Hayes, Maritime Services Board of New South Wales (Sydney), Australia  
H. Toshima, Ministry of Transport, Japan  
Goon Kok Loon, Port of Singapore Authority, Singapore

## Thailand Retracts Candidacy for Host Of 1999 Meeting

The Secretary General has recently received a letter dated April 24, 1995 from the Director General of the Port Authority of Thailand (PAT), confirming that the PAT has decided to withdraw its candidacy for the host of the 21st IAPH Conference to be held in the Asian Region in 1999. The PAT Director General Mr. Sunananta says, "We would not be in a situation to adequately present the case for Thailand to host the 21st World Ports Conference in 1999 and have therefore decided not to proceed with our candidacy. He further comments, "We believe that, in the absence of Thailand, the three other candidate ports of Klang, Osaka and Yokohama can provide very acceptable venues for the Conference which will illustrate the dynamic growth of the Asian region."

In closing his letter, Mr. Sunananta says, "I regret having to take this decision but you may rest assured the Port Authority of Thailand's representatives will be attending the 19th IAPH Conference in Seattle. We will also be pleased to continue to support IAPH activities in the future."

Under the circumstances, the candidates for the host of the 21st IAPH Conference (as of April 26, 1995) are: Port of Osaka (Japan), Port Klang (Malaysia) and Port of Yokohama (Japan), as a result of the withdrawals of Kobe (in January 1995) and now the Port of Thailand (in April 1995).

### IAPH REGISTRATION AS OF MAY 18, 1995

TOTAL DELEGATES REGISTERED:	434
TOTAL ACZCOMPANYING GUESTS REGISTERED:	170
TOTAL NUMBER OF REGISTRANTS:	604

### CONFERENCE HOTEL

The Westin Hotel, Seattle: The Front Door To City. Seattle's grand entrance to the city's most inviting neighborhood, located in the center of shopping and popular attractions. The Westin has panoramic views and deluxe amenities including a pool, spa, fitness center & 24-hour room service. For dining, choose from the elegance of The Palm Court, NIKKO Japanese restaurant or Market Cafe. The Westin Hotel, Seattle. 1900 Fifth Avenue, Seattle, Wash. 98101. U.S.A.  
Tel:(206)728-1000 Fax:(206)728-2259



## VIET PORTEX '95

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**November 21-24, 1995**

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## IAPH Information Technology Award 1995

To the call for papers for the IAPH Information Technology Award Scheme 1995, which was established last year at the initiative of the IAPH Trade Facilitation Committee chaired by Mr. David Jeffery (Port of London Authority) to recognize the outstanding application of information technology in a port, by the closing date set at 4 pm, Japan time, April 21, 1995, a total of four papers had been received from the following organizations.

### List of Entrants to IAPH Information Technology Award 1995

#### 1. Sundsvalls Hamn AB

Box 805

S-851 23 Sundsvall

Sweden

Fax: +46 60 19 35 07

Attn: Mr. Owe Linton, President

#### 2. Empresa Nacional de Puertos S.A.

Av. Guardia Chalaca S/N

Callao, Peru

Fax: (511) 4658158

Attn: Mr. Juan R. Atkins

#### 3. Puerto de Santander

Carlos Haya, 23

39071 Santander

Spain

Fax: (42) 311312

Attn: Mr. Ignacio Merino, Logistics Manager

#### 4. Nagoya Port Authority

8-21 Irifune 1-chome

Minato-ku, Nagoya 455

Japan

Attn: Ms. Ooharu, Port Promotion

The entry papers are being reviewed and screened by the Selection Committee, which is composed of the following individuals:

**David Jeffery**, Chairman of the IAPH Trade Facilitation Committee (London)

**John Hirst**, Executive Director, The Association of Australian Ports and Marine Authorities, a member of the IAPH Trade Facilitation Committee

**Udo Mehlberg**, Director of Technology & Research, Port of Tacoma, representing the host ports for the 19th World Ports Conference of IAPH

**Rinnosuke Kondoh**, Deputy Secretary General, representing the IAPH Head Office

The results of the Selection Committee's deliberations will be announced by May 26, 1995. The presentation of the awards to the successful applicants will be made during Working Session No.6, which is scheduled for the morning of Friday, June 16, 1995 dealing with Technical Committee Activities in the "Trade Affairs" Group.

# TRADE OLD ROUTES FOR THE NEW WAY TO GO – PORT OF MIAMI.

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A strategic location as the natural hub for trade between North America, Latin America and the Caribbean.

The most service to and from Latin America and the Caribbean, with steadily growing traffic to and from Europe.

Quick distribution of shipments from the Far East and Europe throughout the Southeastern U.S., with rapid "in transit" delivery to Latin America and the Caribbean.

The first port with complete capabilities to serve

Panamax vessels once they transit the Panama Canal.

Computerized terminal operating systems to provide real time cargo status, automated gates, bookings and releases fully integrated with U.S. Customs and other federal regulatory bodies.

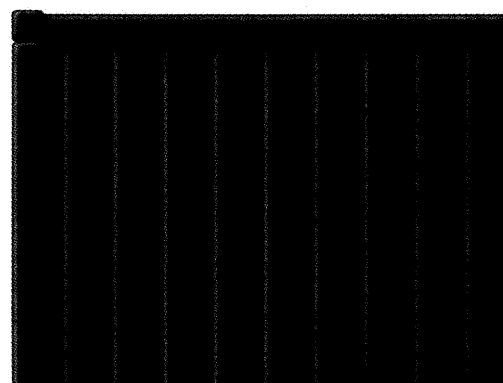
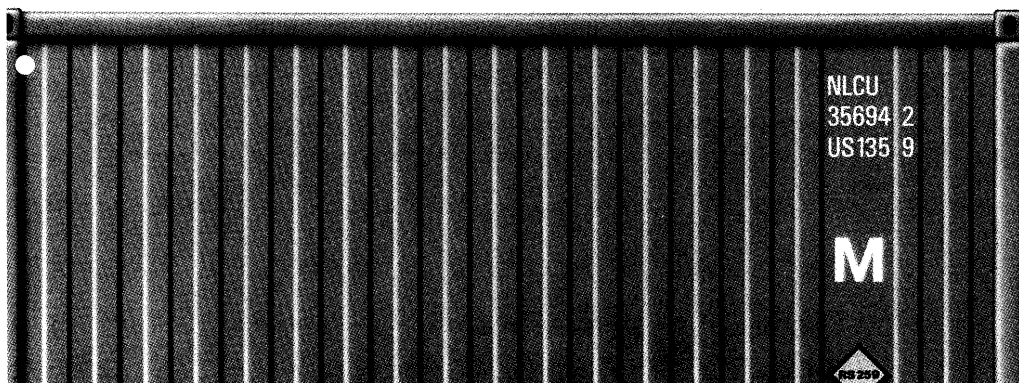
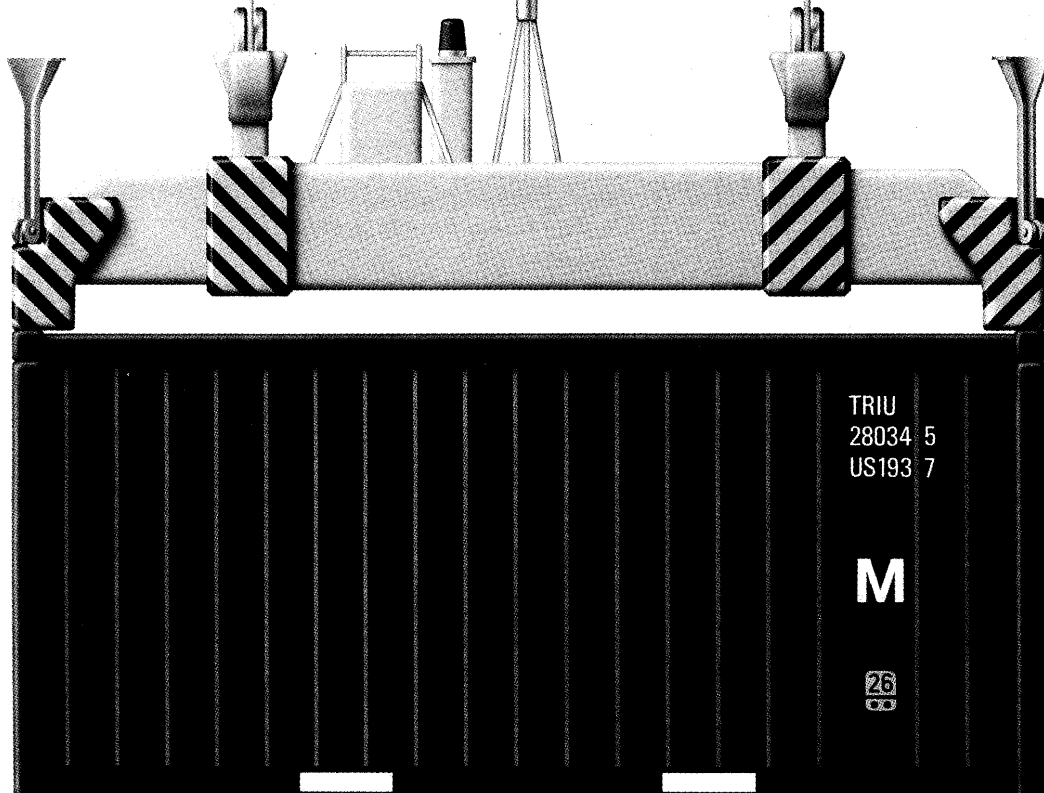
Cohesive, ongoing development that recently added 80 acres of space, 3 new RoRo berths, 1,000 feet of additional container berth, and 4 more gantry container cranes.

For information on the world's new "Way To Go", write Port of Miami, 1015 North America Way, Miami, FL 33132, or call (305) 371-7678; Fax (305) 347-4843.



PORT OF THE AMERICAS

# WayToGo



## The IPD Fund: Contribution Report

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

Contributors (in alphabetical order) Paid:	Amount (US\$)
ABP (Associated British Ports), U.K.	3,000
Abu Dhabi Seaport Authority (Mina Zayed)	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 Autonome 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
Constanta Port Administration, Romania	250
Copenhagen Authority, Port of, Denmark	1,000
Cotonou, Port Autonome de, Benin	100
Cyprus Ports Authority, Cyprus	1,000
Delfzijl/veemshaven, 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., Cabo 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, Port of, (Fukuoka City) 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
Maritime Services Board of New South Wales, 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, Port of, (Niigata Prefecture), 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	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 Islands	100
South Carolina State Ports Authority, U.S.A.	1,000
Tauranga, Port of, New Zealand	500
Toyama Prefecture, Japan	254
UPACCIM (French Ports Association), France	1,905
Vancouver, Port of, Canada	500
Yamaguchi Prefecture, Japan	32
<b>Total:</b>	<b>US\$54,159</b>

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

### Special Report on Shipping Firms' Prospects Contributed by 'Box Carriers' Magazine

In January this year, *Box Carriers* magazine which is published monthly by Tokyo News Service, Ltd., carried a special report of how leaders of the world's liner shipping firms view their administrations' prospects on the basis of interviews the publisher conducted late last year. For the benefit of IAPH's worldwide members, the publisher has made special arrangements for us to allow the reproduction of the report, which originally appeared in the January 1995 issue of *Box Carriers* magazine. It is with the deepest appreciation that we introduce this valuable report in the OPEN FORUM column of this issue.



## Mr. Kondoh Represents IAPH at WCO Regional Meeting

The World Customs Organization (WCO), which is the working name for the CCC, held a regional meeting on drug enforcement in February 1995 in Tokyo. The seminar was attended by representatives from all Asia and Pacific WCO Member Administrations, with the exception of Iran. Representing IAPH, Deputy Secretary General Kondoh of the Head Office attended the seminar. Later in this issue (in its INTERNATIONAL MARITIME INFORMATION Column) we reproduce the report of the five-day seminar prepared by the WCO's secretariat in Brussels which has been made available to this office through International Affairs & Research Division, Japan's Customs & Tariff Bureau, Ministry of Finance, Kasumigaseki, Tokyo.

## Membership Notes:

### New Members

#### Temporary Member

**Port of Sundsvall AB** (Sweden)  
Address: P.O. Box 805, S-851 23 Sundsvall  
Mailing Addressee: Mr. Owe Linton  
Managing Director  
Tel: +46 60 193525  
Fax: +46 60 193507

#### Administracion Portuaria Integral de Veracruz S.A. de C.V. (Mexico)

Address: Av. Marina Mercante No. 210  
7 Piso, Veracruz, VER. 91700  
Mailing Addressee: Mr. Herman L. Deutsch  
Marketing Director  
Tel: 52 (29) 32 1319  
Fax: 52 (29) 32 3040

#### Associate Member

##### Advisory Services on Ports and Marine Transport

[Class A-3-3] (Australia)  
Address: 46 Martin Court, West Lakes, SA 5021  
Mailing Addressee: Mr. Robert Buchanan  
Marine Consultant  
Tel: 61 8-499813  
Fax: 61 8-499813

#### Changes

##### Port of Reykjavik [Regular] (Iceland)

Address: Harbour Building  
Tryggvagata 17, Reykjavik  
Mailing Addressee: Mr. Hannes Valdimarsson  
Port Director  
Tel: 354-552-8211  
Fax: 354-552-8990

##### Busan Container Terminal Operation Corporation

[Regular] (Korea)  
Mailing Addressee: Mr. Lee, Hak Koo, President

## IAPH African/European Members Meet in Paris

Following our brief report in the last issue on the regional meeting of IAPH African/European members in Paris, in this issue we are featuring a more comprehensive report on the Paris meeting which was provided by Mr. Jean Smagghe, 2nd Vice-President of IAPH and Chairman of the meeting.

### Meeting of IAPH Officials from African/European Region in the offices of UPACCIM (French Ports Association) in Paris on 14 and 15 March 1995

Present:

Mr. Smagghe (Chairman)	2nd Vice-President, IAPH
Mr. Bayada	Cyprus Ports Authority
Mr. Beth	Port of Hamburg
Ms. Boynton	Port of Miami
Mr. Cao	Guangzhou Port Authority
Mr. Coloby	Port of Le Havre
Mr. Donnelly	Port of Limerick
Cdr Dovlo	Port of Tema (Ghana Ports)
Mr. Friedman	Port of Seattle
Mr. Graillot	Port of Le Havre
Mr. Guillemot	Port of Nantes-Saint-Nazaire
Mr. Jeffery	Port of London
Mr. Kondoh	IAPH Head Office
Mr. Koon	Port of Tacoma
Mr. Lannou	Port of Le Havre
Mrs. Le Garrec	European Sea Ports Association (ESPO)
Mr. Mather	Clydeport Plc
Mr. Mkalla	Kenya Ports Authority
Mr. Kabuga	Kenya Ports Authority
Mr. Moulod	Port of Abidjan
Mr. Moussa	Cameroon National Ports Authority
Mr. Palao	Puertos del Estado Espania (Spanish State Ports)
Mr. Patey	Port of Nantes-Saint-Nazaire
Ms. Pernotte	UPACCIM
Mr. Pietri	UPACCIM
Mr. Prevot	Port of Le Havre
Mr. Scherrer	Port of Le Havre
Mr. Smith	IAPH European Rep (c/o British Ports Association)
Mr. Valls	Port of Bordeaux
Mr. van der Kluit	Port of Rotterdam
Mr. Vergobbi	Port of Dunkerque
Capt. Watson	Dundee Port Authority
Mr. Wennergren	Port of Goteborg

**1.** In his welcoming address the Chairman referred to the slowness of the process of recovery from recession in the Region and the consequent effects of this on port activity. In France in particular, an additional difficulty is the feeling of uncertainty associated with the current Presidential election process. The Chairman then expressed pleasure at being able to greet the participants, a number of whom had travelled long distances to be

present as, for example, Mr. Kondoh from the IAPH Secretariat, Tokyo, as well as our African and American colleagues.

The Chairman took this opportunity to express his own personal grief and that of IAPH members to the IAPH Secretariat and its staff as well as to our colleagues at Kobe and Osaka, following the recent disaster that hit that area.

Mr. Kondoh expressed the thanks of IAPH Headquarters and grateful appreciation for the many expressions of sympathy which had been received following the recent Kobe earthquake disaster. These were duly conveyed to the Port of Kobe.

**2.** Ms. Boynton, on behalf of the President of IAPH, expressed Mr. Lunetta's regrets for his unavoidable absence. He wished the meeting well in its deliberations. Mr. Mather, in his capacity as Immediate Past President, added his words of welcome and goodwill.

The Chairman said how pleased he was to see so many African ports represented. This was testimony to the vitality of IAPH in the region. He also referred to his visit to the PMAW-CA Conference in Gambia in October 1994, where about 200 people participated.

### **3. IAPH Membership in Europe/Africa**

Mr. Kondoh reported that, generally speaking, more interest had been shown in IAPH activities and membership during the last year (240 members from 82 countries). Participation in committee activities was also increasing.

Mr. Bayada, who during visits to various countries in the Eastern Mediterranean area took every opportunity to promote IAPH membership, was hopeful about the current situation. He undertook to provide Mr. Kondoh with leads to follow up. The Chairman thanked Mr. Bayada for his excellent work in areas which may sometimes be difficult.

Further reports were given by Mr. Wennergren for the Baltic area, Mr. Mkalla for the East African area and Mr. Dovlo for the Western African area. Contacts in all areas were frequent but little more could be done at present because of the general economic malaise.

The Chairman noted that, although the location of the mid-term Conference 2000 was yet to be determined, such an event, which was likely to be held in the region would be very helpful for recruitment purposes.

### **4. Links between IAPH, ESPO and the European Union**

The Chairman noted that a measure of the importance attached to the link between IAPH and ESPO was the presence at the meeting of ESPO's Vice-Presidents and Secretary General. ESPO's President was unavoidably unable to be present but had sent his apologies for his absence.

Mr. Jeffery, an ESPO Vice-President, explained that since ESPO's inception in January 1993 with a membership comprising the ports of all EU and aspirant States, most attention had been given to keeping abreast of Directives, Recommendations and the like issued by the European Commission and Parliament. ESPO, however, was now becoming more proactive - as, for example, in its development of a Ports Policy paper for presentation to Parliament.

ESPO's participation in the Union's Maritime Industries Forum enhanced contacts with port users and also general awareness of matters of common concern.

Mr. Palao, the other ESPO Vice-President, suggested that there could be a lack of awareness of IAPH's aims and objectives on the part of some Commission officials, which may be the fault of the Commission's inter-departmental communication systems. He thought it would be useful for IAPH to meet Commission officials to put matters right and, in particular, to make it clear that IAPH's role was distinctly different from that of ESPO.

Mr. Palao's suggestion met with general approval and ESPO's Secretary-General was asked to consider how such a meeting could be arranged.

The Chairman said that a close working relationship existed between IAPH and ESPO, which was particularly important in the context of IAPH's access to IMO. It was seen as very helpful to link ESPO into discussion on IMO activities. In the same way mutual cooperation should exist between ESPO, the African Port Associations and IAPH. Each of these organizations could be used to encourage action.

### **5. Specific African Port Concerns**

Mr. Dovlo, speaking in his capacity as Chairman, the Port Management Association of West and Central Africa (PMAW-CA), expressed the area's hopes for increased cooperation and technical and financial assistance from the European Union and IAPH to deal with a range of problems. For instance, regional dredging was of great concern because of costs. African ports were considering pooling policy resources in the region. These included the need to enhance transport management and information systems, the development of human resources and transport integration.

A major problem had become much more apparent with rapid technology change, namely equipment and spare parts deficiencies.

Mr. Dovlo continued that consideration was also being given to the formation of an African Ports Association inclusive of the Ports Managements Associations of North, East, South and West Africa to speak with greater authority in relevant fora.

Mr. Mkalla, in his capacity as Chairman, Port Management Association of East and Southern Africa (PMAESA), noted that PMAESA had faced reorganisational problems which had now all



*From left: F. Palao (Madrid), A.J. Smith (London), R. Kondoh (Tokyo), J. Smaghe (Paris) and P. Prevot (Le Havre).*

but been overcome. A new Secretary General had been appointed to be based in Mombasa, Kenya.

The area's ports were experiencing dredging problems and difficulties with the restructuring of ports. In that latter regard a Seminar would be held in South Africa during November 1995. Arrangements had been made for a Regional Training Centre located in Mombasa to tackle port needs, including the exchange of information between ports and pollution control. The area's difficulties were, of course, compounded by local wars and famine.

Mr. Tchouta Moussa felt that IAPH should give more emphasis to African affairs and concerns and should be restructured for that purpose. He continued that the bottom line was "What can IAPH do about all the stated problems, and took the view that the starting point must be an in-depth discussion of them.

Mr. Moulod agreed with his African colleagues and added that the area's port managers should become actively involved in IAPH committees.

Mr. Lannou, supported by Mr. Bayada, said that the Human Resources Committee was aware of the problems expressed. Dealing with them in Committee however was subject to the disadvantage of the wide geographical spread of membership. He wondered, as Chairman Jean Smagghe had suggested earlier, whether it would be feasible to secure the appointment of a Vice President representing Africa in the Committee or even perhaps in IAPH. It was agreed that a first step would be to ask Mr. Goon Kok Loon whether it would be appropriate to appoint a Vice-Chairman from Africa on his Human Resources Committee and/or to organise meetings in Africa with the help of UNCTAD and its TRAINMAR programme.

Mr. Kondoh urged all African members to become more involved in IAPH's business activities.

## **6. Reports of the Technical Committees' Activities**

The Chairman noted with satisfaction the presence at the meeting of the Chairmen of the following Technical Committees:

- Port Safety & Environment
- Marine Operations
- Legal Protection
- Trade Facilitation
- Ship Trends
- Combined Transport & Distribution

The respective Chairmen reported briefly on the more significant aspects of their Committees' activities and confirmed that they would be holding meetings on the occasion of the 19th IAPH Conference in June 1995 in Seattle.

Mr. Mather drew the attention of Mr. Valls, Chairman, Committee on Legal Protection, to the increasing concern of ports and their officials at difficulties being put in their way by the public in demonstrating against the perceived right of ports to engage in lawful maritime trade. He instanced recent public demonstrations in the UK against the export of livestock through some ports, which had resulted in public disorder and, in one case, the forced resignation of a Port's Chief Executive. He asked whether the Legal Protection Committee could consider and comment on the rights and obligations of ports to engage in lawful trade. Mr. Valls agreed to include the matter on the Committee's agenda.

Mr. Kondoh reminded the Chairmen that their reports to the 19th IAPH Conference were required for printing purposes by the first week of May and that, of course, the co-ordinating Vice-Presidents needed a copy of their reports before so that they could send their own introductions in time.

## **7. IAPH/IMO Relationships**

The Chairman reported on developments following the forma-

tion of the IAPH/IMO Interface Group at the Exco meeting in Copenhagen in June 1994, being himself Chairman of that group. Four well-attended meetings had been held to date with Technical Committee Chairmen invited to attend ex-officio. He said that the importance of the subject matter dealt with was in no doubt, given the current propensity for States and/or Regional groupings such as the European Union to legislate on the basis of IMO Resolutions and Recommendations.

The Group had submitted position papers to IMO on a range of issues which were under current consideration. Others were planned or under way.

Mr. Smith, in his capacity as IAPH's Liaison Officer with IMO, underlined the Chairman's remarks and the need for IAPH's Committees to establish reasoned, coherent port-related responses to a number of matters under discussion at IMO. These responses could be used both by IAPH representatives at relevant IMO meetings and as an aide-memoire for IAPH members in their consultations with their respective Governments.

Mr. Smith then provided some examples of issues to be addressed by IAPH which would be discussed by forthcoming IMO meetings during 1995.

There was general agreement by the meeting as to the importance of the Group's activities and it was proposed that the Group could be made more effective by the addition of one or two more people from each region. In that regard Mr. Palao proposed that an ESPO representative should be included, having regard to the strategic interest of European ports in IMO activities.

Mr. Palao's proposal was generally supported, together with his emphasis on the need for cooperation and coordination between IAPH and ESPO. It was accepted, however, that ESPO necessarily reflected a regional viewpoint. IAPH, on the other hand, needed to secure a balanced global port viewpoint.

To exemplify the situation, ESPO offered to provide IAPH with an 'informed' paper on unwanted aquatic organisms in ballast water as a contribution to IAPH's consideration of the subject.

## **8. Oslo/Paris Commissions**

Mr. Smith referred to the urgent need for European ports to assess the extent to which it continues to be advantageous for IAPH to have much prized Observer Status with the Commissions or even, perhaps, whether it might be more appropriate for that Status to be transferred to ESPO, being a body representative of the Region's ports.

He stressed, however, that Observer Status entailed commitments to ensure that an adequate and expert input is made to the relevant work areas of the Commissions.

ESPO representatives agreed to consider the matter and inform Mr. Smith of their decision in due course.

## **9. Organisation of the Sea/Tac Conference**

Audio-visual presentations were made by Mr. Koon, Tacoma, and Mr. Friedman, Seattle, on the various facets of the Conference programme.

The meeting made some proposals for amending some aspects of the pre-Conference Technical Committee arrangements and Working Sessions Nos. 1, 4 and 6.

Mr. Smagghe, in his capacity as Chairman of Working Session No.6, confirmed his acceptance of the proposed revisions. It was then agreed that Mr. Kondoh would obtain the necessary confirmation from the Chairmen of Working Sessions Nos. 1 and 4 and inform the Organizing Committee accordingly.

In his closing remarks, the Chairman again thanked those present for their attendance and wished them safe return or onward journeys.

# OPEN FORUM

## Special Report on Shipping Firms' Prospects

**Acknowledgement by the IAPH Head Office:** The article is reproduced from the January 1995 issue of *Box Carriers* magazine through the special arrangements made by the publisher, Tokyo News Service, Ltd. This office expresses its deep appreciation and thanks to the publisher for the permission accorded to IAPH to publish this valuable report.

## Leaders of World's Liner Shipping Firms Air Views

The international magazine *Box Carriers* interviewed the leaders of the world's liner shipping firms at the end of 1994 about the prospects and issues facing them in the new year 1995.

The following three questions were asked:

1. Your prospects for cargo traffic on the world's major liner routes and liner shipping markets in 1995.
2. Issues the world's major liner operators are expected to address in 1995.
3. Issues your firm is planning to address in the new year.

Given below are the opinions of the world's top carriers:



**J. (George) Hayashi**

**President**

**Chief Executive Officer**

**American President Lines**

1. Generally, the outlook for the global liner trade is extremely positive for this year, and that's on top of substantial growth during 1994. We expect double-digit expansion in both the transpacific trade, which is APL's traditional market, and the Asia-Europe trade, which we will be entering in March.

Among the positive trends: first, the continued globalization of sourcing and marketing, as companies seek to increase their competitiveness; second, the opening or further development

of emerging markets such as China, India, Vietnam, eastern Europe, Mexico and other areas of Latin America, and — potentially — Cuba and North Korea; and third, the escalated dismantling of tariff and non-tariff barriers to trade through GATT and NAFTA, and the recent APEC announcements from Indonesia. All of this bodes well for global manufacturers and retailers, and for the liner sector. But even as we witness a strong growth in demand, there is concern that the influx of new capacity may imbalance the supply ratio in our industry.

2. The problem of overcapacity in the liner sector seems to be perennial. The industry will again be addressing the issue — along with related pricing questions — as large new vessels come into service during 1995-96. In our own case, much of the new tonnage will be replacement capacity. Also, in the case of the Asia-Europe trade, we have pledged initially to slot-

charter capacity rather than introduce new vessels of our own, so as not to contribute to a supply imbalance by virtue of our entry into the trade. The industry has made impressive strides in the use of alliances and rationalization of vessel operations to mitigate the capacity problem, while at the same time improving service to the customer.

When people ask me why overcapacity is so prevalent in our industry, I like to explain that the development of large capital assets such as post-Panamax container-ships must be undertaken for the long term, in anticipation of future trade growth. These ships have long economic lives, and vessel replacement programs by their very size and nature cannot be precisely timed to coincide with rare periods of demand imbalance. The opposite of overcapacity, of course, is a situation that is not desirable to the customer community; an undertonnaged trade can result in severe space constraints and lack of service predictability.

Another issue some in the industry will grapple with in 1995 (and beyond) is how to ensure an adequate return in a fiercely competitive, capital-intensive business — one in which the economic playing field is not level. With economic returns as low as they are, it may seem surprising that the industry continues to reinvest capital in the form of new buildings,

new technologies and new markets and services. In fact, some of this massive investment occurs in part because many operators do not have to pay equitably for capital, or to adhere to the same economic objectives as those of us who must generate a reasonable shareholder return. We compete every day with such companies.

3. APL has several goals that I might share to help answer this question. First, we'd like to work with our alliance partners to develop additional areas for rationalization — beyond ship assets. These might include terminals and land-based operations, for example.

Second, we'd like to work with Congress and the U.S. administration to attempt to revitalize maritime reform in 1995, and thereby preserve a U.S.-flag presence. Why? We think it's not only important as a matter of national security, but also for commercial reasons; that it's not healthy for exporters and importers in the United States — the world's largest trading nation — to rely solely on foreign shipping interests for their transportation needs.

Third, we have begun a program to re-engineer and simplify our work processes, with the objective of making it easier for our customers to do business with us. We expect to begin implementing some of these improved processes this year.



**Olav K. Rakkenes**

**Chairman**

**Chief Executive Officer**

**Atlantic Container Line**

The North Atlantic started out in 1994 with a situation of extremely heavy volumes in the westbound direction, leading to virtually full vessel utilization in that trade leg. This was due to the strong economic climate in North America, as evidenced by strong

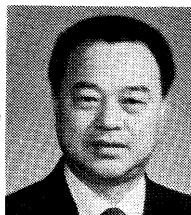
automobile sales and housing starts. In the eastbound direction vessels were operating in the 60-70 percent utilization range with the European economies still coming out of recession.

By the end of 1994, both North American and European economies were growing at a healthy pace, so that eastbound volumes had grown substantially closer to those of westbound, putting several carriers in the pleasant position of being relatively full in both directions.

The competitive climate has remained quite stable in 1994, despite the comings and goings of several new carriers and increased capacity on the part of several existing operators. As a result, supply was added to match increased demand without any major degree of turmoil in the trade. 1995 will see one new entry, Hanjin, but no other major changes are foreseen at this time.

The key question mark facing Atlantic liner operators in 1995 is

**Chen Zhongbiao**  
**President**  
**COSCO Group.**



1. 1994 has seen great changes in the world economy, trade and the international shipping market. As far as the liner shipping markets are concerned, the container carrying capacity has increased to a certain amount on three major east/west world liner routes. Apparently, it is more and more difficult for the liner operators to handle their business because of the overcapacity growth which resulted when a large amount of newbuildings entered the services.

Some routes have suffered for some time from depressed market conditions where the competition is fierce; look at the fact that the liner operation of EACBen was taken over in 1993 and that CGM of France has withdrawn from Asia/Europe service recently.

With the world economy recovering further in 1995 and the far-reaching GATT agreement, the world will see expansion of com-

how the regulatory agencies in Washington and Brussels will change the rules of engagement. The economic environment bodes very well for a balance of supply and demand in 1995, with most lines finally able to consider service enhancements. As an example, ACL will be adding a fifth weekly service to the trade as a result of improved rationalization with its operating partners. Yet that could all change if the bureaucrats decide to rewrite the laws and change the way conferences have operated since the beginning of containerization.

Of immediate concern is how the European Commission will deal with intermodal ratemaking, and how they will rule on the Trans-Atlantic Conference Agreement. On the other side of the Atlantic are the issues of the future of the Federal Maritime Administration and tariff filing. The outcomes of these two issues will determine the course of liner shipping for years to come.

mercial trade, which will boost global seaborne trade. World box volume growth of five percent is expected in 1995. Transpacific container trade has recorded 310,000 TEUs in the first half of 1994, a 12 percent increase over the same period of 1993. A greater growth of transpacific container trade is estimated with the recovery of the U.S. economy and continuance of fast growth of the East Asian economy. Asia/Europe service will experience expansion of container volume as the exports from China and NIEs continue to soar, although the Japanese import and export volume will decrease somewhat.

However, we have to realize that many large containerships being ordered by liner operators will make a notable impact on the world liner market, which is not too optimistic for 1995, particularly on transpacific and Asia/Europe trades where competition is set to be fierce as large containerships (especially post-Panamax vessels) come into service.

2. In my opinion, there are two issues they are expected to address. First, the supply and demand on



major container liner routes; and second, the coordination and co-operation between major liner operators.

Being China's leading maritime transporter, COSCO's main task is to provide transport service for China's foreign trade. What I am thinking about is how to meet the needs of China's growing foreign trade through the rationalization program of COSCO's fleet.

3. COSCO Group is a multi-national enterprise engaged mainly in shipping with diversification of business. It will make efforts for future development both on land and at sea.

In 1995, COSCO will strengthen its shipping activities through the rationalization of its fleet, improvement of management, appropriate training of seafarers to improve their service capabilities, and the setting up step by step of a global shipping network that can provide its customers with better and more prompt service.

Apart from shipping activities, COSCO is also getting involved in finance, tourism, air transport, real estate, port management, warehousing, industry, commercial trade, insurance and investment, ect., as diversification of business is COSCO's policy for future development.

1995 will be a new year for continuing expansion of the land-side industry for COSCO Group. Taicang City, which is in the vicinity of Shanghai, has been chosen by COSCO as the land-side base for future development. We are looking forward to strengthening cooperation with foreign and domestic friends to achieve mutual developments.

## **K.H. Sager**

**Chairman  
of the Executive Board  
DSR-SENATOR LINES**

1. 1995 will be a year of considerable growth in world trade. Container traffic on the major east/west routes will grow at about at least eight percent.

North/south things will differ. Latin America's trade will proba-

bly grow 10 percent and more, whereas Africa may only reach five percent.

2. The most important subject all lines must address is the frontal attack on "cooperative agreements" among shipping lines by the EU Commission in Brussels, to a somewhat lesser extent by the FMC and certain circles in Congress as well as by groups of shippers (NTLG in the U.S.) and "shippers councils" in Europe and some Asian countries.

The most dangerous case is the almost certain move of DG IV in Brussels to declare "intermodal authority" for conferences illegal. It will endanger the whole system which worked well for over a hundred years.

3. Like most major container carriers, DSR-SENATOR will prepare itself for the future in that it will join forces with other lines on most of the trade routes it serves. The aim is to improve service quality and to cut costs.



**Sooho Cho**  
**President**  
**Hanjin Shipping Co., Ltd.**

1. IMF predicts that the world economy will enter a productive period with 3.6 percent expansion in 1995. With this growth, a strong increase in trade movement is expected this year, but nations and economic regions will accelerate their efforts for economic leverage.

With the economic recovery of major nations, higher international interest rates will be maintained as countries encourage a policy of increasing interest rates to alleviate the pressure on inflation.

According to the various forecasts, the world's largest trade lane, the transpacific, will see cargo volume growth of more than six percent with the economic recovery of the U.S. and Japan and

extensive growth in China; however, with deployment of larger-size vessels by major carriers and expansion of joint services, competition for cargo procurement will intensify.

In the Europe-Aisa route, with larger than 4,000-TEU-class vessels being heavily integrated into the market, overcapacity is a major concern. For the transatlantic route, a positive increase in cargo volumes is also expected and TACA's efforts to stabilize the service will foster the maintaining of a favorable market.

2. This year will continue to see construction of larger vessels by the world's major ocean carriers. Furthermore, these larger vessels presumed to be deployed mainly in the Europe-Asia lane, will produce overcapacity by the end of the year.

The increase of cooperative relationships between carriers is foreseen for the reduction of costs and for the improvement of service quality. Thus, the super-consortia trend will keep going, but the regulation of consortia will be tightened as the principles of free-competition in the maritime industry deepen.

Another major issue for the maritime industry this year will be vessel safety and environmental concerns. As safe vessel management becomes an international standard, ocean carriers will be expected to secure ISO 9000 and ISM Code certifications, and amplification of safety and environmental protectionism will be a factor causing an increase of every carrier's cost base.

3. During this year, Hanjin Shipping will strengthen international competitiveness to continue its qualitative and quantitative evolution into a total logistics company. The company will also focus on service expansion and globalization of company management resources through development of new service markets.

In 1995, Hanjin Shipping will begin new service in the transatlantic trade through a slot-charter agreement with the Tricon consortium. Hanjin's new transatlantic service will link North Europe and the U.S. East Coast by

offering alternatives to customers while preventing undue competition and thus contributing to the stabilization of the trade lane.

In an effort to achieve a fair balance between the container and bulk trades, Hanjin Shipping will reinforce its bulk fleet, including LNG vessels, this year. But above all of these, our company will make every effort to provide service which brings the utmost satisfaction to our customers. I sincerely wish for a prosperous year for all in our industry.



**Isao Shintani**  
**President**  
**Kawasaki Kisen Kaisha, Ltd.**

Prospects for the world's major liner routes may be summed up as follows:

**North America:** Eastbound cargo traffic on the transpacific route registered a stable growth of seven to eight percent in 1994 centering on shipments from China and ASEAN countries to North America, under the impetus of the U.S. economic recovery. Regarding the outlook for 1995 and 1996, the growth pace is likely to calm down owing to high interest rates and a trend toward higher taxes in the U.S. Basically, however, the U.S. move toward expansion of imports from Asia has taken firm root, and a slow annual growth of at least five to six percent is expected.

The westbound transpacific trade posted double-digit growth rates in 1994 in stark contrast with stagnation in 1992 and 1993. Major factors that can be cited for this include the rapid growth of the Chinese economy, the strong yen and an investment boom in Southeast Asia. As regards the outlook for 1995 and 1996, the growth pace of westbound cargo seems likely to slow down partly because of China's tight-money policy. But the purchasing power stemming from the economic development of Asian countries will continue to improve, while the

U.S. will increase pressure for expansion of Asia nations' imports. Accordingly, an annual increase of at least about five percent may be expected.

As for the ship supply-demand relationship, no major fleet expansion seems likely to take place in 1996, but no optimism is warranted as yet for 1996 and after. A large-ship building rush currently seen among shipping firms is apparently intended mainly for the European route. However, there is the possibility that some ships will be shifted from the European to the North American route. In that case, the supply-demand situation may ease in spite of smooth cargo traffic.

**Asia:** After the end of the Cold War, intra-Asia trade, as a "factory of the world" and a "major consuming market," has shown remarkable growth, and in 1993, the intra-Asia cargo traffic reached about four million TEUs. Among the world's Big Three trade routes, the intra-Asia route ranks second only to transpacific trade. It is also characteristic that the intra-Asian trade has an inter-relationship with the transpacific trade.

According to conference statistics on cargo traffic to and from Japan, an increase of about 12 percent was seen in the first half of 1994 compared with the same period of the previous year. Despite the sustained rise in the yen's exchange value, Japan's exports to other Asian nations continue brisk possibly because the shipment of materials resulting from Japanese makers' shifting their production to these countries is gathering added momentum. As for China, which is now serving as a "locomotive" for pulling the intra-Asian trade ahead, a calming-down trend may be expected from 1995 owing to the Chinese government's tight-money policy, Hong Kong's reversion to China (1997) and other factors. Nevertheless, the intra-Asian trade is expected to grow smoothly by five to 10 percent from 1995 to 1996.

**Europe:** The European economy started to rebound in the second half of last year, and an expansionary trend took root in Germany as well, following Britain and France. Along with these EU nations, the former socialist states

in eastern Europe have also started to show stable economic growth.

This year, westward cargo traffic is likely to continue smooth growth centering on daily necessities from Hong Kong, China and Southeast Asia. Eastbound cargo traffic is also expected to be brisk, supported by the economic growth of these Asian countries.

The problem lies in that the successive commissioning of new large-sized vessels by various shipping firms, which is expected to start around this spring, will cause the growth of tonnage to outpace that of cargo volume, which in turn will become a disturbing factor in the market. In order to avert the expected confusion, we intend to continue our efforts for cooperation transcending the frameworks of conference and non-conference lines.

As regards "K" Line's basic policy for management and business in 1995, the key phrase will be "the strengthening of international competitiveness through a thorough shift of operations to other countries and the reduction of costs." Under this policy, we are now implementing a sweeping "reengineering" plan with a view to providing customers with satisfactory service and securing stable revenues even if the yen remains strong at the ¥100 level.

Called the "K.R. ("K" Line Re-engineering) Plan," this plan is based on the following two concepts, and we are exerting company-wide efforts to achieve its objectives by the end of fiscal 1995.

1. In the liner division, which is deeply affected by the strong yen, we will set up a structure capable of turning a profit through partial transfer of business to other countries, "slimming" of operations, reduction of ship-operation costs, based on thorough application of the principle of competition, and the strengthening of cost-competitiveness, involving the "K" Line group firms, by the time the K.R. Plan comes to an end.

2. In order to further expand our business in the marine transport of raw materials and other cargo in bulk, automobiles and energy sources, we will assign managerial

resources to these sectors on a priority basis to strengthen the system of securing stable revenue.



**Masaharu Ikuta**  
**President**  
**Mitsui O.S.K. Lines, Ltd.**

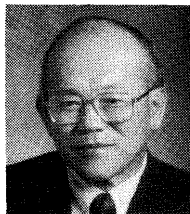
Prospects for the world's liner routes seems to remain as severe as at present, but the ship supply-demand situation will not be so bad as is generally said. When we consider the economic development of Asia and progress in the European economic recovery, it is conceivable that the supply-demand situation will head toward a large measure of equilibrium on both the Trans-Pacific and European routes.

In short, all will depend on whether we can rectify the false, unjust conference/non-conference relationship, which still persists even though the quality of service has been all but equalized, and also on whether we can normalize the current freight rates which have fallen into confusion due to that relationship. I hope that 1995 will be made the year to start normalization through concerted efforts of the Japanese shipping community. Since last year, I have been calling upon shipowners, through such forums as the Box Club, to show good sense and voluntarily refrain from constructing new vessels. I hope this appeal will be heeded.

As for the issues our firm intends to address in 1995, the most important is to bring to fruition our "MOL's Creative & Aggressive Redesigning (MOCAR, 90's)" plan now being pushed ahead. The aim is to strengthen our structure to the extent of turning a stable profit even if the yen's exchange value to the dollar rises to ¥90, and to establish our system as a powerful comprehensive operator in the remaining years of the 1990s with an eye to the 21st century.

Regarding our liner division, which has completed a series of

investment plans, the prime task will be to maximize the effect of integration with APL, Nedlloyd, OOCL and MISC, which links the Big Four shipping markets of the world. As for the tramp, dedicated carrier and gas tanker divisions, we intend to tackle, with added vigor, the task of ensuring safe and stable transport of energy and other raw materials that support our country.



**Lua Cheng Eng**  
**Chief Executive Officer**  
**Neptune Orient Lines Ltd.**

1. In the last forty years of the GATT-Bretton Woods era, the world economy has grown faster than in any other period in our history. The establishment of the World Trade Organization this year will ensure that the successful rules for the international economic game under the GATT-Bretton Woods trading system continues. The root of its positive impact will be gradually evident from 1995 as nations strive to reduce or eliminate trade barriers and tariffs.

1995 looks a promising year. Asia-Pacific economies in fact started building their foundation for free and open trade when the Asia-Pacific Economic Cooperation (APEC) agreed in 1994 to set fixed deadlines to liberalize trade.

Both Japan and Europe appear to have emerged from their worst recessions during 1994. The difficult years following Germany's reunification seemed to be over with the eastern part of Germany now registering impressive growth rates. The U.S. economy appears to have peaked in 1994, but will continue its slower but sure growth in 1995. The Asian newly industrializing economies are expected to continue doing well.

These favorable conditions can only benefit world trade and the shipping industry is a direct beneficiary of the world economy. A

progressive worldwide recovery in consumer demand will translate into increased shipping activity, and benefit shipping companies.

We are glad to note the steady upturn in the American economy, which was also reflected by the U.S. Federal Reserve's concerns on runaway growth and inflation rates. The carriers in the Trans-Pacific Stabilization Agreement (TSA) have been successful in stabilizing the trade and ensuring that shippers are provided with adequate capacities at high service levels. We expect the transpacific capacity to grow by only four percent to 7.5 percent between 1995 and 1996 compared to a seven percent and 15 percent cargo growth on the eastbound and westbound sectors respectively.

The Far East-Europe trade is expected to grow by about six percent next year against a capacity increase of about eight percent. Contrary to fears of an overcapacity in this trade, we feel that this incremental capacity will be easily absorbed during the peak months. The German economy is expected to recover fully by 1995 and be able to lead the rest of Europe. The advent of Central European economies will help to further boost the overall European economy.

2. A general concern among shipping carriers is the potential scenario of an unmanageable capacity surplus in 1995 when all recently-ordered newbuildings are delivered. This concern is a little overstated, as these newbuilding deliveries will be spread over three years from 1995 to 1997. Moreover, by 1996 about seven percent of the existing TEU capacity of the world's top carriers will be from ships over 25 years of age. This capacity is likely to be scrapped and will dampen the net capacity increase.

Nonetheless, an enduring problem that box carriers face is that the unitized capacity of box ships is "lumpy" in nature. The container liner industry is more likely to face a surge in capacity, rather than incremental increases, when carriers replace smaller old tonages with larger new ones. Carriers can moderate these high increases through space sharing

cooperations.

It will be crucial for carriers to maintain a stable operating environment through responsible actions so that shippers can continue to enjoy the high level of service that is being provided.

We are also concerned about the lack of reality on the part of regulators in Europe. The recent objections to the Trans-Atlantic Agreement (TAA) and the Europe-Asia Trade Agreement (EATA) were not justifiable and were not up with the times. The objections of the European Commission's (EC) Competition Directorate (DG-4) to inland pricing, for example, do not take into account that the shippers' requirements have evolved into one that demands a comprehensive multimodal service from shipping carriers.

The provision for and thus the pricing of inland transportation services by shipping carriers is no different from the provision of limousine or hotel services by some airlines. It is customer driven! Attempts by regulators to artificially delineate industries will create more confusion than help consumers.

In fact, today's ocean carriers should more accurately be referred to as total transportation providers. The rationalization of ocean and land transportation by carriers or groups of carriers will lead to cost efficiencies that will ultimately benefit shippers.

The EC's unrealistic stand was also reflected in the final text of the proposed regulation on shipping partnerships which tried to regulate technical space-sharing partnerships between carriers by controlling the size of their market shares and size of the partnership. This attempt is an antithesis to the carriers' attempts to minimize costs by rationalizing their operations and improve on cost and service efficiency to shippers.

There is a need to increase our dialogue with regulators like the DG-4 and the Federal Maritime Commission of the U.S. to put forward our views. Box carriers will also have to impress on these regulators that they should concentrate on more pressing issues like the deregulation of cabotage transportation, which will directly lead to better service levels and

lower costs to shippers. For example, consumers in Japan and the U.S. are unable to benefit from competition that can be provided by the presence of efficient and low-cost international carriers on cabotage trade lanes.

3. We will continue to be customer driven and will base our strategies on our customers' needs. We are also radically re-examining our business theories as the needs of our customers change. Certain operating assumptions and customer requirements are either no longer valid or adequate.

In the last three years, NOL has enhanced its presence in North and South Asia by taking advantage of the economic boom in these areas. Our immediate task is to consolidate our position so that we continue to be competitive to meet challenges in the marketplace.

The NOL fleet has also undergone rapid expansion over the last two years. Since 1992, we have taken delivery of three 3,600-TEU containerships as well as six double-hull Aframax tankers. By 1996, NOL will take delivery of another three double-hull Aframax tankers and six 4,400-TEU containerships. Preparatory work for their deployment will be part of our focus, keeping in mind that we seek to obtain the best possible returns for our shareholders for their investments.



**Hiroshi Takahashi**  
**Executive Vice-President**  
**Nippon Yusen Kabushiki**  
**Kaisha**

As for cargo traffic on major liner routes in 1995, a generally strong trend may be expected on the transpacific route. In 1994, cargo traffic from Japan suffered a drop of five to six percent in the first quarter from a year before, but recovered to the year-before

level in the second quarter. Briskness was also maintained in the third and fourth quarters. 1995 will see a firm trend. Cargo from the ANERA-controlled areas posted a remarkable increase of 10 to 13 percent in 1994, compared with the previous year.

In 1995, a rise of seven to 10 percent may be expected. I am rather optimistic about the ship supply-demand situation on the transpacific route as a whole. Westbound cargo traffic on the transpacific route also showed a substantial increase in 1994, with a brisk trend also anticipated for 1995.

As regards the European route, cargo traffic from Japan to Europe tended to be slow in 1994, but in 1995, a slight increase may be expected. Cargo from Asia to Europe posted a gain of 7.5 percent in 1994, with a further 10 percent rise likely in 1995.

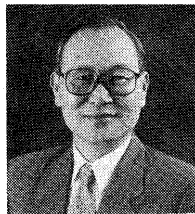
Among other routes, a more or less leveling-off tendency will prevail on the Middle Eastern, Australian, New Zealand and Latin American routes. By contrast, the intra-Asia trade will show a robust growth of seven to 10 percent.

A major issue confronting the world's liner shipping firms is, after all, the stabilization of trade. It is necessary to establish mutual trust through such open and fair discussion forums as the TSA, WTSA, EATA and IADA. As regards policy issues, full attention will have to be paid to the trends of the shipping policies of the U.S. and the EU.

In respect to U.S. shipping policies, moves are being seen seeking a review of the whole aspect of the FMC, while in the EU, the EC Commission has worked out policies that ignore the established practice of international shipping with regard to consortia and the setting by conferences of intermodal freight rates. Strong opposition is therefore called for against such moves.

The issues facing NYK in 1995 are to promote cooperation with the world's major liner shipping firms and stabilize trade, to enhance profitability in the liner division, and to cope with the ongoing rapid change in the international logistics structure.

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**T.R. Chang****Chief Operating  
Officer****Orient Overseas  
Container Line**

1. We are taking a moderate, optimistic view on market prospects on the world's major liner routes in 1995. The outlook of the world economy is positive. Asia Pacific and the USA will continue to be strong; Europe and Japan are on their way to recovery, and the Uruguay round of GATT is expected to become a reality. The favorable economic environment will give rise to buoyant liner trade growth in 1995.

However, at the same time, a great deal of capacity will be added on the major liner routes in the next two years, particularly in the Asia/Europe trade. In spite of that, 1995 will, on balance, still be a healthy year for the liner shipping industry.

2. How to maintain trade stability will be a common agenda for the world's major liner operators. Improving operating efficiency will also be a common goal for the liner operators. The benefits of both will eventually be shared by shippers.

3. Our company will continue to focus on customer service and the quality of service. To achieve these goals, we have invested in building six 4,960-TEU vessels for our transpacific and Asia/Europe services as well as one 2,300-TEU ice-class vessel for the St. Lawrence service. Complementing the newbuildings will be a significant injection of capital for new equipment. In addition to hardware, we will continue to strengthen our software establishment.

People have always been regarded as one of the critical success factors to our company. The development and motivation of our staff is essential and we have developed various programs to realize this objective. Information technology and system support is

also an area where we will inject our resources. We will also continue our emphasis on logistic development in the PRC in 1995.

Our investments in both hardware and software are aimed to provide quality service to meet our customers' requirements. Therefore, of equal importance, we will continue with our quality assurance process, including obtaining ISO 9002 accreditation for all our offices and vessel SEP certification. In 1994, our offices in the U.K., France, Germany, and the Benelux, as well as Hong Kong, were accredited and all the vessels in our fleet achieved SEP certification.

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**John P. Clancey****President****Chief Executive Officer****Sea-Land Service, Inc.**

I'll start with a brief update on productivity and cost reduction initiatives. Sea-Land has made significant progress. The company achieved \$138 million in cost reductions in 1992, added \$124 million in cost reductions in 1993 and is on target to reach its goal of \$112 million in cost reductions for 1994. We expect comparable savings in 1995, sufficient at least to offset inflation.

These gains deliver important benefits to Sea-Land. They enhance our earnings, improve our service levels, and help us meet our customers' requirement that we be a low-cost carrier. This, in turn, improves our market position and provides operating leverage.

Going forward, our process improvement teams (PITs) will lead the way. For the last year, nine PITs have been focusing on how we manage our core functions, from inventory practices and accounts receivables to equipment maintenance and safety initiatives. Efficiencies are being realized, services are being improved, and unnecessary costs and

activities are being taken out.

Let me focus on the growth side of our business. We believe that the prospects are positive. Cargo volume in all major trades this year — the Pacific, Atlantic, Latin America and Asia-Europe — are up by about 10 percent overall. And over the next three years, we expect these same trade lanes to grow by another seven to eight percent each year. Clearly, container shipping is in a period of sustained growth.

**Pacific Eastbound**

Our forecasts show that this trade lane will finish the year up 10.3 percent over last year. Taking a look at 1995 through 1997, we predict a compound annual average increase of six to seven percent. The continuing U.S. recovery will stimulate growth in the eastbound Pacific trade, as will rising consumer confidence, and continued strong economies in Southeast Asia, China and Hong Kong.

**Pacific Westbound**

This trade will be up by 12 percent in 1994 over 1993, and we see it increasing at seven percent per year for the next three years. The market really made a rebound in 1994 and the directional balance is improving with the reefer trade leading the way — it's up 22 percent over the first half of 1993. We are also seeing strong volume growth to China, Hong Kong, and Southeast Asia. A weaker dollar should continue to stimulate exports.

**Atlantic Eastbound**

For 1994, we see the eastbound transatlantic shipments up five percent, with increases of six percent per year through 1997. The weaker dollar has helped to lift U.S. exports of commodities such as chemicals, agricultural products, wood, reefer products, and kraftpaper. While Germany, France and Belgium are leading this growth, the United Kingdom continues to expand. Exports from the U.S. to the CIS are continuing to grow, up 186 percent since 1989.

**Atlantic Westbound**

Continued growth in the U.S. is helping to feed the transatlantic westbound shipments of paper, chemicals, machinery, foodstuffs and metals. The strongest growth



rates are from the CIS to the U.S., and from northern Europe to the U.S. With the improving health of the European manufacturing sector, volumes in the Atlantic westbound trade for 1994 were up 14.4 percent and we see six percent growth for 1995-1997.

#### **Americas Northbound**

The volume of shipments from Latin America to North America is up 6.1 percent this year, and we expect volumes to be up another seven to eight percent per year from 1995-1997. Contributing to this growth of northbound cargo is a rise in non-traditional exports, greater containerization of bulk cargos, strong growth in northbound cargo from Central and South America and slightly lower growth from Puerto Rico and the Caribbean.

#### **Americas Southbound**

We see volume in the southbound Americas trade finishing the year up 9.2 percent for 1994 and another eight percent per year in 1995-1997, although the southbound market is less certain due to the political uncertainty and high inflation. The prospects of this trade are promising and are driven by free trade policies, investment deregulation and economic growth. Cargo growth is especially strong in Central and South America and increased U.S. investment will boost U.S. exports.

#### **Europe to Asia Eastbound**

This trade will be up 10 percent in 1994 and, looking out over the next three years, should grow another seven to eight percent. The major commodities shipped in this trade are chemicals, reefer foods and machinery. Eastbound volumes are building as Japan gradually rebounds — we see strong growth from Europe to Southeast Asia and China.

#### **Asia to Europe Westbound**

The volume of cargo moving westbound from Asia to Europe will grow about eight percent this year and will continue with eight to nine percent growth through 1997, thanks in large part to the continued economic recovery in Europe. Westbound cargo will outpace eastbound growth, driven by a rising Asian investment in Eu-

rope and higher demand for Asian consumer goods, including appliances and electronics, apparel and dry foods.

#### **Supply/Demand: Favorable Picture**

Market growth is only one side of the equation. The other side is capacity. A number of carriers have announced plans to build new ships, and on the surface, this presents the potential for significant capacity additions. To see the true impact of supply and demand, we need to look at these numbers by trade. In cases where trade grows at a faster pace than capacity, the supply-demand picture will improve for carriers. Overall, we see a favorable picture.

Some examples: in the transpacific, we project annual trade growth at about 6.5 percent out to 1997, and capacity growth at about six percent. In the transatlantic, annual trade is forecast to grow at better than five percent versus almost flat capacity. In the Americas, trade growth is expected at seven to eight percent, versus an increase in capacity of just five percent. The Asia to Europe trade will rise by about eight percent while capacity will be up only five percent.

#### **Asset Optimization**

We see opportunities to take part in attractive market growth. The supply/demand ratio is favorable in most markets and the economics do not support continued rate pressure. In fact, this environment may allow for rate improvement. To capitalize on these opportunities, we will use what we feel is a unique competitive advantage that gives us a better understanding of our business than anyone else in the industry.

We are developing an innovative analytical tool that enhances our returns by enabling us to better use our assets. This tool helps us better understand the total costs — including opportunity costs — for each load of cargo we carry. We call this technology the Dynamic Yield Management System, or DYM\$. DYM\$ takes into consideration a range of important information, including cargo forecasts, equipment availability, terminal capabilities, vessel deployments, cost structures and

rates, in evaluating the yield associated with a unit of cargo.

With DYM\$, we are better positioned to manage our equipment in a way that minimizes empty repositioning costs, reduce our costs with an enhanced knowledge of the effect of each unit of incremental volume on our cost structure, provide additional opportunities for "back haul" cargo, increase our system reliability and, above all, capture the greatest yield from every container load that we move.

Our next step will be to tie these systems together to optimize cargo flows on a global basis. We are confident that DYM\$ will add significantly to our bottom line.

#### **Operational Efficiencies**

We have also developed another new technology that is beginning to deliver sustainable efficiencies in our core business. Our terminals are the nerve centers of Sea-Land. How quickly we work our ships, how efficiently we move containers through the ports — these are vital indicators of how well we run our business.

We took a hard look at how our terminals function. Traditionally, each functional area — gate operations, yard operations, maintenance, and ship management — has functioned as a separate entity. A study showed the benefits of linking the entire port operation to one system to achieve operating efficiencies and speed the flow of cargo to customers. In 1992, we began developing the Terminal Automation System, or TAS. This system automates all major functions in the terminal, creates gate, yard, marine, and maintenance efficiencies and reduces costs while boosting productivity.

This is a key technology that we developed with AT&T and Microsoft. Workers in all areas update container information on hand-held radio units, which then feed the information to a main-frame computer that is accessible to all parties. Everyone knows the current location and status of each container. Our pilot of TAS in Charleston, S.C. is running well. Trucker time has been cut by 20 percent, our ships are being worked more efficiently and our lifts per hour are at record levels.

The long-term benefits of TAS

include significant cost reductions through improved productivity and better freight delivery. The next step is to implement TAS at our Elizabeth, N.J., terminal, and roll the system out at strategic locations worldwide in 1995-1997. With DYM\$ and TAS, Sea-Land has technologies that enhance our returns, are unique to the industry, offer clear competitive advantages and position us to capitalize on market growth opportunities.

**T.H. Chen**

**President**

**Yangming Marine  
Transport Corporation**



1. In macro aspect, it will be 6.7 percent growth in global liner shipping for 1994. This is certainly better than last year's 3.7 percent growth. We expect that that growth rate will be more than five percent for 1995.

a) Far East-North America trade: With the help of the lasting recovery of the U.S. economy, the cargo traffic will experience an outstanding progress in both eastbound and westbound trade. According to our sources, eastbound trade will have seen 7.2 percent growth in 1994, reaching 3.9 million TEUs. And we expect the growth rate can be 6.1 percent in 1995. As for westbound trade, the growth rate will be 14.4 percent and 8.2 percent for 1994 and 1995, reaching 2.4 and 2.7 million TEUs respectively.

From the above prospectus on traffic, all carriers will enroll bigger capacity vessels or plan to deploy new ordered vessels into this trade to upgrade service quality and to try to take a bigger market share.

b) Far East-Europe trade: Over-tonnage pressure will still be there in this trade. According to reports, utilizations were about 66 percent and 80 percent for North Europe/Far East trade and Far East/North Europe trade respec-

tively in 1994 and are expected to remain the same or experience a slight improvement in 1995.

c) Far East-Mediterranean: For Mediterranean-Far East trade, utilizations were about 68 percent and 76 percent in 1994 for east-bound and westbound respectively and are expected to be 72 percent and 79 percent in 1995 respectively.

d) Intra-Asia trade: Intra-Asian trade continued to be the largest, fastest growing liner trade in the world in 1994, up 12 percent to 4.4 million TEUs. We expect that the annual growth rate will be 10 percent in 1995.

2. We believe you may summarize these issues from the third question below upon receipt of responses from those operators you involved in this survey.

3. For YML, the year of 1995 will be one full of hope. YML will proceed continuously with a series of improvements to management, fleet, finance, etc., as well as strengthen hardware to reach our target. Following are major issues worth addressing in 1995.

(a) Ship Orders: An order for the construction of five 3,604-TEU full-container high-speed vessels has been placed, all of which are expected to be delivered by the end of December, 1995 (starting from May, 1995) and will then immediately join the main trade routes after delivery.

In October 1994, YML successfully issued Overseas Convertible Bonds (OCB) of US\$160,000,000 for the portion of the above order fund, through which YML has achieved a more positive position in respect to fund operation.

(b) Strategic Alliances: To upgrade our service quality and save operating fleet and costs, joint service remains as one of the major business strategies for YML. YML's current joint operations are for Far East/USEC service with HJS and Far East/Mediterranean service with CMA/NYK. In 1995, the above mentioned joint operations will last continuously. In the future, YML is open to seek cooperation with any suitable partners in any possible trades, even in terminal and other sides.

(c) Intra-Asia Service & Other New Services: With the combination of current Taiwan/Philippines, Taiwan/Indonesia and Taiwan/Korea service, YML will launch a new intra-Asia service, which is to be named "Pan Asia Service" (PAS) through vessel sharing arrangements with BUL from January 1995. Three loadable 800-TEU class ships will be deployed to join with BUL's two ships and YML will offer weekly service on this trade route.

Meantime, YML is keeping ahead to expand its service scope by broadening its geographic service area, such as PNW service, Vietnam service and Asia-India subcontinent service.

(d) Privatization: Since 1992, the government has reduced its ownership in the company from 99.98 percent to the present 72.10 percent. The company expects that the government will further reduce its ownership in the company to less than 50 percent by the end of fiscal year 1996.

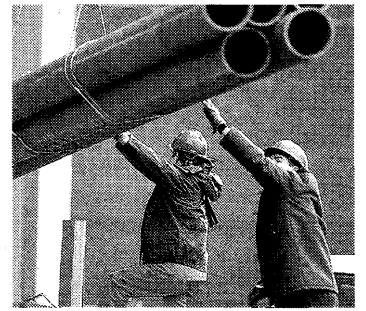
(e) Merger: The government has decided that China Merchants Steam Navigation Company Limited (CMSNC) shall merge with the company. The merger program is likely to occur in the first half of 1995.

(f) New YML Headquarters Building: YML's own new building, with 16 stories, will be completed by the end of 1995. After completion, YML headquarters will be moved into this new building in a Taipei suburb.

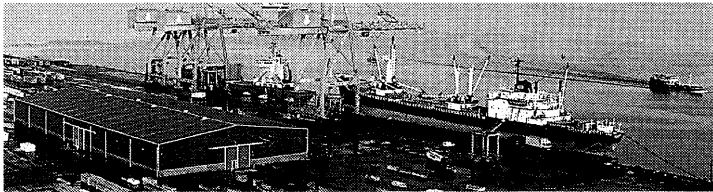
(g) Company-Wide Quality Improvement (CWQI): YML is always convinced that the success of any enterprise is based on customer satisfaction. Since 1991, YML has been engaged in a long-term quality project called "Company-Wide Quality Improvement" to effectively assure customer satisfaction. The goal of this quality project is to satisfy our customers with (punctual, speedy, reliable, economical) service. Also, to understand customers' requirements directly and constantly, YML will conduct a global customer satisfaction survey in January 1995.

We are confident that YML will generate more profits in 1995 and the coming years. And it is one step for YML in its plan to become one of the leading liner companies in the world.

At Glasgow  
we've got the quay...



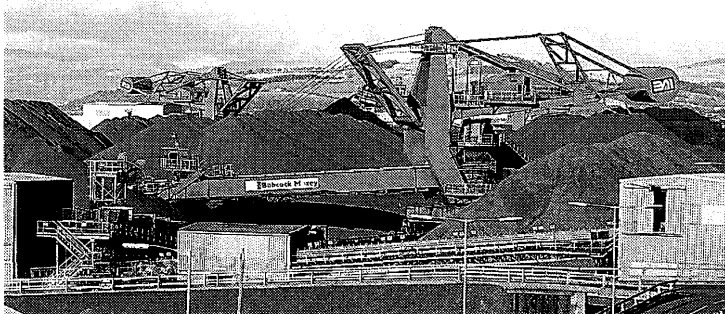
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At Ardrossan we've got  
it all tied up...



At Hunterston we'll  
even move  
mountains.



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# International Maritime Information

# WORLD PORT NEWS

## Anti-Drugs Alliance Between HMC&E, BPA

This Memorandum of Understanding (MoU) is designed to formalise co-operation between the British Ports Association (BPA) and HM Customs and Excise (HMC&E), building on the good working relationships which already exist.

RECOGNISING that offences against Customs laws, particularly drug smuggling, are prejudicial to the economic, social, fiscal and security interests of the UK and to the interests of all parties involved in legitimate international trade, and that such offences may involve the use of port, transportation and cargo handling facilities.

NOTING that the continuing escalation in drug trafficking requires HMC&E to increase their surveillance and controls.

AWARE that such increased controls could result in additional expense and costly delays to port operators, and port users engaged in legitimate trade.

BELIEVING that increased co-operation between all those port operators within the BPA membership and HMC&E could significantly assist in the gathering of information and other aspects of combating Customs offences, in particular, drug smuggling.

BELIEVING ALSO that such co-operation would be of benefit to all parties in legitimate trade including port operators

and their users and customers.

HM CUSTOMS AND EXCISE (HMC&E) AND THE BRITISH PORTS ASSOCIATION (BPA) Have Agreed As Follows:

1. To strengthen further the co-operation between the two organisations.
2. To examine and develop together ways in which co-operation and consultations between all those ports within the BPA membership and Customs authorities could be improved with a view to combating Customs fraud, in particular drug smuggling.
3. To seek to ensure a better understanding by ports of customs authorities' tasks and problems, and vice-versa, hereby facilitating a productive exchange of information between the two parties.
4. To consider practical ways in which the ports' personnel and their agents might assist Customs authorities in the detection of Customs offences, in particular, those relating to drug smuggling.

Signed in duplicate in London on 29th day of March 1995.

For Her Majesty's  
Customs and Excise  
Hamish Green  
Director

For the British  
Ports Association  
Tony Sawyer  
Chairman

## Regional Seminar on Drug Enforcement

*(The report, originally prepared by the WCO secretariat in Brussels, has been made available to IAPH through International Affairs & Research Division, Japan's Customs & Tariff Bureau, Ministry of Finance. Introduced below is part of the report.)*

A regional seminar on drug enforcement was held in Tokyo at the "Mita House" of the Japanese Government, from 13 to 17 February 1995.

The seminar was attended by representatives from all Asia and Pacific WCO Member Administrations (Australia, Bangladesh, China, Hong Kong, India, Indonesia, Japan, Korea, Macao, Malaysia, Mongolia, Myanmar, Nepal, New Zealand, Pakistan, Philippines, Singapore, Sri Lanka, Thailand, Vietnam), with the exception of Iran. In addition, expert trainers from the Administrations of Ireland and the United Kingdom participated. The Hong Kong RILO (Regional Intelligence Liaison Office) was represented, together with senior officials from 8 international trade organizations or Japanese trade associations.

The emphasis of the seminar was on risk assessment, profiling and targeting techniques, and the value of information obtained from the trade. The seminar focussed on how such trade information could be obtained routinely, reliably and regularly, through programmes of voluntary Customs/trade co-operation (the WCO's Memorandum of Understanding, or MOU, programme).

The seminar built on a number of similar in-country training seminars which the Administration of Japan had supported since 1993, and which had been led by the WCO. In all, 9 such seminars had been conducted (under the title "Alliance of Customs and Trade for the Interdiction of Narcotics", or "ACTION", which is the name now given to the WCO's MOU programme). These were as follows:

- Thailand: January 1993
- Indonesia: February 1993



BPA Chairman Mr. Green (left) and UK Customs Director Mr. Sawyer.

- Kenya: April 1993
- Tanzania: April 1993
- Malaysia: June 1993
- Korea: June 1993
- China: April 1994
- Philippines: April 1994
- Pakistan: December 1994

In addition, the Administration of Japan has already pledged its support for two seminars in Africa, as follows:

- Lesotho: June 1995
- Botswana: June 1995

The in-country seminars have clearly been most valuable; since 1993, MOU programmes have been introduced in Indonesia, Tanzania, Malaysia and Korea. Delegates at the 14th Session of the Enforcement Committee heard that the Administrations of China and Pakistan had accorded high priority to the introduction of national MOU programmes.

### **Passenger Processing Regional Drug Trends**

The first day of the seminar was devoted to a discussion on current regional drug trends in the passenger processing environment. Extremely interesting presentation were made by the Delegates of Bangladesh, Hong Kong, Indonesia, Pakistan and Thailand, and the Delegate from the RILO in Hong Kong. The Delegate of Australia described a case study relating to passenger controls, and the availability of access to trade information.

Examples of modern risk assessment and targeting techniques were then presented by the Delegates of Ireland, Japan and the United Kingdom.

### **Cargo Processing: Regional Drug Trends**

The second day of the seminar concentrated on regional trends in the cargo processing environment, mainly concerning drugs trafficking but also involving cases of commercial fraud. Presentations were made by the Delegates of China, India, Korea, Malaysia, Myanmar and Singapore, and the Delegate from the RILO in Hong Kong. An extremely interesting case study was then presented by the Delegate of New Zealand.

The Delegates of Ireland and the United Kingdom then described risk assessment and targeting techniques which their Administrations applied to cargo. This was followed by presentations from the



*WCO/JAPAN Regional Seminar on Drug Enforcement Feb. 13-17 1995 Tokyo.*

Hong Kong RILO and the Chairman regarding exchanges of information, both within the region and between regions.

### **Customs/Trade Co-operation via MOUs**

The Chairman began the third day of the seminar with a lengthy presentation on the WCO's ACTION programme, tracing its progress since MOUs were first concluded (at national and international levels) in 1995. Each Delegate received a copy of the WCO's video and brochure which explained, in an extremely effective manner, the benefits behind MOU programmes.

National experiences with MOU programmes were described in fascinating presentations made by the Delegates of Australia, Ireland, Japan, Korea, Malaysia, New Zealand, Pakistan, Sri Lanka and the United Kingdom. These were supported by equally interesting and positive presentations made by the Representatives from the International Association of Ports and Harbors (IAPH), the Scheduled Airlines Association of Japan, the Japanese Shipowners Association, Japan Customs Brokers Association, and Japan Aircargo Forwarders Association.

This section of the seminar was completed by a presentation by the Representative from the Conference of Asia/Pacific Express Carriers (CAPEC). This included a proposal for 2 extensions to the WCO's Express Consignment Guidelines: the application of Guidelines principles to commercial fraud, and the convergence of official controls. His presentation outlined the expectations which the air express industry had of Customs,

but also offered many ways in which his industry was willing to assist Customs.

### **Visit to Yokohama Customs**

The fourth day of the seminar comprised of a visit to Yokohama Customs. After an initial briefing by senior enforcement officers, Delegates had the opportunity to watch a drug detector dog at work, and to see a mobile X-ray van in operation. The visit, which included a luncheon hosted by the Deputy Director General, Yokohama Customs, was very much appreciated by all Delegates.

### **Recommendations**

The Chairman led a discussion on the final day of the seminar, summarizing the presentations which had been made during the week. The seminar's findings were recorded in a Recommendation, which was accepted and approved by all Delegates.

### **Closing of the Seminar**

The seminar was brought to a conclusion following statements from the Director (Enforcement Division) and the Chairman. The Delegates of the Philippines, Pakistan and New Zealand, speaking on behalf of all participants, expressed their deep appreciation to the Administration of Japan for their hospitality, friendship, and outstanding seminar organization. The seminar had, they said, been exceptionally successful and educational. It had also been memorable, with the establishment of many new friendships and the strengthening of an information-exchange network.

It was agreed by Delegates that the seminar would only prove to have been valu-



able if the Recommendation was implemented within the region. To that end, it was agreed that it would be extremely useful if, at some future date, a further seminar be held to assess implementation of the measures contained in the Recommendation.

## **Int'l Standards Help Transport People, Goods**

*This article first appeared in the April 1995 edition of ISO Bulletin, a monthly publication of ISO (International Organization for Standardization). ISO Central Secretariat, Geneva, Switzerland. Tel. + 41 22 749 01 11. Fax + 41 22 733 34 30.*

World Standards Day is marked jointly on 14 October each year by the major international standardization bodies, ISO, the International Electrotechnical Commission (IEC), and the International Telecommunication Union (ITU).

WSD is celebrated worldwide, with each national member body organizing activities and functions in own way, according to the year's theme, which for 1995 is particularly broad: *A world on the move – International Standards help transport people, energy, goods and data.*

No area of standardization better illustrates the immediate effects and advantages of international agreements than that of transportation.

Moving materials and products safely from points as far apart as Amsterdam and Bangkok, International Standards ensure a smooth and speedy passage from a temperate climate to a tropical country. From truck to train, from boat to plane, goods are sheltered during transit by ISO freight containers around the globe. To make it work, International Standards are needed: standards for physical interchangeability, strength requirements, identification methods, standard fork lifts, etc. Says an international expert in the field of intermodal transport: "Only ISO could handle such a complex standardizing task of moving within the same vessel: refrigerated foods or flat steel plates, hazardous liquid chemicals or ladies' garments, grain in bulk or Michelangelo's statue of the *Pietà*".

The movement to build and maintain a set of International Standards for the automotive industry itself has also been a prominent feature of the standards work of ISO and IEC, ranging from dimensional

standards for wheels, piston rings, graphical symbols on dashboards, test methods for measuring noise, to batteries and electrical safety.

Equally important are compatible worldwide facilities to ease the movement of people and communication. Today, there are International Standards for credit cards, electronic transfer of information in standard formats (e.g. bills of lading, invoices), for the transmission and storage of documents in any language, protocols for computer and network systems and satellite dishes for optical fibres and television. Passports can now be machine-read, speeding passengers through customs, and standards for prams and strollers contribute to a safer transport of babies.

Whether containers or transport vehicles, electronic imagery or telecommunication systems, standardization experts don't sit back and rest on past achievements: much work is in the pipeline to take into account new technologies and public concern regarding safety and environment.

Trade, business and standards partners are now moving full steam ahead on many new programmes to reach international agreements in a changing environment of transport practices. Issues addressed include such varied fields as traffic information and control systems on roads, reliable communication between heterogeneous computer systems, new materials for wheels and rails and improvements in the rail car structure, worldwide air traffic control systems using satellites and large optical fibre communication systems.

## **Marine Industry '95 In Tianjin Sports Center**

The 1995 China International Exhibition on marine technology, shipbuilding, port construction and affiliate facilities and services will be held from September 5 to September 9 at Tianjin Sports Center, Tianjin, China.

The **ORGANIZERS** of the exhibition will be the China Chamber of International Commerce, the Tianjin Chamber of Commerce, the China Council for the Promotion of International Trade (CCPIT), and the Tianjin Sub-Council.

Its **SPONSORS** will be the Ministry of Communication, the Ministry of Machine Building Industry, the China State Shipbuilding Corporation (CSSC), the Tianjin Municipal Commission of Communications, and the Port of Tianjin Authority.

The **HOST** of the show will be the Tianjin International Exhibition Corporation (TIEC).

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## **Electronic Commerce: A Giant Step Forward**

A meeting in San Francisco has completed the first stage of harmonising international guidelines for commercial UN/EDIFACT messages for use in the maritime industry.

The meeting which had the support of the Chairman of WP.4/GE.1 (Mr. Ray Walker) and the Rapporteurs was sponsored by:-

ISA – Information Systems Agreement – a grouping of major ocean carriers;

ICS – International Chamber of Shipping, and

TCIEG – Transportation Community Information Exchange Group (Port and Cargo Community Organisations).

The meeting was convened following discussions at the September 1994 meeting of UN/EDIFACT Joint Rapporteurs Teams (JRT) in Vienna. Its objectives were to agree recommendations for harmonising various implementation guidelines already developed for transport messages in countries around the world.

Technical and business experts from Western Europe, United States, Asia and Australia representing organisations involved in maritime transport EDI, met for four days at the Oakland offices of American President Lines. The meeting was chaired by Barry Keogh of Tradegate Australia, who is also Co-Chair of the Transport Work Group at the JRT meetings. Pascale Herman of the Port of Le Havre Authority was also a participant representing the port community and TCIEG.

The meeting has achieved agreement on the stable usage of segments and elements, and the choice of Directory for implementation. This will create a climate for easier implementation and clear the way for the rapid take-up of UN/EDIFACT in international EDI. The resultant Harmonised International Guidelines will also encourage re-assessment of current business practice and contribute to increased efficiency in the maritime transport sector throughout the world.

Recommendations were finalised for the International Forwarding and Transport Message (IFTM) set which include the

Firm Booking, Booking Confirmation, Forwarding Instruction, Contract Status (Waybill) and Arrival Notice, as well as the IFCSUM (INternational Forwarding and Consolidation Summary) message.

It was agreed that all guidelines for messages in this group would be completed in the format of the D.94E Directory, not to be reviewed before January 1997. Subsequent guidelines for other messages, including those not appearing in the D.94B Directory, should be completed in the latest available Draft Directory at the time of production.

Decisions were reached on the forward plan to develop implementation guidelines for Container Handling for both sea and land-side operations.

These recommendations will be considered and ratified at the forthcoming JRT meeting in Sydney, Australia in April 1995. Prior to that meeting a number of draft papers will be distributed for consideration by interested parties. Harmonised International Guidelines documents for the IFTM set and IFCSUM messages will be developed after that meeting, to be ratified in September 1995 at the subsequent JRT meeting and published in December 1995.

The strong support shown by those organisations represented underlines the essential need for all parties with an interest in implementing EDI, now or in the future, to become involved in the development and implementation process at the earliest possible time.

Andrew Robertson, member of the TCIEG and the CEO of Tradegate which is Australia's Trade Community services commented that "this is probably the most important news to hit the UN/EDIFACT EDI world since its inception back in 1988. Tradegate and our colleagues in a number of Community based services around the globe have been pressing for this development for a number of years in recognition of the fact that without such agreement the progress of EDI will continue to be slow".

## Seaport Development Conference in London

The Waterfront Conference Company is organising a two day conference (11-12 July 1995) to assist the financial and port industries on financing new port infrastructure and superstructure development within a public policy framework. The conference will be held in the Langham Hilton Hotel, London.

The increasing need to upgrade and develop the seaport facilities of major European countries has led to an examination of the funding methods available. The move by many European Governments to encourage the private sector to take-on this financial burden has led to the development of new financing initiatives.

The conference examines the different funding sources (both traditional and innovative) currently on offer to the industry and invites discussion from the audience on the most attractive and workable methods.

Key speakers include:

Fernand Suykens, Chairman, European Sea Ports Organization

The Viscount Goschen, Minister for Aviation and Shipping

Professor Richard Goss, Department of Maritime Studies and International Transport, University of Wales

Andre Bollen, Vice-President, FEPORT

Alastair Channing, Deputy Managing Director, Associated British Ports

Dr Enrico Ravano, Chairman, The Contship Group

For further information, please call

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Churchill House, 136 Buckingham

Palace Road, London, SW1W 9SA

Telephone: + 44 (0) 171 730 0410

Fax: + 44 (0) 171 730 0460

## New Publications

### Guide to Port Entry 1995/96 Edition

Ed. by Robert Pedlow. 2 Vols. Reigate, UK: Shipping Guides Ltd., 1995. 1,748 pages. Diagrams and plans. Indexes. Order from: Shipping Guides Limited, 75 Bellstreet, Reigate, Surrey RH2 7AN, England. Tel: 011-44-737-242. 255/6/7. Fax: 011-44-737-222-449. 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 is provided as to berthing, craning, 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.

## Coal Shipping and Costs: Sea Transport Logistics, Traffic Patterns, Trade Prospects, Infrastructure Constraints and Freight Costs

Seaborne coal trade – the dry bulk market phenomenon of the 1980s and early 1990s – looks set for a further dramatic expansion. 1995 may turn out to be a pivotal year as demand from coal users comes up against supply-side constraints. The fact that several key contracts covering the current year – which in recent years would have been signed and sealed virtually by the turn of the year – have still to be agreed as the end of the first quarter looms shows how far the tide has swung in favour of the coal suppliers.

The momentum, yet again, lies with the steam coal sector and, geographically, with the rising tide of demand from countries on the Asian Pacific Rim. In contrast, the coking coal sector, which reacts to demands from integrated, blast furnace route steelmakers, will largely hold its ground.

### Historical and Potential Seaborne Coal Trade

(Million tonnes)

	1970	1990	1993	1996	2000
Steam Coal	20	177	204	237	318
Coking Coal	84	162	159	178	187
Total	104	339	363	415	505

Source: Drewry Shipping Consultants - "Coal Shipping and Costs".

By 2000, it is expected that Japan together with the Other Far East/Asia region will be accepting over 150 million

tonnes of steam coal by sea – almost half of the anticipated global seaborne traffic. Potentially this share could be even higher – as much will depend on the pace of import substitution seen in Germany. The German position will mark one of the key “swing factors” as the political battle between the currently protected domestic mining interests and the anti-subsidisation factors within the EU works itself out.

For coking coal, no radical moves are envisaged although factors such as electric arc steelmaking preferences, changing coke rates (the amount of coke needed to produce pig iron) and the used of pulverised coal injection will be influential.

Clearly, 1995 should see the start of a period of coal price increases – though producers may claim that these have yet to reach the point of being “real” gains due to the combination of price concessions forced in recent years and currency parity rate shifts – but a further emerging prospect which will impact on the global trading pattern is a rising trend in underlying shipping costs. Given also that a good proportion of the elderly units (especially in the Cape size sector of the fleet) that are still being employed at present surely cannot see out the decade, shippers will need to get used to the idea that the market’s typical vessel has not just to cover its (rising) operating costs but will have to make a capital contribution.

However, in terms of the shipping and trade equation, the key question must be – if costs and freight rates rise, how much scope is there for producers to cut back fob prices? The answer may well hold the key to the identification of the coal market’s swing suppliers.

Vulnerable trade sectors – i.e. those with least scope for cutting fob prices if freight cost rises clash with price resistance at the cif position – must incorporate the longest haul routes barring any, currently unforeseen, rapid port upgrading and large scale shipping switch into the 200,000+ tonne sector. Australia to North West Europe traffic must head the vulnerability list. Some concern must attach also to cargoes worked from the Eastern USA to the Far East. Historically, the USA has shown resilience and, as a consequence, has built up a position as the trade’s primary swing supplier. Whether this position will hold through the late 1990s and beyond is less certain, especially as needs focus less on coking grades and attention is refocused domestically in line with the US Clean Air Act.

South Africa is best sited geographically

to function as a swing supplier though it might not achieve this for all coal grades. The other possible contender, again in the steam coal sector, is Indonesia. The main question here, though, is how much potential can be realised in practice.

If the coal trades do readjust into more geographically regionalised sectors, the key concern felt by the dry bulk fleet will be the potential for any reduction in tonne-mile (or tonne-kilometre) requirements. If this occurs, then fleet replacement needs may prove less than currently envisaged.

*Coal Shipping and Costs: Sea Transport Logistics, Traffic Patterns, Trade Prospects, Infrastructure Constraints and Freight Costs* assesses the prospects for international seaborne coal trade through to 2000 as well as setting the coking and steam coal sectors in their historical context. In addition, the Report provides an in-depth appraisal of the sea transport and shipping of coal and the economics of seaborne coal shipping.

*Coal Shipping and Costs: Sea Transport Logistics, Traffic Patterns, Trade Prospects, Infrastructure Constraints and Freight Costs* can be obtained, price £385, from Drewry Shipping Consultants.

**Drewry Shipping Consultants**  
11 Heron Quay, London E14 4JF  
Tel: 0171-538 0191  
Fax: 0171-987 9396

### Port and Maritime Guide of Spain

The users of the maritime transport, exporters and importers, can have from now on a manual with the largest information on services of the Maritime Transport and the Spanish Commercial Ports.

With the edition of this Handy Guide, the communication consultant, Marge, try to facilitate the access to the services that the firms, which work in the port and maritime sector, give; and at the same time put at the disposal of the users, national and international, the updated information about all the technical and logistics characteristics on the Spanish Port System.

### Port to port

Ordered by activity sectors, and through the 27th big Spanish commercial ports, the *Port and Maritime Guide of Spain* has directories with entries of 6,000 firms and institutions (port authorities, shipowners, freight forwarders, ship’s agents, stevedors, cargo terminals, etc.) which partic-

ipate in the port and maritime transport logistic, as well as those other companies that, since any point of the national geographic, give specialized services (consultants, insurance firms, environment protection, telecommunications, etc.).

Port to port, the *Guide* describes with detail the main technical characteristics of them (commercial uses, general services, special installations, equipment for loading and unloading, ...), traffic statistics and description of their regular lines. This work allows also to accede to the information about free zones, logistic activity centers (LAC), services related to the intermodal transport, and national and international organizations related to the sector.

### International projection

This bilingual edition, Spanish-English, provides for the first time to the Spanish port system with a media which will allow to the users and foreign operators to accede to a global and detailed vision.

**MARGE**  
Avenida Diagonal, 541, 3.º  
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## The Americas

### North Fraser Policy for Safe Transport of Goods

The North Fraser Harbour Commission has adopted a new policy for shipping commodities, announced David Silver, Chairman. The policy, developed by the Fraser River Estuary Management Program (FREMP), established procedures for the safe transport of commodities through and within the Fraser River estuary.

“The purpose of this policy is to set a higher standard of care for the shipment of all commodities,” said David Silver. “The policy recognizes the sensitive nature of the Fraser River estuary and recommends activities to lessen the risk of spills into these sensitive estuarine environments.”

Policy recommendations include:

1. A spill risk analysis of all commodities shipped through a terminal facility, including a review of alternatives to shipping the commodities through the estuary, be conducted. The analysis should evaluate key risk factors including the packaging type, shipping procedures and the navigational hazards.

2. A scenario based Emergency Response Plan (ERP) for land based and vessel based shipping operations. Development of the ERP should be based on worst-case spill scenarios developed from the risk assessment and will include spill countermeasures for each commodity.

3. Copies of draft ERPs should be submitted to FREMP and its member agencies, the Canadian Coast Guard and the adjacent municipality for review and comment.

"This new policy is part of our continuing efforts, in coordination with FREMP and other agencies, to protect the sensitive ecology of the North Fraser river," said Silver.

## Japan Remains Leading Market for US Exports

More than 921 million metric tons of cargo carrying a value of \$517 billion were shipped by sea in 1994 between the United States and approximately 230 countries and territories around the world – literally from Afghanistan to Zimbabwe.

However, 25 countries accounted for 78.3 percent of America's 1994 seatriade by volume and 81.7 percent of it by value. In fact, just five – Venezuela, Japan, Mexico, Canada, and Saudi Arabia – accounted for 40.2 percent of total tonnage. Similarly, 46.1 percent of the dollar total came from U.S. trade with Japan, China, Taiwan, Germany, and South Korea.

Ranking first among America's trading partners in 1994 in cargo volume was Venezuela with 87.2 million tons, or 9.5 percent of the U.S. total. Japan stood first in the value ranking – \$120.6 billion, which equates to a share of 23.7 percent.

Japan was also the world's leading market for U.S. exports both by volume (67.2 million tons) and dollar value (\$31.1 billion) and also ranked first in the value of U.S. imports with a total of \$89.5 billion. Venezuela led in import volume with 82.7 million tons.

While Japan remains America's dominant trading partner by sea in most respects, tonnage has dropped substantially over the past five years. Last year's volume was down 5.1 percent compared to 1993 and 10.3 percent compared to 1990.

That contrasts with the mushrooming of U.S. sea trade elsewhere – with China (up 13.0 percent in volume compared to 1993), Eastern Europe (+14.9 percent), ASEAN – the Association of Southeast Asian Nations

(+19.7 percent), and the member nations of the European Free Trade Association (+41.9 percent).

Some of the most spectacular gains in America's seaborne trade volume were with Canada (+10.4 percent) and the Latin American nations of Argentina (+22.8 percent), Brazil (+20.1 percent), Chile (+58.0 percent), Mexico (+14.3 percent), Panama (+21.5 percent), Paraguay (+32.9 percent), and Uruguay (+81.4 percent).

Last year's figures also reveal a substantial rebound in U.S. trade with Western Europe, with increases compared to 1993 of 12.3 percent in cargo tonnage and 11 percent in value.

Other areas of growth were North Africa (+2.4 percent), the Caribbean (+1.8 percent), and Sub-Saharan Africa (+1.7 percent). The 11.4 million tons of goods exchanged by sea in 1994 with Central America, though down 20.2 percent from 1993, remained higher than any prior year of the decade and exceeded the 1989 cargo tonnage total by 61.8 percent.

Trade with the nations of the former Soviet Union has eroded substantially over the past five years, with 1994 volume down 34.1 percent from 1993 and 43.7 percent below its 1990 level. Declines of lesser magnitude are also evident in U.S. trade with the Near East and Australasia.

Other 1994 seaborne trade highlights:

- Dominating the tonnage category, not surprisingly, were major oil exporting countries – Venezuela, Mexico, Saudi Arabia, Nigeria, and the United Kingdom.

- The leaders in value of seaborne trade were industrialized or emerging industrialized countries such as Japan, China, Taiwan, Germany and South Korea.

- America's NAFTA partners – Canada and Mexico – together generated 135.8 million tons of waterborne cargo (15.2 percent of the U.S. total) valued at \$20.4 billion (4.3 percent).

- Central and South America accounted for 165.4 million tons (18 percent of the U.S. total) and \$49.6 billion (10 percent). Foremost among America's Latin trading partners were Venezuela, Mexico, Brazil, and Colombia.

- U.S. seaborne trade with the Caribbean Basin amounted to 31.8 million tons with a value of \$10.9 billion. Major Caribbean trading partners were Jamaica, Trinidad & Tobago, the Bahamas, the Netherlands Antilles, and the Dominican Republic.

(AAPA Advisory)

## Long Beach No.1 North America Container Port

In 1994, for the first time ever, the Port of Long Beach emerged as the top ranked North American container port based on total TEU throughput. Others among the top five were Los Angeles, New York/New Jersey, San Juan, and Oakland.

The leading Canadian ports were Montreal, Vancouver, and Halifax, while Veracruz stood first among the ports of Mexico. The top 25 ports are listed below together with corresponding data for 1993.

### North American Container Ports - 1994 Ranking by TEUs

1994 Rank	Port	1994 TEUs	1993 TEUs
1	Long Beach	2,573,827	2,079,491
2	Los Angeles	2,518,618	2,318,918
3	New York/New Jersey	2,033,879	1,972,692
4	San Juan	1,533,592	1,559,421
5	Oakland	1,422,800	1,244,600
6	Seattle	1,414,000	1,151,405
7	Tacoma	1,027,928	1,074,558
8	Charleston	897,480	802,821
9	Hampton Roads	894,066	786,023
10	Montreal	728,799	598,120
11	Houston	579,868	541,497
12	Savannah	562,266	563,303
13	Baltimore	530,643	487,772
14	Miami (fy)	509,687	572,170
15	Vancouver (BC)	493,843	434,004
16	Jacksonville (fy)	480,616	463,516
17	Honolulu (fy)	435,658	442,748
18	New Orleans	378,334	n/a
19	Anchorage	333,138	275,578
20	Portland (OR)	317,961	239,439
21	Halifax	311,097	300,933
22	Veracruz	255,879	193,862
23	Port Everglades (fy)	251,743	226,674
24	Boston	169,595	152,240
25	Palm Beach (fy)	163,248	158,762

fy=fiscal year Source: AAPA survey  
(AAPA Advisory)

## Errol Bush Elected Chairman of AAPA

The director of ports for the Port Authority of the Cayman Islands, Errol L.

Bush, MBE, was elected as the new Chairman of the Board of the America Association of Port Authorities (AAPA) on March 22, during AAPA's Annual Spring Conference in Washington, D.C.

Mr. Bush is second Caribbean port official in AAPA's 87-year history to become chairman of the board of the AAPA. The first Caribbean delegation chairman was Jan Oenes of Curacao Ports Authority, Netherlands, Antilles, from 1970 to 1971.

Mr. Bush officially becomes Chairman this fall, during the Association's 84th Annual Convention, scheduled for October 16-20, 1995, at the Sheraton New Orleans in New Orleans, Louisiana. He will succeed as AAPA Chairman of the Board Davis Helberg, executive director of the Seaway Port Authority of Duluth.

"I look forward to working with AAPA members of all delegations. My priorities as chairman will include extending AAPA's educational programs to the Caribbean. I also look forward to seeing the Professional Port Manager (PPM) certification program develop and grow among Caribbean ports to become the true mark of the excellence for port managers," said Mr. Bush.

## **Home Depot's New Facility in Savannah**

Georgia Governor Zell Miller has announced that The Home Depot will open a new import distribution facility in Savannah, creating more than 300 new jobs and bringing a \$70 million capital investment to Georgia.

In his official announcement from Georgia Ports Authority headquarters in Garden City, Governor Miller praised the Atlanta-based company as "a great example of home-grown Georgia entrepreneurship."

Founded in 1978 in Atlanta, The Home Depot is North America's largest home center retailer. Across the United States and Canada, the company operates 350 home centers with more than 70,000 employees. Gross sales for fiscal year 1994 were in excess of \$12.4 billion.

"Three years ago, we began to invest heavily in our ports because we knew that they are crucial to Georgia's success in economic development," said Governor Miller. "The Home Depot's decision to locate a new import facility in Savannah is exactly the kind of results we were looking

for."

Through its FOCUS 2000 program, the GPA has invested more than \$100 million for facility construction, equipment purchases and improvements to the Savannah Harbor since 1991. This investment was one of the main reasons cited for Home Depot's decision to locate in Georgia over several other southeastern cities, including Charleston, S.C.

The Savannah distribution center will be built near the Savannah port on a 325-acre site in the Crossroads Business Center. The site, adjacent to Interstate 95 and the Savannah International Airport, is served by both CSX and Norfolk Southern railroads. Additional acreage at the Georgia Ports Authority's Garden City Terminal will be designated for the company's exclusive use in marshaling containers on-port.

The center will have an estimated annual impact of more than \$22 million on the area economy, boosting the number of containers being imported through the GPA terminal by 30,000-40,000 per year and likely creating another 450 to 600 jobs in the service, transportation and retail sectors, according to Raymond D. Wood, an analyst with Savannah Electric and Power Company.

"We're obviously very pleased by the results of the selection process undertaken by The Home Depot," commented GPA Executive Director Doug J. Marchand. "There is much work ahead to ensure a mutually rewarding and longstanding relationship and we are pursuing those tasks with vigor."

"This new facility is crucial to the growth of our company as we add more than 500 stores during the next five years," said Marcus. "It will ensure that we can continue to provide our customers with a broad selection of quality products."

"The state's foresight and commitment to expanding the port in Savannah allowed us to locate our new distribution center in our home state of Georgia," Marcus continued. "This was a very competitive situation and Georgia worked hard to earn our business."

## **Louisiana, Panama Work On Long-range Plans**

With the Panamanian government set to assume ownership and management of the Panama Canal in the year 2000, the Port of New Orleans and the government of Panama are taking steps to better prepare

Panama to assume its role as a major force within the world's maritime community.

The Port of New Orleans, the Port of South Louisiana and the Panamanian government, through its national port authority, recently entered into an agreement that creates a long-term strategic link between Louisiana and Panama. Through the agreement, the two area port authorities and the Panamanian government will work jointly on long-range plans, programs and projects designed to enhance Panama's maritime and economic future.

The agreement signed by Richard J. Clements, executive director of the Port of South Louisiana; J. Ron Brinson, president and chief executive officer of the Port of New Orleans; and Ruben Reyna, acting general director of the National Port Authority of the Republic of Panama was ratified during a formal ceremony in Panama Jan. 17.

"Our new relationship with the Panamanian government puts us in a unique position to tie U.S. and, particularly, Louisiana companies to the tremendous opportunities which exist in Panama," Brinson says.

*(Port of New Orleans Record)*

## **Port of Redwood City: Tonnage on Record Pace**

The Port of Redwood City enjoyed a 41 percent increase in tonnage for the first six months of the Fiscal Year 1994-95. The tonnage was 362,228 tons, on course for the best annual tonnage mark in more than 15 years.

Tonnage for the first six months of FY 1993-94 was 213,404. Tonnage for all of FY 1993-94 was 499,000.

Interim Executive Director Michael J. Giari reported major increases in steel scrap metal exports, up 53 percent to 153,941 tons for the first six months of FY 1994-95; gypsum rock imports, up 108 percent to 135,459 tons; and cement, up 37.5 percent to 20,200 tons.

Giari said the Port accommodated 16 bulk ships for the first six months, compared with nine for the comparable period in 93-94.

The Journal of Commerce reported in a recent edition that the Port of Redwood City was the fourth largest Port in the U.S. in steel scrap export for the month of October 1994, behind only New York, Philadelphia and Boston. The October steel scrap exports at the Port of Redwood City totaled 34,965 tons. Sims-LMC processes approximately 270,000 tons annually of ferrous metal at the Port of



Redwood City, primarily from recycled automobiles. (Currents)

## Africa/Europe

### Direct Train Service Between Lille, Le Havre

In early May, the Port of Le Havre and the River Port of Lille (external department of the Chamber of Commerce and Industry of Lille-Roubaix-Tourcoing) will be linked up direct by a block-train. The creation of this service meets various requirements:

- **For both ports**, it makes it possible:

- \* to assert a will to set up rapidly a network of inter-regional trade collection,
- \* to meet the requirements of importers, exporters and shipping lines.

- **More specifically speaking, for the river port of Lille**, the objective is to:

- \* develop the part it plays as the multimodal logistic hub of the North-Pas de Calais Region,
- \* carry on its active intermodal policy at the service of the various partners,
- \* be linked to one of the leader European ports.

- **for the Le Havre's port**, the creation of this service meets:

- \* the demand expressed by port customers
- \* the will expressed by the Port of Le Havre to reorganise the structure of its communication network with its hinterland, especially towards the North-Pas-de-Calais region (first exporting region and the second French exporting region), which accounts for a not enough significant part of the flows of cargo transiting through the Le Havre port marketplace.

Following the conclusion of the local stevedoring agreements in July 1994, which made it possible to improve the productivity and reliability of port services but also to restore confidence among shippers, the ports of Le Havre and Lille thought it was the right time to create this tool to recapture trades. Thus, within the framework of a partnership and with the active support of SNCF and CNC, both French ports decided to offer the following services as from early May:

- two return trains per week,
- a first-class quality services overnight:
  - \* departure evening Day A,
  - \* arrival morning Day B,
- a transport offer available to and from the Le Havre terminals (Bougainville, Europe, Asia and Pacific) or from the Lille multimodal platform (Lille Container Terminal).
- a service organised by the river port of Lille which perfectly knows the region and the customers of the North-Pas-de-Calais Region.

This train must rapidly prove to be a real opportunity for Le Havre port to face the competition of the ports in the North-European range, especially Antwerp and Rotterdam.

### Biggest Containership Calls In at Le Havre

Mitsui OSK Lines (MOL) have just taken delivery of their last containership which is not the least...as it is so far the biggest in operation in the world! She is called "MAAS" and was constructed by IHI shipping yards in Japan to whom she had been ordered in June 1993; a sister-ship is due to be delivered next May by these very yards.

The characteristics of the "MAAS", an overpanamax containership are impressive:

Deadweight tonnage: 62,905 tonnes,  
Length: 300 m,  
Width: 37.10 m,  
Draught: 13.03 m,  
TEU capacity: 4,700.

On March 1st, 1995, the Mitsui Japanese Shipping Line joined the Nedlloyd and MISC shipowners now forming the "Alliance" consortium on the route from Europe to the Far East, and Mitsui also hire slots on board their ships to the American shipping line, APL: let's state that "Alliance" vessels call in at Le Havre each week on import and export, that is two weekly calls.

The "MAAS" sailing from Southampton called in at Le Havre on March 20th, at the "Americas Quay" having SMART as agents, the stevedore being GMP. After operating 727 container moves, the "MAAS" got under way bound for Singapore. With this call, the Port of Le Havre is strengthening its natural calling to receive the biggest containerships, whatever the day and time!

### New Loading/Unloading System at Göteborg

*A new loading/unloading system for ports was demonstrated in test-bed form recently at the Port of Göteborg. The system, called Alicon for Air-Lift Containers, is currently being tested in Göteborg's Älvsborg harbour.*

The Alicon system has been developed by Thornycroft, Giles & Co., Inc of Washington, D.C., USA. The company is a partner in the test of the system together with Volvo Transport Corporation and the Ports of Göteborg, Sweden and Zeebrugge, Belgium.

The partnership wants to test the Alicon ideas on a full scale to gain experience for the future. The 65-metre-long test-bed in the Älvsborg roll on/roll off harbour is equipped with gradients, curves, different surfaces, and a switch.

The Alicon system is based on platforms hovering on air-cushions. The platforms, loaded in advance with up to four twenty-foot containers each, are coupled together like a train and pushed across the terminal area and a loading ramp into a specially equipped roll on/roll off vessel. A truck or locomotive is used to push or pull the platforms and also provides the compressed air for the air cushions. Supporting rails built into the terminal, the ramp and the vessel guide the platforms.

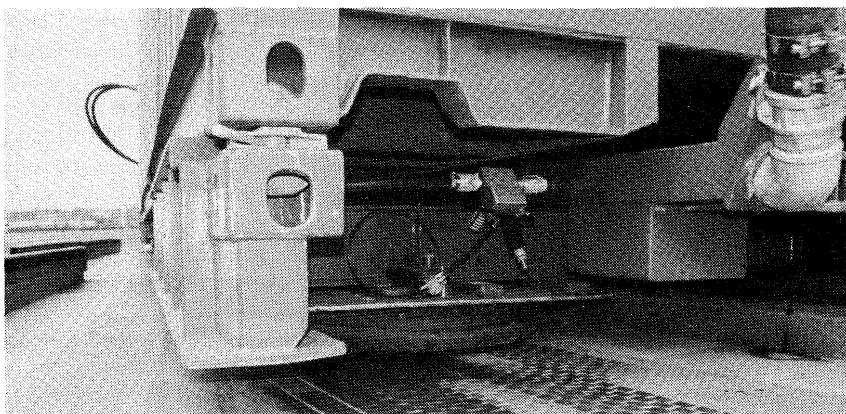
The demonstration at Göteborg was a peep into the testing activities rather than the launching of a solution. One vulnerable detail has been the rubber bellows that create the air cushions. Each platform, be it the container or the trailer version, has four of these bellows. One of these bellows was damaged during the demonstration but was replaced within two minutes with the airflow still on.

The Alicon system has an impressive capacity. It could load and unload up to 2,000 twenty-foot equivalent units in two hours. Alicon had been developed to match the capacity of a special kind of freight vessel, also conceived by Thornycroft Giles. Called FastShips, these very fast freighters travel at 40 knots on a full load. There are deep-sea and short-sea versions of FastShip, both propelled by water jets.

The Ports of Göteborg and Zeebrugge have decided to be active in the testing of the Alicon system. There is a considerable interest, some would say pressure, from Swedish industry to bridge the distance handicap of the Scandinavian countries in a radical way. The two ports have taken the initiative of the test to speed up the



*Tow platforms were used at the Alicon demonstration at the Port of Göteborg recently, one for a trailer, the other for containers. The platforms hover on four air-cushions each, the air for which is supplied by a compressor on the terminal locomotive pushing or pulling the platforms. A rail guides the train of platforms in the terminal, on the ramp and on the vessel.*



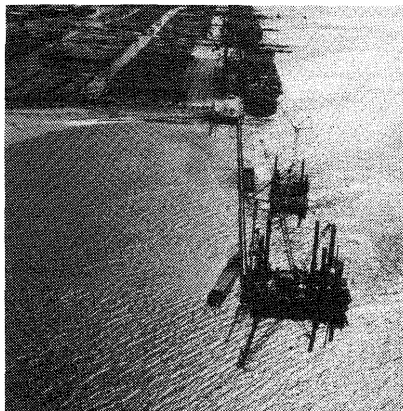
*One of air cushions supporting an Alicon container platform is visible in this photograph. To the right is the guiding rail.*

progress of the matter and to encourage investments. The ports plan to be the terminals for a FastShip link in a couple of years' time. The service would be able to offer daily sailings from both ports with just two FastShips, based on a cycle with

17 hours at sea and two hours in port.

Tests at Göteborg will proceed at least until mid-year 1995. One of the details that are being specially investigated is the demands on the ground surface where air-cushion units are to be used.

### **World's Longest Quay Getting Even Longer.**



To meet the growing container traffic in Bremerhaven (1994: +11%), which again set a new monthly record in March of nearly 135,000 standard containers handled by the facilities of BLG Bremer Lagerhaus-Gesellschaft, the River Quay is being further extended to the north. Up to now 350 meters have been completed and the driving work on the sheet pile walls, measuring a total of 700 meters in length, is to be finished by the end of August. The overall length of the quay will then be almost 3 kilometers, thus breaking its own record in the "Guinness Book of Records".

## **Dublin: Irish Record For Freight Throughput**

Figures just released show that Dublin Port holds the Irish record for freight throughput at any commercial port in the Republic for the second successive year. At 9.5 million tonnes in 1994, this represents an increase of 12.5% over 1993 figures which were then the highest ever recorded in the Republic. They are also approximately 28% higher than the figures for its nearest multi-modal competitor.

Commenting on the results Dublin Port Chief Executive, Enda Connellan, said he was optimistic that further increases could be achieved in 1995 which would bring Dublin Port throughput past the 10 million tonnes mark.

He also added that new investment in Ro/Ro terminal facilities would greatly increase capacity in this mode.

"Irish Ferries will introduce a new Jumbo passenger/freight ferry in May on the Dublin/Holyhead route which will be of great benefit to the valuable tourism industry as well as freight. Pandoro Ltd. has increased its sailings to Liverpool to three ships a day while Merchant Ferries Ltd. will soon commence a freight ferry service to the UK from its new IR£6.5 million terminal."

He further pointed to buoyancy in the Lo/Lo mode, served by DFT, MTL and Coastal, which saw an increase of 18% over the 1993 figures.

The breakdown of 1994 freight increases at Dublin Port is as follows:-

- Ro/Ro freight units increased by more than 9%
- Imported trade cars increased by 38%
- Tourist trade increased by 7%
- Lo/Lo throughput increased by 18%
- Dry Bulk throughput increased by 13%
- Liquid Bulk throughput increased by 7%.

*(Port Times)*

## **KPA Signs Cooperation Pact With Hamburg**

Almost a year after signing the protocol of cooperation between it and its South African counterpart, the Portnet, the Kenya Ports Authority (KPA) fulfilled another milestone in the strengthening of inter-

ports relationship by signing a similar protocol with the Port of Hamburg in September 1994.

In the first agreement, the KPA became the first African port organisation to enter into the cooperation following the abolition of apartheid and the emergency of South Africa as a free market economy with an advanced port development and management to boot.

The KPA whose port of Mombasa is the largest and busiest north of the port of Durban, was represented at the signing ceremony held in Mombasa on 17 November 1993, by the then Managing Director, Mr. A.C. Mumba, while Portnet was represented by the Chief Executive, Mr. A.N. Davidson.

The areas of cooperation in the protocol were spelt out as the exchange of information regarding port technology, operations and management and the exploitation of training opportunities through exchange of personnel, extending invitations to courses, conferences or seminars.

In the case of the cooperation agreement between KPA and port of Hamburg, signed on 12 September 1994, by the KPA Managing Director, Mr. Simeon M. Mkalla and the Managing Director of the Hamburg Port Consulting GmbH, Mr. George Klatt, the ceremony was also held at Mombasa.

Mr. Mkalla intoned the significance of the occasion by saying that Mombasa as a developing port had a lot to gain from the long experiences of the port of Hamburg. He noted that Hamburg has excellence in container operations management and hoped Mombasa would gain in this aspect.

The two year agreement is renewable by mutual consent.

Since the signing of the protocol with Portnet, a log of exchange visits have taken place at various levels of staff. Many shipping arrangements have also taken place between the ports of Mombasa and Durban.

\* \* \*

#### **Summary of the objectives of the protocol of co-operation between KPA and Portnet**

1. To establish and build a sound and friendly working relationship and in so doing promote trade between Kenya and the Republic of South Africa.

2. To exchange information in the fields of Port technology, operations and management. This would include sharing research information on port of other maritime related matters.

3. To exploit reciprocal training oppor-

tunities through the exchange of personnel, extending invitations to courses/conferences/seminars conducted by internal or external parties in our respective regions.

4. Provide management or technical assistance to solve specific problems mutually identified.

5. To develop and promote their friendship and mutual understanding by encouraging cultural and sporting events where possible.

6. To seek the involvement and support of bodies such as the South African Department of Trade and Industry and Kenya External Trade Authority whose primary aims are to encourage trade.

7. To devote themselves to the above objectives.

#### **New UK Independent Port Assoc. Launched**

A new association, the UK Independent Port Association (UKIPA) was launched on 10 April at a luncheon in London. The Association has been established to provide effective and independent representation for non-aligned ports in national, European and international forums.

The founding members of UKIPA are the Ports of Bristol and Felixstowe. Terence Mordaunt, Chairman of the Bristol Port Company, commented:

"Although currently limited in number, we already count amongst our members the UK's leading port for new car imports, the largest container port in the country by some margin, Britain's second largest Roll-on/Roll-off port, two major forest products ports, as well as liquid bulk, dry bulk and general cargo facilities. Altogether, a very significant portion of the UK port industry.

Derek Harrington, Managing Director of the Port of Felixstowe, added:

"The UK port industry is very diverse and includes a wide range of interests. UKIPA has been established specifically to provide an impartial view for large private sector ports."

UKIPA will be active in all spheres affecting ports. Within Europe, its main objective will be to achieve a level playing field for all ports based upon a common approach to port funding and subsidies. To achieve this, UKIPA will promote the need for a common port policy within the European Union.

In addition to lobbying activities on behalf of its members, UKIPA will foster closer ties with other National and

Regional port associations in Europe and Worldwide to encourage and facilitate a forum for the exchange of views in the key areas of Safety, Operating Systems, Information Technology and Environmental Protection.

#### **Largest-ever S. African Cargo: Immingham**

As Her Majesty the Queen completes her first visit to South Africa in 48 years, trading links between the two countries are proving stronger than ever. This has been exemplified at Associated British Ports' (ABP) Port of Immingham which handled its largest-ever cargo of South African goods recently.

Marine Commodity Lines (PTY) Limited's (MCL) 27,000 DWT bulk carrier, *Athinoula*, discharged its cargo of 26,000 tonnes of steel and bulk commodities at the port's Nos 2/3 Transit Quay. The vessel was calling at Immingham on the line's monthly service between the port and South Africa.

Dennis Dunn, Port Manager, ABP Grimsby & Immingham, said the arrival of the cargo was timely:

"Immingham has for many years had strong links with South Africa. We are pleased to have handled this landmark cargo during the Queen's first official visit to South Africa in 48 years, a historic time for UK-South African relations. The shipment confirms the growth in cargo volumes and our confidence in the future of this expanding trade."

Liner Terminal Operators (Immingham) Ltd, a joint venture between ABP and Humberside Sea and Land Services, discharged the vessel's cargo in a record 5.6 days. Four gangs were employed and achieved an average of 125 tonnes per gang per hour.

#### **Felixstowe: £3.5 Million Systems Contract**

The Port of Felixstowe has invested £3.5 million in new computer systems to facilitate its ambitious Trinity III expansion plan. The package includes two mainframe enterprise servers, software licensing, support and services, which will uphold and enhance the existing world class systems.

The Port of Felixstowe, owned by Hutchison Whampoa Limited, is the No.1 Container Port in the U.K. and employs a fully automated system, replacing paper,

which allows it to operate 24 hours a day, 365 days a year. The contact is part of its Trinity III expansion programme to build two extra deep water berths. This will increase capacity by 25% and allow the Port to handle 2.2 million TEUs year.

Two duplicate systems will be installed at different locations within the Port, each capable of providing back-up to each other as well as running their own applications.

Chris Lewis, Head of Information Systems at the Port of Felixstowe, commented: "We have recently been given the green light to proceed with the Trinity III expansion programme. As part of this expansion, we are upgrading our IT investment. The new system will help us deal with over 2.2 millions TEUs a year and the millions of transactions relating to their movements. With such mission critical applications as our CHARTS (Cargo Handling Real Time System) and the community FCPS (Felixstowe Cargo Processing System) running on the new servers, reliability, processing power and security are uppermost in our minds".

The two new computers will be installed immediately, well ahead of Trinity III's early 1996 completion date. Both systems will provide back-up to the other via real

time links, which will allow the Port to continue functioning at full capacity should a disaster occur.

## PLA Head Re-affirms Commitment to Future

A re-affirmation of the commitment to the future of the Port of London was given by Sir Brian Show, Chairman of the Port of London Authority (PLA), recently when he confirmed the investment for the deepening of Diver Shoal in Gravesend Reach.

Speaking at the launch of the 1995 Port of London Handbook, Sir Brian said "Last year I spoke about the £50 million being invested by the private terminal operators. These facilities are now up and running."

"The PLA is investing too. We have a £5 million scheme to overcome that well-known bottleneck at Diver Shoal which we are on course to complete by the forecast date at the end of the year." He continued that not only was the PLA investing, but that it was also saving money by merging the operation of the former Thames Navigation Service with Pilotage.

"This has led to a streamlining of the operation, increased efficiency and savings

and we are passing on these cost savings to our customers. We have held our conservancy charges at the 1994 level and we have not increased pilotage charges for a third year running – which, in effect, means a 10% reduction," he continued.

Sir Brian said that the Port of London had a "very good year" in terms of trade. "The increases achieved in the past two years have gone a long way to justifying our forecast of how London is going to expand between now and the year 2020."

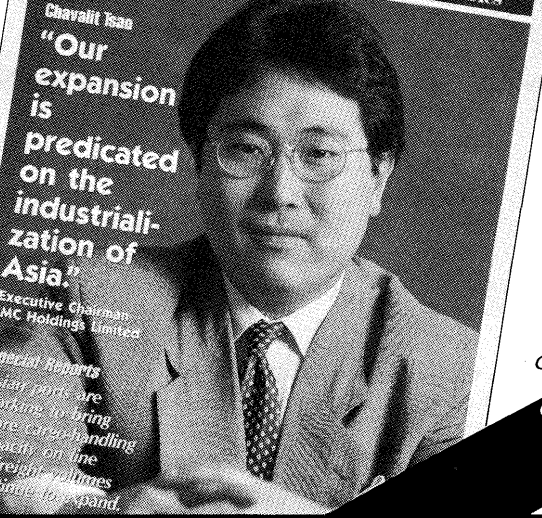
Introducing the new Handbook, Geoff Adam, PLA's Head of Port Promotion, said that since last year's launch of the global marketing initiative "Target London", the message that London is the major south-east entry port and the UK's largest port was being recognised worldwide.

"Although no longer directly involved in cargo handling, the success of Target London has persuaded us that the PLA's role as the catalyst for Port promotion is not only right, but is working."

Referring to the creation of a "new" Port community, he explained that the PLA had taken the lead in pulling together the individual strengths of the operators within the Port of London. "It is a partnership which

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has brought about a better understanding, focusing on mutual interests which will improve London as a port and enhance its competitive edge."

Explaining that the 1995 Handbook was for the whole Port, not just the PLA, he said, "It (the Handbook) holds a clear and unmistakable message that the Port of London is "World Class", and as such is prepared and ready to take on the challenges of the future."

Speaking directly to an audience of over 200, including the Port's terminal operators and their customers, Geoff Adam explained the PLA's commitments to them and the Port.

"On your behalf, the PLA is committed to maintaining freedom of access to the Port of London, pursuing first-class operating standards and competitive costs. We are also committed to promoting the UK's largest port as a place where enterprise can flourish," he concluded.

### **London's Position as UK's Largest Port Intact**

Trade through the Port of London increased by one million tonnes to 51.6 million tonnes during 1994, maintaining the Port's position as the UK's largest seaport. The figures revealed in the 1994 Annual Report & Accounts published by the Port of London Authority (PLA) represent a two per cent rise over the 50.5 million tonnes handled by the Port in 1993. Describing 1994 as a "stimulating year for the Port of London" in which much had been achieved, Sir Brian Shaw, Chairman of the Port of London Authority, thanked the Port's customers for their continued loyalty.

In his Chairman's Statement, Sir Brian commented on the number of significant new facilities that came on stream throughout the Port during 1994. "Terminal operators on the river are demonstrating their belief in future growth by significant investment."

Referring to his connection with the shipping industry for almost 40 years, Sir Brian said "I cannot remember a time when the leading UK ports competed more vigorously with each other." Stressing that the level of costs is vital for the future of the Port and its users, he reaffirmed the PLA's dedication to "keeping costs down and standards up."

"As the country gradually pulled out of recession the volume of trade increased,

although customer margins remained under pressure. In the circumstances we (PLA) have been pleased to find ourselves in a position to hold our 1995 (conservancy) charges at 1994 levels."

"One of the most important aspects of the PLA's responsibilities is to maintain and improve access to the Port for all types of shipping and perhaps the most significant recent decision by the PLA Board has been to approve a £5.5 million project to deepen the Port approaches. This major project will enable the Port to handle more easily vessels of deeper draught and, for others, remove tidal constraints altogether."

Looking to the future, Sir Brian explained that in December the PLA published its "Trade Forecasts to the year 2020" in which it predicted that London's trade could more than double to 112 million tonnes by the year 2020. "One consequence of this is that the demand for cargo handling facilities could far exceed the capacity of existing terminals on the London river."

"It is, therefore, of crucial importance to the Port, and to the nation's economy, that local authority and country development planning takes account of the needs to schedule strategically important riverside sites for industrial use, whilst at the same time giving due consideration to the growing emphasis which quite rightly is given to protecting the environment."

During the year the PLA has devoted considerable time and effort in getting this message across to politicians and planners, and Sir Brian said he was gratified that the ministers representing both Transport and Environment had made strong public statements acknowledging that the Thames was essentially a working river.

The financial review of the year showed that while the PLA's turnover had increased by £1.2 million (4.5%) to £28.1 million, there was a drop in revenue from conservancy charges on cargo compared to 1993 largely attributable to the mix of cargo handled, with a substantial reduction in coal being the primary factor.

Income from conservancy charges on vessels remained virtually unchanged, although, as with cargo, the mix of vessels had an adverse effect on revenue. In addition, as from 1 October 1994, the change from a Gross Registered Tonnage (GRT) to a Gross Tonnage (GT) basis of charging was completed, the estimated reduction in revenue of 1.5% per annum being to the advantage of vessels using the Port of London.

Overall, operating expenditure at £27.8 million was £3.0 million higher in 1994 compared with 1993 although this was largely accounted for by non-recurring factors, including the final phase of the refurbishment of Richmond Lock & Weir.

## **Asia/Oceania**

### **Port of Qingdao: Great Containerization Efforts**

The Port of Qingdao is situated on the Coast of Jiaozhou Bay of Shandong Peninsula, facing Japan and Korea across the Yellow Sea. There is no silt or ice all year round. With its excellent geographical location, it is one of the most important foreign trade hubs and the intermediate ports of the nation.

In recent years, the Port of Qingdao has made great efforts in developing the containerization. The growth rate of container handling capacity is over 30 per cent each year. Total volume through the Port of Qingdao reached 0.43 million TEUs in 1994, an increase of 0.13 million TEUs or 42 per cent compared with that of the previous year. The Port of Qingdao ranks the third among the coastal ports in China for a five continuous years.

At present, there are three container berths equipped with five container cranes (No.5 crane is the biggest in the country), eight gantry cranes and over 60 special machines, and two other deep-water container berths are under reconstruction. Its container terminal can accommodate the fourth generation container liner. In addition, the Port has one CFS duty-free warehouse and one dangerous goods warehouse with a total of 8,800 square meters. Fine equipment and facilities for freezing containers guarantee the Port as an important freezing container base. The handling volume of import/export freezing containers reached 32,530 TEUs last year, which ranked the first among the coastal ports in China.

Up to now, the Port of Qingdao has opened 10 international container lines to such countries and regions as the West Coast of U.S., Japan, Korea, Hong Kong, Persian Gulf, Europe, South-east Asia etc. Each month, more than 130 container liners pull into the Port. From February this year, the Port has successfully developed its international container transshipment business and become the first international



container transfer port in China. The EDI computer system has been in use for container transportation and terminal managements. Three special international container rail line link the Port with its vast economic hinterland. The Customs, Health Inspection, Commodity Inspection along with Animal and Plant Inspection work together to provide clients with convenient, all-sided and high quality services. By the end of this year, the whole container capacity of the Port will reach 0.8 million TEUs.

The development of containerization of the Port has a bright future. Two deep-water container berths are under construction as the Second Phase of Qianwan Harbor Area. The under-water part of the Project will be completed this year; The Third Phase Project (International Container Transshipment Base) is planned to construct 6 large deep-water container berths with annual throughput capacity of one million TEUs. By the year 2000, the general throughput capacity of the Port of Qingdao will exceed 2.4 million TEUs.

### Kawasaki Contributing To Met Area Distribution

Kawasaki Port, adjacent to Tokyo and Yokohama, plays a role in smoothening the distribution throughout the whole Tokyo Metropolitan area thanks to the original international trade port development plan. Construction of the container berth, the center axis of the Port, will be completed in April 1996. "Kawasaki" is progressing.

Two berths (depth of water : 14 m ~ 15 m; extension : 700 m) of a public container terminal are now under construction. One berth will start service from April 1996. Just behind this container terminal, a 34-hectare total distribution terminal (foreign access zone : FAZ) based on the Foreign Access Zone Concept of Kawasaki City has been developed along with the construction of the container terminal.

The location with a wide range of transportation networks including the Tokyo Bayside Highway, the Trans-Tokyo Bay Highway and the Kawasaki Traverse Road makes this container berth more meaningful.

#### Facility guide

Mooring facility : 2 berths x 350 m of extension

Depth of water: 14 m ~ 15 m

Terminal area: 245,000 m<sup>2</sup>

5 super gantry cranes

14 transfer cranes

Stacking yard storage capacity:

Dry 12,152 TEU

Refrigerated 945 TEU

Gate:

Entrance 6 lanes

Exit 4 lanes

Control building

Maintenance shop 24 m x 35 m

Quarantine yard 29 m x 88 m

Dangerous article storage place (open space)

### Foreign Access Zone (FAZ)

34 ha (just behind the facility)

### World Class Cement Terminal at Jurong

A world class bulk cement import terminal is fast taking shape at Jurong Port. By the end of next year, the terminal at Pulau Damar Laut in Jurong Port which is owned and managed by Jurong Town Corporation (JTC) will be equipped with additional berths and new equipment to handle more than 3 million metric tonnes of cement annually.

Six cement companies are in the process of setting up silos at the port for the storage and distribution of cement. They are expected to commence operations at Pulau Damar Laut towards the end of next year.

Mr Fong Yue Kwong, Director of Jurong Port, said: "The development of the terminal reaffirms our role to support the industrial needs of Singapore. When completed, Jurong Port will become one of the world's largest common user cement import terminals."

To serve the six cement companies, Jurong Port will be constructing two dedicated berth of 14 metre draft capable of handling vessels of up to 40,000 dwt. It is also installing specialised equipment system to handle cement passing through the two berths.

The equipment include two Siwertell unloaders with a capacity of 800 metric tonnes per hour and a series of airslide conveyors to transport cement directly from the ship's hatches into the cement silos. This will enable cement to be transported in a continuous and relatively dust-free manner.

In addition, Jurong Port will refurbish and upgrade the five existing berths at the mainland to handle vessels up to 35,000 dwt.

### Hong Kong Remains Busiest Container Port

1994 saw another year of impressive performance in port activities in Hong Kong. The total cargo throughput was some 148 million tonnes representing an increase of 25%. The container throughput rose to some 11.1 million TEUs, a growth rate of 21% over 1993. With the full operation of the 4 berths at Terminal 8 at Kwai Chung, the 8 container terminals together handled a total of 7.3 million TEUs. Another 2.8 million TEUs were handled by the "Stream" sector and 1 million by river trade vessels at the minor terminals. A record of handling 1 million TEUs per month was noted in July, August and September 1994.

A total of some 36,900 ocean-going ship calls were registered, showing a growth of 12% over the preceding year. In addition, River Trade vessel traffic to and from the Pearl River Ports (including Macau) amounted to some 305,000 vessel trips in 1994, comprising 125,000 international high-speed passenger ferry movements and 180,000 cargo vessel movements, indicating respective increase of 16%, 12% and 18% over 1993. The two international ferry terminals in Hong Kong served 20.7 million passengers in 1994; an increase of 3% over 1993.

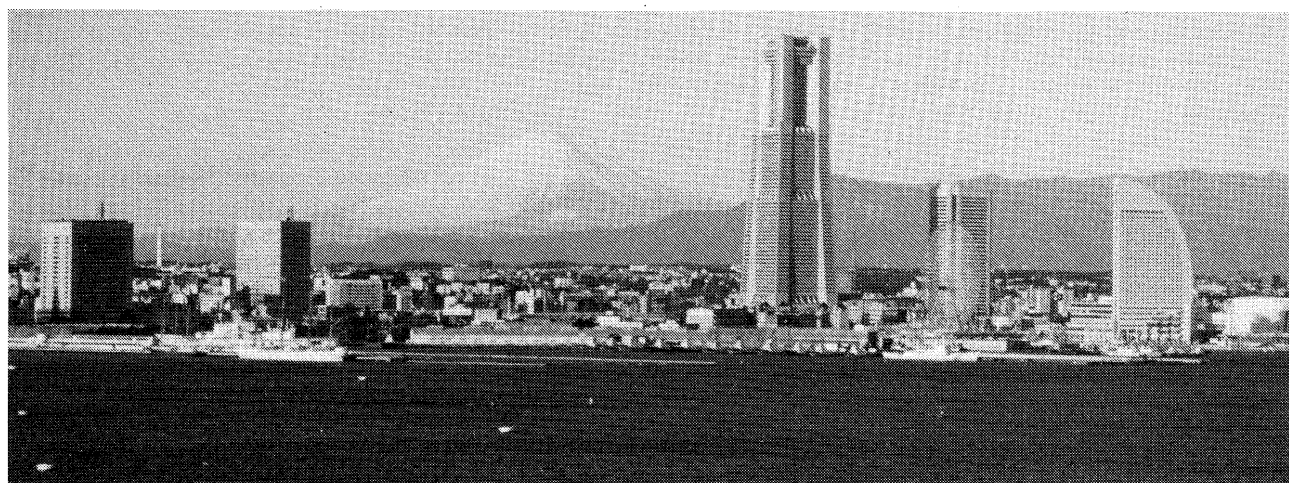
### Hong Kong: Anchorages, Fairways Rearranged

A package of marine traffic management measures to meet the growth of marine traffic has been put into effect in 1994 in Hong Kong. The measures were made necessary by the unprecedented growth in marine traffic attributed to the vibrant economy in the Pearl River Delta area of Guangdong Province in southern China for which Hong Kong is the primary service port.

These measures include the re-arrangement of anchorages in the western part of Hong Kong harbour, coupled with the creation of new fairways and extension of the Traffic Separation Scheme leading to the harbour. They are aimed at making better utilization of available water space by introducing a more proactive style of traffic management. The success of these measures has led the Hong Kong Marine Department, in consultation with the shipping industry, to prepare for further proactive traffic management measures in future to adapt to the growth of the port of Hong Kong.



# Yokohama : Its Diverse Activities and Vision of the 21st Century



*Minato Mirai 21 with Mt. Fuji*

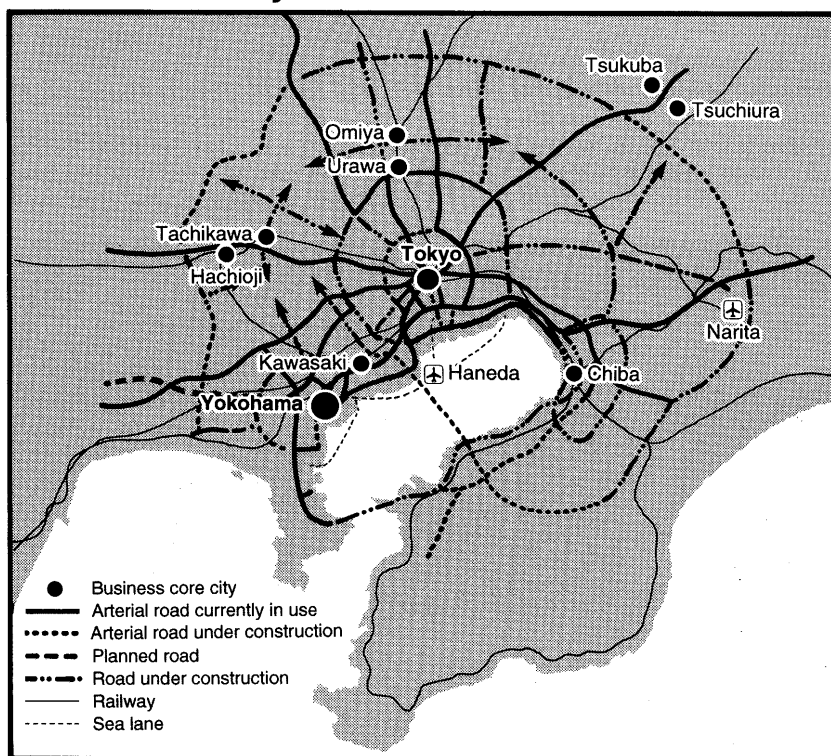
Yokohama was a quiet fishing village when feudal Japan awoke from its sleep and designated the city one of the three open ports for trade with the outside world. This proved to be a wise choice. Due to its strategic geographical location, expertise in cargo handling, ample provision of the most modern facilities and equipment, and sights set firmly on the future, the Port of Yokohama has flourished as a leading worldwide port for over 130 years.

## Location and Access

The Port of Yokohama is prospering due to its geographical position, the continual expansion of intermodal access networks and the increase in international sea routes. The Port of Yokohama is located at the center of Honshu, Japan's largest island, on the west side of Tokyo Bay. Yokohama is a port naturally blessed by a temperate climate with favorable winds, gentle tides and deep sheltering anchorages.

The City of Yokohama is about 30 kilometers (18 miles) to the southwest of central Tokyo. Its population makes it the second largest city in Japan. Moreover,

## Major Traffic Network



the hinterland surrounding the Port of Yokohama is one of the world's greatest producing and consuming regions. Therefore, an expanding network of expressways linking Yokohama to the principal cities in this region is crucial to ensure continued success at the Port of Yokohama.

In particular, three projects will further speed up transportation between the port and surrounding areas. They are (1) The Bay Shore Expressway, completed in 1994, which became the main artery between the Port of Yokohama and Tokyo, as well as Haneda Domestic Airport and Narita International Airport:

(2) The Trans-Tokyo Bay Expressway, which will alternately tunnel under and island hop from Kawasaki, Yokohama and Tokyo across Tokyo Bay to Kisarazu on the Boso Peninsula and (3) the Capital Region Loop Expressway, which will direct traffic around metropolitan Tokyo, from Chiba to Yokohama, bypassing the traffic congestion in the capital area.

Equally importantly, Yokohama, with its extensive sea route network, reaches out to ports all over the world. The Port of Yokohama in the area of conventional vessels is servicing over 230 shipping liner companies. Trading with over 150 countries all over the world, Yokohama provides a wide network of sea routes, particularly between the Far East and South East Asian sea routes to Europe and the Mediterranean.

### Facts and Figures

By glancing at the facts and figures, it becomes obvious that Yokohama is one of the top container ports in the world. Additionally, there is the opening of the high standard container terminals, such as Daikoku C-3 and C-4, among the most modern in Japan, that are equipped with super gantry cranes and water depths of 14 meters: Terminals such as these have increased container and cargo distribution and thus helped Yokohama maintain its leading position in world trade.

### Container Freight

Container trade continued to lead Yokohama's trade. The movement of foreign trade containers, export and import, through Yokohama totalled 2.317 million in 1994 (up 6.9% from 1993), with exports totaling 1.20 million TEU (up 6.4%) and imports 1.12 million TEU (up 7.4%), making it the world's tenth leading container port (as cited in Port Development International publication, January/February 1995 issue).

### Cargo

Total freight passing through the Port of Yokohama rose 3.7% to 128,274,553 tons from 123,699,513 tons the previous year.

### Figures (1994)

Arrival of Vessels	56,943
(261,328,574 gross tons)	
Foreign Traffic	12,334
Domestic Traffic	44,609
Total Cargo	128,274,553 tons
Foreign Trade Cargo	67,661,096 tons
Container Cargo	33,440,207 tons
Containers	2,317,102 TEU
Value of Foreign Trade	9.1 trillion Yen

### Facilities (1994)

All Berths	89
Container Berths	21
Length	200m~350m
Water Depth	11m~14m
Gantry Cranes	40

Foreign trade also levelled off at 67,661,096 tons, of which 31,083,543 tons consisted of exports, down 2.8% from

1993, while imports at 36,577,553 tons barely cleared the amount recorded in 1993.

The United States ranked first in both ends of Yokohama's trade. China was second in imports, up 15.9% over 1993, fourth in exports, up 9.9% over 1993. Korea, Singapore, Germany and Australia, respectively, were the other leading major trading countries with the Port of Yokohama in both exports and imports.

### Value of Trade

The total value of exports and imports came to approximately 9.12 trillion yen. In Japanese yen, these figures amounted to a decline of 1.4% in exports and a rise of 6.7% in imports. But in terms of U.S. dollars, these figures meant a rise of 7.2% in exports and of 16.4% in imports.

### Ship Movements

Ships calling at the Port of Yokohama in 1994 totalled 56,943 bottoms, up 2.2% from 1993 for a total of 261,328,574 gross tons, a dip of 1.4% from the previous year. Among ocean going ships, full container ships calling at the port increased 7.4% to 4,654 bottoms. Their gross tonnage stayed level at 96,512,198 tons, compared to 96,616,988 tons in 1993.

### Facilities and Equipment

The Port of Yokohama is implementing a series of large scale projects in order to maintain a port with diverse functions while simultaneously meeting the needs of its customers and citizens as well as facilitating cargo distribution and logistics and stimulating commercial and cultural activity for the 21st century.

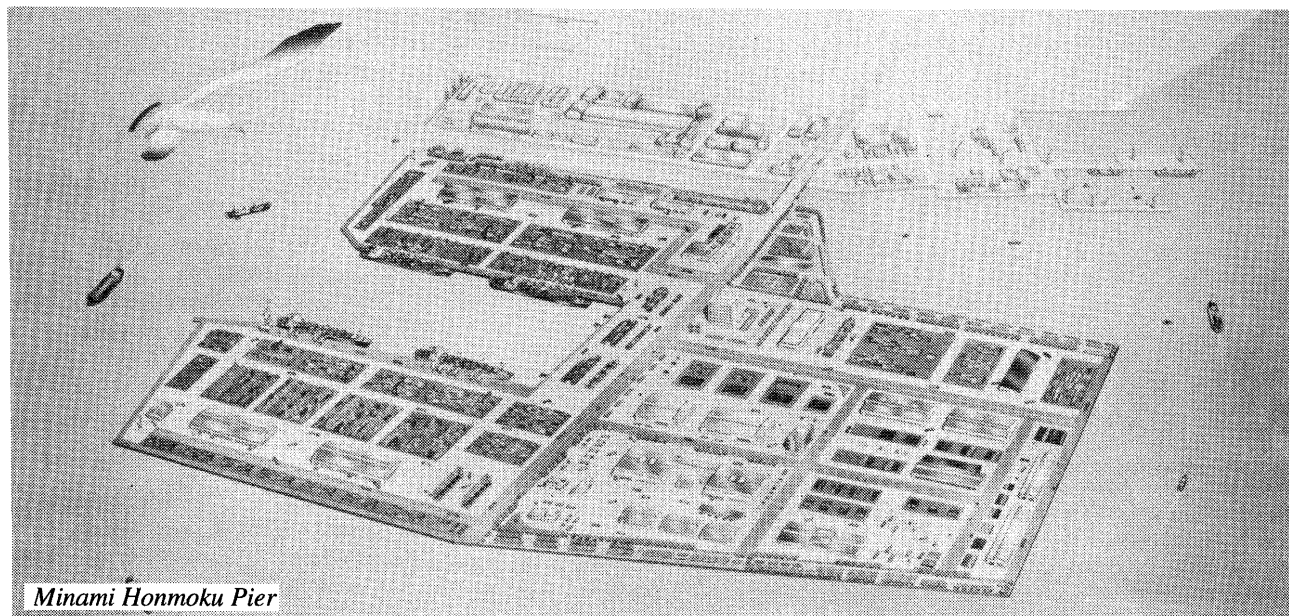
### (1) Logistics Facilities

#### Minami Honmoku Pier

Minami Honmoku Pier is one of the main construction projects currently under way at the Port of Yokohama. It will include facilities such as high standard container berths that enable the port to cope successfully with the expected increases in container volume and over-sized ships. The pier will be designated as a comprehensive transport terminal including land and air transport functions. This terminal will be the Port of Yokohama's major container terminal for the 21st century.

Construction of this man-made island has been underway since 1990 and the first berth is scheduled to open by Fiscal Year 2000. The reclaimed land area will total approximately 217 hectares. The project includes the construction of a high standard container terminal, covering 56 hectares and equipped with 4 container





*Minami Honmoku Pier*

berths, each with a quay length of 350 meters and a depth of 15 meters. Three super gantry cranes will be installed at each berth. These berths will be capable of mooring oversized container vessels of 5,000-6,000 TEU (60,000 dw/t).

#### **Yokohama Port Cargo Center**

In recent years, there has been rapid growth in containerized goods, manufactured imports and customers' needs. In order to meet these needs, the Port of Yokohama is not only constructing high standard container berths but a highly sophisticated logistics processing center as well. This center, called the Yokohama Port Cargo Center (YCC), will provide a base for several operational functions such as cargo sorting, storage, processing and distribution.

YCC will be strategically located in the heart of the center of cargo distribution of the Port of Yokohama behind the container terminals C-3 and C-4 at Daikoku Pier, and will cover 9.3 hectares. The five story cargo distribution building with a total floor space of 320,000 square meters will be the largest general distribution center in all of Japan. The facility will consist of a Cargo Terminal Building, targeting mainly imported goods, and an office building. Rampways on both sides of the Cargo Building will enable direct access to any section of the building and the office building will be connected with the Cargo Building with a computer on-line system. This facility is scheduled to be completed by Fiscal 1996. The center, together with large scale container terminals such as Daikoku and Minami Honmoku Pier, will vastly improve the function of cargo distribution.

## **(2) Facilities Promoting Commercial Activities**

### **Yokohama Import Mart**

For the promotion of imports the City of Yokohama has been designated a Foreign Access Zone (FAZ) by the Japanese government. By receiving this designation, the City of Yokohama aims to become a promotion and development center for imports. One of the projects within FAZ is the Import Mart.

The Yokohama Import Mart will be a designated as a base for promoting international business, which will make use of the function of the Port of Yokohama international cargo distribution activities. This will stimulate joint ventures, investment and other business activities by giving opportunities to foreign companies through provision of areas for product exhibition space and wholesale retail functions.

### **International Passenger Terminal**

Recently, Japan has seen a surge in demand for cruising services. In order to accommodate this new demand, the Port of Yokohama is renovating its facilities at its historic Osanbashi Pier. Specifically, construction of a wharf 900 meters in total length, 4 berths for passenger ships with water side depths of 10-12 meters and a brand new international passenger terminal with numerous facilities is currently under way. Additionally, in order to have an international passenger terminal that would be a suitable international symbol of the global city, Yokohama, a worldwide design competition has been held. From the 600 applicants over the world that submitted designs, the winning design was selected in February of this year.

The selected design's creator, an archi-

tect who is currently working in London, said he wanted to break away from the old image of Osanbashi Pier, harmonize it with its surroundings and create space for public use. His design uses soft curves to create extension and flow, and suppresses the height in order to focus attention on the beauty of incoming ships. The effect creates a low-silhouette structure with flowing curves which melt into the city background. The initial construction plan for the terminal will begin in 1995. The actual plan of construction will be devised in 1996. The completion of the construction of the terminal is scheduled for 1998.

## **(3) Recreational Facilities- Hakkeijima and Kanazawa Marina**

The Port of Yokohama, while making future plans and projects, has taken into consideration the increasing demands by the citizens for ocean centered recreation in recent years. For example, outside of the commercial and industrial zones of the port lies Hakkeijima island, a 24 hectare man-made island on which are a marine park, with restaurants, a swimming area and beach, an aquarium, and an amusement park. This facility opened in 1993. Seventeen hectares of the island are under the administration of the city of Yokohama.

Another facility targeted for citizens' use is the Kanazawa Marina. The City of Yokohama has decided to redevelop the Kanazawa Timber Pier as a marina to meet rising enthusiasm for marine recreation among the citizens. The plan has another purpose - that is, to concentrate many pleasure boats now moored in the city's rivers and canals in one consolidated marina, to





**Hakkeijima Island**

make better use of the limited water area in the Port of Yokohama. At present, reclamation work is under way to make the marina available for use from the fiscal year of 1996. The Kanazawa Marina, upon completion, will form the city's marine recreation center along with the Hakkeijima Island.

### **Yokohama's Vision into the Future - The Ultimate Plan - Minato Mirai 21**

In Yokohama's comprehensive "Plan for the 21st Century", Minato Mirai is the core of this plan and its objectives are the following: promoting and developing Yokohama as an independent city, improving port functions and decentralizing business functions in the Metropolitan Tokyo area and redirecting them to the Minato Mirai area.

The project aims to create a new Yokohama city center with people and information-oriented city functions. In the plan, it is envisaged that in this area in the future there will be a working population of 190,000 and a residential population of 10,000. The project covers 186 hectares of land, including 110 hectares of existing land and 76 hectares of reclaimed land.

Additionally, Minato Mirai 21 will be a consolidated area where advanced business, commercial and cultural facilities will be integrated and where information can be exchanged.

Several of the facilities at Minato Mirai 21 are already open. For example, the Landmark Tower, which opened in 1993, is the tallest skyscraper in Japan and is a multi-functional structure with offices, a shopping mall, and a world class hotel. The central facility is the Pacifico Convention Plaza Yokohama, which opened in 1991. The facility includes the Pacifico Convention Center with various types of meeting rooms, an eight language

simultaneous interpretation system, a spacious exhibition hall and yet another world-class hotel. Additionally, the National Convention Hall, which seats 5,000 people and is the largest meeting hall in Japan, opened in April of 1994. The projects and facilities concerning Minato Mirai 21 are shaping Yokohama into even more a culturally oriented international city.

The Port of Yokohama, with its prime location, "state-of-the-art" facilities and vision towards the future, will be ready for the 21st century.

### **Yokohama to Kobe: Requital After 72 Years**

On April 13, 1995, the Mayor of Yokohama Hidenobu Takahide visited Kobe Mayor Kazutoshi Sasayama at his offices in Kobe's City Hall and presented him with some 760 million yen as the contribution from the citizens of Yokohama to the Quake Relief Fund.

Mayor Takahide said, "According to the City's old records, it was Kobe from which emergency supplies first came to help the victims of the Great Kanto earthquake in Yokohama and in particular refugees were transported by sea to the Port of Kobe and were taken care of in your city. I am very glad today to be able to reciprocate the kind support our citizens received from your people 72 years ago."

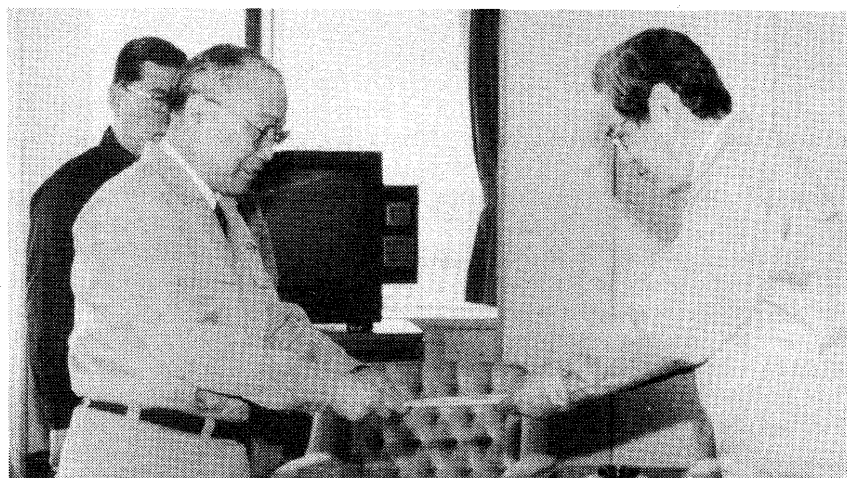
The money contributed reportedly consists of 91.7 million yen raised from the citizens, 22.4 million yen from the city employees and 647.5 million yen from the various districts of Yokohama during the past months since the January 19th Kobe disaster.

Furthermore, the City of Yokohama dispatched a total of 800 staff and experts to help with the rehabilitation work in Kobe and, as of April 13, some 30 engineering staff from Yokohama were at the forefront of Kobe's restoration activities.

Mayor Sasayama expressed the deep gratitude of Kobe for the most generous and practical assistance which the Yokohama citizens had provided. Meanwhile, Mayor Takahide commented, "We in Yokohama will analyze all the know-how which our staff has learned from Kobe so as to make the best use of it by incorporating it in Yokohama's city planning to make our facilities more resistant to disasters."

Both Mayors confirmed that they would help each other in efforts to achieve the earliest possible recovery of normal conditions for the citizens and for port operations in Kobe.

*(an excerpt from the Nippon Keizai Shimbun of April 15, 1995, translated by the IAPH Head Office)*



*Mayor Takahide of Yokohama (left) presents Mayor Sasayama of Kobe with an envelope of contributions from the citizens of Yokohama to the Quake Relief Fund.*

# Did You Know?

## Osaka Port : Showing New Development Towards the Next Generation

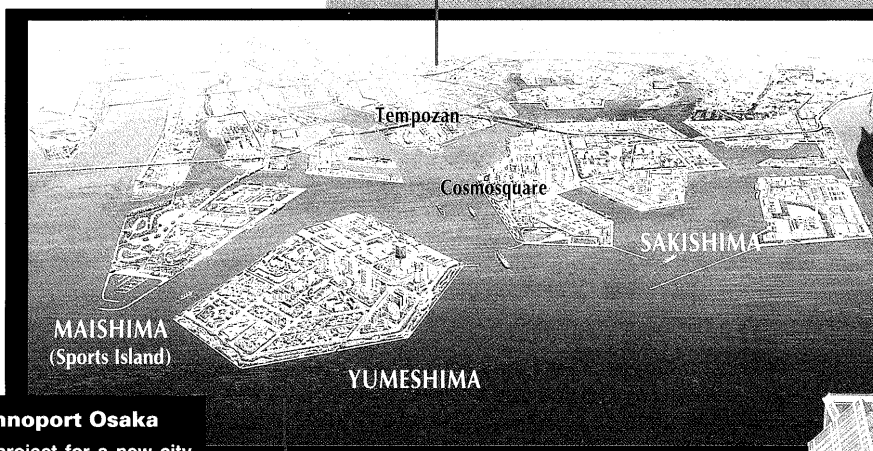
### A New Sea-side City Center of the 21st Century

Osaka Port is promoting "Technoport Osaka," a 775 hectare area (Sakishima, Maishima, Yumeshima) where three core functions of international trade, advanced information / communication and development of leading-edge technologies are being concentrated to create a suitable new city center for 21st century. Osaka Port envisions such a large scale project concentrating on the exchange of people, goods, and information will be the motivating force for the development of the international city of Osaka.



#### Cosmosquare

The first phase development area in the "Technoport Osaka" project concentrating on advanced city functions and amenities.

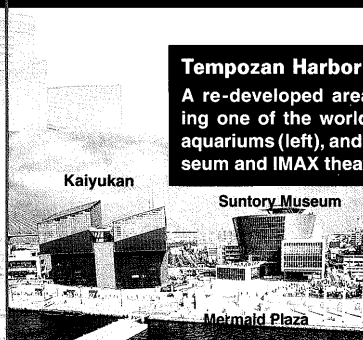


#### Technoport Osaka

The project for a new city center in Osaka which is ready for the 21st century.

#### Tempozan Harbor Village

A re-developed area containing one of the world's largest aquariums (left), and an art museum and IMAX theater (right).



Port of Osaka would like to invite the 21st World Ports Conference of IAPH in 1999

### Now You Know

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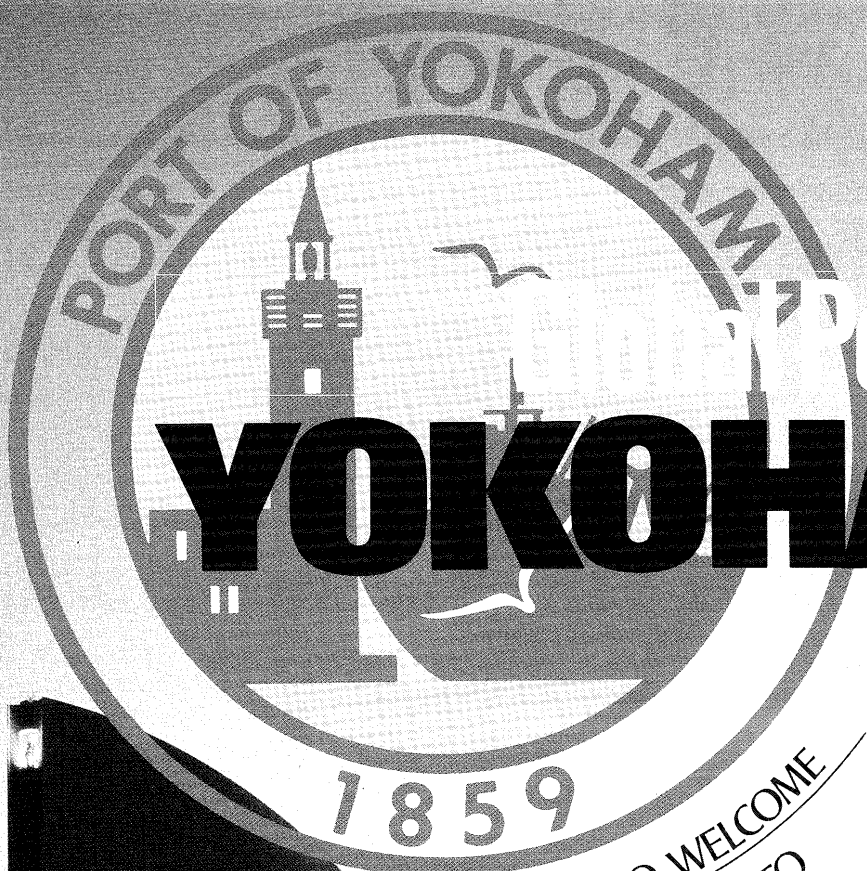
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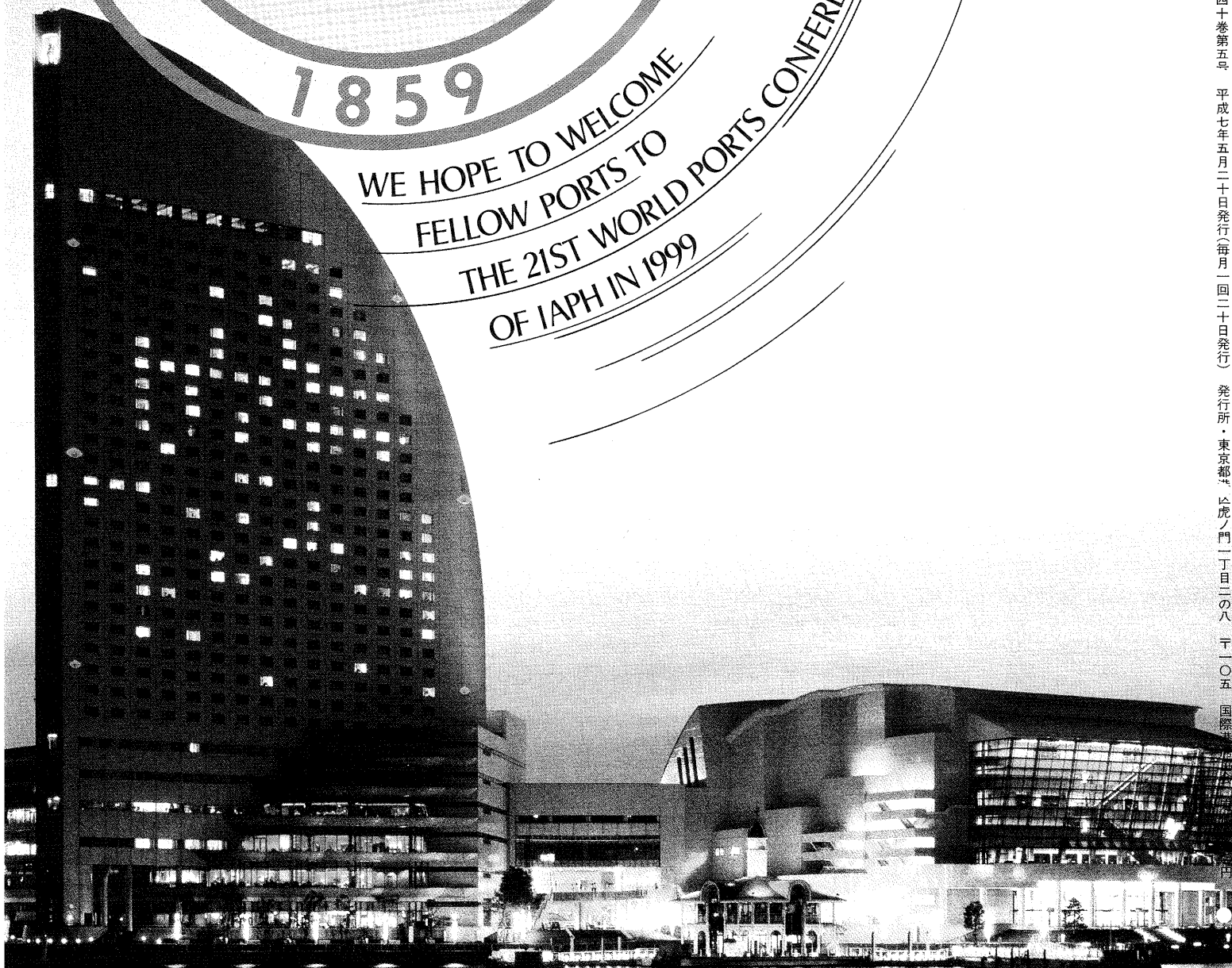
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