PORT OF ILO, PERU

Privatization of the Port of Ilo is featured in this issue.

Indonesia welcomes IAPH Exco meeting

Prof. Dowd, FCIT speaks on port management issues

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Privatization of the Port of Ilo, Peru, page 18

In May 1993, a special committee was created by the Peruvian government to oversee the promotion of private investment in the port of Ilo and an agreement was signed between Peru and Bolivia to develop the Port, which is the direct gateway to Bolivia's La Paz, 510km away from the Pacific Ocean. The privatization of the Port will play an important role in the development of the southern regions.
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- we can handle it.
It is a great honor for Indonesia Port Corporations to host the IAPH Executive Committee Meeting in Bali between April 21 and 24, to be followed by a technical tour to the Port of Tanjung Priok, Jakarta on April 25, 1996.

As host, the Director General of Sea Communication and the Board of Directors of Indonesia Port Corporations are delighted to welcome all delegates to the meeting.

The selection of Bali as the venue of this important meeting is intended to provide all necessary facilities for the delegates to deliberate smoothly in a secure and comfortable setting. It is hoped that these circumstances will enable all the objectives of the meeting to be attained.

The IAPH EXCO Meeting 1996 in Bali is of great significance for Indonesia, which is an archipelagic country with 17,508 islands. Hence, ports and harbors play a fundamental role in supporting economic growth and national development. As a maritime country, Indonesia has around 1,798 big and small ports.

We are looking forward to showing you one of the world’s finest tourist destinations – Bali – as well as the wonderful arts and culture of our unique country, Indonesia.

### Mid-term Exco Meetings in Indonesia 21 - 25 April 1996

<table>
<thead>
<tr>
<th>Day</th>
<th>Events</th>
</tr>
</thead>
<tbody>
<tr>
<td>Saturday</td>
<td>Arrival of IAPH members, staff and guests</td>
</tr>
<tr>
<td>Sunday</td>
<td>Delegates arrive</td>
</tr>
<tr>
<td>AM</td>
<td>Committees meet (reserve for any required meetings)</td>
</tr>
<tr>
<td>PM</td>
<td>Committees meet (reserve for any required meetings)</td>
</tr>
<tr>
<td>1400-1600</td>
<td>Legal Protection Committee</td>
</tr>
<tr>
<td>Evening</td>
<td>Informal Reception</td>
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<tr>
<td>Monday</td>
<td>0900-0945 Official Opening Ceremony</td>
</tr>
<tr>
<td></td>
<td>Presentations on “Indonesia’s Port Development Program and Privatization”, for which IAPH President Mr. Cooper will act as moderator, will take place prior to the Bull Session (a free-talking session), scheduled for the morning of Wednesday, 24 April. Furthermore, an additional program will be incorporated by the Host in the afternoon of Tuesday, 23 April for the benefit of all participants.</td>
</tr>
</tbody>
</table>

Our hosts in Indonesia have been making arrangements to welcome IAPH delegates in Bali for the mid-term gathering of the IAPH Executive and the other Committees which are scheduled for 21 – 25 April 1996. After a further exchange of communications among the Host Committee in Jakarta, the Tokyo Head Office and President Cooper of Auckland, the schedules for the meetings have been updated, as outlined below.

There have been a few changes. The Committee on Legal Protection is scheduled to meet on the afternoon of Sunday, 21 April, and Indonesian Session: Presentations on “Indonesia’s Port Development Program and Privatization”, for which IAPH President Mr. Cooper will act as moderator, will take place prior to the Bull Session (a free-talking session), scheduled for the morning of Wednesday, 24 April. Furthermore, an additional program will be incorporated by the Host in the afternoon of Tuesday, 23 April for the benefit of all participants.
IAPH ANNOUNCEMENTS & NEWS

0900-0930 Official Welcome and Opening Address by the Minister of Communications, Indonesia
0930-0945 The Keynote Address by the IAPH President
0945-1200 Exco Meeting: Part One
1200-1400 Lunch
1400-1600 IAPH/IMO Interface Group meets
1400-1500 Membership
1500-1600 Finance
1600-1700 Constitution and By-Laws
Evening Host Function

Tuesday 23 April
0900-1030 1st VP (Port Affairs Group chairs meet)
1030-1200 2nd VP (Trade Affairs Group chairs meet)
3rd VP (Human Resources & External Affairs Group chairs meet)
1230 Lunch at Bali Budaya Kemenu
PM An organized tour will be arranged.
1800 Return to Hotel
Evening Free

Wednesday 24 April
0830-0930 Indonesian Session:
Presentations on "Indonesia’s Port Development Program and Privatization" (the session moderator: the IAPH President)
0945-1115 Bull Session (a free-talking session) (All key officials from the Indonesian Public Port Corporations are invited.)
1130- Depart for Lunch at Benoa Harbor
1345 Return to Hotel
1400-1700 Exco Meeting: Part Two
Evening Official Closing Ceremony and IAPH Reception

Thursday 25 April
AM Delegates transfer to Jakarta (0800 flight)
Check-in at the Horizon Hotel
Technical Visit to the Port of Tanjung Priok
Evening Farewell Dinner hosted by Mr. Soentoro, Director-General of Sea Communication, Ministry of Communications, Indonesia

Friday 26 April
Delegates depart
The lunches from Monday 22 April through Thursday 25 April are offered by our Indonesian hosts.

Provisional Agenda for The Exco Meetings

Monday 22 April
0900-0945 Official Opening Ceremony
1 Official Welcome and Opening Address by the Minister of Communications, Indonesia
2 Keynote address by the IAPH President
0945-1200 Exco Meeting: Part One
1 Opening remarks by the President
2 Report by the Secretary General
3 Report by the Chargé de Mission for International Affairs
4 Report by the Chairman of the IAPH/IMO Interface Group
5 Report by the Liaison Officers with the International Organizations:
IMO and others, if any reports

Wednesday 24 April
1400-1700 Exco Meeting: Part Two
6 Presentation by the Host on the 20th IAPH World Ports Conference: (continued from the Monday session)
6) Working Sessions (manner, people involved, schedule for collection of papers)
7) Simultaneous interpretation service
8 Reports by the Technical Committees
1) Port Affairs Group: Coordinating VP: Smagghe
Port Planning & Construction
Dredging Task Force
Port Safety & Environment
Marine Operations
Cargo Operations
2) Trade Affairs Group: Coordinating VP: Taddeo
Sea Trade
Ships Trend
Combined Transport & Distribution
Trade Facilitation
3) Human & External Affairs: Coordinating VP: Someya
Human Resources
Legal Protection
Port Communities
9 Other matters, if any
10 Resolution of Thanks to the Hosts
11 Closing remarks by the President

For registration and information, please contact:
Rudy Maringka, Convention Manager
NUSTRA Convention in Jakarta
Fax: 62-21-315-4011
Tel: 62-21-325360, 325113

and copy to:
The IAPH Head Office in Tokyo
Fax: 81-3-3580-0364

Addresses of the hotels:
Bali: The Grand Bali Hotel
P.O. Box 3275 Denpasar
80032 Indonesia
Tel: 62-361-288-511
Fax: 62-361-287-917

Jakarta: Hotel Horizon Jakarta
J. Pantai Indah, Taman Impian Jaya Ancol
P.O. Box 3340, Jakarta 10002, Indonesia
Tel: 62-21-640-6000
Fax: 62-21-640-5000 (for reservation)
62-21-640-4400

PORTS AND HARBORS April, 1996
Gantry Cranes Survey Report Distributed

The IAPH Head Office has recently circulated a Report on the IAPH Survey on Container Gantry Cranes which was conducted in August 1994 by the Committee on Cargo Operations chaired by Mr. John Terpstra, Executive Director, Port of Tacoma, USA.

The Report was compiled by the IAPH Head Office in Tokyo in cooperation with Chairman Terpstra’s office in Tacoma. We express our thanks to those members who have paid or pledged funds to sponsor part of the production cost to answer the call earlier made by our Secretariat. The sponsors were:

- Port of Copenhagen
- Port of Miami
- Port of Savannah
- Sri Lanka Ports Authority

The Chairman’s Foreword* is reproduced below.

The Cargo Operations Committee is pleased to provide you with this timely compendium of Container Gantry Crane status and trends from our member Ports and Crane Manufacturers around the world. With data reported from 60% of our member ports for over 900 cranes, we can broadly observe that the number of cranes in service has been increasing since 1986, with higher capacities, faster speeds, higher lifts, longer outreaches and a healthy history of upgrading after original commissioning. Such trends were of course presumed and now can be reasonably continued along with many useful details of the status of container cranes today.

Although our data is not fully conclusive, we believe that a general trend can be established from this Report that indicates our industry’s response to the needs of larger ships of Post-Panamax and Super Post-Panamax with outreaches and lifting heights, to accommodate six-high boxes on deck and 16 to 18 boxes wide for ships entering service in the next five years. Additionally we see trends toward improved electronic drive technology with automated fault-finding. Indications are that commissioned cranes, some 35% of them less than 10 years of age, can be upgraded to prevent obsolescence and that the useful lives of older cranes can be successfully extended. The Report shows that even with successes in upgrades of newer cranes, careful long-term planning for crane acquisition can save substantial money. Such planning for future shipping needs will certainly require candid and cooperative participation by the shipping lines we serve.

We commend to you to review this very useful data and comments on the status of Container Gantry Cranes of the World’s Ports and Harbors and the future trends of this important aspect of our industry.

John J. Terpstra
Executive Director, Port of Tacoma
Chairman, IAPH Cargo Operations Committee

Correction

In the Report, ‘Chairman’s Foreword’ has been erroneously referred to as ‘Chairman’s Forward’ and as an ‘INTERIM’ Report, whereas the caption should read simply ‘REPORT ON IAPH SURVEY ON CONTAINER GANTRY CRANES’ on page 1 of PART 1. We apologize to our readers for these inaccuracies.

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IAPH Bank Account Changes

Effective from 1st April, 1996, Japan’s two banks, the Bank of Tokyo Ltd. and the Mitsubishi Bank Ltd. merge to become the Bank of Tokyo-Mitsubishi, Ltd.

In view of this change, the IAPH account in the Bank of Tokyo, through which we have requested our members to remit their IAPH annual dues and the other payments such as advertising fees, is to be changed to the Bank of Tokyo-Mitsubishi Ltd., effective on 1st April.

The other account, namely that in the Fuji Bank, remains unchanged.

We would appreciate members remitting their dues to the IAPH account at one of the following banks from 1st April 1996.

- The Bank of Tokyo-Mitsubishi, Ltd., Uchisaiwaicho Branch Account No. 526541
- The Fuji Bank Ltd., Marunouchi Branch Account No. 883953 (Name of Account: International Association of Ports and Harbors)

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PORTS AND HARBORS April, 1996 5
A meeting of the IAPH/IMO Interface Group was held in the offices of the Port of New York and New Jersey, USA on 25 January 1996 under the chairmanship of Mr Pieter Struijs (Rotterdam).

In their consideration of port-related matters arising within IMO Committees and included in a wide-ranging Agenda the Group was able to provide advice and guidance to certain IAPH Technical Committees on a number of topics. They also specified the parameters within which IAPH positions could be defined as respects documentation to be submitted to IMO’s Marine Environment Protection Committee (MEPC) on behalf of IAPH.

Subject areas dealt with in those regards included:

(1) **Regional Co-operation**

The Group underlined the need for the Human Resources Committee to proceed urgently with the preparation of the first Workshop/Seminar in Africa. A number of IMO-related issues to be addressed by participants have been identified for action by individual African ports or more likely by ports acting on a regional co-operative basis. An example of active regional co-operation was noted in the formation of an ad hoc Regional Co-operation Group for Southern Africa and Ocean Island States an immediate intention of which has surveying currently available assets and capacity to progress safety of navigation and marine environment protection in the port and coastal waters of Angola and Tanzania. Deficiencies would then be rectified by co-operative action.

(2) **Legal Protection of Ports**

Noting that the Committee on Legal Protection (CLP) had submitted IAPH position papers for consideration at a Diplomatic Conference to be held from 15 April to 3 May 1996, the Group has proposed to CLP that IAPH’s stances be translated into specific language for inclusion as amendments to relevant Conference documentation. IAPH members would then be encouraged to obtain the support of their national delegations for the proposed IAPH amendments. CLP was also asked to advise on the approach which should be taken by IAPH with regard to the problem of pollution from ships bunkers and in particular whether there was a need for a regime of compulsory insurance of ships against damage from that source.

(3) **Emergency Preparedness and Response in Port Areas**

The Group has asked the Port Safety and Environment Committee (PSEC) to give an indication of the range and nature of emergencies which should be included within guidance on a model emergency plan (or plans) and the methodology to be used in the plans’ development. Pointers were provided in these regards.

(4) **Precautionary Approach Principle**

Principle 15 of the Rio Declaration (UNCED) states inter alia that “where there are threats of serious or irreversible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation”. The implications of the Principle for ports will be studied both by PSEC and the Group for early report to ExCo.

(5) **Unwanted Aquatic Organisms in Ballast Water**

The interim results of an IAPH survey of the current position at member ports were discussed by the Group. The view was then expressed that the value of the survey data which primarily dealt with ballast water quantities could be enhanced by the inclusion of information on sailing routes and locations which appear to be vulnerable to problems posed by the existence of unwanted aquatic organisms in port waters. The PSEC was asked to develop suitable questions.

(6) **Financing of MARPOL 73/78 Reception Facilities**

The Group endorsed the approach taken by PSEC in a circulated draft paper where:

(a) a distinction should be made between cargo-related and ship-generated wastes for the purposes of payment for the wastes’ reception and disposal;

(b) the polluter pays principle should apply with the understanding that market forces should determine payment for the reception and disposal of cargo-generated waste.

PSEC was asked to identify existing and intended cost recovery schemes applicable in member ports with regard to six specific categories of cargo-related and ship-generated waste.

(7) **Air Pollution from Ships**

The Group noted IMO’s draft regulations for incorporation into a new Annex to MARPOL 73/78 and views on these reported by PSEC.

The Group generally agreed with PSEC’s approach to study a number of issues for possible inclusion in an IAPH submission to the next meeting of IMO’s MEPC. The issues included:

- Questions relating to the designation of special areas
- Fuel oil quality
- Bunker certification and licensing of bunker suppliers
- Port personnel involvement in the enforcement process
- Reception facilities

The Group encouraged PSEC to use the accelerated procedure for obtaining approval of any position paper for MEPC.

**Next Meeting**

The Group will next meet in Bali on Monday 22 April 1996.
The IPD Fund: Contribution Report

Your contribution to IAPH's International Port Development Fund will give additional opportunities for training to personnel from developing port.

Under the IAPH Bursary Scheme which is administered by the IAPH Committee on Human Resources, about 120 selected people from IAPH member ports in developing countries have received assistance for training at advanced IAPH member ports and training institutions. This program is funded by voluntary contributions of the member organizations and individuals. We assure you that any contributions you might be able to make to the IPD Fund will play a significant role in sustaining this important project of IAPH.

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

Contributions to The Special Fund Since June 1992 (As of March 12, 1996)

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<td>ABP (Associated British Ports), U.K.</td>
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<td>Abu Dhabi Seaport Authority (Mina Zayed), U.A.E.</td>
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<td>Akatsuka, Dr. Yuzo, Univ. of Saitama, Japan</td>
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<td>Akiyama, Mr. Toru, IAPH Secretary General Emeritus, Japan</td>
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<td>Auckland, Ports of, Limited, New Zealand</td>
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<td>Barcelona, Puerto Autonome de, Spain</td>
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<td>de Vos, Dr. Fred, IAPH Life Supporting Member, Canada</td>
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<td>Dundee Port Authority, U.K.</td>
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<td>Ghana Ports and Harbors Authority, Ghana</td>
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<td>Irish Port Authorities Association, Ireland</td>
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<td>Japan Cargo Handling Mechanization Association, Japan</td>
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Japan Port and Harbor Association, Japan | 493    |
Japanese Shipowners' Association, Japan | 516    |
Johor Port Sdn. Bhd., Malaysia | 500    |
Kawasaki, City of, Japan | 1,702   |
Klang Port Authority, Malaysia | 200    |
Kobe, Port of, Japan | 3,665   |
Kobe Port Terminal Corporation, Japan | 924    |
Korea Container Terminal Authority, Korea | 100    |
KSC (Kuwait Oil Company), Kuwait | 1,000   |
Kudo, Dr. Kazuo, Tokyo Denki University, Japan | 4,000  |
London Authority, Port of, U.K. | 500    |
Maldives Ports Authority, Maldives | 100    |
Marine and Harbours Agency of the Department of Transport, South Australia, Australia | 150    |
Marine Department, Hong Kong | 500    |
Sydney Ports Corp (former MSB NSW), Australia | 367    |
Mauritius Marine Authority, Mauritius | 200    |
Melbourne Authority, Port of, Australia | 1,000   |
Miri Port Authority, Malaysia | 100    |
Montreal, Port of, Canada | 500    |
Nagoya Container Berth Co., Ltd., Japan | 518    |
Nagoya Port Authority, Japan | 3,564   |
Nanaimo Harbour Commission, Canada | 250    |
Napier, Port of, Limited, New Zealand | 100    |
New York & New Jersey, Port Authority of U.S.A. | 1,000   |
Niigata (Niigata Prefecture), Port of, Japan | 860    |
Okubo, Mr. Kiichi, Japan | 274    |
Osaka, City of, Japan | 3,185   |
Osaka Port Terminal Development Corp., Japan | 570    |
Pacific Consultants International, Japan | 243    |
Penta Ocean Construction Co., Ltd., Japan | 500    |
Point Lisas Industrial Port Development Co., Ltd., Trinidad and Tobago | 100    |
*Primero 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    |
WorldCargo News, U.K. | 100    |
Yamaguchi Prefecture, Japan | 32     |
Yokohama, City of, Japan | 3,700   |
Total: | US$58,959 |

*1st International Contest of Port Annual Reports sponsored by the Yearbook of the Port of Buenos Aires (Editor, Mr Carlos Armero Sisto)
Port Safety and Environment and Marine Operations Committees Meet in Durban, December 1995

A Summary Report by Alex J Smith

Further to the full minutes of the Durban meetings of the Committees of Port Safety and Environment and Marine Operations which appearing in the previous issue of this journal, Mr. A. J. Smith, our European representative, has recently provided us with a summary of the deliberations in Durban. We are reproducing it here for the benefit of our members, especially those readers of the translated versions of "IAPH Announcements and News", as the translation of the full minutes was not available for insertion in the previous issue of the translated versions.

Note: "The translated versions of "IAPH Announcements and News"

The IAPH Foundation has been sponsoring the publication of the translated versions of "IAPH Announcements and News". This arrangement has been followed at the request of the IAPH Executive Committee since the early 1980s for the benefit of non-English speaking members. The IAPH Foundation has so far continued to sponsors the production of the Japanese, Spanish and French versions. As far as the French version is concerned, the translation work has been taken care of by the Port of Le Havre, which has of course contributed to minimizing the production costs. In this connection, those readers in the French-speaking countries may wish to thank the Port of Le Havre’s team, which has accepted the task of translating each issue, maintaining close contact with the IAPH Head Office staff in Tokyo. The Head Office has been coordinating with this venture with the translators involved and, of course, with the IAPH Foundation, the sponsoring body for these publications.

The Two Committees met jointly in Durban, Republic of South Africa on 1/2 December 1995 under the chairmanship of Mr Peter van der Kluit and Mr Patrick J Keenan respectively. The eleven members present together with representatives from each of the major ports of Portnet, South Africa judged the meeting to have been most successful and informative.

The main issues dealt with by the Committees included:

(1) Waste Management Policies for Ports
A Correspondence Group led by Mr Barnes (Felixstowe) will continue to develop policy guidelines which when applied should take full account of respective national legislation on the subject, if any. Members were invited to comment on a draft guidance document provided by Mr Barnes.

(2) Port Health and Safety Policy
Draft guidance on possible elements of a policy had been provided by Mr Compton who will continue to develop the material to take account of information provided by members. Members were invited to comment on the draft and, if at all possible, provide examples of current policies and/or codes of practice dealing with health and safety policy.

(3) TBT Paint on Ships’ Hulls
The subject will be kept on the agenda pending the availability of information on current research projects to find an environmentally acceptable alternative to TBT.

(4) The Precautionary Principle
The Principle states that where there are threats of serious or irresponsible damage, lack of full scientific certainty shall not be used as a reason for postponing cost-effective measures to prevent environmental degradation. Its implications for ports when applied to situations impinging on port operations will be examined by the Committees.

(5) Emergency Preparedness and Response
A generalised discussion paper prepared for submission to IMO’s Ship/Port Interface Working Group was examined from the standpoint of providing guidance to IAPH members on emergency planning.

(6) Financial Aspects of Reception Facilities
A circulated draft paper was examined for possible input to discussions at a meeting of IMO’s Ship/Port Interface Working Group. The major elements agreed were that:

i) a distinction should be made between waste directly related to the carrying cargo and ship-generated waste for the purposes of payment for the waste’s reception and disposal;

ii) the polluter pays principle should apply with the understanding that market forces should determine payment for reception and disposal of cargo-generated waste.

It was also agreed in principle that the concept of mandatory discharge of wastes should be supported. It should be made clear however that ports should not be a party to deciding who should pay for the reception facilities for the various types of wastes save to make it known that ports do not see it as their function to finance such facilities.
19th IMO Assembly Adopts 59 Resolutions

Report by Alex J Smith

The 19th IMO Assembly took place from 13 to 23 November 1995 in London, UK against a background in which the creation of a safety culture is gaining further impetus in maritime activities.

The determination of IMO’s 152 Member States to raise standards wherever possible may be evidenced by the attendance of some 126 of them at the Assembly together with two Associate Members, four UN and Specialised Agencies, seven inter-governmental and twenty-five non-governmental organisations, including IAPH, under the Presidency of H E Senor Rogelio Pfirter (Argentina).

An Assembly provides IMO’s Member States with the opportunity to consider and come to conclusions as respects intersessional activities of the various IMO Committees which deal primarily with issues relating to safety of navigation and protection of the marine environment.

The substance of these activities has been reported to IAPH members during the past biennium in “Ports and Harbors”. More particularly, IAPH Committees will have addressed those which fall within their respective remits. In certain circumstances IAPH will have made specific representations to IMO’s Committees where the interests of ports generally have made it necessary to do so.

The end-product of the work of IMO’s Committees is usually brought to the attention of Member States in the form of guidelines and other recommendations as circulars. The Maritime Safety Committee for example issued some 78 of these in the course of the biennium.

Certain matters however are held over for submission to Assembly for adoption as IMO Resolutions.

The 19th Assembly adopted the 59 Resolutions listed in an Annex to this report. Details of these Resolutions can be provided by the IAPH Secretariat on request.

Given the primarily ship-related function of IMO it is not surprising that the greater majority of the 19th Assembly Resolutions have a highly specific and detailed technical content and, as such, will only be of limited interest to the world’s ports. Some Resolutions do however impinge on port operations. Their implications for IAPH members will therefore need to be closely examined by appropriate IAPH Committees. Particular attention is therefore drawn in that regard to Resolutions A786(19), A787(19), A788(19), A791(19), A797(19), A817(19), A832(19) and A836 (19).

List of Resolutions

<table>
<thead>
<tr>
<th>Resolution Number</th>
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<td>A.780(19)</td>
<td>Amendments to the rules of procedure of the</td>
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Next Meeting
The Joint Committees will next meet in Rotterdam on 28/29 March 1996.
Assembly consequent upon the introduction of electronic counting of votes for election of Council Members

A.781(19)  Amendments to rules 56bis and 56ter of the rules of procedure of the assembly

Resolutions adopted on 22 November 1995

A.782(19)  Relations with non-governmental organizations

A.783(19)  Appointment of the external auditor

Resolutions adopted on 23 November 1995

A.784(19)  Amendments to the international convention on load lines, 1966

A.785(19)  Contribution of the World Maritime University (WMU) in the achievement of enhanced standards of maritime training

A.786(19)  Strategy for ship/port interface

A.787(19)  Procedures for port state control

A.788(19)  Guidelines on implementation of the International Safety Management (ISM) code by administrations

A.789(19)  Specifications on the survey and certification functions of recognized organizations acting on behalf of the administration

A.790(19)  Review of the code for the safe carriage of irradiated nuclear fuel, plutonium and high-level radioactive wastes in flasks on board ships


A.792(19)  Safety culture in and around passenger ships

A.793(19)  Strength and securing and locking arrangements of shell doors on ro-ro passenger ships

A.794(19)  Surveys and inspections of ro-ro passenger ships

A.795(19)  Navigational guidance and information scheme for ro-ro ferry operations

A.796(19)  Recommendations on a decision-support system for masters on passenger ships

A.797(19)  Safety of ships carrying solid bulk cargoes

A.798(19)  Guidelines for the selection, application and implementation of electronic counting of votes for election of Council Members

A.799(19)  Revised recommendation on test methods for qualifying marine construction materials as non-combustible

A.800(19)  Revised guidelines for approval of sprinkler systems equivalent to that referred to in Solas Regulation II-2/12

A.801(19)  Provision of radio services for the Global Maritime Distress and Safety System (GMDSS)

A.802(19)  Performance standards for survival craft radar transponders for use in search and rescue operations

A.803(19)  Performance standards for shipborne VHF radio installations capable of voice communication and digital selective calling

A.804(19)  Performance standards for shipborne MF radio installations capable of voice communication and digital selective calling

A.805(19)  Performance standards for float-free emergency position-indicating radio beacons

A.806(19)  Performance standards for shipborne MF/HF radio installations capable of voice communication, narrow-band direct-printing and digital selective calling

A.807(19)  Performance standards for Inmarsat-C ship earth stations capable of transmitting and receiving direct-printing communications

A.808(19)  Performance standards for ship earth stations capable of two-way communications

A.809(19)  Performance standards for survival craft two-way VHF radiotelephone apparatus

A.810(19)  Performance standards for float-free satellite Emergency Position-Indicating Radio Beacons (EPIRBs) operating on 406 MHz

A.811(19)  Performance standards for a shipborne Integrated Radiocommunication System (IRCS) when used in the GMDSS

A.812(19)  Performance standards for float-free satellite Emergency Position-Indicating Radio Beacons operating through the geostationary Inmarsat satellite system on 1.6 GHz

A.813(19)  General requirements for electromagnetic compatibility (EMC) for all electrical and electronic ship's equipment

A.814(19)  Guidelines for the avoidance of false distress alerts

A.815(19)  World-wide radionavigation system

A.816(19)  Performance standards for shipborne Decca navigator receivers

A.817(19)  Performance standards for Electronic Chart Display and Information Systems (ECDIS)

A.818(19)  Performance standards for shipborne Loran-C and Chayka receivers

A.819(19)  Performance standards for shipborne Global Positioning System (GPS) receiver equipment

A.820(19)  Performance standards for navigational radar equipment for high-speed craft

A.821(19)  Performance standards for gyro-compASSES for high-speed craft

A.822(19)  Performance standards for automatic steering aids (automatic pilots) for high-speed craft

A.823(19)  Performance standards for Automatic Radar Plotting Aids (ARPAs)

A.824(19)  Performance standards for devices to indicate speed and distance

A.825(19)  Procedure for adoption and amendment of performance standards for radio and navigational equipment

A.826(19)  Procedure for adoption and amendment of traffic separation schemes, routing measures other than traffic separation schemes and ship reporting systems

A.827(19)  Ships' routing

A.828(19)  Recommendations on maritime safety and emergency preparedness training for all personnel working on MOUs

A.829(19)  Guidelines for the evaluation of the adequacy of Type C tank vent systems

A.830(19)  Code on alarms and indicators, 1995


A.832(19)  Follow-up action to the United Nations conference on environment and development, 1992

A.833(19)  Headquarters facilities and accommodation

A.834(19)  Arrears of contributions

A.835(19)  Presentation of accounts and audit reports
IMO Meetings

Reports on DE39, DSC1 Meetings

39th session of the Sub-Committee on Ship Design and Equipment (DE39); 1st session on the Sub-Committee on Dangerous Goods, Solid Cargoes and Containers (DSC1)

By Alex J Smith

DE39 and DSC1 were held from 22 to 26 January and 5 to 9 February 1996 respectively.

Irrespective of whether IAPH members have a direct involvement in cargo-handling operations at their ports or confine themselves solely to landlord functions the health and safety of shore-based and ship-borne personnel within the ports’ jurisdiction will be a basic concern. In so far as the work programmes of the two Sub-Committees under review touch on that basic concern it is important that IAPH members should be both aware of related developments and contribute to them where possible.

DE39 included items dealing with the prevention of accidents to dock workers working on board ships; and the development of suitable design arrangements for container securing operations aboard ship such as, for example, the greater use of dual function twistlocks. In both of these areas Sub-Committees including IAPH are invited to submit proposals for consideration at the next meeting due to be held from 10 to 14 February 1997.

The issue of Bulk Carrier Safety is looked at by DE from the standpoint of ship structure and safety one aspect of which is the development of simple guidance on bulk carrier inspections to identify deficiencies at an early stage. Terminal personnel are linked with that objective noting that at least three IMO Resolutions make it quite clear that the condition of a ship is the responsibility of its owner. With regard to DSC1 port-related issues are more clear-cut. Interested parties, including IAPH, are invited to analyse working methods as respects safety relating to stowage and securing of cargo. Proposals for amendment to IMO’s Code of Safe Practice for Cargo Stowage and Securing (CSS Code) may be submitted for discussion.

The principal issues which should be addressed presumably by IAPH’s Cargo Operations Committee in the first instance however are developments associated with a Draft Code of Practice for the Safe Loading and Unloading of Dry Bulk Carriers. The Draft Code will be considered at the next meeting of IMO’s Maritime Safety Committee (28 May to 6 June 1996) and adopted by Resolution of IMO’s 20th Assembly (1997). Arrangements are being made to provide a copy of the Draft Code to the Cargo Operations Committee for comment in so far as it includes a number of requirements which are applicable by and at ports and terminals.
Current Port Management Issues

By Thomas J. Dowd, FCIT*Affiliate Professor

Change is affecting virtually every aspect of our lives. To gain a better perspective on how and why change is affecting ports, it may be useful to pose and answer a few key questions.

What is a port authority?

A port authority is a public enterprise form of government. It is a hybrid that fits between general government and private industry.

General Government is primarily tax supported with a goal of delivering monopoly services (e.g., police, fire, roads, water/sewer, parks). By its very nature it is not designed to make a profit or become engaged in providing non-monopoly services. General government is citizen/voter driven.

Private Industry is profit driven, engaged in offering products and services in a competitive market place. Private industry is not tax supported.

Public Enterprise (specifically a port authority) is a form of government that engages in offering services in a competitive market place. Some port authorities receive tax support. Port authorities have both commercial profit producing goals (e.g., leasing facilities, providing shipping services) as well as public oriented goals (e.g., providing jobs, enhancing the local/regional economy).

How have port authorities evolved?

If one looks at the history of the Industry, ports can be characterized as having three major phases.

Phase #1 is the beginning or organizational phase that includes creation of a legal framework, creation of the port authority – often by vote of the electorate – and the initial acquisition of property and construction of facilities. Many of the costs associated with this Phase are subsidized by taxes, grants, appropriations, and general obligation (tax supported) bonds.

Phase #2 is the growth phase of the port. This phase is characterized by the development of more formal strategies to deal with larger and riskier projects and by decision making based on complex and often interrelated factors. The port matures financially, going from subsidy to self-sufficiency.

Phase #3 is characterized by a port being “required” to provide financial support to a general government with direct payments from the port, sometimes in the form of billings for services (e.g., fire, police, roads) or, in response to a “request”, a percentage of the port’s income or working capital (often without concern for the port’s profitability).

This last phase came on the scene in the late 1980’s – early 1990’s primarily as a result of declining tax revenues and increasing expenses in general governments (e.g., cities, counties, states). Some ports now are considered primary revenue sources by general governments and this trend appears to be growing.

Should port authorities make a profit?

Quite often the answer to this question depends on the port’s ability to maintain sufficient income from subsidies (e.g., taxes, grants) and net profit from the port’s operations to support the “public” bottom line projects. However, for most port authorities the answer to this question depends on what the Board considers as an appropriate balance between the public and financial bottom lines.

Ports, as public enterprise organizations, have two “bottom lines.” The public bottom line calls for jobs and activities that support the local/regional economy while the financial bottom line calls for profit or, at the very least, self-sufficiency (net profit after depreciation but before the inclusion of tax revenue).

It is important for Boards to recognize that profit is not a dirty word – in fact, profit is an essential factor for public enterprise forms of government such as ports.

Profits or more specifically “Retained Earnings” are absolutely necessary in order for the vast majority of port authorities to continue to grow and prosper. Without “Retained Earnings”, a port will be forced to finance all of its expansion with debt (e.g., revenue bonds); and that significantly limits, and in time may preclude, expansion.

The question of profitability for many of today’s port authorities may be less of a choice among degrees of viability than a choice between survival and stagnation.

Has the role of the port’s Board changed?

Yes, it certainly has changed!

The actual day to day management of the Port still rests with the Executive Director/Manager and the policy setting and the oversight functions still rest with the Board. However, in the major decision making arena, the Board now acts more in concert with the Executive Director, especially in decisions affecting priorities, significant projects or major shifts in services/programs. This change has come about due to the need to manage risk.

RISK is normally not a word associated with ports or port projects! This was true in the past, but today risk is associated with many port sponsored projects/activities.

Historically, Board Members were able to make most decisions in a less deliberative manner because the risks associated with those decisions were minimal. Today, this is no longer the true and Ports are reorganizing and reorienting their decision making process to accommodate the current situation.

* Washington Sea Grant Program
Ports face new challenges and Board Members and Executive Directors must be far more concerned with the analysis of new projects/activities. There will be a requirement for more interactive Board/Executive Director Team involvement especially on strategic decisions, decisions that in many cases will determine the long-term success or failure of the Port itself.

For Ports, this translates into the need for a far more deliberative decision making process, a Board/Executive Director Team Approach. This process requires that all parties have a greater appreciation of the opportunities and threats posed by the proposed project, and a clearer understanding of the financial/political factors and the pros and cons of each option available. This process will require additional time, effort, energy and dedication on the part of both the Board Members and the Executive Director. In effect, the existence of RISK creates the need for a closer coordination between the Board and the Executive Director. This coordination forges the Board/Executive Director Team Approach to decision making.

For the Ports that adopt this Team Approach, decisions will be made that recognize the risks inherent in a project/activity. With a more complete understanding of all of the economic/political factors and the pros and cons of the options that are available, the Port can “manage” the risk – not be managed by the risk!

Conversely, for those ports that fail to adopt this Team Approach, decision making will be more akin to a “crap shoot” than a balanced logical deliberative process. Most important, without the ability to deal with risk through the Team Approach to decision making, these Ports may miss the opportunity to distinguish between the solid opportunity and the latent disaster before committing their funds.

Extracts from

Major Issues in Transport and Communications: Concepts and Guidelines for the Implementation Of the Commercialization and Privatization of Ports

ESCAP Document: E/ESCAP/CTC(2)/9

I. PROGRESS IN THE DEVELOPMENT OF GUIDELINES ON COMMERCIALIZATION AND PRIVATE SECTOR PARTICIPATION IN PORTS

The successful experience of privatization in Australia, Malaysia, New Zealand and the United Kingdom was preceded, in each country, by considerable groundwork to ensure the success of the privatization or commercialization process. This included political initiatives at the highest level and declarations of unambiguous objectives that made clear why the private sector was being invited to participate in port activities. Preparatory legislative changes, public sector investment to upgrade equipment and infrastructure, strengthening of the in-house management that would be responsible for the port during transition and in many cases retained by the private sector, were important element of the preparatory process. At the same time deliberate initiatives were taken to win support from State enterprise employees for the rationalization of working conditions, such as guaranteed benefits to be offered by the new private sector employer.

Management, the workforce and the private sector were kept informed through consultation and effective education programmes. At the same time general support for the privatization process was sought through intensive public information campaigns involving the media, which strengthened the Government’s hand in the negotiation process.

Studies of countries in the region that are attempting to move towards private sector involvement in the supply of transport infrastructure and services have shown that the groundwork described above has not always been undertaken. While experience has been wide-ranging, many countries still need a better understanding of the process and implications of commercialization and privatization. In developing guidelines to facilitate the commercialization and privatization process, a number of issues, including a clear definition of the role of the port within the national and regional economy, the underlying objective of the privatization or commercialization process, and the options for privatization, need to be adequately discussed among the public and private sectors and duly negotiated.

A. Defining the role of the port

A port may also be classified in terms of its contribution to meeting national objectives such as economic growth, national integration, regional development, and employment creation. This role, which should be defined by the government, has a significant bearing on the selection of the best approach for private sector involvement or commercialization of port activities. A clear public statement of the role can also assist in attracting greater private sector interest by establishing realistic expectations for the outcome of negotiations. Some of the possible roles or functions that may be defined by the Government are:

(a) Public utilities
(b) Strategic infrastructure
(c) National resource
(d) Economic development catalyst
(e) Commercial facility

Ports or terminals, in most instances, fit several categories, some of which may be conflicting in nature. In such cases it remains necessary for the Government to define and prioritize the objectives of the port in order to identify which approach to privatization would most effectively support the port in fulfilling its role.

An explicit definition of the role of the port, or part of the port, to be privatized should be coupled with clear objectives concern-
ing why the transition is being proposed. This entails isolating and defining the core problems that the transition to commercial or private sector operation is expected to overcome. It will provide the basis for the evaluation of alternatives and facilitate the selection of the approach that is most responsive to resolving underlying problems and assisting the Governments in achieving their objectives. In addition, such an initiative can be the basis for building mutual trust between the public and private sectors through a clearer understanding of the risks to be shared.

B. The objectives of privatization and commercialization

It is essential that there is a clear understanding of what the Government intends to accomplish through its privatization and commercialization programmes. Some of the possible government objectives of private sector participation and commercialization are:

(a) Improving efficiency and productivity of operations by harnessing the strengths of the private sector to operate and manage the port in a competitive environment to minimize costs and improve services;

(b) Reducing the financial and administrative burden of the public sector by employing private sector resources to replace those of the public sector;

(c) Generating increased revenue and reducing public investment with the Government reducing its risk in terms of revenue expectations by divorcing private operator payments from the amount of cargo handled. In addition, the private sector is increasingly being invited to fund, build and operate port projects, or buy the right to operate existing facilities, which can release funds for the Government to invest in other sectors;

(d) Social objectives, for example, privatization being used as a tool of broader social policies aimed at redistributing wealth or moving marginal communities closer to the middle of the economic mainstream, as has been the case in Malaysia;

(e) Promoting private sector involvement in the economy to supplement government spending, which in some Asian economies has been the primary driving force of the economy;

(f) Attracting new or additional business and trade by inviting private sector participants that are already involved in trade or transport services (for example, shipping lines) with the aim of a port user becoming an investor who will funnel additional traffic through the port;

(g) Sharing risks, either alone or within each of the above objectives, to distribute and reduce the level of economic, technological and management risk borne by each party.

There is now sufficient worldwide experience in privatization and commercialization to illustrate the numerous approaches which, under the right circumstances, can be successful in the achievement of national objectives. The optimal approach chosen will reflect the economic and social setting and unique characteristics of specific projects.

C. Options for privatization, commercialization and port reform

An expert group meeting on commercialization and modes of involving private sector participation in ports, related activities, dredging and inland waterways, held in Bangkok from 23 to 26 May 1995, discussed various alternative approaches including:

(a) Service contracts, which encompass specific tasks and functions being contracted to the private sector and may include maintenance of plant, and the provision of handling equipment and operators. In their most common form they include the licensing of stevedores to undertake cargo-handling functions.

(b) Management contracts within which the private sector is contracted to undertake the management and operation of public sector facilities. They do not involve a transfer of ownership. An example of this approach is the private sector operation of berth No. 6 at Kandla Port Trust in accordance with a memorandum of understanding within which no transfer of ownership took place.

The private sector was responsible for the provision of additional cranes, maintenance of berths and equipment, and collection of berthing and cargo-handling fees on behalf of the Port Trust based on productivity and throughput guarantees from the private sector.

(c) Commercialization involves the delegation of authority to public sector enterprises to raise capital, restructure management, set prices and generally work with greater flexibility in responding to market demands while remaining within the public domain. The port of Singapore Authority provides a good example of commercialization as a statutory body which operates as a corporate entity and enjoys a great deal of autonomy in the management and operations of the port. The statutory board is self-financing and has set and revised its own tariffs when market conditions require (in principle, tariffs are subject to government review but this is seldom exercised).

(d) Corporatization does not involve a transfer of ownership from the public sector to the private sector but rather a setting up of an independent entity that is still owned by the Government but operates along commercial principles. The normal structure is for government bodies to be incorporated as wholly-owned subsidiaries of a government holding company such that board-level control will still be available to the public sector. These subsidiaries have limited liability either by guarantee or by shareholding. Examples of corporatization include the ports of Johor, Penang, and Bintulu, which have become corporate entities with the Government’s statutory agencies incorporated in companies under the Companies Act. Legally they become a private company, although full shareholding remains with the Malaysian Ministry of Finance.

Similarly, in New Zealand the Harbour Boards (port authorities) were compelled by Government to form port companies under the Companies Act with all commercial facilities being passed to the company, making the ports separate, accountable business units with strictly commercial goals. Harbour Boards are allowed to sell up to 49 per cent of the ownership of the new port companies.

(e) Joint ventures are usually equity partnerships between a government body and a private sector party. They can also be arranged under a private sale. An example of a regional joint venture is the partnership between Hutchinson Whampoa Ltd., owner of Hong Kong International Terminals and Shanghai Port Authority.

Leasing of public sector assets to the private sector for operation over a fixed period of time, usually with the private sector investing in equipment and sharing profits with the authority. Leasing can take various forms including:

(i) Leasing of existing site and equipment, for example, at Laem Chabang container terminals two, three and four were leased to the private sector along with gantry cranes and equipment;

(ii) Leasing of existing site and sale of equipment, as, for example, at Port Kelang Authority Container Terminal where outright sale of movable assets and leasing of immovable assets were combined with management contract arrangements, all of which were followed by a sale of shares;

(iii) Either (i) or (ii) above with investors being responsible for the expansion of the site and provision of additional equipment.

(g) Sale of licenses for investors to develop and equip a “greenfield” location such as in Hong Kong, where the port’s infrastructure development, including the extensive container facilities, are
financed, developed and operated by the private sector.

(b) Privatization through the sale of public sector assets to the private sector for operation. Privatization schemes can vary widely in extent and may include sale of assets including site and equipment or even sale of a bare site for development.

(i) Build-operate-transfer (BOT), build-operate-own (BOO) and its variants involve the formation of private sector project teams capable of financing, building, and perhaps owning, as well as operating, an asset. There are proposals that terminals be constructed under this scheme at Galle in Sri Lanka and at Laem Chabang in Thailand, while in Pakistan the Government is offering the opportunity for the private sector to undertake a BOO project to convert a fishing port, at Gwadar, into an international port. However, while the BOT approach has been used widely to provide infrastructure in the power generation sector and for the construction of expressways and mass rapid transit systems, it has not been widely employed in the ports sector.

(j) Stock market flotation of shares may entail the selling of all shares to the private sector. Alternatively the Government can retain a qualified minority of shares (up to nearly 50 per cent). In many countries, the Government typically retains a golden share in strategic industries and allows only a set percentage to be sold abroad. An example of a port that has been privatized through a public flotation of shares is the Port of Liverpool in United Kingdom, which was one of the first ports to be privatized in the world when the ownership of the port was transferred from a board of trustees to the Mersey Docks and Harbour Company, a publicly quoted company on the stock market. In New Zealand part of the company shares of the Tauranga and Northland Port Corporations have been floated on the New Zealand Stock Exchange.

In selecting the best approach to privatization or commercialization it is necessary to reach a balance between public and private sector interests, which in some cases may conflict. For example, the increased efficiency that the Government hopes to tap into through the involvement of the private sector is, at least in part, a result of the greater freedom and flexibility within which the private sector is able to work. Yet while the public sector recognizes the need for a level of freedom, it often has conflicting objectives which make it difficult to relinquish control and authority. As a result detailed negotiation between the public and private parties is required in many areas in order to arrive at a compromise that will work.

II. AREAS OF CONCERN AND NEGOTIATION

An understanding of each other’s perspectives can facilitate the negotiation process and enhance trust between the public and the private sectors. Such trust is lacking in many of the developing countries. The expert group meeting referred to above identified several areas of special concern which illustrate the difference between public and private sectors perspectives. In each of the areas of concern there is a crucial point of balance which allows the public and private sectors to obtain the benefits that they are seeking from the partnership without compromising fundamental negotiating positions. The areas of concern include the valuation of assets, performance standards, tariff setting, competition, legal framework, and transition from public to private sector control.

A. Valuation of assets and the business

Obtaining an agreement between the public and private sectors on the lease or sale price of facilities is essential, but sometimes difficult. The accounting practices and valuation methodology for the Government are frequently laid down in law and are quite different from the approach taken by the private sector. In selling assets or leasing assets to the private sector, the Government will usually seek to recover either the residual book value, historic value, or “the current cost” of the asset. The private sector will make its own estimate of the value of the business as a whole, according to its perceived potential earning power and ability to earn a return on investment. Under some circumstances the valuation of the facility made by the public and private sectors could be quite different, with either approach resulting in a higher price depending on the strength of the business. In addition, the cost of land, which often represents a major part of the lease or sale value of a berth or port, is often excluded from the operating costs assessed by a public port or terminal, yet represents a significant element of the sale or lease price. In the United Kingdom, for example, a major incentive for the private sector to take over a port has been the inclusion of large tracts of land. These are now being developed by the private sector operator of the port. Understanding of the possible negotiating positions prior to the Government setting a “fixed price” and realistic expectations of recovering investments can facilitate negotiations and, depending on the strength of the business as a whole, provide the opportunity, under the right circumstances, to increase returns.

B. Performance standards

Some Governments hold the view that the imposition of performance standards will ensure that planned efficiency objectives are achieved and user interests safeguarded. However, implementation, monitoring and enforcement of rigidly defined standards can be costly and difficult. Several approaches have been employed including strict definition of handling rates (for example, a fixed number of twenty-foot equivalent units (TEUs) per hour or the setting of predetermined (guaranteed) annual throughput levels). Problems arise because handling rates can be influenced by a number of factors that are beyond the control of the terminal operator, for example, the loaded condition of the vessel, customs regulations and documentary procedures. Similarly, an operator guaranteeing a predetermined throughput may be confronted with fluctuations in the economy of the nation and its trading partners. Experience in many ports that they applied such systems reveals that the succeeded only in generating a sizeable volume of administrative correspondence between the public sector authority and the private sector operators. More importantly, the cost of allocating personnel to monitor the performance of the private sector and be on ‘stand-by’ in case the public sector re-enters the operation can be prohibitive.

A more pragmatic approach may be for the Government to seek the submission of a business plan from the prospective private sector operator which would show their strategic approach to handling a projected annual throughput and the investment that would be made to achieve the required level of performance. Commitment to such a plan would ensure that the private sector would have to perform well to generate an adequate cash flow to support financing and obtain a return on investment. The plan could also be used to evaluate potential tenderers before choosing or accepting the private sector party to operate the port or terminal.

C. Tariff setting

It is argued that the setting of tariffs, particularly the upper limits, should remain the responsibility of the Government as an integral part of its social responsibility to ensure that the private sector does not overcharge for services and is forced, as a first alternative, to seek means to cut costs rather than increase prices. By comparison the private sector operator will want freedom to set prices, deeming the activities to be commercial in nature and that market forces should be allowed to determine the level of tariff. That level may be higher than the tariff level proposed by the
Government because the private sector might seek to compensate for higher investments to provide superior levels of service for the port user. In addition, Governments infrequently approve tariff revisions, even when ports are operated within the public sector. This may cause the private sector operator some concern over the longer term.

Depending on the individual circumstances a number of alternatives may be considered during the negotiations, including the following:

(a) The Government sets tariffs with a mechanism incorporated in the scheme for fee revisions at regular intervals or when justified (for example, through prices being linked to a measure of inflation);
(b) The private sector is responsible for the setting of tariff pricing levels in accordance with market forces;
(c) A system of public utility profit margin control is introduced. This would allow the private sector a certain amount of freedom in tariff setting while providing some government regulatory control on the level of profits. This system, however, requires sophisticated auditing arrangements to operate successfully and is considered difficult to accomplish.

D. Competition

Some Governments seek to promote competition as a mechanism to spur performance and prevent any abuses of public or private sector monopolies. Privatization can be an important tool in this process. The private sector, however, is generally reluctant to enter into an arrangement in which it appears that excessive competition will force rates below economic levels. In particular, the private sector will avoid competing with the public sector in the provision of the same services because of uncertainty as to whether fair competition can exist between the two sectors.

A middle path which provides competition while ensuring orderly development is applied in Hong Kong and known as the "trigger mechanism". Within the system, demand forecasts are made and published by the Government which issues licences for construction of only sufficient surplus capacity to encourage competition while avoiding significant overprovision of infrastructure. In such an approach care is required to fine tune the demand and supply projection, particularly in view of the long lead time necessary for constructing new facilities.

E. Legal framework

Both public agencies and private sector organizations desire an adequate legal framework within which negotiation and agreement can take place. Revisions to legislation may be required to encompass the additional autonomous nature of commercialized operators and/or enable the transfer of assets to the private sector. The inclusion of such coverage greatly improves the prospects of success and accelerates the transition process by providing a clear signal of government intention and commitment to the privatization process while defining the extent of government ongoing regulatory functions. Legal recognition of the agreement between the public and private sectors will also provide value to the document which can be used as collateral.

F. Transition from public to private

To facilitate the transition process and avoid dislocations in the provision of services to port users, consideration must be given to the establishment of a transitional management body which can oversee the operation of facilities, finalize detailed arrangements with the private sector body, and coordinate the redeployment and retraining of staff affected by the process. The port authority and labour union, which have much to contribute to the process, should be included in all the stages of the consultation process.

Budgetary provisions must also be assured for the restructured port or regulatory authority, after the transition process has been completed, as it may no longer have access to traditional revenue streams, such as berth dues and charges, needed to cover the costs of discharging its responsibilities relating to safety, environment, performance monitoring and planning functions.

G. Ongoing role for the Government

Although an aim of the Government may be to withdraw entirely from the financing of infrastructure and management of port operations and for the private sector to take over many of the functions and responsibilities traditionally ascribed to the public sector, there are vital roles that will remain in the domain of the public sector in relation to policy, regulation and the provision of common services. These include the following:

(a) **Policy maker.** Governments usually wish to maintain a policy role in the sector in cases where ports and waterways are judged to be of critical national importance. The exercise of this policy-making prerogative should largely precede privatization in order that contracts with the private sector can reflect public priorities;
(b) **Regulator.** In any privatized port there must be an ongoing regulatory function to ensure compliance with safety and environmental rules and the enforcement of contractual conditions (for example, performance standards). Adherence to policy guidelines, where they exist, must also be regulated;
(c) **Planter and/or developer.** The Government can either respond to initiatives from prospective developers rather than preparing its own overall plan or, as in the case in Hong Kong, take an ongoing and detailed role in planning the port (albeit with input from private operators and users). The actual implementation of that plan, however, such as for new container terminals, is then left entirely to the private sector;
(d) **Landlord.** If a port is to be privatized in parts rather than as a whole, a number of common services remain the responsibility of the landlord. These may include the provision and maintenance of access channels for shipping, pilotage and towage services, of internal port circulation roads, and security and fire protection;
(e) **Active partner/shareholder.** The Government may wish to remain active in the port or waterway, for example, if operational expertise is only required from the private sector for a limited period;
(f) **Holder of a golden share.** Many Governments considering privatization have determined that it is important to retain a golden share which represents the right to cast a controlling vote at final veto, if required, to protect essential interests such as national security;
(g) **Employer.** With the range of functions that remain with the Government, the public sector port authority will employ a team of specialists which may not have transferred to the newly formed operating company;
(h) **Marketer.** The Government may decide to maintain a marketing posture as is the case in Port Kelang, Malaysia and the port of Rotterdam, where the landlord engages in extensive marketing and public relations efforts to promote the port as a whole. It also assists its tenants and contractors in marketing individual terminals or services;
(i) **Competitor.** Some public port authorities deliberately promote some level of competition to ensure no private monopolistic practices develop. It is also sometimes argued in such cases that a continued public operating role provides a means to check on the performance of the private operator in terms of operating productivity and cost.
Port Management Seminar 13-24 May

A seminar on advanced port management will be held 13-24 May 1996, in association with UNCTAD.

This seminar is specifically designed for high level policymakers or managers in Government, Port Authorities, Port Operating and Port Management Companies. It will address issues which are of direct interest to managers of shipping lines, shipping agencies, forwarding agencies and inland transport companies.

Three major subjects will be discussed: the essence of strategic port management and available tools to implement the main concepts; the issue of private sector involvement and the reasons for its growing significance; and the nature of port competition and the available strategies to survive and prosper. The seminar presents therefore three distinct parts:

Part one: Strategic Port Management
Part two: Private Sector Involvement
Part three: Port Competition and extensively uses material developed for or by UNCTAD.

Conditions for participation

Participation fee: 10,400 FF. This fee covers: registration, documentation, lunches during lecturing days and a one tour to Honfleur, Deauville and the Normandy landing beaches.

Payment or registration fee:
• In advance of the seminar
  – by bank transfer: to IPER/Chambre de Commerce et d’Industrie du Havre Crédit Industriel de Normandie Le Havre: Account 00019-0471900312 N
  – or by cheque: to IPER/Chambre de Commerce et d’Industrie du Havre
• Or on the first day of the seminar
  – by cheque: to IPER/Chambre de Commerce et d’Industrie du Havre
  – or in cash: in French Francs

Please register with: IPER LE HAVRE
30, rue Richelieu – 76087 LE HAVRE CEDEX
Tel.: (33) 32.92.59.92
Fax: (33) 35.41.25.79
Telex: 779 663 F
IPER is a private Higher Education Institute managed by the “Le Havre Chamber of Commerce and Industry” and the Port of Le Havre Authority.

Container Asia 96
25-27 June, Singapore

The conference programme has been announced for Container Asia 96 – the Asia-Pacific’s premier international conference and exhibition for the container and ports industries. Building on the joint success of last year’s Container Management Conference and Container Expo, Container Asia 96 looks set to become Singapore’s established meeting-place for this dynamic world-wide market.

Container Asia 96 will feature an expanded conference programme, and boasts a distinguished line-up of speakers addressing the trends and issues important to senior decision-makers in the global container market. Among the topics under discussion will be trends in Asia-Pacific container shipping, hubbing and transshipment; equipment management and cost control; port operations and technology, and much more. In a series of keynote presentations, panels and discussion sessions, delegates will be able to hear from industry leaders from the Asia-Pacific region and around the world.

For further information on the conference programme, the exhibition or registration, please contact:

Paddy Payne, Baltic Conventions, Regal House,
70 London Road, Twickenham TW1 3QS, UK
Tel: +44 (0) 181 892 2892
Fax: +44 (0) 181 892 6767; or
Rosalind Foo, Baltic Conventions,
47 Hill Street, #06-08 SCCCi Building,
Singapore 179365
Tel: +65 337 9368
Fax: +65 337 9395

Shipping in Canada/Le transport maritime au Canada 1994

This year’s edition also presents a “special study” of historical trends in Canada’s international maritime transportation flows for the period 1983 to 1994.

Highlights include the following:

Domestic and international cargo movements, port activity, containers, vessel movements, and financial and operating data pertaining to “Canadian domiciled marine carriers.”

Coverage extends to domestic and international cargo movements, port activity, containers, vessel movements, and financial and operating data pertaining to “Canadian domiciled marine carriers.”

Leading exports from Canada’s ports in 1994 were: coal, iron ores and concentrates, and wheat. Table 1 provides additional detail.
1. Canada: Waterborne Shipping Activity 1994

Leading Export Commodities (Metric Tons, ODDs)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Volume</th>
<th>Vs. 1993 Leading Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>20,615</td>
<td>+11.4% China, Korea</td>
</tr>
<tr>
<td>Iron Ore</td>
<td>31,753</td>
<td>+16.3% US, Holland</td>
</tr>
<tr>
<td>Coal</td>
<td>31,659</td>
<td>+14.0% Japan, Korea</td>
</tr>
<tr>
<td>Gypsum</td>
<td>6,160</td>
<td>+9.3% US</td>
</tr>
<tr>
<td>Woodpulp</td>
<td>6,535</td>
<td>+25.1% Japan, Korea, Germany</td>
</tr>
<tr>
<td>Fuel Oil</td>
<td>5,293</td>
<td>-21.0% Brazil, US</td>
</tr>
<tr>
<td>Lumber</td>
<td>5,172</td>
<td>-7.7% Japan</td>
</tr>
<tr>
<td>Canada</td>
<td>3,812</td>
<td>+57.7% Japa, Mexico, Belgium-Luxemburg</td>
</tr>
</tbody>
</table>

Source: Shipping in Canada/Le transport maritime au Canada 1994, pp. 54-65.

2. Canada: Waterborne Shipping Activity 1994

Leading Import Commodities (Metric Tons, ODDs)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Volume</th>
<th>Vs. 1993 Leading Markets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Crude Oil</td>
<td>23,497</td>
<td>+14.2% Saudi Arabia, Norway</td>
</tr>
<tr>
<td>Aluminum Ore</td>
<td>6,275</td>
<td>-0.5% Brazil, Guinea, Australia</td>
</tr>
<tr>
<td>Coal</td>
<td>9,406</td>
<td>+9.1% US</td>
</tr>
<tr>
<td>Iron Ore</td>
<td>6,165</td>
<td>+9.3% US</td>
</tr>
<tr>
<td>Fuel Oil</td>
<td>3,473</td>
<td>+20.2% Venezuela, US</td>
</tr>
<tr>
<td>Machinery</td>
<td>3,436</td>
<td>-3.5% Belgium-Luxemburg, Japan, Hong Kong</td>
</tr>
</tbody>
</table>

Source: Shipping in Canada/Le transport maritime au Canada 1994, pp. 66-77.

Domestic cargo loadings at Canadian ports increased for the first time since 1988, by 3.6 percent to 52.5 million tons. Much of the growth was in wheat bound from Thunder Bay to ports on the St. Lawrence River for transshipment to overseas markets.

3. Canada: Waterborne Shipping Activity 1994

Leading Domestic Cargo Commodities (Metric Tons, ODDs)

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Volume</th>
<th>Commodity</th>
<th>Volume</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pulpwood</td>
<td>7,201</td>
<td>Logs</td>
<td>4,436</td>
</tr>
<tr>
<td>Iron Ore</td>
<td>6,515</td>
<td>Gasoline</td>
<td>3,122</td>
</tr>
<tr>
<td>Wheat</td>
<td>5,786</td>
<td>Salt</td>
<td>2,916</td>
</tr>
<tr>
<td>Fuel Oil</td>
<td>5,258</td>
<td>Misc. Ores</td>
<td>2,536</td>
</tr>
</tbody>
</table>

Source: Shipping in Canada/Le transport maritime au Canada 1994, pp. 104-105.

The “top” 20 Canadian ports accounted for 77 percent of total cargo tonnage handled in 1994.

Canada’s seven “busiest” ports ranked by international (i.e., export and import) cargo tonnage were Vancouver, Sept-Iles/Pointe-Noire, Port Cartier, Saint John, Montreal/Contrecouer, and Québec/Lévis.

Halifax, Montreal, and Vancouver accounted for 96 percent of the container TEUs handled by the ports of Canada in 1994.

Containerized imports and exports amounted to nearly 15.1 million tons, or 6.1 percent of Canada’s waterborne foreign trade. The TEU count increased by 22.6 percent, to 1.5 million.

Legal Background

On 28 May 1993, the Special Committee in charge of overseeing the Promotion of Private Investment in the Port of Ilo was created by means of Resolution No. 218-93-PCM. Along with the existing agreements between Peru and Bolivia, the privatization of the Port of Ilo will play an important role in the development of the Southern regions. By means of Supreme Resolution No. 498-93 passed on October 29, 1993, COPRI ratified its agreement, which defines the procedures for privatization in Item (c) of Art. 2 of DL 674.

Description of Terminal

The Sea Terminal of Ilo, which is run by ENAPU, comprises one dock of four berths. The two main berths can accommodate ships of up to 3000TRB while the remaining two can accommodate ships of up to 3000TRB. It also comprises both a covered and an open depot of 1,550m² and 33,000m², respectively, as well as an area of 22,750m² that remains to be set up.

The image of the terminal is one of low efficiency, mainly due to antiquated equipment, inadequate management, and under used facilities. Despite the fact...
that Ilo is the most direct gateway between La Paz (Bolivia) and the Pacific Ocean (510km), the terminal has failed to attract regular shipping lines or exploit transit services.

ENAPU has realized pilot repairs and underwater surveys in the south and the north to remove rocks that might have damaged the ships. The bottom of the sea is now uniform and suitable for risk-free navigation.

Concession:
The privatization of the terminal shall be carried out by way of a Concession Contract, following an International Public Auction, for which interested bidders will have to qualify. The pre-auction qualification period shall last 20 weeks.

Under this Concession Contract, the winning bidder shall earn the right to use the facilities of the terminal, but shall also have the obligation to loan a determined number of port and cargo services.

Period of Concession
The Concession Contract shall last a period of 30 years from the date of signing, and shall include the possibility of renewal for another 10 years provided investments totaling US$12,000,000 are made during the concession.

Compensation for the Concession
As a means of compensation for the use of the terminal under concession, the winning bidder shall remit to the State a Concession Duty upon signing the agreement, and a User’s Fee as a percentage of net annual profits for the services under concession starting from the sixth year. The concessionary shall also make investments during the first 10 years according to a defined Business Plan, and shall pay Income Tax for each fiscal year of the concession.

Assets of the Concession
The concession includes solely the fixed assets of the basic infrastructure within the parameters of the terminal. This refers to the dock and its four berths, the unloading ramp, the storage areas, the depot, the scale, the garage and the buildings.

Interested Companies
The Confidential Information Memorandum was sent to 94 local and overseas companies. As of 31 of December 1995, 23 local and 17 foreign firms from Argentina (1), Australia (1), Bolivia (8), Chile (1), Spain (3) and Holland (3) have expressed their interest in taking part in the auction.

Activities of the Concessionary
The concessionary, as official operator of the port, shall be allowed (a) or obligated (b) to offer the following services:

(a) in free competition: pilotage, towing, loading/unloading, and supplying to ships, if so desired.
(b) related to usage (subject to payment of a User’s Fee): leasing of berths, tying up/casting off ships, cargo management, storage, and specific supplies (water, fuel, electricity).

Obligations of the Concessionary under the Concession Contract
Under the Concession Contract, the concessionary is expected to comply with the following obligations:

- Maintain or improve the condition of the infrastructure, except when damage is caused by normal usage and is therefore inevitable.
- Observe the rules established by Port Authorities in the "Port Authority Regulations on Sea, River, and Lake Activities".
- Guarantee the right of access to the services of the port to all users, without discrimination, in accordance with the code of security of the Port Authorities.
- Provide ENAPU or the replacing entity with the necessary audit documents such as the Annual Statement outlining the concessionary’s financial status, the published tariffs and the register of ships and cargo, mainly for statistical purposes.
- Offer the port services relating to usage (subject to payment of a commission) throughout the concession, in accordance with the prevailing regulations.
- Make sure that the terminal offers safe towing and pilotage services, whether these are provided directly or by third parties.
- Hold proper insurance covering the infrastructure, damage to third parties and the cargo.
- Observe the rules put forth by the MTCVC related to the widening or construction of port infrastructure facilities.
- Offer insurance for entrance to and departure from the terminal, to persons and cargo.

Financial Obligations of the Concessionary
a) Minimum Working Capital of US$300,000 upon signing the Concession Agreement;
b) Fulfillment Guarantee (renewable annually) of US$250,000 throughout the concession;
c) Investments during the first 10 years according to a determined Business Plan.

Commitments of the State of Peru
a) Renovation of the Ilo-Desaguadero road to render it operational.
b) Restoration of the docks according to a technical report prepared by ENAPU and installation of new wire protection.

Tariffs
The concessionary shall be free to set
the tariff structure deemed most appropria-
t the concessionary shall be able to select
and hire his own personnel, in compliance
with the labor dispositions, and awarding
priority to ENAPU employees.

Chronology of the Auction
The privatization process of the Sea
Terminal of Ilo shall unfold over a period
of 20 weeks, with the following schedule:

Sale of Auction Package 19.02.96 to 07.07.96
Seminars 22.02.96 to 01.03.96
Pre-qualification until 09.05.96
Qualification 02.07.96
Auction 06.07.96

Pre-qualification
During this stage, the Privatization
Committee can approve the Business Plan
that interested bidders must submit. The
Committee may reject any Business Plan it
deems inappropriate, and the firm may not
appeal this decision.

In order to pre-qualify, interested bidders
must meet the following conditions:

1. **Structure**
   Investors are not allowed to join directly or
   indirectly more than one consortium.

2. **Experience**
   The bidding consortium must include a
   port operator that manages ports or termin-
   als with a minimum annual capacity of
   350,000 tons of cargo, and that joins the
   consortium as:
   - investor, with shares in the consortium
     and the new company no lower than
     15%;
   - manager, by means of a management
     contract which provides for:
     - specific management responsibilities
     - a contract of at least 5 years
     - specialists in strategic positions during
     the period of the contract to restructure
     and retrain terminal personnel.

3. **Settlement**
The consortium shall have assets averag-
 ing US$5,000,000, calculated on the basis of
the assets of each of the members held
according to the proportion of shares held.

4. **Development**
A Business Plan shall be submitted for the
terminal that includes premises, strategy,
traffic projections, expected profits, costs
and investments, and economic and finan-
cial projections.

**Auction**
Qualified bidders shall be allowed to
take part in the auction, and the concession
shall be granted to the bidder making the
best offer. Offers are evaluated by com-
parison with the minimum prices set in the
Auction Package for the Concession Duty
and the User’s Fees, and Investments dur-
ing the first ten years of the concession, on
the basis of a 25-25-50 score. The investor
with the best and the most timely
Investment Plan shall be awarded the con-
cession.

An objective evaluation of the
qualification scores shall be provided in
Annex 5 of the Proposal Format.

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**New EDI Guidelines Due for Containers**

The shipping industry will soon have
access to globally standardized guidelines
for transmitting container handling mes-
sages on electronic data interchange (EDI)
systems.

Uniform guidelines for using the
International Forwarding and Transport
Message set will be available to shippers
early this year. The set will include guide-
lines for firm booking, booking confirma-
tion, forwarding instruction, contract status
 waybill), arrival notice and International
Information System Agreement (ISA) for-
warding and consolidation summary mes-
sages.

The guidelines were developed by an ad
hoc group consisting of individuals from
ISA, which represents 10 ocean carriers;
the International Chamber of Shipping;
and the Transportation Community Infor-
mation Exchange Group, which represents
organizations in the port and cargo indus-
try.

The informal group that developed the
“harmonized” guidelines recently agreed to
establish a formal group to be known as
the International Transport Implementation
Guidelines Group. The new group will
continue the informal body’s discussions and
formalize work on guidelines imple-
mentation.

The new EDI guidelines will ensure
maximum clarity in global EDI use for
transportation customers, according to
Dennis McCoy, Sea-Land Services’ group
manager for information resources.

“Standardized implementation will
allow customers to communicate with all
EDI-using carriers the same way, rather
than having to do business with just one
carrier using a particular regional stand-
ard,” says McCoy. “You will have the
opportunity to optimize your capital
investment in electronic commerce.”

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**Long Beach Remains No. 1 US Containerport**

It’s a back-to-back win. For the second
year in a row, the Port of Long Beach
achieved the distinction of being the num-
ber-one containerport in the United States.

In 1995, the equivalent of 2,843,502
TEUs moved through Long Beach –
recording a 10.5% increase from the pre-
vious year. Of that cargo, the number of
loaded outbound containers surged by
more than 25% to 1,036,213 TEUs, while
the total of loaded inbound containers rose
by 6% to 1,353,320 TEUs. The number of
empty cargo containers decreased by 5%
to 453,969.

This surge in trade placed Long Beach
288,158 TEUs ahead of its neighboring
Port of Los Angeles. During 1995, the
L.A. port handled 2,555,344 TEUs,
increasing throughput by 1.5% from the
previous year.

Increases in Long Beach’s throughput
were attributed to several factors. “Our
soaring growth may be credited to new
services initiated by our customers, larger
ships calling Long Beach and bustling
trade with Asia, especially China,” said
Long Beach Harbor Commission President
Roy E. Hearrean.

More than 40% of the port’s container
growth in 1995 was due to trade with
China. “China was the port’s number-one
inbound trading partner last year and was
second only to Japan in overall trade,” said
Hearrean.

“We have the right mix of customers,”
said Executive Director S.R. Dillenbeck.
For example, seven of the top 10 container
lines with direct or feeder service to China
call Long Beach, he said. China Ocean
Shipping Co. (COSCO) calls twice weekly
through its Pacific Southwest and Pacific
Northwest services, offering direct calls
into northern China.

Maersk Line and Sea-Land offer ship-
ers fixed-day, weekly direct service to
China and Southeast Asia through their
“sixth string” service, which calls exclusively in Long Beach while in the U.S.
Meanwhile, Orient Overseas Container Line (OOCL), through a newly-forged agreement with American President Lines, offers weekly direct service to China through its Pacific Southwest services.

In addition, all three of Korea’s container lines—Hanjin, Hyundai and Cho Yang—also are Long Beach customers. Hanjin’s cargo volume has increased by 250% since 1991 and by 28% last year alone. Port officials are now planning a new $250 million, 170-acre container facility for Hanjin to be opened during 1997.

Dillenbeck said the introduction of larger vessels into the trans-Pacific trade also has boosted container counts.

“K” Line and Sea-Land have introduced ships in the 3,800- to 4,000-TEU class. OOCL introduced two of six new 4,960-TEU ships in 1995, while Hanjin, COSCO and Hyundai have ordered ships in the 5,000- to 5,550-TEU class for delivery later this year. This spring, Maersk officials will unveil the first of a dozen new 6,000-TEU ships.

**Port of Long Beach in brief**

1. The Port of Long Beach is the number-one container port in the United States. During 1995, the equivalent of 2,843,502 TEU’s crossed Long Beach wharves. The total volume of all forms of cargo was 91.3 million metric revenue tons. The value of cargo passing through Long Beach during 1995 was in excess of $70 billion.

2. Exports through Long Beach are now growing four times as fast as imports. During the first six months of the 1995-96 fiscal year, exports soared by 25 percent, while imports grew by 6 percent. Today, exports account for 43 percent of all containerized cargo passing through Long Beach—a fourfold increase over 1990. The average full-time longshoreman at the Port of Long Beach earned $81,000 during 1995, and the average marine clerk earned $98,000. As a result of recent growth at the ports of Long Beach and Los Angeles, the ILWU added 534 permanent workers to its ranks since October 1994, adding more than $43 million in regional wages to the local economy.

3. Independently, the ports of Long Beach and Los Angeles are the two largest in the nation. Combined, they rank third in the world for container trade.

4. Trade through the Port of Long Beach generates some 18,500 local jobs, or one in 11 jobs in Long Beach. It also generates some 260,000 or one in 30 regional jobs. When combined with the Port of Los Angeles, the two ports generate approximately 500,000 jobs in a five-country region consisting of Los Angeles, Ventura, Orange, San Bernardino and Riverside counties.

5. According to the Los Angeles Economic Development Corporation, trade-related employers in Los Angeles County employed 341,300 people during 1994, as opposed to 225,900 jobs related to aerospace. Trade-related employment increased by 12 percent since 1992.

6. The ports of Long Beach and Los Angeles expect to more than double their cargo volume by the year 2020. Trade through the combined ports will generate more than one million jobs.

7. Since 1994, the Port of Long Beach spent $603.4 million on property purchases for new terminals and transportation improvements. Current capital projects slated to be completed before the end of the decade exceed $748 million. Therefore, between 1994 and 1998, the Port will spend more than $1.3 billion on property purchases and capital improvements.

8. Many jobs linked to international trade pay well. According to Pacific Maritime Association, which negotiates labor agreements with the International Longshoremen’s and Warehousemen’s Union (ILWU), the average full-time longshoreman at the Port of Long Beach earned $81,000 during 1995, and the average marine clerk earned $98,000. As a result of recent growth at the ports of Long Beach and Los Angeles, the ILWU added 534 permanent workers to its ranks since October 1994, adding more than $43 million in regional wages to the local economy.

9. The California ports are self-sufficient. Under the state’s tidelands laws, the ports must earn their revenues from activities related to commerce, navigation, recreation and fisheries, and must spend their money only on the same.

10. Although they receive no tax support, the ports generate billions of dollars in revenue for private businesses and government entities. The ports of Long Beach and Los Angeles generate $39 billion in direct and indirect business revenue, $8 billion in wages and $1.7 billion in state and local taxes.

11. Ports also reimburse their parent cities for municipal services. During fiscal year 1994-95, the Port of Long Beach paid $8.6 million for city services such as police and fire protection, auditing, accounting and legal services.

12. Port tenants, who lease land from the Port of Long Beach, also pay possessory interest taxes in lieu of property taxes. During fiscal 1993-94, Port of Long Beach tenants paid $9.5 million in possessory interest taxes to the County of Los Angeles, of which $2.1 million were transferred to the City.

**Testing Completed on EDO Service at NY/NJ**

Pilot testing was recently completed on an Electronic Delivery Order (EDO) service that is expected to reduce the paper work entailed in processing containerized cargo through the Port of New York and New Jersey.

EDO is the latest in a series of electronic cargo processing improvements offered at the Port using software developed by General Electric Information Services. Transmission of the delivery order document is facilitated by ACES, the Port’s electronic data interchange (EDI) system, and SEA LINK, its electronic trucker identification program.

EDO facilitates the cargo handling process by eliminating the need for moving hard copy paper delivery orders from the customs broker to the truck company and ultimately to the marine terminal. Other EDO benefits include:

- Reduced document processing costs.
- Speedy electronic transfer of the delivery order to trucking companies and marine terminals.
- Faster processing at marine terminal gates.
- Fewer information delays and orders.
- Significant reduction of the total time required for the release of cargo and its delivery to the consignee.

(AAPA Advisory)
South Carolina Ports Have $11 Billion Impact

A recently released study quantifies the enormous impact ports have on the state economy.

The South Carolina ports of Charleston, Georgetown, and Port Royal had a massive $11.3 billion economic impact in 1994, according to a South Carolina State Ports Authority study recently released. The figures represent a 40 percent increase over 1990, the last time such an extensive study was performed. Additionally, the study reported that more than 78,000 jobs in South Carolina directly or indirectly resulted from port-related commerce in 1994.

If it is hard to imagine precisely how much $11.3 billion really is, it might help to see the complete number: $11,300,000,000.

"This is what public port ownership is all about," said Don Welch, executive director of the South Carolina State Ports Authority. "This huge impact is possible because this authority was created to maximize economic growth in South Carolina. Its mission in creation and practice is to produce just such results by providing port access for maritime trade - a service. In the case of South Carolina ports, it is done with minimal taxpayer investment. All of this authority's revenue goes back into providing the service that makes that $11 billion impact possible. That is an extraordinary bargain."

While the sheer numbers are impressive, it is the growth that has really caught the attention of industry and port officials alike.

"It is astounding when you really think about it," said Bernard Groseclose, director of planning and development for the SCSPA. "It always seems to be surprising when you hear such huge numbers, but the rate of growth is even more staggering. A 40 percent growth impact in just four years. That really underscores the great resource South Carolina businesses have at their disposal in our ports. It is a powerful demonstration of what happens when businesses begin to tap that potential."

Groseclose noted that studies such as this one provide the perspective necessary to determine if the SPA is meeting its mission.

"Time obscures the big picture," he said. "You always need perspective. But, the evidence of growth can be seen right here at the port each day. In 1994 we had a total of 9.5 million tons of cargo. In 1995 we topped 10 million tons and are still growing. So, while the ripple effects of such increases in traffic and investment take time to be felt, the indicators of growth are all around us."

Groseclose added that the 1994 study results do not reflect some of the most dramatic positive economic developments in South Carolina and at the port. For instance, the figures include only a minimal port-related impact from the BMW plant in Greer since the company did not begin processing and producing cars until September of 1994.

Additionally, the figures do not include the impact of the Global Alliance, a consortium of shipping lines that began new services out of Charleston in the spring of 1995.

The impact of the state's ports was in evidence throughout 1995. The Tri-County area of Charleston, Berkeley and Dorchester Counties experienced a boom in new corporate and industrial investment in the region. The employment impact of the announced Tri-County accomplishments was 3,000 new jobs. Access to the Port of Charleston, and of course, the markets beyond, were listed as key criteria for many of those companies.

The total economic benefit was broken down in four sectors: jobs, sales revenue, personal income and taxes (see chart). The Employment Benefit: The study revealed that the jobs of 78,067 South Carolinians are the result of international trade through the state's ports. Of that, 36,921 jobs directly resulted from trade and 41,146 indirectly.

Jobs directly relative to trade are defined as employees of port-using companies, that is, companies shipping or receiving raw materials, component parts or finished goods through the port; or, employees of companies inside the port industry. In 1994, there were 660 port user companies employing 32,464 men and women. There were 4,457 residents directly involved in the handling and transportation of cargo through the port. Jobs indirectly relative to trade are those made possible by revenue of international commerce. Of the 41,146 indirect jobs, 37,312 were attributed to port users and 3,834 to port industry firms.

The Sales Revenue Benefit: South Carolina businesses earned $8.9 billion in sales revenue in 1994, as a result of commerce through SCSPA facilities. Of this revenue, $5.2 billion is in the form of direct sales revenue benefit, and $3.7 billion is from indirect revenues. Port users accounted for $8.1 billion in sales revenue, while those within the port industry accounted for $841 million.

The Personal Income Benefit: South Carolina residents earned $2.2 billion in personal income as a result of international trade. Of that total, $1.2 billion was attributed to direct economic benefit and $964 million to indirect. $1.9 billion was attributed to port users and $226 million was attributed to the port industry workers.

The Tax Benefit: State and local governments received $258 million in corporate, sales, excise, property and personal income tax revenues attributed to international commerce. Of that total, $230 million was contributed by port users and $28 million by port industry companies. The direct economic benefit was $145 million and the indirect $113 million.

The study was conducted by the South Carolina State Ports Authority's planning and development department using a special computer program developed by the Maritime Administration of the U.S. Department of Transportation to specifically study the impact of ports. The model and the study methodology have been evaluated by the University of South Carolina's College of Business Administration and found to produce credible results and a reliable benchmark of the port's statewide economic impacts.

Port Impact Comparison

<table>
<thead>
<tr>
<th>Port Impact Comparison</th>
<th>1987</th>
<th>1990</th>
<th>1994</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales In billions</td>
<td>$5.3</td>
<td>$6.2</td>
<td>$8.9</td>
</tr>
<tr>
<td>Income in billions</td>
<td>$1.2</td>
<td>$1.5</td>
<td>$2.2</td>
</tr>
<tr>
<td>Taxes in millions</td>
<td>$166.6</td>
<td>$239.9</td>
<td>$257.6</td>
</tr>
<tr>
<td>Total</td>
<td>$6.6</td>
<td>$7.9</td>
<td>$11.3</td>
</tr>
<tr>
<td>Percent Increase</td>
<td>NA</td>
<td>+19%</td>
<td>+43%</td>
</tr>
<tr>
<td>Jobs in thousands</td>
<td>58.8</td>
<td>66.3</td>
<td>78.1</td>
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Tacoma: New Record

In Container Throughput

An increase of more than six percent in containerized cargo and a group of new industrial tenants were among the highlights that helped make 1995 a successful year for the Port of Tacoma.

Container throughput at the Port reached a record 1,092,087 TEUs in 1995, a 6.2 percent increase over 1994. This marks the sixth consecutive year that the Port's TEU totals have topped the one million
The Sea-Land Anchorage, a vessel serving the Alaska trade, berths at the Port of Tacoma’s Siltcum Waterway. The Port’s Alaska container business posted a 5.5 percent gain in 1995.

mark. Gains were made in both the trans-Pacific and Alaska markets. Tacoma is one of the ten largest container ports in North America, and among the top 25 worldwide.

Growth in trans-Pacific container volumes is attributable to several factors:

Evergreen Line completed the phase-in of its larger G class ships in the string serving Tacoma in 1995.

Italy Line began a new trans-Pacific service in conjunction with Evergreen, calling at Terminal 4.

Sea-Land Service began routing vessels from Long Beach through Tacoma on their westbound leg, picking up exports bound for Asia.

Evergreen also routed some ships from Southern California through Tacoma on their outbound leg during the summer months.

“K” Line, which calls at Terminal 7D, launched a less-than-container-load program that brought additional business to the Port’s container freight station and boosted container volumes.

The Alaska container business posted a surprising 5.5 percent gain. The growth was propelled by special construction projects in Alaska, including a hospital and several mining projects, as well as banner year for the fishing industry. Sea-Land and Totem Ocean Express (TOTE), two major container shipping lines that serve Alaska from Tacoma, handle about 80 percent of all waterborne commerce going to Alaska from the Lower 48 states.

In the area of non-containerized shipping lines and cargoes, the Port gained a new breakbulk/project cargo carrier in 1995 with Eastern Car Liner (ECL). The line specializes in heavy-lift and roll-on/roll-off cargoes, making it a perfect match for the Port’s Terminal 7 or Pierce County Terminal. ECL makes a regularly scheduled monthly call at the Port. A major automobile manufacturer, Kia Motors, also began importing vehicles through the Port in 1995.

Overall cargo tonnage increased 28 percent to 14.7 million short tons. Grain increased by 160 percent for a total of 4.72 million tons. Alumina also saw strong growth, increasing by 20 percent to 537,093 tons. The Port experienced minor cargo decreases in breakbulk, logs, and automobiles.

Industrial Development

The revitalization of the Port’s Industrial Yard, a 182-acre site bordered by the Blair and Hylebos waterways, was one of the highlights of the Port’s industrial development program in 1995. In August, Tyson Seafood Group decided to relocate its vessel maintenance and support operations from Seattle to the Industrial Yard. Tyson’s 32-vessel fleet now makes its home at Piers 24 and 25. Activity at the Tyson facility employs up to 200 people, depending upon seasonal needs. Five other companies employing 110 people also moved to the Industrial Yard last year, increasing occupancy by 43 percent.

The Port’s warehouse facilities in the Commencement Bay Industrial Development District continue to be heavily utilized, ending the year with an occupancy rate of 94 percent, up three percent from 1994.

Infrastructure & Capital Investment

The Port also undertook several important infrastructure and capital investment projects in 1995 that will help meet the needs of current customers and tenants and provide a foundation for growth through the end of the decade.

Construction of the State Route 509 bypass continued and is on schedule for completion in January, 1997. The new road will allow removal of the 11th Street Bridge over the Blair Waterway, opening the Upper Blair for future development. Over 300 acres of land on the Upper Blair are earmarked for new Port terminal projects in the years ahead, enabling the Port to more than double its current container handling capabilities.

The centerpiece of this development is the West Blair Terminal, a 50- to 100-acre container terminal with a dedicated on-dock intermodal rail yard. Preliminary work on the terminal is underway, and all permits needed for construction have been acquired. Other steps taken by the Port in 1995 to expedite development of the Blair include:

- Cleanup of sediments to meet Superfund obligations.
- Dredging of the Blair Waterway to 47-foot depth.
- Widening of the Blair Waterway to 676 feet.

In anticipation of growth planned by Sea-Land, the Port created 25 acres of future terminal space by filling the Milwaukee Waterway. Once the project is complete, Sea-Land’s terminal will comprise a total of 140 acres.

Financial Performance

Financial results for 1995 continue to reflect the strong performance of Port operations. Operating revenues, at $51.7 million, were up by five percent over 1994. A continued emphasis on cost reduction, combined with overall business growth, contributed to a 12 percent increase in operating income, from $8.4 million in 1994 to $9.4 million in ’95.

“Operating income is a good measure of the efficiency of our operations,” said John Terpstra, executive director of the Port of Tacoma. “Results like this can only come from extraordinary efforts by our staff, a good working attitude by our longshoremen and responding to customer needs,” said Terpstra.

Net income for 1995 is $13.3 million.
Antwerp: Europe’s First General Cargo Port

Maritime traffic in the port of Antwerp only sharply missed a new record result in 1995. With a figure of 108 million tonnes Antwerp scored 1.3% less than in 1994 when it achieved the highest result ever of 109.5 million tonnes. The 1995 figure is in many ways an excellent result. Since the loss of traffic is entirely caused by a drop in liquid bulk commodities, Antwerp confirms its role as Europe’s first general cargo port.

General cargo went up 1.9% and for the first time in history topped the 50 million tonnes mark. Also container traffic representing about half of the general cargo traffic with 25.8 million tonnes increased by 6%. In TEU, Antwerp’s stevedores counted an increase with 5.5% to 2.3 million TEU. Antwerp clearly managed to consolidate itself as a general cargo and container port and specializes more and more in employment and added-value creating general cargo commodities. In 1996 Antwerp hopes to pass the 2.5 million TEU mark as the port will welcome some new customers with direct calls. Besides the double call of ACL on its North-Atlantic service, also the IPEX-group (Middle East/India-Pakistan) will have a direct call in Antwerp. Other newcomers are K-Line as a partner of Yang Ming on the Europe/Far East route, Norasilia and Hyundai as partners of MSC on the same route and the Grand Alliance of Hapag Lloyd, NYK and NOL.

The 6% growth of Antwerp’s container traffic makes Antwerp the fastest growing European container port for the second consecutive year as the port achieved a growth of 17.7% in 1994. Iron and steel products, the second commodity in the general cargo segment maintained its position with 10.2 million tonnes. Cellulose and pulp showed a status quo of 4 million tonnes. Fresh fruit rose by more than 10% to 1.6 million tonnes.

About 25% of the ports traffic is liquid bulk cargo. When compared to 1994 last year shows a decrease of 13.8%, mainly caused by oil derivates (-20% to 16 million tonnes) and chemicals (-5.5% to 4.2 million tonnes). The unloadings of crude oil rose 1.8% to 5.2 million tonnes.

Dry bulk goods showed an increase of 5.8% to 31.8 million tonnes, mainly because of a growth by 9.2% of the unloading. This segment’s main commodities increased considerably. The traffic of ores grew 14% to 13 million tonnes and coal went up 8.5% to 8.9 million tonnes. Commodities that were not so good are grain (-14.7%) and fertilizers (-6.6%).

In 1995 15,223 ships called at Antwerp. These are 396 units less than in 1994, but again, the overall capacity of these ships increased by 2% to 167.9 million GRT/GT.

Regina Maersk Makes Maiden Call: Le Havre

On February 6th, the Port of Le Havre accommodated for the first time a container ship of a capacity of more than 5,000 TEU containers, that is the largest container ship in the world: the Regina Maersk.

With a length of 318m, 42m in beam, a draught of 14m and a capacity of 6,000 TEU, she is a real giant vessel. Delivered by the Odense Stell shipyard on January 10th, last, she made her maiden call in Le Havre at the Asia Wharf.

 Owned by the Danish shipping line, Maersk, the Regina Maersk is the first vessel of a series of twelve units to be delivered every three months. This one is not only the world’s biggest container ship, but also, she is equipped with the most powerful diesel engine in operation to-date. She is driven by a twelve-cylinder engine of 74,640 h.p. which enables her to reach a cruising speed of 25 knots.

The Regina Maersk is in operation on the weekly Europe/Far East/Europe service run by Maersk Line with direct call at the ports of Singapore, Hong-Kong, Kaohsiung, Tokyo, Shimiizu, Kobe and Yokohama, in the Far East.

As part of this service, Le Havre is the last port of call on export. This is an additional justification to the creation of “Port 2000”, which will be a decisive element of the positioning of Le Havre in this new offer of maritime transport, as the nautical factor is due to play an ever-growing part.

Le Havre Experts Help Malmö Seminar

The International Maritime University in Malmö, Sweden, which operates under the auspices of the International Maritime Organisation (IMO) has for over 10 years been providing professional people from the developing nations with a two-year course of study in international maritime techniques. As every year, the Port of Le Havre, which is well-known as a training port, has again contributed actively. The seminar on “Port Operations” was organised by the Havre Port Studies Institute (IPER) and was held on its premises during late October and early November.

This year 27 people took part, divided into two groups according to the option they had chosen, i.e. Shipping Management, for the commercial side, and Port Management, for the technical side. A wide spread of experts from the Havre port community came and heard a talk about every aspect of port management, organisation and equipment, so that course members could get an overall view of everything that goes to make a good port.

(Flash)

1995 Another Record Year for Port of Cork

The Port of Cork enjoyed another record year in 1995 when cargo throughput reached the 7.5 million tonne barrier for the first time in the port’s history. This represented an increase of 100,000 tonnes over the previous year. Imports totalled 4.6 million tonnes while exports accounted for 2.9 million tonnes. The performance was all the more meritorious in the light of a reduction of over 200,000 tonnes of oil traffic. This was along a planned shutdown at Whitegate Oil Refinery so that refining could be enlarged to meet increased market demands.

Once again, container traffic at the Tivoli Container Terminal performed very strongly, increasing by over 13% to 59,000 t.e.u.’s. This increase reflected the buoyant state of Irish exports at present, particularly in the southern part of the country, and the speedy and efficient turnaround of vessels on the Terminal. The Port of Cork offers more containerised sailings to mainland European ports than any other port on the south coast of Ireland and, alone in that area, Cork has increased its containerised market share in the nineties.

Despite increased competition, the Port of Cork’s car ferry traffic also turned in another impressive performance. Both Brittany Ferries and Irish Ferries performed strongly on European routes and the Port again had the distinction of handling most continental visitors who chose to visit Ireland by ferry. Swansea Cork Ferries consolidated their position in the very competitive cross-channel passenger sector and, in the process, they enjoyed a spectacular increase in ro-ro freight handling.
The Port of Cork’s position as Ireland’s leading agri port was again confirmed with substantial imports of cereals, animal feedstuffs and fertilisers (which grew by 21% over 1994) and exports of urea, dairy produce and meat. The private facilities located within the harbour contributed handsomely to the increased throughput, particularly imports of molasses for ADM and exports of finished steel for Irish Steel.

A particularly important feature of the Port of Cork over the past five years has been the level of capital investment. The Ringaskiddy Ferry Terminal was completely refurbished and extended including the provision of a second linkspan and a new covered foot passenger access linking the well appointed Terminal Building with the ferries. A major dredging programme was completed to ensure access by fully laden 500 t.e.u. container vessels to the Tivoli Container Terminal at all stages of the tide and the Cobh Deepwater Quay was upgraded and re-surfaced. A further £20 million development programme is planned by the end of the decade. A new powerful 43 tonne bollard pull tractor tug is due for delivery in June of this year. The Tivoli Container Terminal will be largely re-equipped with four new straddle carriers while the berthing at the Ringaskiddy Deepwater Terminal which can handle fully laden Panamax size vessels will be extended and an additional storage area will be reclaimed behind the extension. A particularly satisfying aspect of investment in facilities at the port is the private sector investment in new storage – both dry bulk and liquid – at Ringaskiddy and the city quays. This is viewed as a vote of confidence in the port and in its determination to provide efficient and competitive facilities and services.

There will also be an investment in a new pontoon at the Cobh Cruise Terminal – Ireland’s only dedicated Cruise Terminal. The pontoon will be used to berth many of the record number of cruise liners scheduled to call to Cork in 1996. One vessel which will undoubtedly attract a great deal of attention will be the new luxurious 70,000 tonne Royal Caribbean Cruise Line vessel Splendour of the Seas which will have her maiden season this year. The vessel is due to berth twice in Cobh – August and September. The QE2 will again be a welcome visitor among the 23 cruise vessels due in the port this year.

The Port of Cork is confident that the mixture of public and private investment, competitive pricing and the provision of services tailored to individual customers’ needs will ensure continued success.

### World Port News

**Green Award Designed For Safe and Environmentally Friendly Shipping**

The Port of Rotterdam Authority and the Netherlands’ Maritime Directorate initiated the Green Award program in 1991 to encourage safe and environmentally friendly shipping. The concept aims to make quality both perceptible (the Green Award Certificate) and beneficial (the Incentive).

The philosophy behind the concept is based on the port’s policy of stimulating safe and environmentally friendly ship operations that contribute to the quality of the environment and port development. A clean and safe port is an essential condition for sustainable development. Rewarding schemes are likely to achieve greater efficiency in carrying out the main safety responsibilities.

The concept was elaborated together with industry and maritime interests. The certification scheme was implemented in 1994, associated with incentives for the Port of Rotterdam, the Dutch Pilot Organisation and the Boatsmen Association. The Green Award Foundation – together with the executive body Bureau Green Award, responsible for the administration and operation of the certification and an independent, impartial and non-profit organisation with corporate rights and its own Charter – was established.

The Maritime Directorate and the Rotterdam Port Authority guaranteed substantial financial support during the implementation phase 1995-1998.

During this first phase, Green Award received growing, active support from a number of entities in the Netherlands, South Africa and Spain, which demonstrate the applications of the concept.

Green Award is currently negotiating active support from other international maritime participants, ports and port operators.

The scheme needs global acceptance if it is to achieve its mission of improving standards and performance of international shipping.

Rather than promulgating more legislation, the scheme takes the pro-active, non

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<th>Incentive</th>
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<tr>
<td>Dirkzwager’s Coastal &amp; Deepsea Pilotage B.V.</td>
<td>5% premium on published tariff for vessels with a Green Award Certificate.</td>
</tr>
<tr>
<td>Dutch Pilotage Organisation</td>
<td>25% reduction on the Green Award fees until 1997. Possibility of personnel transfer during helicopter pilot transfer at no charge, if operations allow.</td>
</tr>
<tr>
<td>KOTUG-Tugboat Company Adriaan Koooren B.V.</td>
<td>2% reduction on net harbour towage fees for Green Award vessels assisted by &quot;Kotug&quot;.</td>
</tr>
<tr>
<td>Marine Safety International Rotterdam B.V.</td>
<td>5% reduction on all MSR training program standard fees for shipowners/managers operating Green Award certified vessels.</td>
</tr>
<tr>
<td>Port of Rotterdam</td>
<td>Premium of 6% on the port fees for vessels with the Green Award Certificate. The premium will be paid afterwards on request of the shipowner.</td>
</tr>
<tr>
<td>Portnet South Africa</td>
<td>5% port dues rebate in all South African Portnet ports for vessels issued with a Green Award certificate and not enjoying a 5% rebate in terms of the double-hulled/SBT scheme.</td>
</tr>
<tr>
<td>Puertos del Estado (State Ports of Spain) NEW</td>
<td>Vessels that have obtained the Green Award Certificate will be charged 93% of the T1 tariff.</td>
</tr>
<tr>
<td>Royal Boatsmen Association Eendracht</td>
<td>Free assistance in (un)mooring by two qualified boatmen, one at bow, one at stern. There will be no charge for transport or waiting and travelling time for boatmen required on deck for assistance in (un)mooring.</td>
</tr>
<tr>
<td>Smit International NEW</td>
<td>Free places on the Managing Marine Emergencies course for companies with the Green Award Certificate.</td>
</tr>
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This information is subject to change without notice. The Green Award Foundation shall not be liable for editorial errors or omissions contained.
compulsory approach of rewarding the shippers who take their responsibilities very seriously.

The Green Award certification, in simple terms, consists of:

1. compliance with international mandatory standards and rules (flagstate/port-state/class).
2. proof of vessel’s clean record over the last two years.
3. assessment of crew-management and technical elements beyond mandatory standards, safety and protection of the environment.

Green Award is not setting new standards but anticipating developments, future rulemaking and internationally established recommendations/guidelines in terms of ship operation.

The Green concept is applicable to shipping in general but was initially introduced for crude-oil tankers above 50,000 dwt. Certification will encompass product/oil tankers about 20,000 dwt in 1996 and probably bulk carriers in 1997.

**Spanish Ports Adopt Green Award Programme**

The State Ports Authority (Puertos del Estado), responsible for the coordination and management control of the 26 leading Port Authorities in Spain, has adopted the Green Award Programme.

The new tariffs laid down in Spanish ports as from 1st March this year mean that all vessels that have been awarded Green Award Certificates by the independent Green Award Foundation will be granted a seven percent reduction on the standard tariff when using Spanish ports. This is a new commitment for the Spanish port system which encourages “green” and efficient shipping, greatly benefiting Spain’s maritime development.

The Green Award is currently open only to crude oil tankers above 50,000 dwt, but certification will be extended to include all tankers and bulk carriers in due course.

The present management of Spanish ports has meant that they no longer depend on State budgets, which since 1994, has made them completely self financing.

It is important to point out that approximately 86% of imports and close to 68% of all exports to and from Spain take place through Spanish ports which, during 1995, enjoyed a turnover of over 93,000 million pesetas.

Equally important is the degree of investment taking place in Spanish ports compatible with a policy aimed at the reduction of tariffs, which in 1995 fell by 14% and in 1996 by 18%, greatly increasing the competitiveness of Spanish ports within Europe.

In addition to the new Spanish Ports’ rebates, Green Award Certificated vessels also receive significant rebates on net harbour dues when calling at the Port of Rotterdam and the PORTNET South African ports, together with a range of rebates from service suppliers ranging from pilotage and free helicopter transfers to harbour towage and maritime safety training.

For further information please contact:
Mr Arne Wolters, Bureau Green Award
Tel: (31) 10 489 7418

**Green Award Foundation**

The Green Award Foundation, together with the executive body, Bureau Green Award, is responsible for the administration and operation of certification. Green Award is an independent not-for-profit foundation characterised by impartiality and confidentiality. Its headquarters is in Rotterdam.

The Foundation’s “Board of Experts”, “Board of Appeal”, Committee and “Management” are made up from Government, Port State, Owners’ Associations, Pilotage organisations and industry experts.

Green Award aims to improve safety and environmental standards on board
From All the World in Hamburg

For the first time since the fall of the Iron Curtain, all the Port of Hamburg's representatives met for intensive discussions in Hamburg. The representatives from East Asia (Tokyo, Seoul, Hong Kong and Singapore), the USA, Eastern Europe (Warsaw, Prague and Budapest), Berlin, Dresden, Düsseldorf, München and Vienna met the customer service staff from the Hamburg head office at a meeting in Hamburg's Forum Hotel chaired by HHVW management.

The goal of these in-depth discussions was to achieve a uniform international approach, closer cooperation between overseas and European representatives, a regular exchange of information and a closer networking of activities in the various hemispheres, especially in the acquisition of transit cargoes.

This year's meeting focused on a number of macro- and microeconomic changes and their impact on the Port of Hamburg: the completion of the Single European Market; the infrastructural, geographical and poli-to-economic developments in Eastern Europe; the continuing structural changes in the shipping business (larger vessels, new consortia); and developments in Hamburg's port economy. Discussions also centered on the increasingly significant opportunities and problems arising from keen competition and the downturn in the economies of the USA, Europe and Japan.

All these changes in the Port environment have necessitated a new organization and structural concept at Port of Hamburg Marketing and Public Relations (HHVW). Its chairman Dr. Hans Ludwig Beth presented a detailed outline of the new concept.

Another important and time-consuming discussion point was the question of the strategies to be applied to improve the Port of Hamburg external competitive position – a discussion in which representatives of Hamburg's port economy were also involved.

Despite the downturn in Europe's economy, 1995 was still a magnificent year for the Port of Hamburg. And HHVW is also optimistic about 1996. But as Dr. Beth pointed out, this was no reason to rest on one's laurels: "The demands made on our personnel will increase quite considerably in the future."
Rehabilitation Project For Constanza Port

Taking note of the Council of the European Union decision to continue its plan of action for European Community assistance to Romania in support of its efforts to bring about political and economic reforms, on 2nd May 1994, the Board of Governors of the European Investment Bank authorized the granting of further loans for Investment Projects in Romania. Following this, on 3rd October 1994, a Framework Agreement concerning the financial co-operation between Romania and EIB was signed.

A first priority project that makes the object of the financial assistance plan for Romania is the Constanza Port Rehabilitation Project. The Project will be carried out by the Ministry of Transport of Romania, through Constanza Port Administration, comprising the repair of storm and accident damage to the northern breakwater of the Port of Constanza and the completion of the northern and southern breakwaters (northern breakwater: completion of the top level over 3,400m, construction of the top level over the 1,400m and provision of a breakwater head; southern breakwater: completion of the top level over 4,000m).

In view of financing the Constanza Port Rehabilitation Project, on 13th December 1995 in Luxembourg and 18th December 1995 in Bucharest, respectively, a Finance Contract between Romania, EIB and CPA was signed.

The estimated total cost of the project is ECU 70 million (seventy million ECUs) including contingencies and interest during construction. The project shall be supported by EIB on a 50:50 basis with the State budget, ECU 35 million respectively. Within the ECU 35 million, the part of Romanian Government, 17.5% represents a PHARE loan.

The project should take five years to be finished, i.e. until the end of 2000.

Port of Cardiff: New Florida Cargo Service

A direct shipping link between the USA’s sunshine state, Florida, and Associated British Ports’ (ABP) Port of Cardiff will begin operating later this month (February) when a Seatrade/Scaldis Reefer Chartering ship makes its first regular monthly call at the port on its service between Port Canaveral, in Florida, and the Port of Flushing in the Netherlands.

The new Cardiff service will be inaugurated on 3rd February when mv Music discharges a 1,000-tonne cargo of frozen and chilled fruit juice at the port. Cardiff-based Bay Shipping Ltd will be acting as ship and cargo agents for the operation.

The cargo will be discharged direct into ABP’s Cold Store at Cardiff’s Queen Alexandra Dock, which operates to ISO 9002-quality standard and is a listed EU-border import post.

The Cold Store was recently extended at a cost to ABP of £1 million. ABP will provide its new customers with a comprehensive cargo-handling service, including discharge, storage and subsequent re-delivery of the fruit juice to final destinations.

Rob Gravestock, Port Manager, ABP Cardiff & Barry, says he is delighted that an important link with Florida, the USA’s leading citrus fruit producer, has been established. Welcoming the new service, he said:

“This is obviously very good news for the Port of Cardiff, particularly as it enables us to combine our cargo-handling skills with the use of our modern cold storage facilities. We will be working with Scaldis Reefer Chartering and Bay Shipping Ltd to ensure that the operation is handled well and that the maximum potential of the new trade is achieved.”

New Russian Timber Service to Use Cardiff

A new timber service has begun at Associated British Ports’ (ABP) Port of Cardiff with the recent arrival of the mv Leja, the largest Russian ship to call at the port for 15 years.

The mv Leja, carrying 4,000 cu m of timber, was commissioned by Novaster International, a trading company based at the World Trade Centre in Cardiff. Novaster’s customers include timber operations in Humberside and the Midlands as well as some of the larger players in the South Wales timber industry, such as Brittons Building Supplies, which operates from the Port of Cardiff.

Rob Gravestock, Port Manager, ABP Cardiff & Barry, welcomed the new business and expects that the service will yield bi-monthly sailings from the Baltics.

“Cardiff is one of the longest-established UK ports of entry for imported forest products. I am therefore delighted to welcome back to the port timber cargoes from the Baltics, hopefully on a regular basis,” said Mr Gravestock.

Ian Campbell, Managing Director, Novaster International said:

“We are actively developing a strong customer base in South Wales which we hope will prompt further imports of timber,” he said.

Talbot Dredge to Help Steel-making Operations

Associated British Port (ABP) and British Steel plc have reached an agreement to deepen the tidal harbour at Port Talbot. This multi-million pound capital investment will enable Port Talbot to handle an additional 2.5 million tonnes of imported raw materials for British Steel’s steel-making operations.

The programme will involve dredging the harbour’s berthing pocket, turning circle and approach channel to a depth of 11.2m, an increase in depth of 2.6m. When the programme is completed, Port Talbot will have the capacity to handle vessels with a maximum draught of 16.7m.

The dredge follows British Steel’s decision to invest some £22 million in a second continuous caster at its works in Llanwern. The new machinery is designed to increase the plant’s capacity by one million tonnes of finished steel a year. The two companies’ major investment programmes underline their commitment to the steel-making industry in the UK.

Work on obtaining the necessary Government approval to go ahead with the dredging is well-advanced and the programme is expected to be completed at the end of the year.

ABP’s Managing Director, Alastair Channing, said:

“The deepening of the tidal harbour at Port Talbot is an indication of ABP’s commitment to a valued customer, British Steel, and of our determination to meet their increasing requirements for the handling of imported raw materials. Port Talbot is at present working to capacity. Following the dredge, it will be capable of handling all British Steel’s requirements for its plants in South Wales, including those resulting from the new continuous caster at Llanwern.”

The tidal harbour, opened in 1970, is used to handle imports of bulk iron ore, coal and other minerals for British Steel’s Port Talbot and Llanwern plants. In 1995, British Steel extended its long-term agreement with ABP to continue using the harbour for another 25 years.

In 1995, Port Talbot handled a record 11.1 million tonnes of cargo. A ship laden with 136,000 tonnes of raw materials was recently handled at the port, the largest ever single shipment. The current maxi-
Port Talbot is 173,000 dwt, in a part-laden mum size of ship that can be handled at state. Stan Peate, Manager, Logistics, British Steel, said:

“We are delighted that ABP has decided to undertake this capital works programme at Port Talbot. British Steel will now be able to accept vessels with larger quantities of bulk commodities required for our operations in South Wales,” he said.

On completion of the initial dredging programme, ABP Swansea & Port Talbot and British Steel intend to develop third-party business opportunities at the port.

Fremantle: Record Trade Figures for 1994/95

The Fremantle Port Authority has announced record trade figures and a profit of $7.2 million for 1994/95.

Strong trade growth, underpinned by improved productivity and efficiencies resulted in a 4.8 per cent increase in shipping and cargo-related revenue, FPA General Manager Kerry Sanderson said.

Total port trade reached 20.3 million tonnes, a 1.6 per cent increase on the 20.01 million mass tonnes in 1993/94.

Container throughput had reached a record 189,300 TEUs, an 11.9 per cent increase on the previous year.

She said the key emphasis during the year had been on delivering to customers the benefits of the major restructuring and downsizing which had occurred over the last three years.

“The Port of Fremantle has realised some major achievements during 1994/95, including a review of port pricing which resulted in an average 9.5 per cent reduction in port charges.”

“Yet consolidated the gains and emphasised closer liaison with customers to identify what improvements were important to them,” Mrs Sanderson said.

“Significant progress was also made in debt reduction and we realised more of the benefits of our continuous improvement process.

“At the same time work associated with the terminal consolidation on North Quay began, with considerable investment by the two private stevedores.

“If container trade growth continues to expand at the average rate experienced over the past four years, the number of containers handled would double every six years.

“With current trade levels this means that by the year 2010 we could be expecting the Inner Harbour to handle around one million containers per year.

“Over the past year the Port has also seen some major technological improvements, including the synchronisation of navigation lights and the introduction of the Dynamic Under Keel Clearance system.”

Fremantle Signs 21-year Lease with Patrick

Patrick the Australian Stevedore will invest around $40 million on container facilities at the Port of Fremantle over the next six years.

Signing a 21-year lease to finalise negotiations on its terminal consolidation at Fremantle, Patrick Managing Director Peter Storey said that it would be a staged investment.

“If the current rate of trade growth continues at Fremantle we will be spending about $40 million over the next five or six years,” Mr Storey said.

“The first two phases include a major infrastructure, with new tarmac, paving, equipment, office building, control towers and sheds.

“We plan to be able to handle about 250,000 TEUs year after Stage One and Two are completed.”

“The terminal will incorporate state-of-the-art features, such as fully computerised yard management, paperless truck receival and processing. Later satellite container tracking will be added.”

He said Patrick had a lease on the land-backed area from berth 7 to 10 on North Quay, with options for extended lease areas to allow for terminal growth well into the next century.

An integral part of Patrick’s planning was the utilisation of future rail links to its terminal, Mr Storey said.

Fremantle Port Authority General Manager Kerry Sanderson said the finalisation of the lease agreement with Patrick was a milestone in the consolidation process now underway at the port.

She said the Authority’s investment totalled around $7 million, mostly to realign berth three on North Quay, increasing the total berth area.

Terminal consolidation would be completed when Conaust signed its new lease agreement for berths 4 to 6 within the next few months, she said.

“Once consolidation is complete, Fremantle will have the capacity to further improve productivity and will be able to accommodate container growth until about 2015-2020 in the Inner Harbour,” Mrs Sanderson said.

Ports of Auckland Ltd: Many New Benchmarks

In the six months to 31 December 1995 Ports of Auckland Ltd achieved a tax profit of $25.563 million. This gave a 24% increase compared with $20.616 million for the same period last financial year.

Announcing the result, the company’s chairman, Sir Richard Carter, says Ports of Auckland is continuing to reap the benefits of its efficient and highly competitive position, and will continue to consolidate the major gains in efficiency achieved in recent years.

At the same time, the company is engaged in a number of significant initiatives to increase its handling capacity to meet a real and proven need.

Sir Richard said earning before interest and tax for the total company were up 4% at $31.981 million compared to $30.696 million in the comparable period the previous year.

Revenues for the period increased from $72.455 million to $75.034 million.

The accounts contain abnormalities of $7.314 million which largely relate to reversal of certain provisions to meet changed accounting standards, together with profits from sale of property identified as surplus to the company’s future needs.

Return on equity for the six months was 8% compared with 7% in the same period last year. Earnings per share were 13.6 cents and the net asset backing per share increased from $1.45 to $1.99. The directors have declared an interim dividend of 8 cents per share.

Sir Richard said the reconstruction of the company’s balance sheet, including a return of capital to shareholders, has now been completed. Further, having been awarded an AA Minus credit rating from Standard and Poor’s, the company has access to highly competitive finance, and accordingly it has arranged commercial loan facilities of $120 million, of which $83 million has been drawn down at 31 December 1995.

“We are a company with a strong asset backing, good cashflow and the ability to fund development programmes from earnings and from borrowings,” Sir Richard
The company is involved in negotiations to sell 19 hectares of prime waterfront land in the Viaduct Basin area. It is dealing with shortlisted parties and is working towards a successful commercial outcome by the end of this month (February).

It has also agreed to be involved, on a commercial basis, in the provision of facilities for America's Cup defence.

"The main problem outstanding is that the costs of the proposed development far exceed the facilities' commercial value over a long period. For the project to proceed, a means of funding the difference will need to be settled," said Sir Richard.

"These funding issues are being closely addressed and we are hopeful of an early resolution so that the expectations of all interested parties can be met."

In a report on the company's operation, chief executive Robert Cooper said that during the six month period the company recorded a number of new benchmarks. These included the handling of more than five million tonnes of cargo, and more than 200,000 containers, in a six month period. Ports of Auckland handles 69% of all North Island containers and more than half of the country's container traffic.

The company continued to have a good balance between imports and exports in its trade mix and was the major North Island export port in the dairy, meat and wool trades.

Reflecting the increase in both containers and total tonnages handled, total ship calls at Auckland and Onehunga for the six month period were up from 983 to 1,127, an increase of 14.6%.

The number of shipping lines "hubbing" only in Auckland reached 13, while a further nine used Auckland as their only North Island hub.

In preparation for continuing trade growth the company is actively working towards upgrading Fergusson Container Terminal to add a third berth, greatly increasing the port's container handling ability. The planned upgrade would progressively provide a 45% increase in container handling capacity compared to current throughput.

"This development will fulfill a real and proven need and the company is confident that it will earn a satisfactory commercial rate of return," said Mr Cooper.

Tenders would be called only when resource consents had been obtained, and the project would be staged over several years, in tandem with growing demand.

In the meantime, the company will take delivery of new gantry cranes and straddle carriers during the current year to increase current handling capacity and efficiency still further. At the same time, the port's links with the rail and motorway systems will continue to be improved. Elsewhere Mr Cooper reported the company has pursued a philosophy of intensive asset utilisation by changing passive land use to cargo operations, demolishing buildings and strengthening wharves to increase cargo areas and handling options without major investment.

All of the expansion activity is planned so that customer services will be maintained smoothly throughout the expansion phase.

### AsiaPorts '96

**International Summit on Port Development, Operations Financing and Investment**

16, 17, 18 September, 1996, at Kowloon Shangri-La Hotel, Hong Kong

Provisional subject areas to be discussed:
- Planning and Development of Asia's Future Ports - Global and Regional Outlook
- China and Hong Kong - Port Development Initiatives, Challenges and Investment Prospects
- Port Privatization, Financing and Investment Opportunities for Asia
- Increasing Efficiency and Competitiveness of Asia's Ports - Benefiting from the Latest Initiatives in Port Operations, Management and Automation
- Pacific Rim Ports - Latest Port Development Initiatives and Investment Opportunities

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### The Chinese Ports: Accelerating Paces

#### 1. China in 1995 – a few facts
- Gross domestic product (GDP) reached 5,770 billion yuan (approx. US$695 billion). Excluding the price hike, the growth rate was 10.2%. The inflation was pegged back to 14.8%.
- Overall industrial production increased 14% to reach a total value of 2,300 billion yuan (approx. US$277 billion), with light industry growing at a comparatively faster rate of 16%, four percentage points higher than heavy industry.
- Foreign trade totalled US$280.85 billion, up 18.6% from the previous year. Exports topped imports at US$148.77 billion over US$132.08 billion. Export growth averaged 22.9%, import rose 14.2%.
- Foreign exchange reserves reached an estimated US$70 billion by the end of 1995.

#### 2. An overview of past developments

Ports are considered as an integral part of the national economy and important gateways for domestic and foreign trade. Since China adopted reform and open-up policies, financing of port development has been changed from government investment only to encouraging participation of various entities, including absorbing foreign funds and investments.

- During the 80s, utilizing loans from the World Bank, Asian Development Bank, etc., China constructed a number of new ports and upgraded some old docks on the Chinese coastline to form modern specialized deep-water berths for containers, coal, ores, oil, wood, grain and ro/ro cargo, adding a total capacity of 140 million tons.
- During the past couple of years, the pace of port development has been even quicker. In 1993, around RMB2.1 billion was invested in the key projects, completing 16 deepwater berths and adding a new capacity of nearly 28 million tons. In 1994, 91 berths were constructed in the coastal ports (including 30 deepwater ones), adding a further capacity of 31 million tons. By the end of 1995, the total number of berths in the coastal and Yangtze River ports reached over 1,500 (including 412 deepwater berths of 10,000 dwt or above), and the total throughput tonnage was 1.08 billion tons and containers handled were 6.1 million TEUs in all.
- The Port of Shanghai, being China's largest in every category, handles around 160 million tons of cargo annually. And the Port has imported container handling machinery and other specialised equipment from over 130 manufacturers and suppliers in 13 countries around the world.
- Currently, there are 117 sea and river ports in China open to foreign vessels, with shipping links with over 1,100 ports in 160 countries and regions. However, port capacity still cannot meet the demands of the rapidly growing national economy and foreign trade. The ports are still a
3. Development plans of the Chinese ports

Ports construction must be quickened to catch up with the economic growth.

According to the "Ninth Five-year Plan" (1990-2000), new berths for handling energy goods, containers, and major industrial raw materials will be constructed in the coastal ports. The "Shanghai International Shipping Center" will be formed and perfected, with Shanghai as the core and the provinces of Jiangsu and Zhejiang on its wings. Some ferry terminals and facilities dedicated to shipping between the mainland and islands will be developed. It is estimated that over 200 medium- or large-size berths will be built, forming a new capacity of over 300 million tons; and 160 inland river berths will be added with an additional capacity of 42 million tons.

Some details of the plans are:
- Coal transport system - continuing with the construction of the 4th phase coal project of the Port of Qinhuangdao and the Luojing Coal terminal project at the Port of Shanghai, and commencing the construction of the coal loading berths of the Huanghua Port in Hebei Province.
- Container transport system - building a number of large full container berths able to accommodate third and fourth generation vessels in the ports of Dalian, Qingdao, Shanghai and Ningbo, etc.
- Ore transport system - building bulk unloading berth(s) of 200,000 dwt class in the Port of Ningbo and ore transhipment berth(s) of 250,000 dwt class at Majishan, Zhejiang Province.
- Oil transport system - building crude oil berth(s) of 300,000 dwt class in the Port of Dalian and a crude oil distribution and storage base at Lusi, Zhejiang Province.
- Deepwater access channels - dredging of deepwater access channels at the mouths of the Yangtze and Pearl rivers.
- Ferry terminals for both cargo and passenger movement at islands with over 3,000 inhabitants.

It is expected that, by the end of the 20th century, the number of Chinese ports that have a handling capacity over 100 million tons will reach about 10, vessel capacity will increase by one million d.w.t., waterborne passenger movement capacity by 300,000, and tugboat capacity by one million horsepower. New self-unloading ships, large low-draft vessels, bulk carriers, container ships, passenger/cargo ro/ro vessels will be ordered. Efforts are being made to turn China into one of the world's major maritime players.

4. Policies for port development

China attaches great importance to port development. On the priority list of infrastructural developments, transportation takes the second place. Effective and preferential policies are being adopted.
- Encouraging new sources of investment in port development projects, including introducing foreign capital. Market mechanism will be given full play in raising the funds.
- Preferential practices are granted to sino-foreign joint ventures operating berths and terminals with foreign investment, including reduction of or exemption from corporate income tax, customs duties and integrated industrial and commercial taxes, and the right to decide their own tariffs.
- Deregulatory measures are taken in approving and licensing the import of port equipment, especially large specialized and standardized complete project equipment. Import duties on some equipment will be lowered.
- Port cities along the Yangtze River will be further opened to the outside world. National efforts are being made to build Shanghai into one of the major international maritime hubs. In the Port of Shanghai, currently, 4 marginal berths at the Waigaoqiao new terminal have been completed and put into operation. The 1st phase of the Luojing terminal project will be put into trial operation in late 1996. New grain silos with a storage capacity of 80,000 tons and a modern and state-of-the-art telecommunication complex exclusively for the maritime industry have been recently completed. The construction of an international cruise terminal is in full swing. Planned port complexes at Wuhaogou and Jinshanzui will change the face of the Port of Shanghai completely when they are implemented. The access channel at the Yangtze mouth will eventually reach a depth of -12.5 m to enable large container ships to enter the Port of Shanghai around the clock.

5. About China Portex '96 - 30 Oct.2-Nov., Shanghai

The official full name is "The Fifth International Exhibition for Port and Waterway Construction, Shipbuilding Industry, Marine and Offshore Technology". It incorporates a full-size conference and technical seminars as well.

Shanghai is the ideal venue to hold such a prestigious event, being China's largest port city and well on its way to becoming one of the international economic, trade and financial centers in the Far East.

Held biennially, China Portex has proven an invaluable opportunity for the marketing needs of ports, terminal operators, port equipment manufacturers, contractors and suppliers, shipping companies, shipyards, dredging contractors, engineering consultants, and other port-related organizations.

We cordially welcome the interested companies to join us in the event, and at the same time to conduct market research, visits to customers, and sightseeing tours. We will endeavor to offer you what hospitalities Shanghai can offer to make your visit productive and enjoyable.

(China Ports & Harbors Association)
expected that the final dividend will be maintained at a level proportionately similar to last year.

Higher than expected forestry export volumes, particularly logs, were again a highlight of the period under review, together with an 8 percent increase in container business.

Log export cargoes increased 22 percent to 1.48 million tonnes. However, both sawn timber and woodchips also made significant contributions to forestry export volumes, rising by 8 percent and 42 percent respectively.

Following last year’s decline in steel export volumes, due to high domestic demand, the Port recorded a 25 percent increase in steel exports during the six months.

Fertiliser import volumes grew by 9.7 percent to 300,000 tonnes.

Other first-half highlights included the first shipment of cheese to come from New Zealand Dairy Group’s new $100 million Lithfield plant, exported to Russia through the Port in November. Construction milestones included the beginning of a new 0.8 hectare dairy store for Anchor Products at Sulphur Point Wharf and the completion of a 4 hectare log storage area adjacent to the Port.

**Westgate Port Taranaki: Record Net Profit**

Westgate Port Taranaki’s versatility as a shipping facility is underlined in the sound trade and financial results published in the 1995 annual report of Westgate Transport Limited.

Chief Executive Ron Snodgrass, in his review of operations, reported that a severe and progressive downturn in onshore oil production and export considerably impacted on cargo volumes through the port. But new trades development and an increase in throughput of agricultural products, together with greater methanol tonnages, compensated for the crude oil downturn.

“The spread and expansion of these trades assisted the port to once more yield a record for annual overseas export tonnages. This expansion continues the spectacular growth reported last year, and has lifted this section of our business to more than 60% of all trades.”

Mr Snodgrass reported that while revenues were essentially flat compared to the prior year, net profit was up 18.56% to a record $7.41 million. “This growth in profit was attributable in part to the change in trade mix, producing a greater proportion of higher earning trades and reducing dependence to some extent on those with lower handling values. Productivity and operational efficiency gains also contributed to the increased earnings,” he said.

(Westgate Port Taranaki)

**Singapore: Formation Of MPA Approved**

By Ester Wong

On 18 January 96, Parliament passed a bill approving the formation of the MPA.

A new chapter in Singapore’s maritime history has begun with the setting up of the Maritime and Port Authority of Singapore (MPA). The body will perform the statutory functions performed by the Port of Singapore Authority, which is expected to corporatise and privatise within the next two years and therefore cannot perform any statutory functions.

In a Port Marine Circular issued by PSA on 15 December 95, port users were informed that the MPA, which is a merger of the Marine department, National Maritime Board and regulatory aspects of PSA, will oversee Singapore’s strategic maritime interests and promote it as a major port and international maritime centre.

The formation of the MPA spells greater focus for the maritime industry. It creates the structure for a single government body, ie MPA, to regulate the maritime industry, as opposed to the present situation where PSA is both regulator and operator of the port. This will enable PSA to function as a true commercial entity able to respond swiftly and effectively to the needs of customers. Port users and shipping lines also benefit as with one central regulatory body, certain operating procedures and requirements can be streamlined to facilitate accessibility for trade.

MPA is working very closely with PSA to ensure a smooth and seamless transition in the handing over of functions. Shippers need not be concerned about operating procedures as these would largely remain the same.

After the MPA is formed, PSA will no longer be in charge of the regulatory functions of the port but will continue to manage all operations of the container and conventional terminals, warehouses and other properties. It will also continue to provide pilotage, tug and other marine services. It will remain a statutory board until its corporatisation.

**Regulatory Functions Transferred from PSA to MPA**

1 **Marine Operations and Navigation Safety**

- Control of vessel traffic movements in Port and Territorial Waters. The Port Operations Control Centre, Jurong and Sembawang Controls, and the Vessel Traffic Information System will be under the MPA.
- Processing of arrival and departure declarations, issuance of port clearance and various permits including declaration of DG (Dangerous Goods), Gas Free and Hot Work Certifications.
- Hydrographic services such as the provision of aids to navigation, charting, publishing of navigational charts and seabed survey.
- Maintenance dredging of fairways and anchorages.

2 **Regulation of Marine Services**

- Issuance of pilot licenses.
- Licensing of harbour and pleasure craft and their certificated manning, tug services, water and bunker suppliers, and bunker craft operators.
- Enforcement of Port Regulations and Singapore Bunkering Procedures and Standards, including patrolling of port waters and initiating summons/prosecution action.
- Investigation into marine incidents in port.
- Control of mooring sites of harbour and pleasure craft.
- Regulation of marine-related works such as construction of foreshore structures, submarine pipelines, dredging and reclamations.

3 **Planning**

- Master Planning of the port and seaspace.
- Drawing up of contingency plans and management of marine emergencies.
- Maintenance of public landing places such as Clifford Pier and Jardine Steps.
- Demarcation of fairways, channels and anchorages.
- Designation of use of port waters for different activities.

4 **Others**

- Management of port waters to prevent sea pollution and coordinate clean-up operations.
- Designation and control of dumping areas and regulating dumping operations in port waters.
- Facilitation of sea sport and other organised activities.

(Port View)
IAPH SUPPORTS ALL EFFORTS TO PREVENT DRUG TRAFFICKING

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

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

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

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

Conference Host: THE PORT OF LONDON AUTHORITY
Conference Theme: MARITIME HERITAGE — MARITIME FUTURE

IAPH Head Office:
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“How the quality of port services could be improved?”

Your answer could win you the Akiyama Prize, A silver medal and US$1,000 in cash plus

An invitation, including traveling costs and hotel accommodation to attend the 20th World Ports Conference of IAPH, May 31 - June 6, 1997 in London, U.K.

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**Conditions for Entry to the IAPH Award Scheme 1996/1997**

1. Suggestions regarding how the quality of port services could be improved should be presented in English, French or Spanish, typewritten, and submitted to the Secretary General, the International Association of Ports and Harbors, Kotobira Kaikan Building, 1-2-8, Toranomon, Minato-ku, Tokyo 105, Japan. The Suggestions may cover marine, engineering or port operations services. Tangible benefits resulting from the changes should be quantified, together with the costs (if any) involved.

2. The first prize will consist of:
   1. The Akiyama Prize (a silver medal plus US$1,000 or the equivalent in local currency); and
   2. An invitation, including traveling costs and hotel accommodation, to attend the 20th World Ports Conference of IAPH, to be held from May 31 to June 6 in London, U.K.

3. Entries may be made by individuals employed by IAPH member organizations, and should be the original work of the entrant. Those which are the result of official studies or otherwise sponsored projects will not be eligible.

4. Entry texts should not exceed 20 pages excluding a reasonable number of appendices containing tables, graphs or drawings.

5. The paper size must be A4 (21.0 x 29.7 cm).

6. Regardless of language used (English, French or Spanish), the entry paper must be accompanied by a brief summary in English.

7. Three (3) copies of the entry paper should be submitted to the IAPH Head Office at the above address.

8. Entries will be judged by a panel of experts appointed by the Chairman of the Committee on Human Resources (formerly called CIPD). The panel will give greater merit to papers identifying and evaluating specific improvements than to entries covering a wider range of improvements in general terms.

9. The First Prize for the winning entry will consist of:
   1. The Akiyama Prize (a silver medal plus US$1,000 or the equivalent in local currency); and
   2. An invitation, including traveling costs and hotel accommodation, to attend the 20th World Ports Conference of IAPH, to be held from May 31 to June 6 in London, U.K.

10. Additional prizes of US$100 each will be awarded to any other entries judged by the panel to be of a sufficiently high standard.

11. A summary of the winning entry may be eligible for publication in the “Ports and Harbors” magazine.

12. At the decision of the panel, a bursary may be awarded to any one prize winner (subject to the agreement of the employer).

13. The closing date for receipt of entries is 30 September, 1996.