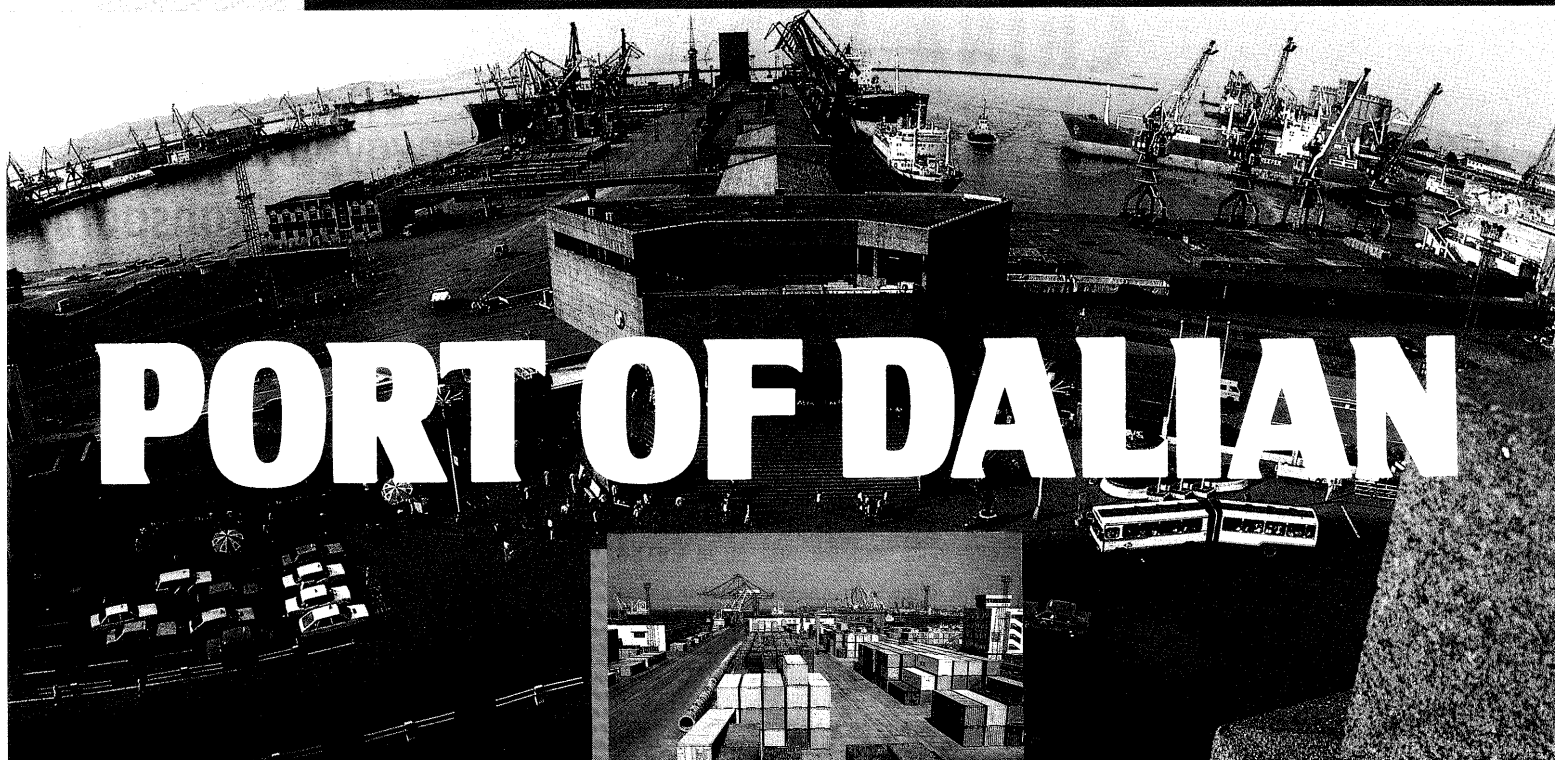


Ports & Harbors

May 4
1996 Vol.41 No.

The Publisher : The International Association of Ports and Harbors



PORT OF DALIAN



Dalian

CHINA

**IAPH Seminar, Regional
Members meeting in
Algeciras, Spain**

**Strategy for
Modernizing Canada's
Transportation**



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Ports & Harbors
May 1996
Vol. 41
No. 4

Ports & Harbors

Published by
The International Association of
Ports and Harbors
NGO Consultative Status, United Nations
(ECOSOC, UNCTAD, IMO, CCC, UNEP)
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Kotohira-Kaikan Bldg., 2-8, Toranomon
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Port of Dalian – Gateway to North China, page 31

Being a major hub port in North China, the Port has established shipping and trading relations with over 160 countries and regions throughout the world. In 1994 the Port handled 62.12 million tons of cargo and 4.4 million passengers. The volume of foreign trade containers reached 305,000 TEUs in 1994. The Port focuses on providing all users with safe, efficient and quality services as it continues to grow into a key international port.

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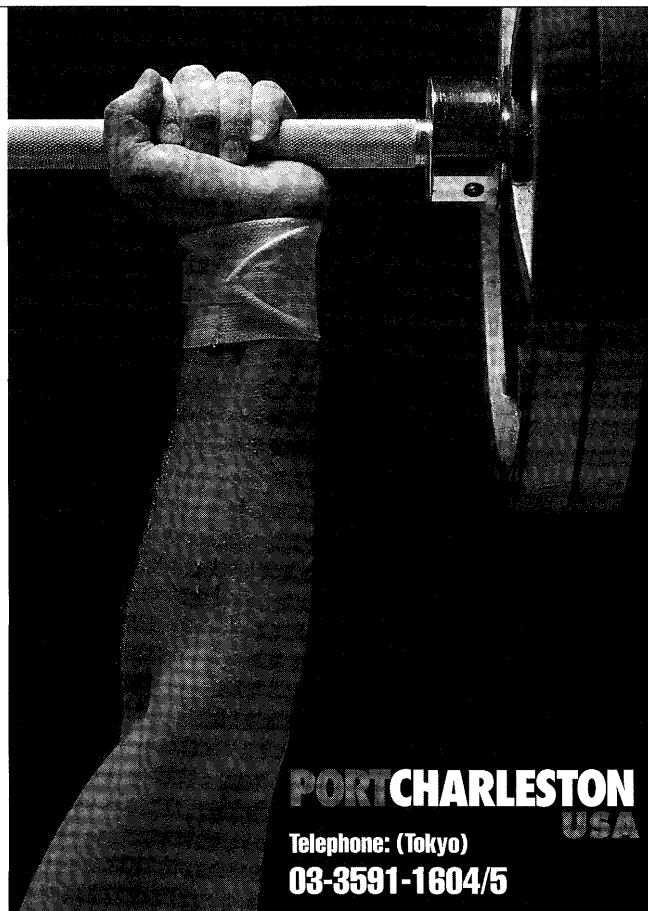
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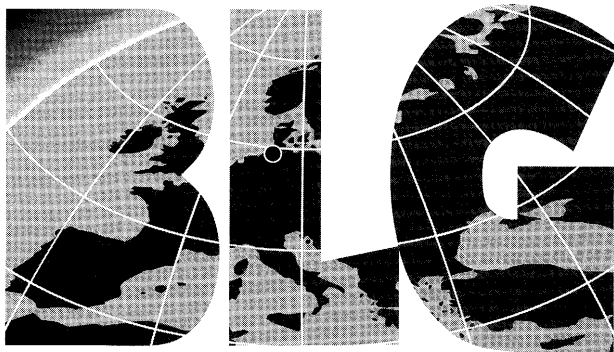
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IAPH ANNOUNCEMENTS AND NEWS

Over 60 Executives Attend IAPH Seminar in Algeciras

Report by Matthew A. Baratz
Port Marketing, Port Authority of
New York & New Jersey

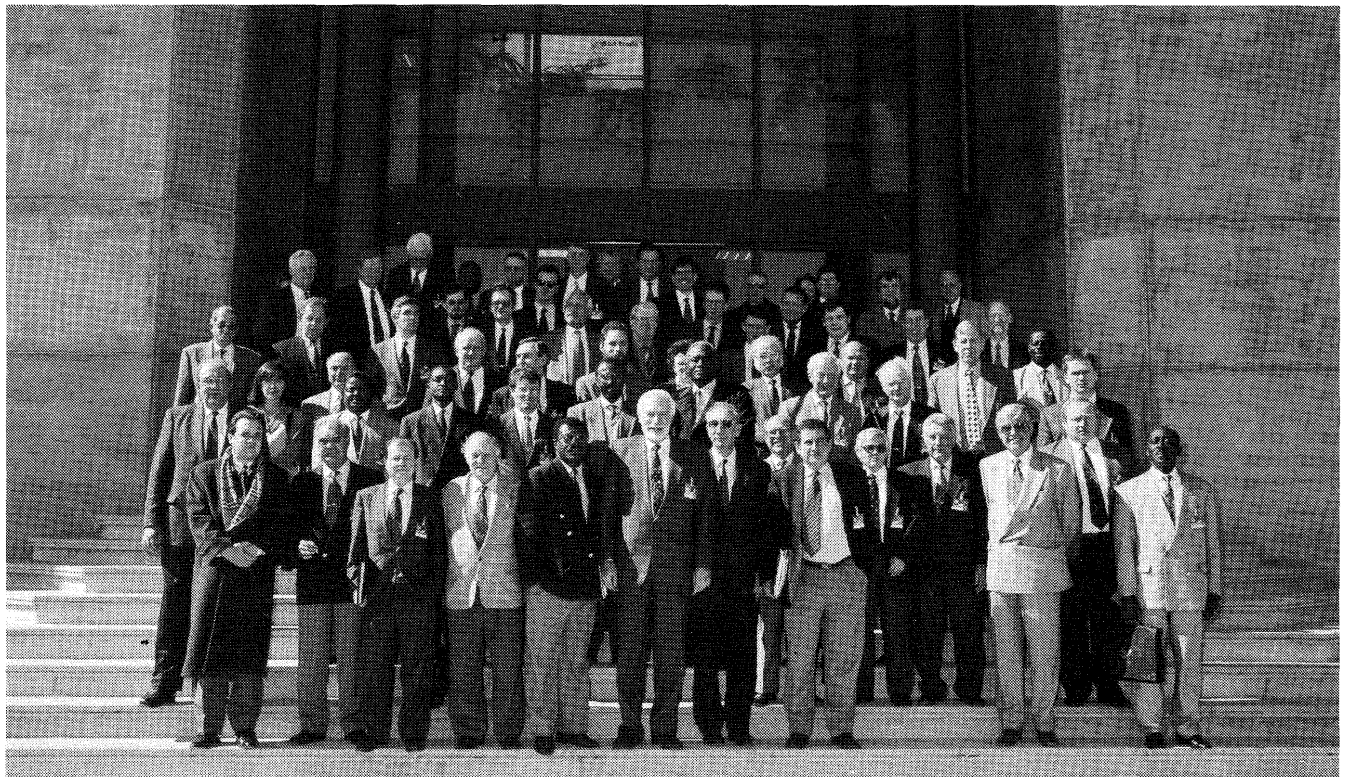
CONFERENCE SUMMARY

The Sea Trade Seminar was created by Lillian Borrone, Chairperson of the IAPH Sea Trade Committee, and Mr. Jean Smagghe, 1st Vice-President of IAPH to provide a forum to discuss trends in sea trade. The first seminar was hosted by Mr. Fernando Palao of the Puertos del Estado and Mr. Jose Arana of the Puerto Bahia de Algeciras* on February 25-27 in Algeciras, Spain. It was held in conjunction with the Spring 1996 meeting of the IAPH's African and European officers.

The conference was divided into sessions on trade, ship design and port design. Mike Sclar of DRI-McGraw Hill, gave the keynote presentation on trade forecasts. Chris McKesson of Art Anderson Associates, discussed the future of ship design and its impact on ports, and Mike Zachary of VZM TransSys provided a summary of these trends and their impact on ports and port design.

Mr. Sclar estimated that the world's trade may grow between three and seven percent per year over the next five years. He also presented a detailed risk analysis suggesting that the countries demonstrating the most significant growth are also the most politically and/or economically risky. Mr. McKesson, noted the cargo "is slowing down", due to generally increasing fuel costs and decreasing rates of interest. But he believes that this trend may actually give rise to faster ships handling air cargo and faster barges handling ship's cargo. Mr. Zachary warned that the least efficient link in the cargo system constrains the whole system. He noted that carriers and shippers are constantly seeking to move cargo over ports with the most efficient service, the highest capacity and the least cost port. He demonstrated VZM's terminal design work and its stimulation programs.

More than 60 port executives attended the seminar and were treated to the hospitality of the Puertos del Estado and the Puerto Bahia de Algeciras. The conference hosts provided impressive multimedia conference facilities with simultaneous interpretation service in three languages; and numerous cultural events which showcased the success of the Spanish Ports and the rich traditions of Spain.



Participants gather for a group photo at the entrance of the Port of Algeciras Bay Building, on 27 February 1996 (Photo by M. Rojas)



Port of Algeciras Bay-Maersk Terminal 2000 (Photo by M. Rojas)



*Puerto Bahía de Algeciras (Port of Algeciras Bay)

The port of Algeciras Bay is located in a privileged enclave, between the Mediterranean and the Atlantic, and right on the Western World's most traditional shipping-routes. It is the driving force behind the industrial, commercial and recreational development of the whole of Algeciras Bay.

The particular strength of the Port is its traffic diversity. It is the Mediterranean's premier container port and a leading port for passenger, ro-ro and transit vehicle traffic to North West Africa.

By 2000, more than 15,000 vessels will pass through the Port of Algeciras annually, making it the prime South European location for ship repair activities.

IAPH Officers of Africa/Europe Region Meet in Algeciras

Report by R. Kondoh
Deputy Secretary General, IAPH

In the afternoon hours of February 26, 1996, a meeting of the IAPH Officers in the Africa/Europe Region was held in the auditorium of the Port of Algeciras, Spain. It was attended by over 60 delegates, the representative of UNCTAD (Mr. Gary Crook) and the representatives of various ports associations in the region.

The 1996 regional IAPH officers' meeting was held in conjunc-

tion with the IAPH Sea Trade Seminar held at the same venue on 26 and 27 February, 1996, jointly hosted by the Puertos del Estado, Spain and the French Ports Association, with the full support of the Port of Algeciras.

The seminar, the first IAPH-organized event, was made possible on the initiative of Mrs. Lillian Borrone, Chairperson of the IAPH Sea Trade Committee, and with technical support extended by the World Trade Institute of the New York World Trade Center.

The IAPH Officers' Meeting, attended by some 60 delegates, was chaired by Mr. Smagghe. There were extensive discussions on the following agenda items:

1. Membership situation
2. Technical committees' activities
3. IAPH involvement in IMO work
4. IAPH links with ESPO (European Seaport Organization)
5. IAPH links with African Ports and Ports' Associations
6. IAPH Seminar planned for Africa
7. Mid-Term Exco Meeting in Indonesia (1996)
8. IAPH World Ports Conference in London (1997)

The Executive Committee Members who attended were: Mr. D. Jeffery (Conference Vice President), Port of London Authority; Mr. Pieter Struijs, Port of Rotterdam; Mr. Fernando Palao, Puertos del Estado; and Mr. Joseph Bayada, Cyprus Ports Authority. The Chairpersons and Vice Chairpersons of Internal and Technical Committees present were: Constitution & By-Laws Committee: Mr. Carl Veng; Membership Committee: Mr. E. Schafer (Vice Chairman); Legal Protection Committee: Mr. Paul Valls and Mrs. Pamela Le Garrec (Vice Chairperson); and Human Resources Committee: Mr. Joseph Bayada (Vice Chairperson).

ESPO was represented by Dr. Fernand Suykens, Chairman, and Mrs. Le Garrec, Secretary General. The Port Management Association of West & Central Africa was represented by Mr. Fernand J. Gauze, Secretary General. The French Ports Association was represented by Mr. J. Sublet. UNCTAD was



From left: Smith, Kondoh, Smagghe, Jeffery and Struijs at the Regional Officers' meeting on 26 February 1996

represented by Mr. Gary Crook. Mr. A.J. Smith, IAPH Liaison Officer with IMO and IAPH Representative in London, was also in attendance. IAPH's Tokyo Office was represented by Mr. R. Kondoh, Dy. Secretary General.

IAPH Member Ports and organizations represented in the Algeciras Meeting were:

Benin	Port of Cotonou
Cote d'Ivoire	Port of Abidjan
Cyprus	Cyprus Ports Authority
Denmark	Port of Copenhagen
Djibouti	Port of Djibouti
Estonia	Port of Tallinn
France	Port of Le Havre, Port of Bordeaux, Port of Dunkirk, Port of Nantes – St. Nazaire, French Ports Association, Inrets (Ms. Marielle Stumm) and Logistrade (Mr. C. Mandray)
Gambia	Gambia Ports Authority
Ghana	Ghana Ports and Harbours Authority
Ireland	Dublin Port and Docks Board, Limerick Harbour Commissioners,
Japan	IAPH Head Office
Mauritius	Mauritius Marine Authority
Netherlands	Port of Rotterdam, Port of Amsterdam, Dutch Ministry of Transport, Delft University of Technology
Portugal	Port of Sines, Port of Lisbon, Port of Setubal
Spain	Puertos del Estado, Port of Barcelona, Port of Las Palmas, Port of Cadiz, Port of Algeciras Bay, Port of Huelva, and PACECO Spain
Togo	Port of Lome
UK	Port of London Authority, IAPH London Representative Office
Tanzania	Tanzania Harbours Board
USA	Port of New York & New Jersey, World Trade Institute of New York World Trade Center
Uruguay	National Administration of Ports of Uruguay

Bursary Recipients Announced

For the first time in 1996, Mr. Goon Kok Loon (Port of Singapore Authority), Chairman of the IAPH Human Resources Committee, has recently approved the following individuals as recipients of the IAPH Bursary to attend the courses as outlined below.

Mr. Alhaji Cherno Ceessay, Assistant Administration Manager
Gambia Ports Authority, Gambia
to attend the Human Resource Management Certificate Program
Institute of Public Service, International, University of Connecticut, USA
June 3 – July 27, 1996

Mr. Vijayakumaran A/L Manickam, Senior Finance Executive
Kelang Container Terminal BHD, Malaysia
to attend the Port Finance Course organized by IPER,
Le Havre, France, 3-14 June 1996

Visitors

On the morning of 6 March, **Professor Dr. Erhard Ritterhaus**, Second Mayor and Head of the State Ministry of Economic Affairs, and **Dr. Bernhard Proksch**, Chief Staff Officer for Economic and Structural Policy, Free and Hanseatic City of Hamburg, Germany, visited the IAPH Head Office, where they were welcomed by Secretary General Kusaka and his staff. While in Japan, the visitors from Hamburg were reportedly meeting with various officials from governmental and business circles. They were scheduled to attend the Sea Japan 96 Conference, which was taking place in Yokohama on 6 and 7 March.



Ritterhaus (center, seated) and Proksch (right, seated) receive a warm welcome at the IAPH Head Office.

On the morning of 7 March, a five-member delegation from Shanghai visited the Head Office, where the party was welcomed by the Secretary General and the senior staff members. The visitors were: **Mr. Li Minggui**, Secretary General, the China Ports and Harbors Association (CPHA), the delegation leader, **Mr. Guo Feng**, Director of Technical Department, **Mr. Gu Quanlin**, Foreign Affairs Dept., the Port of Shanghai Authority, **Ms. Dai Aiping**, Engineer of the CPHA, and **Ms. Zhang Mei**, Interpreter from the Shanghai International Exhibition Corp. **Mr. Yang Jian Yong**, the Port of Shanghai's Representative in Japan, stationed in Yokohama, escorted the party.



From left (seated): Guo, Kusaka, Li and Fujino (standing): Takeda, Zhang, Dai, Gu, Kondoh and Yang

The meeting at the IAPH Head Office was also joined by Mr. Shingo Fujino, Director General of the Japan Port and Harbor Association. The delegation from Shanghai paid a courtesy call on Mr. Hideo Kayahara, Director General, Ports and Harbors Bureau, Ministry of Transport.

During their stay in Japan, the delegation attended the Sea Japan 96 Conference and promoted China Portex '96, which is scheduled for 30 October – 2 November 1996 in Shanghai.

On the morning of 8 March, **Dr. Hans-Ludwig Beth**, Speaker of the Board, the Port of Hamburg, together with **Mr. T. Imai**, the Port of Hamburg's Representative in Tokyo, visited the Head Office and met with Mr. R. Kondoh and Ms. K. Takeda for exchange of views and information on issues of mutual interest including the work of the IAPH Committee and the port scene in Europe. Dr. Beth was also attending the Sea Japan 96 Conference in Yokohama as a key speaker.



Beth (right, seated) and Imai are welcomed by the IAPH staff.

On 9 February, **Mr. Luis I. Gabiola**, Marketing & Commercial Manager, Port of Bilbao Authority (Secretary General, Uniport Bilbao), visited the Japan Port and Harbor Association (JPHA) and the IAPH Head Office to exchange views on the current situations concerning ports and shipping as regards Japan, with a view to expanding Japanese business ties with Bilbao.



*Center front row: Mr. Luis I. Gabiola
Standing: Mr. Shiibashi, Senior staffer, JPHA*

On 12 March **Mr. Peter E. Wigginton**, Chief Executive, International Secretariat, ICHCA, London, visited the Head Office, where he was received by the IAPH staffers. Mr. Wigginton was visiting Japan to study the feasibility of organiz-



Mr. Wigginton delivers his keynote speech in Tokyo

ing the ICHCA's 2002 Conference in Yokohama. He was the guest of the ICHCA Japan and delivered a keynote speech at a technical seminar entitled "Thinking Over the International Logistics Service of the 21st Century" held under the auspices of a local institute known as the "Cargo Handling Mechanization Association".

During his week-long stay in Japan, he met with Mr. H. Kayahara, Director General, Ports and Harbours Bureau and Mr. Ryoichi Sonoda, Director, International Shipping, Marine Transport Bureau, of the Ministry of Transport. In Yokohama, he was received by Mr. Hidenobu Takahide, Mayor, and by Mr. Kazunori Hosokawa, Director General, Port & Harbour Bureau. In Kobe, he was received by Mr. Masaaki Eguchi, Director General, Port & Harbor Bureau, City of Kobe.

A group of executive officers of Svedala Trellex, a manufacturer of marine equipment and apparatus, visited their booth at the Sea Japan 96 Conference and Exhibition held in Yokohama on 6 and 7 March 1996. It was a part of the firm's week-long seminar in Japan for the executive officers of regional offices spread around the world. **Mr. Robert J. Ridge**, Vice President and General Manager, Svedala Trellex (an IAPH Associate Member – formerly known as Trellex Morse) and **Mr. Yasuhiko Miyamoto**, Director, Tokyo Boeki (an IAPH Associate Member) have been coordinating the promotional campaign in this region. Mr. R. Kondoh of IAPH attended an evening session held on March 8, 1996 in Tokyo.



A group picture at Sea Japan 96



Ambassador Amado (center, seated) is pictured with Secretary General Kusaka (center, standing)

On the afternoon of 18 March, His Excellency **Mr. Juan Jose Amado III**, Ambassador of Panama to Japan, **Mr. Frank Santiago**, a Miami-based lawyer, and **Ms. Maria Gabriela Mendez de Felix**, the Embassy's Commercial Counsellor, visited the Head Office for an exchange of views and information. The Ambassador, who also serves as Chairman of the Panama Canal Studies Commission, sought IAPH's continuing support and understanding over the Commission's activities and drew attention to the Universal Congress of the Canal which will be held in Panama in September 1997.

Membership Notes:

New Members

Regular Members

Maritime and Port Authority of Singapore

[Regular] (Singapore)

Address: 13 Storey PSA Bldg.,
460 Alexandra Road Singapore
119963

Mailing Addressee: Mr. Chen Tze Penn, Director-General
Tel: (65) 279-5263
Fax: (65) 279-5269

Instituto Puerto Autonomo de Puerto Cabello

[Regular] (Venezuela)

Address: Final Calle Puerto Cabello
Edificio Seda del I.P.A.P.C.
Puerto Cabello Estado Carabobo

Mailing Addressee: General Humberto Seijas Pittaluga
Presidente

Tel: 58-042-618073/619777/618476
Fax: 58-042-618073

Changes

Sydney Ports Corporation [Regular] (Australia)

Mailing Addressee: Mr. G.J. Martin
Chief Executive Officer

Pusan District Maritime & Port Authority [Regular] (Korea)

Mailing Addressee: Mr. Sung Kyu Chun
Director-General

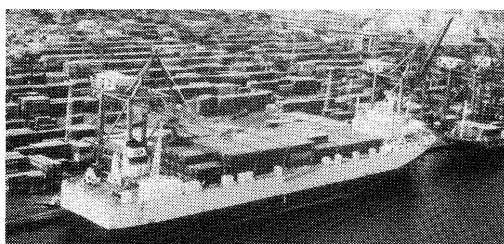
Mauritius Marine Authority [Regular] (Mauritius)

Mr. Gilbert Philippe has been appointed Chairman of the Mauritius Marine Authority recently.

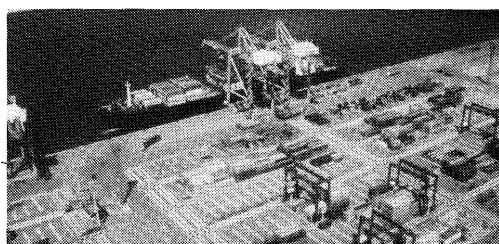
London Circulates Newsletter On the IAPH Conference '97

The IAPH Head Office has recently received a colorful Newsletter (No. 1) publicizing the state of preparations for the 1997 IAPH World Ports Conference in London, which are being undertaken by our host at the Port of London Authority (PLA). In the Newsletter, Mr. David Jeffery, PLA's Chief Executive and the IAPH Conference Vice-President, says, "Our Conference Steering and Organizing Committee and the Secretariat have developed a first class business and social programme and are completely committed to making the 20th Conference a truly memorable event." He goes on to assume potential participants of the London Conference that it will be "very worthwhile from a business point of view" and enjoyable as well.

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**What this nation must have is an integrated and affordable national transportation system.
One that emphasizes safety and reliability. One that is efficient.
And one that builds strong, viable companies in all modes.**

**Transport Minister Douglas Young
National Transportation Day, June 3, 1994**

Recognizing that large segments of Canada's transportation system were overbuilt, inefficient and heavily reliant on subsidies, Transport Minister Douglas Young in 1994 set out a comprehensive strategy to modernize Canadian transportation and prepare it for the 21st century. The government is now well on the way to implementing that strategy.

Improvements in the Air Sector: Airports, Air Navigation and Open Skies

Under the July 1994 National Airports Policy, Canada's 26 largest and busiest airports form the National Airports System (NAS). Transferred to Canadian Airport Authorities, these NAS airports will be run by boards of directors made up of community interests. Dozens of communities have signed letters of intent to transfer other federal airports to local control. For travellers, airlines and airport operators, local control means efficiency, affordability, reliance on business principles, and service that meets their needs.

The government is also commercializing the Air Navigation System. After consulting with users, unions, employees and other interested parties, a not-for-profit corporation was set up with representation from those who use the system. Transport Canada will continue to ensure strict compliance with safety regulations.

In December 1994, the Government of Canada unveiled a new International Air Transportation Policy, establishing clear criteria for air route designations, while at the same time addressing the interests of travellers, shippers and airport communities. And in February 1995, the government signed the landmark Open Skies agreement with the United States. This agreement gives Canadian air carriers unlimited route rights from any point in Canada to any point in the U.S., enabling Canadian and U.S. travellers to have greater direct access to their destination of choice.

Improvements in the Rail Sector: CN Privatization

The government is taking action to ensure the future of Canada's rail sector. Canadian National was privatized through the largest initial public offering of shares in Canada's history. Privatization assures CN's long-term survival, as well as its ability to provide coast-to-coast mainline service. The privatization of CN realized proceeds of \$2.16 billion.

Legislation and Regulations: Less Red Tape, Continued Safety

New legislation is making it easier for Canadian transportation

companies to do what they do best – move people and goods safely, efficiently and affordably. The *Canada Transportation Act*, recently introduced in the House of Commons, will modernize and streamline archaic rail regulation, eliminate unnecessary regulation in other modes of transport, and promote commercial decision-making. Throughout these changes, safety remains the government's number one priority in the transport sector.

Reduced Subsidies

The government has significantly reduced subsidies that over time had led to inefficiency in the Canadian transport system. More than \$600 million in subsidy payments under the *Western Grain Transportation Act* and Atlantic Region Freight Assistance Program have been eliminated entirely. The government has also announced plans to reduce, where possible, the annual subsidies to Marine Atlantic and VIA Rail.

National Marine Policy: Ports, Seaway, Ferries and Pilotage

The National Marine Policy is the next major component of the Government of Canada's strategy to strengthen Canada's transportation system.

A Canadian Marine System For the Future

- Much of Canada's marine system is overbuilt and overly dependent on government subsidization. Canada's marine system must be more responsive to the needs of its users. Canadian taxpayers can no longer afford the status quo.
- The National Marine Policy changes only the Government of Canada's direct operating role in the marine sector. The government's commitment to high levels of safety, security and environmental protection throughout the system remains the same.
- The objectives of the National Marine Policy are to:

ensure affordable, effective and safe marine transportation services;
encourage fair competition based on transparent rules applied consistently across the marine transport system;
shift the financial burden for marine transportation from the Canadian taxpayer to the user;
reduce infrastructure and service levels where appropriate, based on user needs; and

continue the Government of Canada's commitment to safe transportation, a clean environment, and service to designated remote communities. The government will also maintain its commitment to meeting all constitutional obligations.

- Reflected throughout the National Marine Policy is the principle of commercialization. In some cases, commercialization means creating new management structures to make operations more efficient. In other cases, it means reducing costs to the taxpayer by accounting for the real costs of a service, making sure costs are clear and transparent to users, and designing more efficient charging systems. It also means letting users decide what services they will receive and pay for. It may mean letting the private sector deliver certain services. Commercialization, in all cases, means eliminating unnecessary regulation and outdated legislation.
- At the request of the Minister of Transport, the House of Commons Standing Committee on Transport undertook a comprehensive study of the national marine sector in early 1995. The committee travelled across the country and heard from interested parties, including provincial governments, municipalities, labour representatives, shippers and the marine industry. The committee report contains a number of recommendations to improve the marine system, many of which are addressed by the National Marine Policy.
- Transport Canada officials also consulted widely on marine policy issues with shippers and industry representatives, and held formal meetings with user groups across the country.
- The principles contained in the policy will be applied equitably across the country. The safety and security of marine transportation will continue to be ensured.

Canada Marine Act

There is currently no single, comprehensive piece of legislation governing the marine sector in Canada. Ports, for example, operate under several different legislative regimes, each with its own mandate, financial rules and regulations. Much of the current legislation requires lengthy approval processes and stifles effective decision-making.

New legislation is required to consolidate and modernize the marine regulatory regime, cut red tape and allow for faster business decisions. The Government of Canada will therefore introduce a *Canada Marine Act* in the House of Commons early in 1996.

National Ports System

Canada's port system suffers from overcapacity and inefficiency.

80% of marine traffic passes through only 40 of the 572 sites under the responsibility of the Minister of Transport. The extensive public investment in port infrastructure does not provide an adequate return to taxpayers, who have funded most port development projects over the years.

The Government of Canada will therefore commercialize public ports, withdraw from direct operation and enable users of the system to have more say in how they work.

- A National Ports System has been identified that will include the financially self-sufficient ports vital to domestic and international trade. These ports will be managed by Canada Port Authorities (CPAs) made up of representatives nominated by user groups and various levels of government. Canada Port Corporation, which currently oversees most of these ports, will be phased-out. The port authority model will instill commercial discipline in Canada's major ports and pave the way for efficiency gains necessary for ports and their users to remain

competitive in the global economy. Government funding will not be available for CPAs.

- A second category of ports – Regional/Local ports – will be transferred, with federal help through a \$125-million Port Assistance Fund, to provincial governments, municipal authorities, community organizations, private interests and other groups over a six-year period. These ports will be managed by local interests in a manner more responsive to local needs, with lower costs and better service. Under the National Marine Policy, port communities may apply for the conversion of their Regional/Local port or group of ports to a CPA, although the port(s) would have to meet the necessary criteria – including the requirement for financial self-sufficiency – before being granted CPA status. Such applications will be considered on a case-by-case basis. In some cases, ports may be transferred to other federal departments if it is determined they are required in support of departmental objectives.
- Maintenance of a third category of ports – Remote ports – will be ensured by the Government of Canada. Remote ports have been identified using criteria that reflect the community's isolation and its reliance on both marine transportation and an existing Transport Canada fixed wharf structure.

St. Lawrence Seaway

The Great Lakes-St. Lawrence Seaway is a crucial waterway, but it is also a business.

The Seaway's long-term survival depends on sustaining healthy traffic levels. To achieve these levels, the Seaway must be a safe, cost-effective and competitive transportation route for the movement of bulk goods.

The Government of Canada will pursue commercialization of the operations of the Great Lakes-St. Lawrence Seaway system.

Ferry Services

Canadian taxpayers currently subsidize marine ferry services by close to \$150 million per year at the federal level.

Under the National Marine Policy, the Government of Canada will continue to support all constitutionally mandated services, as well as those required by remote communities. In order to maintain essential services, it will be necessary to ensure that limited resources are applied where needed most.

Marine Atlantic will be directed to substantially reduce its costs and increase efficiency by exploring new vessel management and procurement practices, the commercial operation of vessels and the streamlining of services, as well as schedule adjustments and the possible transfer of some services to provincial control. The government will continue to regulate the safety of ferry services and ensure that high safety standards are maintained.

The Government of Canada will explore means to reduce the cost of other federally subsidized ferry services currently provided by private-sector operators. The ferry subsidy agreement with the Province of British Columbia will be reviewed with a view to concluding satisfactory arrangements consistent with the National Marine Policy.

Pilotage

Maintaining an effective pilotage regime to ensure safety and environmental protection is the primary concern of government, users, the Pilotage Authorities and pilots alike. During consultations on the Canadian pilotage system, questions arose about the high cost of pilotage, the extent of compulsory pilotage, and the difficulty of obtaining a pilotage certificate.

Under the National Marine Policy, the modernization of marine pilotage requires that four issues be addressed: the need to reduce costs; the validity of current compulsory pilotage areas and the mechanism for making such designations; the criteria for qualify-

ing as a pilot or holding a pilotage certificate, and the basis for granting vessel exemptions and waivers; and the need to speed up the rate-setting process for new tariffs. The Pilotage Authorities are reporting to the Minister of Transport in December 1995 on the status of these issues.

Canadian taxpayers will no longer cover deficits incurred by the Pilotage Authorities. Cost recovery for pilotage services will be 100 per cent.

Transport Canada's Future Role

Transport Canada will:

- maintain the high standards of safety and security Canadians have come to expect in the marine system;
- ensure that essential services and remote community services are maintained, and that all constitutional obligations are met;
- facilitate an integrated and affordable national transportation system that is more responsive to user and community needs.

To meet these objectives for the future, the department will focus on developing appropriate policy and legislation and on formulating and enforcing standards for and security.

The Canada Marine Act

- Introduction of a new, comprehensive *Canada Marine Act*.
- Act will modernize marine regulatory regime, cut red tape and allow for faster business decisions.

Background

- There is currently no single, comprehensive piece of legislation governing the marine sector in Canada. Ports, for example, operate under several different legislative regimes, each with its own mandate, financial rules and regulations. Much of the current legislation requires lengthy approval processes and stifles effective decision-making.
- New legislation is required to consolidate and modernize the marine regulatory regime, cut red tape, reduce overhead costs and allow for faster business decisions.

The Canada Marine Act

- New legislation – the *Canada Marine Act* – will be introduced in the House of Commons early in 1996, in order to effect many of the changes outlined in the National Marine Policy.

Instilling Commercial Discipline and Bringing Needed Change

- The legislation will make it easier for ports to operate according to business principles. It will enable the Minister of Transport to commercialize the operations of the Seaway and to improve the way Pilotage Authorities operate in Canada.

Streamlining Legislation

- The new Act will allow the government to repeal several pieces of legislation: the *Canada Ports Corporation Act*, *Harbour Commissions Act* and *Public Harbours and Port Facilities Act*. The *St. Lawrence Seaway Authority Act* will be repealed if management of the Seaway is transferred to a not-for-profit private-sector corporation.
- The *Hamilton Harbour Commissioners' Act* and *Toronto Harbour Commissioners' Act* will remain in place while their status is reviewed.
- Acts that will be amended include the *Financial Administration Act*, *Pilotage Act* and *Canada Transportation Act*.

Ports

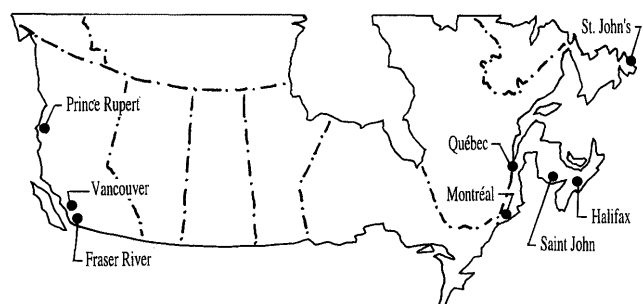
- A National Ports System managed by Canada Port Authorities.
- Regional/Local ports transferred to local organizations over six years.
- Maintenance of designated Remote ports ensured by the Government of Canada.

Background

- Canada's port system suffers from overcapacity and inefficiency.
- The Government of Canada's extensive involvement in port operations is unnecessary and stifles commercial decision-making.
- 80% of marine traffic passes through only 40 of the 572 sites under the responsibility of the Minister of Transport. The extensive public investment in port infrastructure does not provide an adequate return to Canadian taxpayers, who have funded most port development projects over the years.
- Different regulatory regimes – each with its own mandate, operating rules, financial procedures and cost structure – are in place:

- Ports Canada oversees seven local port corporations and seven smaller divisional ports, which have collectively remitted \$10 million annually to cover head office expenses.
- Nine harbour commissions operate under three separate pieces of legislation.
- Transport Canada directly administers 549 public port sites, many of which no longer have public facilities or have had little or no recorded commercial traffic for at least five years.
- Fisheries and Oceans also oversees another 2,000 recreational and fishing harbours and ports.
- There are also a number of private ports, which receive no direct government subsidies, that collectively handle about 10 per cent of Canada's marine traffic.

- Compounding the problems of excess capacity and inefficient management structures is the state of marine labour, which is constrained by rigid agreements and outdated work practices. Governments have been repeatedly forced to intervene in labour disputes. Workers at ports have been legislated back to work 14 times since 1972.
- Port management faces many layers of bureaucratic approvals in order to implement business decisions. Many capital projects and other ordinary transactions, such as contracts and leases, require approval from as many as five separate government entities. Current boards of directors are not subject to the commercial discipline routinely imposed on private-sector companies.
- To compete into the 21st century, Canada's port system needs



to be commercialized under clear, consistent criteria applied equitably coast to coast. The Government of Canada must focus its attention on ports vital to domestic and international trade, as well as on preserving access to remote regions of the country. It must also enable communities and other interests to look after ports of regional and local concern. Ports need to be free of government red tape and allowed to make business decisions. Port management must be made accountable to users and to the general public. Users of the system should have more say in how commercial ports work. Canadian taxpayers can no longer afford the status quo.

I – The National Ports System

- The Government of Canada is establishing a National Ports System that includes ports vital to domestic and international trade.
- The government will transfer operational control of these ports to Canada Port Authorities (CPAs) made up of representatives nominated by port user groups and various levels of government. A number of criteria have been considered in identifying CPAs that will form part of the National Ports System:
 - ♦ self-sufficiency;
 - ♦ importance to international and domestic trade;
 - ♦ diversification of traffic base;
 - ♦ serving a large market area; and
 - ♦ links to major rail lines or highway infrastructure.
- Eight ports have already been identified as mandatory members of the National Ports System: St. John's, Halifax, Saint John, Quebec City, Montreal, Vancouver, Fraser River and Prince Rupert.
- Canada Ports Corporation, which currently oversees most of these ports, will be phased-out and the new port authorities will be given responsibility for services formerly coordinated by Canada Ports Corporation, including port policing and security.
- The Crown will retain ownership of federal lands at each of the CPA sites.

Business Discipline and Self-Sufficiency

- Canada Port Authorities will be federally incorporated as not-for-profit corporations with powers and responsibilities similar to those of corporations established under the *Canada Business Corporations Act*. Although they won't issue shares, they will be private-sector organizations with a mandate to operate with full commercial discipline.
- Government funding will not be available for CPAs.
- Ports in the national system must demonstrate financial self-sufficiency and a diversified national and international traffic base. They will be freed from unnecessary government regulation and have the authority to make contracts and leases, to set tariffs and fees in response to market conditions, and to borrow money from commercial lenders. Capital projects development will be determined by the ports' debt capacity as determined by commercial lenders. Port assets will generate ongoing revenue to support private financing.
- Port investments will no longer be funded by the federal treasury – debt will be incurred only if deemed appropriate by private-sector lenders. The Government of Canada will not guarantee loans.
- Taxpayers, who have invested heavily in ports infrastructure, should receive a fair return on that investment. CPAs will therefore pay a stipend to the Crown, based on a clear formula that respects the arm's length character of the CPA structure and its not-for-profit nature. Surpluses at each port will not be distributed but may be re-invested in the port.

Accountability to Users and the Public

- Canada Port Authorities will be required to abide by strict principles of public accountability.
- Boards of directors for CPAs will be nominated by user groups, carrier groups, the municipality or municipalities adjacent to the facility, involved provinces, and the Government of Canada. Nominees may not be officers or employees of user companies. Private-sector representatives will form the majority of the board. Each board, composed of no more than nine or 10 representatives, will select a chief executive officer. The Government of Canada will nominate one director. Neither government employees nor elected officials may be on the board.
- There will be an unprecedented transparency of operations through rigorous disclosure requirements. Production of the following documents and establishment of the following procedures will be mandatory:
 - ♦ public annual report;
 - ♦ public annual audit;
 - ♦ public land-use plan;
 - ♦ annual meeting open to the public; and
 - ♦ directors will report to port users annually.
- The boards of directors of CPA corporations will have the same fiduciary and legal functions, responsibilities and obligations as directors of any private-sector corporation.

Progress on Taxes and Labour

- Steps will be taken to ensure that Canada Port Authorities are subject to fair and competitive levels of taxation.
- Pursuant to Sec. 149 of the *Income Tax Act*, CPAs as not-for-profit corporations, will be exempt from the payment of federal corporate income tax. This approach is also followed in provincial jurisdictions. As long as each CPA maintains its not-for-profit status, it will not be subject to corporate taxes. Federal Crown land is not taxable at the municipal level.
- The Minister of Labour is currently engaged in a number of reviews that will be important for the future of labour matters in the marine transport sector. In the near future, the Minister of Labour will bring forward a strategy to address issues of importance to Canada's competitiveness in marine transportation.

II – Regional/Local Ports

- The majority of ports currently under the purview of Transport Canada will be designated as Regional/Local ports. These ports range from operations that support significant local and regional commercial activity to very small facilities with little or no commercial traffic.
- Under the National Marine Policy, Regional/Local port sites will be transferred to provincial governments, municipal authorities, community organizations, private interests, other groups and, in some cases, other federal departments over a six-year period.
- In some cases, ports will be transferred as operating ports; in other cases, the sites will be transferred for mixed or other purposes.
- Where port sites involve First Nations interests, these interests will be given an opportunity to make proposals for the future management of the port. Indian and Northern Affairs Canada will work closely with Transport Canada to identify and address First Nations interests and concerns.
- Port communities may apply for the conversion of their Regional/Local port or group of ports to a CPA, although the

port(s) would have to meet the necessary criteria – including the requirement for financial self-sufficiency – before being granted CPA status. Such applications will be considered on a case-by-case basis. Government funding will not be available for CPAs.

- Communities that wish to convert their Regional/Local port or group of ports to a CPA will be encouraged to submit the necessary application to Transport Canada within six months of passage of the new Act. The Minister of Transport will establish a process to consider applications for CPA status.

Assistance for Regional/Local Ports

- A \$125-million six-year Port Assistance Fund will be created at the outset to ease the transition to divestiture. The Port Assistance Fund will be used, subject to national priorities and the availability of funds, for purposes such as:
 - ♦ providing assistance to upgrade essential facilities, where necessary;
 - ♦ making a lump-sum payment to facilitate the takeover of a port by a province or municipality;
 - ♦ facilitating the takeover of a port combining both public and private uses by a private-sector operator;
 - ♦ covering a portion of costs incurred by the transferee in complying with regulatory or insurance requirements (e.g. environmental clean-up, building safety improvements) or to otherwise reduce potential liability; and/o
 - ♦ assisting a group of communities or other interests to take over a collection of ports and to achieve cost savings by rationalizing infrastructure.
- In a few cases, the Crown will receive revenue from a divestiture which, over the transition period, will be applied to the implementation costs of the National Marine Policy.

III – Remote Ports

- 60 ports currently under the purview of Transport Canada will be designated as Remote ports.
- The Government of Canada will ensure that designated remote community port facilities are maintained. Remote communities are defined as those communities where:
 - ♦ water transport is the primary mode of transportation for the movement of people or goods for at least some portion of the year;
 - ♦ there is a dependence specifically on the existing Transport Canada fixed wharf structure, alongside of which vessels can tie up safely;
 - ♦ the community is not connected by a road network to another site with a wharf and/or not connected to a major centre by year-round surface means or by regular air service.
- An annual operating and capital fund within Transport Canada will be created to manage Remote ports.
- Operating efficiencies will continue to be pursued for Remote ports, with the government seeking new ways – in consultation with the isolated communities – to provide support that reduces the level of taxpayer expenditures.

Public Harbours Without Facilities

- Transport Canada will be deproclaiming 200 public harbours at which there are no public facilities. These sites have had little or no recorded commercial traffic for at least five years.
- Some of these sites may have had public port facilities in the past. Other sites may have always consisted solely of land or waterlots, having never had any government facilities. Any

Crown land associated with these sites will be transferred to interested parties.

Transfer of Ports to Other Departments

- Transport Canada has reached agreement with the Department of Fisheries and Oceans (DFO) regarding the transfer to DFO of 59 sites. Forty-seven of these sites are used primarily for northern resupply; 12 are used primarily for fishing or recreational purposes.
- Other ports may be transferred to other federal departments if it is determined that they are required in support of departmental objectives.

Implementing the New Ports Policy

- The Government of Canada will move quickly to commercialize federal ports, introduce business principles and commercial discipline, and give communities a greater say in the operation of port facilities.

National Ports System

- The conversion of the eight mandatory members of the National Ports System to Canada Port Authorities will be completed upon passage of the Canada Marine Act.
- Future financing arrangements will be settled before the legislation is passed.
- Transport Canada officials will work with interested port communities to help them prepare for conversion and to speed the process of review and approval. Immediately following passage of the legislation, the letters patent for each of the private-sector corporations that are constituted as CPAs will be issued.
- The nominating groups for each corporation, which will be sanctioned for each port by the Government of Canada prior to passage of the new Act, will then appoint the members of the new board who will assume operational control.
- Port communities that wish to convert their Regional/Local port or group of ports to a CPA will be encouraged to submit the necessary application to Transport Canada within six months of passage of the new Act. The Minister of Transport will establish a process to consider applications for CPA status.
- Upon repeal of the Harbour Commissions Act, any of the seven Harbour Commissions established under the Act that have not been continued as a CPA will be devolved or divested. These Harbour Commissions may continue as legal and operating entities for a limit of two year following passage of the new Act. This will give these Harbour Commissions a sufficient period of time to make new arrangements for continued operation.

Regional/Local Ports

- The transfer of Regional/Local ports to other interests will take place over a six-year period.
- Implementation teams will be established at the regional level across Canada. The teams will be made up of existing Transport Canada staff supported by professional advisors for financial and legal matters.
- The teams will be assisted by essential marketing, financial, legal, survey, property valuation and other specialist support.
- The regional teams will:
 - ♦ identify interest among provinces, municipalities and the private sector in taking over the marine facilities and services;
 - ♦ identify specific prospective transferees for facilities and sites; and
 - ♦ conduct legal title searches, financial and market analyses, property surveys, asset appraisals, and environmental assessments in preparation for transfer.

International Maritime Information

WORLD PORT NEWS

World Environment Day To Be Feted on June 5

The theme of World Environment Day (WED) to be commemorated on 5 June 1996 will be: "Our Earth, Our Habitat, Our Home". The main international celebration will be held in Istanbul, Turkey, during the Habitat II Conference.

World Environment Day celebrations could be used to raise public awareness of the environment particularly as they relate to human habitats and the natural environment. Broadly, UNEP's agenda is:

- Giving a human face to environmental issues by linking settlements, both urban and rural with environmental concerns;
- Empowering people to become active agents of sustainable and equitable development;
- Promoting an understanding that communities are pivotal to changing attitudes towards environmental issues;
- Reinforcing the need for a better understanding of global environmental issues and environmental education;
- Advocating global partnerships which will ensure all nations and peoples enjoy a safer and more prosperous future.

Int'l Training Programs At World Trade Institute

Customer Service Strategies, May 28-June 7, 1996, is designed to take a close look at everything a company or governmental organization needs to do (besides making good products) to stay in business, to achieve growth and profitability. It is intended to provide you with insights into research and analysis on what your customers think about you, planning and development of steps to correct any negative impressions, and organizing company-wide strategies to maintain the image you want.

Financial Decision-Makers Workshop, June 17-28, 1996, is designed to strengthen the hands of financial decision-makers in business and government by showing them how to make use of information developed from solid financial models. The program focuses on both long-term and short-term financial deci-

sions including cash management and forecasting, analyzing risks, project financing, and investment decisions.

Vincent Seglior
Director, International Training
The World Trade Institute
One World Trade Center, 55W
New York, NY 10048 USA
Fax: (212) 321-3305
(212) 435-2905
Telephone: (212) 435-3175
Telex: 424747 PANYNJ

MTMM Programme by University of Antwerp

This one year post academic programme aims to prepare its graduates for the challenges transport companies are faced with today. The programme consists of four transport core courses (Transport Economics, Transport Policy, Maritime Transport, Port Economics), three strategic management core courses (Integrated Logistics, Structural Changes in World Economics, Strategic Management Tools) and five elective courses (Air Transportation, Maritime Technology, Shipping Management, Shortsea Shipping, Environmental Economics, Terminal Management, Techniques of International Trade and Transport, Port Informatics, Maritime Law or Transport Law).

Diploma, Certificate Participants who have successfully completed the full MTMM programme are awarded a Diploma of Mastership in Transport and Maritime Management. Students who have successfully completed the MTMM programme without dissertation, receive a certificate of participation. Students who only have attended the courses during the seven months can receive a certificate of attendance. The possibility to split the programme over two years exists provided each part is followed in a full-time style.

Eligibility Applicants should hold a university or equivalent degree in economics, applied economics, engineering or law. Ideally students have four to five years of professional experience in the private or public sector. The main focus of the study program is indeed on practical aspects and its implications. Therefore people with practical experience are invited either as student and as guest speaker. By means of

real-life cases, public seminars, expert excursions, and workshops an interactive training climate is to be created. Hence, the ability to work in team is highly recognized and final assessment will be based upon exams and project work.

Application A complete brochure containing all of the relevant information as well as the application form are available from the ITMMA registration office:

University of Antwerp – Institute of Transport and Maritime Management –
Registration Office – Middleheimlaan 1,
B-2020 Antwerp, Belgium.

Fax. +32 3 218.07.46 e-mail: itm-
ma@maze.ruca.ua.ac.be

Closing date for application is June 1, 1996.

Int'l Harbour Congress At Antwerp in June

Technological Institute
Section on Harbour Techniques
Royal Flemish Society of Engineers

Monday, June 17, 1996

Opening ceremony of the Congress and of the Exhibition in the presence of H.M. King Albert II.

Speeches by:

ir.G.Thues, president of the 11th International Harbour Congress

Baron L. Delwaide, Alderman of the Port of Antwerpen

Ms. L. Detiège, Mayor of the City of Antwerpen

Session 1A: Port Planning (simultaneously with Session 2A)

Session 2A: Port Infrastructure Design

Tuesday, June 18, 1996

Session 1B: Port Planning (simultaneously with Session 2B)

Session 2B: Port Infrastructure Design

Session 3A: Port Construction (simultaneously with Session 4A)

Session 4A: Port Access

Wednesday, June 19, 1996

Technical visits to the port of Antwerpen, Gent or Zeebrugge

Thursday, June 20, 1996

Session 3B: Port Construction (simultaneously with Session 4B)

Session 4B: Port Access

Cruise on the river Scheldt and along the harbour, sponsored by Dredging International. Sandwich buffet on board.

Friday, June 21, 1996

Session 5: Maintenance
Closing of the 11th International Harbour Congress
Closing of the 8th International Harbour Exhibition

Registration fee (after May 1, 1996)
participant/author 40.000 BEF
accompanying person 12.000 BEF
extra banquet ticket 3.000 BEF
+21% VAT

General information

Venue

11th International Harbour Congress
8th International Harbour Exhibition
Hangar 26/27, Rijnkaai, Antwerpen
Tel. +32 3 232 36 58
+32 3 232 21 94
Fax. +32 3 232 66 64
(only from June 17 to 21, 1996)

Secretariat

Ingenieurshuis
attn. Rita Peys
Desguinlei 214
B-2018 Antwerpen
Belgium
Tel. +32 3 216 09 96
Fax. +32 3 216 06 89

China Portex '96 Tentative Program

The 5th International Exhibition for Port and Waterway Construction, Shipbuilding Industry, Marine and Offshore Technology

October 30-November 2, 1996
Shanghai Exhibition Center
Shanghai, P.R. China

Organizers:

China Ports and Harbors Association
China Council for the Promotion of International Trade, Shanghai Sub-council
China Chamber of International Commerce, Shanghai Chamber of Commerce

Co-organizers:

Hamburg Messe und Congress GmbH
Shanghai International Exhibition Corporation
China Ports and Harbors Association
Port Exhibition Office

Sponsor: Shanghai Harbor Bureau

Supporters:

Ministry of Communications, P.R.

China

The Port Office of China
China State Shipbuilding Corporation
China Maritime Society
China Ocean Shipping (Group) Company

30 October Wednesday

Delegates attending the opening ceremony of '96 China Portex exhibition.

1) Conference opening ceremony.
2) Keynote addresses:
Topic: Trade Globalization and Chinese Port Development.

- A) Chinese officials introduce China's port development plans.
- B) Trends in world port development.
- C) World Bank China Projects specialist briefing on WB-financed port projects in China.
- D) An update of some of the Chinese ports.

31 October Thursday

1st Workshop

Topic: Port Administrative System Reforms and Port Management.

- A) Chinese port restructuring and port legislation.
 - B) Perfection of the contract system and trial of shareholding system in ports.
 - C) Port quality management and ISO-9000 quality certification.
 - D) Diversification of port operations.
- 2nd Workshop

Topic: Port Equipment and Application of New Technologies.

- A) Participation of world port equipment manufacturers in Chinese port development projects. (Port projects official of China National Technical I/E Corp. to be invited.)
- B) Chinese port handling machinery to the international market. (Executive of Zhenhua Port Machinery Corp. <ZPMC> to be invited.)
- C) Computer applications on port equipment, logic and digital control, etc.
- D) Repair, maintenance and operator training of port equipment.
- E) New technologies in port environmental protection.
- F) Vessel Traffic System.

1 November Friday

3rd Workshop

Topic: Port and Channel Engineering and Technology.

- A) Briefing on the Yangtze estuary channel improvement project.
- B) Related papers.

- C) Peripheral walls technology.
 - D) New dredging technology.
- 4th Workshop

Topic: Information Technology and Port EDI.

- A) Developing EDI in Chinese ports: today and tomorrow.
- B) The challenge of paperless trade on ports.
- C) Paperless customs clearance: an update.
- D) Experience of EDI application by foreign ports.
- E) New development of EDI.

2 November Saturday

5th Workshop

Topic: Challenge of Global Shipping to Chinese Ports.

- A) Trends in ship sizes and designs.
 - B) Global alliances of super carriers.
 - C) Prerequisites for international shipping centres.
 - D) Cargo flow forecast, etc.
- Technical visit and city tour.

Inquiries

For further information, please contact:
Shanghai International Exhibition Corporation
3/F, 817 Dong Da Ming Road, Shanghai 200082, P.R. China
Tel: 00 86 21 6545 6707
Fax: 00 86 21 6545 5124
Hamburg Messe und Congress GmbH
P.O. Box 302480 D-20308
Hamburg, Germany
Tel: 00 49 40 3569 2190
Fax: 00 49 40 3569 2187

Container Asia 96 25-27 June at S'pore

Raffles City Convention Centre, Westin Stamford, Singapore
25-27 June 1996

Senior decision-makers in the container shipping and bulk distribution markets will be meeting from 25-27 June 1996 at the Container Asia 96 and Tank Asia 96 conferences, taking place at the Raffles City Convention Centre, Singapore.

Topics under discussion will include: Asia-Pacific container shipping, hubbing and transshipment, port privatisation, equipment management and cost control and a focus on developments in China.

A major exhibition of container-related equipment and services is being organised alongside the conference.

For further information, please fax Baltic Conventions -

UK office: (+44) 181 892 6767.

Singapore office: (+65) 337 9395.

Container Asia 96 25-27 June 1996.
Raffles City Convention Centre, Westin
Stamford Hotel, Singapore.

Conference and exhibition covering
container shipping, port operations, termi-
nal investment and privatisation, food
transport and intermodal developments.

For further information, fax Baltic
Conventions –

UK office: (+44) 181 892 6767.

Singapore office: (+65) 337 9395.

Tank Asia 96 25-27 June 1996,
Raffles City Convention Centre, Westin
Stamford Hotel, Singapore.

Conference and exhibition covering
bulk storage and transport of chemical and
foodgrade products in the Asia-Pacific
region.

For further information, fax Baltic
Conventions –

UK office: (+44) 181 892 6767.

Singapore office: (+65) 337 9395.

UNCTAD Experts Favor Partnership in Development

Partnership between the public and pri-
vate sectors in port developments is grow-
ing and is to be encouraged to make ports
more responsive to the market, notably
when export-led development strategies
are pursued. This is the shared perception
of the Intergovernmental Group of Experts
on Ports which met in UNCTAD last
week (18-22 March). More than 140 rep-
resentatives from both the public and pri-
vate sector from the port industry coming
from 58 countries, international organiza-
tions and non-governmental bodies attend-
ed the meeting. The meeting was chaired
by John Hayes, Chief Executive Officer of
Sydney Ports Corporation (Australia).

"The take-out message from this meet-
ing is simple", Mr. Hayes said in closing,
"ports and logistics chains of which they
are arguably the most vital part, must be
accorded prominence in the policy initia-
tives of our governments. Investments in
infrastructure and equipment, in skilled
labour forces and continuing training, in
managerial capability of the highest order,
need to be present – each to some degree –
if the nations served by ports are to grow
and prosper. If financial means are limit-
ed then that is the situation in which it is
most critical to have talented port manage-

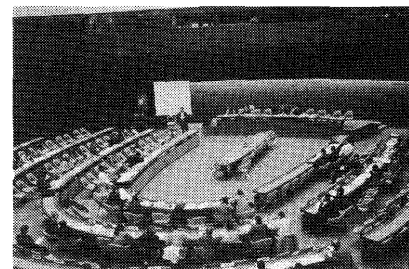
ment and a thoroughly committed, well
skilled port labour force."

Noting that there are ports at all stages
of development and that all systems and
styles of port management have their
place, he stressed that they all have one
thing in common: "traffic has to be facili-
tated, not hindered".

The Group adopted recommendations
for institutional reforms including the con-
tribution of the private sector, on the cru-
cial role of ports in trade promotion, the
use of strategic pricing for sustainable
development of ports and the benefits to
be drawn from the various types of coop-
eration in the port field. The experts also
underlined that an efficient port requires
not only adequate infrastructure, super-
structure and equipment but also good
communications using the latest informa-
tion technologies.

A valuable forum

Much emphasis was placed on the need
for ports to have dedicated and skilled
management teams with a motivated and
trained work force. Acknowledging
UNCTAD's contribution in training and
technical assistance, the experts made rec-
ommendations for further activities in
these fields and for further research. In the



140 representatives from 58 countries attend
UNCTAD Intergovernmental Group on Port
Meeting 18-22 March.

light of the successful management by
UNCTAD of ports in Somalia since June
1993, the Group recommended that special
attention should be given to ports in war-
torn countries and those affected by natural
disasters.

The Group, which held a first session in
1993, expressed their desire to continue to
meet in UNCTAD, considering it as a
valuable forum for the international com-
munity to discuss port development. In
view of the rapid changes taking place in
the ports industry, it recommended that a
meeting be convened every two years.

The ultimate goal of the recommenda-
tions made by the Group is to assist devel-
oping countries and countries in transition
to facilitate trade and promote their coun-
tries economic development.

(Press Release TAD/INF/2644 26
March 1996)

Port Modernization and Development Training and Technical Assistance

Draft Conclusions

Ports – an emerging partnership for
development

Introduction

1. The trends in the globalization of pro-
duction noted in the conclusions of the
first session of the Intergovernmental
Group of Experts on Ports in 1993 are con-
tinuing, with resulting dramatic demands
made on transport services. In this highly
competitive environment, the existence of
an efficient port network, including trans-
port and communications systems, is
essential. Transport operators demand
reliable and low-cost port services. Sea-
ports are interfaces between the various
transport modes and are typically com-
bined transport centres. In addition, they
are also multifunctional trade and industri-
al areas where goods are not only in transit
but also handled, manufactured and dis-
tributed. In fact, ports are multidimension-
al systems which, to function adequately,



John Hayes of Sydney (3rd from right) acts as chair.

must be integrated into global logistic chains. An efficient port requires not only adequate infrastructure, superstructure and equipment but also good communications and especially a dedicated and skilled management team with a motivated and trained work force.

2. Over the last decades, there has been an evolutionary process through which a port organization passes from a wholly government-controlled body that is an instrument of economic policy to more efficient organization schemes, including the landlord organization scheme, coordinating private and public sector bodies, and sometimes the totally privatized organization. In all cases there is a need for government to provide a regulatory framework to address issues of national and international relevance such as safety and the environment and to act as coordinator for ports development, including hinterland connections. There is an increasing trend towards separating regulatory and commercial activities, with the public sector retaining responsibility for the former and the latter being exposed progressively to free market forces. Rules of fair competition assume importance in cases where government is relinquishing involvement in the commercial aspects of port activity by assigning more responsibility to the private sector.

3. A pragmatic approach for port modernization, amongst others, is for Governments to encourage the private sector to participate in development and expansion projects. Investment of private capital through joint venture arrangements such as BOT (Build Operate Transfer) and BOO (Build Own Operate) represents a method of satisfying requirements for cargo-handling capacity and auxiliary services and can also provide an avenue for modernizing management skills. Such arrangements will assist in assuring the commercial viability of the project. However, experience so far has proved that it is unlikely that the private sector would be willing to invest in common infrastructure such as breakwaters and approach channels. Thus a partnership between the public and private sector for development is an emerging and necessary trend.

4. The Group observes that while developed countries have succeeded in certain cases in implementing privatization because they have the necessary framework, developing countries should be encouraged to do so with caution since they may hardly have the logistical, legal and financial framework.

A. General recommendations

(i) Institutional reforms

5. In the interest of efficiency, there is a need for Governments to review the institutional structure of their ports to see if the present structure is adequate for this new environment, notably when export-led development strategies are pursued. If restructuring or change is required to make the port more responsive to the market, there will be a need to revise or create a comprehensive legal framework which may influence ports to allow more efficient development and operation, oriented to free market forces.

(ii) Trade promotion

6. Port authorities need to be pro-active, which implies a degree of autonomy, in order to play an important role in fostering trade, and thus modern management techniques should be used and commercial disciplines adopted. This will improve efficiency in the transport chain, which can result in the capture of new markets for export goods.

(iii) Strategic port pricing

7. There is a tendency for government to intervene in port pricing, which sometimes adversely affects the availability of funds to the ports for their developmental programmes. While recognizing the necessity for government to hold a major stake in pricing decisions where developing ports may have to operate sub-commercially in the national interest, the Group considers that controls should be relaxed when a port has achieved financial self-sufficiency and can demonstrate that flexible (strategic) pricing will foster additional trade. Ports in competition need similar flexibility. The Group recommends that the principles of strategic port pricing should be taken into account when formulating port pricing policies.

(iv) Port cooperation

8. It is evident that cooperation among ports within particular regions and between ports with interests or trade in common is increasing. In some cases, ports have been drawn together as a consequence of bilateral agreements between nations. In other cases, ad hoc arrangements – such as sister port relations – are providing a valuable vehicle for technical exchange. The Group considers that cooperation is most essential in the area of compliance with international regulations and recommends that Governments acknowledge the important development role of cooperation, including fora such as Logiport.

(v) Training and technical assistance

9. Special attention should be given by the international community to the rehabilitation of ports in war-torn countries once hostilities have ceased and also to those affected by natural disasters. Experiences in such countries have shown that ports can have an essential role in providing employment and generating revenue to assist the country in its economic rehabilitation.

10. A port will not function efficiently without a suitably trained and motivated work force. The Group considers that training represents a most important investment and recommends that Governments promote the implementation, both within the public and private sectors, and where possible in collaboration between the two, of programmes which offer suitable training in return for commitments by labour to act as partners with management in keeping ports available for service.

11. The Group believes that the work carried out by UNCTAD in the field of ports, namely research, training and technical cooperation, has benefited senior and middle managers of many ports and that this work should be maintained, and it recommends that Governments consider this when making decisions concerning UNCTAD's work programme.

B. Specific recommendations

12. With the rapid changes taking place in the port industry, and the importance of efficient ports for fostering trade and development, the UNCTAD secretariat should maintain its programme of work, which contributes to the development and modernization of ports, by updating the most important background studies, issuing new monographs on current topics and continuing the dissemination of information by means of the Ports Newsletter and other media to the informal network of port focal points. This programme should be carried out in cooperation with the regional commissions and international agencies (IMO and ILO).

13. The meeting of the Intergovernmental Group of Experts on Ports is a valuable forum for the international port community to discuss port developments and to provide guidance to the secretariat on its work, and it is therefore recommended that this body meets every two years.

14. In view of the importance of UNCTAD's background reports used in the Intergovernmental Group meetings and

Monographs on Port Management to all ports in developing countries and countries in transition, these documents should be translated into as many of the official United Nations languages as possible and be made available to experts before the meeting takes place.

15. The Group considers that priority should be given to the following new topics for study:

- Quality management in port operations;
- Development of value-added services in ports as a means of trade promotion;
- Economic impacts on ports of potential developments in marine environment regimes;
- Comparative analysis of legal regimes for ports.

16. Subject to the availability of resources, priority should be given to developing training packages in the field of strategic planning, strategic pricing and quality management. In particular, the Group noted the valuable contribution the UNCTAD Trainmar programme had made to countries in transition and developing countries, and encouraged donors to contribute to this programme.

New Publications

ISO Memento

The *Memento* gives full details on the scope of responsibility, organizational structure and secretariats of each of the organization's 185 technical bodies. In addition, the *Memento* contains general information on the organization and administration of the work of ISO.

The *Memento* is priced at CHF 44.50.

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United States Port Development Expenditure Report

United States Port Development Expenditure Report. By the U.S.

Maritime Administration, Office of Ports and Domestic Shipping. (Washington, DC: January 1996). 20 pages, Tables, Appendices. Order from: Maritime Administration, Office of Ports and Domestic Shipping, 400 Seventh Street, SW, Washington DC 20590. Tel: (202) 366-4357. No charge.

U.S. public ports spent \$929.6 million for capital improvements in 1994 and plan spending \$4.7 billion for the same purpose from 1994 through 1999, according to the Maritime Administration's (MarAd) latest review. This includes expenditures for new construction and for the modernization or rehabilitation of old facilities.

As with its predecessors, MarAd compiled the 1996 report from data collected from survey questionnaires circulated by AAPA to all of its U.S. Corporate members. Responses were received from a total of 49 public seaport agencies.

Expenditures increased 42.2 percent in 1994 from the previous year and, in fact, were the highest they have been in at least six years. From 1946 through 1994, the U.S. public seaport industry invested a total of \$14.1 billion in facility construction and modernization. That does not include spending by the private sector.

South Pacific region ports accounted for the greatest share (57.4 percent) in 1994, followed by the South Atlantic (13.4 percent), and the Gulf (11.8 percent).

The four-year, 1991/94 spending pattern is detailed in Table 1.

**1. U.S. Public Ports
Capital Expenditures 1991-94
(Millions of Current U.S. Dollars)**

Region	1994	1993	1992	1991
North Atlantic	\$70.3	\$92.0	\$112.2	\$101.7
South Atlantic	124.9	148.6	123.1	132.3
Gulf	109.3	129.8	145.4	156.1
South Pacific	534.0	139.3	140.3	206.4
North Pacific	40.6	94.3	45.6	84.9
Great Lakes	0.8	22.9	3.2	.7
AK, HI, PR, VI (*)	35.4	27.6	102.0	--
Guam/Saipan	14.4	--	--	--
Total	\$929.6	\$653.7	\$671.8	\$682.0

Note: Due to rounding, numbers may not sum precisely to totals.

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

Source: U.S. Maritime Administration, United States Port Expenditure Report (January 1996), p. 4.

"New construction" expenditures in 1994 by facility type show "specialized general cargo" (e.g. container, ro/ro, etc.) accounting for \$206.9 million (40.3 percent), general cargo for \$136.6 million (26.6 percent), dry bulk for \$26.6 million (5.2 percent), and "passenger" for \$24.8 million (4.8 percent). Additional expenditure categories include liquid bulk, off- and

on-terminal infrastructure, dredging (\$14.4 million in 1994), and "other," which captures investment in "structures, spaces and fixtures not directly related to the movement of cargo, such as maintenance and administrative facilities."

The South Pacific was the biggest spender for "specialized general cargo" (\$152.1 million) and dry bulk (\$28.9 million). The Gulf led in "general cargo" (\$53.7 million), and the South Atlantic in the passenger facility category (\$19.7 million).

As for "funding sources," MarAd reports port revenues and revenue bonds "continued to predominate" but their "combined use" has declined steadily, from a high of 88.3 percent in 1989 to a low of 50.2 percent in 1994. The "relative usage of GO bonds, loans and grants" was largely unchanged from their 1993 levels.

As for projected capital expenditures during 1995-99, nearly half will occur in the South Pacific, as indicated below:

**2. U.S. Public Ports
Projected Capital Expenditures 1995-99,
by Region
(Thousands of Dollars)**

Region	Expenditures	Percentage
North Atlantic	\$345,961	7.4
South Atlantic	910,902	19.4%
Gulf	788,101	16.8%
South Pacific	2,216,341	47.2%
North Pacific	219,220	4.7%
Great Lakes	21,500	0.5%
AK, HI, PR, VI	168,732	3.6%
Guam/Saipan	20,500	0.4%
Total	\$4,691,257	100.0%

Source: U.S. Maritime Administration, United States Port Expenditure Report (January 1996), p. 10.

More than 38 percent of the planned investment is targeted at specialized general cargo facilities. Revenue bonds will be the primary source of funding (49.1 percent), followed by port revenues (22.5 percent).

Projected expenditures by facility type are listed in Table 3.

**3. U.S. Public Ports
Projected Capital Expenditures by
Facility Type 1995-99
(Thousands of Dollars)**

Facility Type	Expenditures	Share
General Cargo	\$775.42	16.5%
Specialized General Cargo	1,801,659	38.4%
Dry Bulk	286,722	6.1%
Liquid Bulk	7,660	0.2%
Passenger	148,238	3.2%
Other	299,659	6.5%
Infrastructure/Off Terminal	567,160	12.1%
Infrastructure/On Terminal	410,560	8.7%
Dredging	394,174	8.4%
Total	\$4,691,257	100.0%

Source: U.S. Maritime Administration, United States Port Expenditure Report (January 1996), p. 11.

Listed below are public seaport agencies expected to make the largest capital expenditures during 1995-99. Together, they account for 77.3 percent of the total.

4. Leading Port Authorities by Total Capital Expenditures 1995-1999 (Thousands of Dollars)

Rank	Port	Expenditures
(1)	Port of Los Angeles	\$1,020,633
(2)	Port of Long Beach	895,000
(3)	Georgia Ports Authority	297,406
(4)	Port of New Orleans	256,618
(5)	Port of Oakland	236,094
(6)	Tampa Port Authority	208,800
(7)	Port Authority of NY & NJ	204,934
(8)	Virginia Port Authority	183,184
(9)	Hawaii DOT	168,732
(10)	Port of Tacoma	152,802
	Top 10 Ports	\$3,624,203
	Total Expenditures	\$4,691,257
	Percent Top 10 of Total	77.3%

Source: U.S. Maritime Administration, United States Port Expenditure Report (January 1996), p. 13.

(AAPA Advisory)

The World Container Port Market to 2010: Competition, Investment, Capacity Utilisation and Prospects

After more than two decades of growth, the outlook for container port demand continues to be extremely positive in both the developed and developing world. In the newly industrialised and developed economies, where containerisation is well established, rising world trade, especially in manufactured goods, continues to drive up container port demand. Container throughput growth will continue to be particularly dynamic in the rapidly expanding economies of East Asia. In the developing and transitional economies, both rising trade and increasing containerisation are underpinning port demand.

Considerable investment opportunities are indicated in:

- * the demands posed by increasing vessel sizes, notably the latest and forthcoming generations of 5,000-6,000+ TEU vessels
- * the need to provide specialised container handling facilities in developing container ports
- * the growing market for hub-and-spoke transshipment and feeder operations
- * the global trend to deregulation and privatisation of ports or port services, which is freeing up channels of investment finance for capital projects

A new study* by Ocean Shipping Consultants provides a comprehensive appraisal of the container port industries in the developed markets in Europe/Mediterranean, North America, Japan, Singapore and Australasia, the newly industrialising markets of East Asia, developing markets in the Caribbean, Central and South America, the Middle East, the Indian subcontinent and Africa, and the transitional markets of Eastern Europe.

The following summarises some of the main findings of the report.

- * World container port demand has expanded dramatically over the past three decades. Having begun in the developed countries in Europe, North America and Japan, followed with the newly industrialising countries of East Asia, the containerisation of general cargoes is now beginning to accelerate in the developing countries as well.
- * Growth of 250.9 per cent over 1980-94 has taken global container port throughput from 36.4m to 127.5m TEU. This was followed by an estimated 11 per cent rise to 141.6m TEU in 1995. The increase has been sustained throughout the world, but the most rapid development has been in East Asia, where volumes grew by a staggering 496 per cent over 1980-94 to 54.1m TEU. The region now contains four of the world's five largest container ports, including Hong Kong, Singapore, Kaohsiung (Taiwan) and Busan (South Korea).
- * By 1995, East Asia provided an estimated 43.7 per cent of world container port throughput (up from 25 per cent in 1980), Europe contributed 23.3 per cent (31.6 per cent in 1980) and North America accounted for 15.4 per cent (27.3 per cent in 1980).
- * The remaining world regions, including the Caribbean and Latin America, Middle East and Indian subcontinent, Africa and Australasia, made up an

estimated 17.5 per cent of 1995 world container port throughput, compared with 16.1 per cent in 1980.

- * With growing global containerisation, rising trade volumes have come via increasingly large vessels. These have placed demands on ports to continually uprate their capabilities in terms of quay length and strength, container gantry crane specifications, berth depth and storage space. Front-line ports are currently gearing themselves for 6,000 TEU vessels and are assessing the possible future needs for larger vessels still. Singapore, for example, is considering the likely requirements of 8,000 TEU vessels. Post-panamax container gantry cranes have become the norm and a number of ports are now investing in super-post panamax gantry cranes, capable of reaching across vessels with 18 container cells width (which do not yet exist).
- * The economics of operating large vessels require port calls to be limited to large-volume ports, and kept to the minimum length of stay possible. To remain competitive, major ports have had to become extremely efficient, and new technology is being employed increasingly at all stages of port operation, to rationalise, automate and accelerate processes.
- * At the same time, the structure of port operations is being revolutionised. The concentration of mainline vessel calls at fewer, major ports is creating a tiered structure of regional hub-and-spoke operations, with mainline vessels being served by feeder vessels from surrounding lower-volume ports. This contrasts to the situation in the past, when the use of transshipment was often seen as a symptom of inadequate port capabilities and an insufficiency of ports suitable for direct calls, rather than an ideal solution to the economics of rapidly growing container trades.

World Ports: Container Throughput by Regions 1980-95

million TEUs	1980	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995*
East Asia	9.08	19.10	22.24	25.52	29.10	32.42	37.18	42.01	47.42	54.08	61.84
Europe	11.49	17.76	19.01	20.90	22.00	23.25	24.64	26.24	27.58	30.28	33.06
North America	9.92	13.42	14.24	15.00	16.04	16.49	16.96	17.95	18.48	20.31	21.85
Caribbean/C. America	0.96	2.68	3.01	3.06	3.28	3.56	3.08	3.42	4.59	5.05	5.39
South America	0.38	1.04	1.21	1.34	1.40	1.44	1.60	2.03	2.39	2.54	2.76
Middle East	1.38	2.32	2.36	2.48	2.70	2.90	3.71	4.37	4.77	5.10	5.40
Indian Subcontinent	0.26	1.08	1.27	1.50	1.61	1.83	1.97	2.13	2.55	2.92	3.17
Australasia & Oceania	1.61	1.95	2.02	2.23	2.39	2.33	2.51	2.66	2.88	3.20	3.46
Africa	1.27	1.74	1.80	2.01	2.12	2.42	2.74	3.02	3.48	4.06	4.66
Total	36.35	61.09	67.16	74.04	80.65	86.64	94.39	103.83	114.14	127.54	141.59

* estimated

Figures may not sum exactly due to rounding

Source: Ocean Shipping Consultants Ltd

- * The development of the containerised market is obviously linked to macro-economic development and is reflected in a long-term correlation between GDP growth, trade growth in general, and growth of containerised trades and container port throughput in particular. These long-term relationships can be used as a basis for forecasting future container port demand.
- * Now that the level of containerisation on established deep-sea trades has approached a maximum, the ratio of GDP growth to growth in container port throughput has stabilised around 1:1.5-1:2. The relationship is most consistent in the developed economies, where containerisation is an established feature. In less developed countries, it is blurred by other factors, the most important being the continuing conversion of general cargoes to containers and the proportionately greater importance of transshipment. The latter has a multiplier effect on container volumes by trebling the number of port movements.
- * The world economy is set for a period of generalised growth for the remainder of the century, based on steady, if unspectacular, expansion in the developed economies. This should hold protectionist pressures at bay and allow the continued development of trade throughout the developed and developing world. The tiger economies and China will continue to grow most rapidly with a second tier of countries succeeding the present "dynamic Asian economies" (DAEs) of Korea, Taiwan, Hong Kong, Singapore, Thailand and Malaysia.
- * After the year 2000, this study envisages two alternative economic scenarios, based on more or less optimistic outlooks for trade.
- * The principal condition for the realisation of Case 1 is the free development of trade, or rather, no worsening of protectionism within the OECD nations. The main pressure for protectionism clearly comes from developed countries because the newly industrialising and developing countries want markets for their goods. This scenario implies that difficulties in trade relations between the US and Japan, the US and Western Europe, and Western Europe and Japan will not produce an increase in trade barriers which would curtail trade growth.
- * The more pessimistic trade outlook for Case 2 assumes a greater degree of

protectionism, leading to trade disputes between North America, the EU, Japan and China; problems arising from the US trade deficit; and difficulties in restructuring and revitalising the Japanese economy – the result being a much slower increase in world trade.

- * The anticipated development of world container port demand is charted below by major regions to 2010, using a single scenario to 2000 and the two cases outlined above for 2000-10.
- * The most noticeable feature in the chart is the increasing dominance of the East Asian port market – in either case. Its dominance of the global container port market is projected increase from 43.7 per cent in 1995 to 50.2 per cent in the year 2000 – despite the strong growth forecast for other world markets. By 2010, its share is forecast to rise to around 52.5 per cent under Case 1 conditions, equivalent to a massive 244.0m TEU. Even in Case 2, the region will still be putting through a forecast 201.7m TEU by 2010, representing 51.6 per cent of the world market.
- * The East Asian market will be growing particularly fast between 200 and 2010, when China and the second tier of industrialising countries really begin to make their mark, at the same time as boosting transshipment traffic through the region.
- * In Europe, container port volumes are projected to rise to 44.8m TEU by 2000, and to reach nearly double this level, at 87.0m TEU by 2010 in Case 1, representing a world share of 18.7 per cent. This compares with a Case 2 projection of 80.9m TEU and a share of 20.7 per cent.
- * For North America, projected throughput of 48.3m TEU in 2010 in Case 1 will give it a 10.4 per cent share of the world market, compared with 43.8m TEU and an 11.2 per cent share in Case 2.
- * The share of the other developing markets is expected to remain relatively constant at around 14-15 per cent until the mid-2000s. However, in the less protectionist circumstances of Case 1, it is then projected to rise to 16.9 per cent in 2010, as East Asia's relative growth begins to level off. The impact of more or less protectionist trade policies in the developed world is particularly evident in the wide range between the projections for these countries, with 2010 throughputs of 78.5m TEU and 57.5m TEU respectively forecast for

Cases 1 and 2.

- * The results of these forecasts for the global container port market would be to increase container volumes by 57.0 per cent to 222.3m TEU by 2000, to 306-335m TEU by 2005, and further to 391-465m TEU by 2010, according to the economic scenario.
- * The dynamism and sustained fast growth of the container handling industry has created an immense demand for investment in container port facilities and associated infrastructure. The study analyses the development of port range capacity in terms of container berthage and container gantry cranes, and reviews the investment programmes of the world's container port industry in detail.
- * The development of port range facilities is compared with container throughput volumes, in order to derive the average utilisation levels for each port range, in terms of TEUs per kilometre of container berthage, and TEUs per container gantry crane. These serve as a useful measure of productivity in the developed markets, but are not always applicable in the developing markets.
- * Future capacity needs for each port region are also estimated in terms of kilometres of container berthage and numbers of container gantry cranes.

* THE WORLD CONTAINER PORT MARKET TO 2010

Competition, Investment, Capacity Utilisation and Prospects

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Fertilizers: Trade and Shipping to 2005

According to a major new Report from Ocean Shipping Consultants**, the outlook for fertilizer consumption, trade and shipping demand in the next decade is one of significant growth. Following the upset

in world consumption levels over recent years, the outlook is now far more positive, although there are a number of structural production and consumption developments likely to be of importance.

The following is a summary of the main findings of the 296-page Report.

Consumption Outlook

* Recent years have seen a stabilisation of consumption in the Developing World, and marked decline in the Developed World. This has been compounded by the effects of economic restructuring and dislocation of the former Eastern Bloc, as well as the reform developments within the major markets of India and PR China.

* Much of the impact of these developments has now been absorbed in the market. Whilst much of the Developed world is likely to experience stagnant or declining consumption levels, measured return to growth in demand is underway in the FSU and C/E Europe. The Developing world is increasing its consumption of fertilizers and is to provide the centre of increased demand over the forecast period.

* Despite considerable investment in extraction and processing capacity, overall consumption levels in the Developing World are forecast to generate increased import demand. Whilst the situation inevitably differs between individual fertilizer products and raw materials, this is forecast to lead to an overall increase in seaborne trade.

* Continued expansion in terms of population, cereals production, and average GDP, are all set to play a part in funding fertilizer consumption growth, most especially in the Developing economies of South and East Asia, but also in Latin America, Africa, the Middle East, the Former Soviet Union, and East Europe.

* Total world NPK fertilizer consumption is forecast to rise from the 118m tonnes of 1994 to 133m and 147m tonnes by 2000 and 2005 respectively. Total forward expansion therefore approximates just under 25 percent. In terms of growth for the forward half-decades, expansion of 11.5 percent and 10.6 percent is forecast – against the 16 percent decline of the first half of the 1990s, and the 17 percent and 9 percent growth noted in the first and second halves respectively of the 1980s.

* In short therefore, whilst significant recovery is expected in aggregate consumption volumes, the levels of the late 1980s are only expected to again be attained in the final years of the forward study period.

* For the individual nutrients, total con-

sumption expansion 1995/2005 approximates 19.5 percent for nitrogen, 27 percent for phosphate, and 33.5 percent for potash.

* In terms of regional development, whilst total world fertilizer consumption is forecast to increase by around 29m tonnes over the study period, S/E Asia is expected to account for approximately 16m tonnes of this total, with a further 6m tonnes expected to be recorded for Central Europe/FSU, and other areas accounting for the remaining approximate 7m tonnes expansion.

Summary: Forecast World Fertilizers Consumption to 2005 million tonnes nutrient

	N	P	K	Total
1975	38.29	23.24	19.20	80.73
1980	57.19	30.38	23.81	111.38
1985	70.60	33.84	25.60	130.04
1990	78.60	36.62	26.46	141.68
1995	72.19	28.08	19.15	119.42
2000	78.86	32.05	22.27	133.18
2005	86.15	35.67	25.56	147.38

Source: Ocean Shipping Consultants Ltd

Trade Outlook

* For all fertilizer products, intermediates and raw materials, the forward outlook is one of growth over the next decade.

* For the 1995-2005 period, trade volume expansion of 22-27 per cent is forecast for the NPK fertilizers, with less significant growth of 15-16 per cent projected for the raw materials sulphur and phosphate rock, but higher rates of expansion anticipated for the less significant intermediates.

* At the aggregate level, seaborne trade volumes are forecast to increase by around 14.5 per cent in the second half of the 1990s and by 8.5 per cent in the subsequent half-decade. This translates to total forward growth of around 24 per cent – from 148m tonnes to over 183m tonnes.

* In terms of relative significance within the trade volume aggregate, some changes are expected for individual commodities. These centre on continued relative decline for raw material trades, and some expansion for intermediates. Most notable in this regard is the decline of phosphate rock from 19.2 per cent of all fertilizer trade in 1995 to 18 per cent in 2005. When one considers that the corresponding trade share approximated over 34 per cent in 1985 however, the scale of recent years' restructuring is highlighted.

Shipping Demand Outlook

* Whilst the overall profile of shipping

demand is somewhat similar to that traced for trade, the extent of forward expansion is generally larger. This is especially the case for phosphate fertilizers and phosphate rock – with shipping demand growth of 35 per cent against 22 per cent trade growth for the former, and 23 per cent against 16 per cent trade expansion for phosphate rock.

* At the aggregate level, an underlying rise in average haul length (funded by changes in trade structure) is set to fund overall shipping demand expansion of approximately 30 per cent (against 24 per cent trade volume growth).

* Asia will account for the vast majority (70 per cent) of total forward world shipping demand growth in the fertilizer sector. The next most significant source of demand expansion will be Latin America, accounting for approximately 13 per cent of the overall demand increase.

* For the dry cargo sector of the world fertilizers trade, an overall world increase of around 170bn TM is forecast – with Asian markets set to account for almost 72 per cent of this increase, and Latin American markets accounting for a further 18.5 per cent.

* By the end of the study period therefore, shipments to Asian markets as a whole will account for no less than 65 per cent of all dry cargo fertilizer shipping demand – this up from the 63 per cent current share. With net expansion of over 42 per cent noted for shipping demand to serve Latin American markets, the corresponding share of total world dry cargo fertilizer shipping demand is set to increase from 12.3 per cent to 13.7 per cent.

The highly detailed 296-page Report contains analysis of all aspects of the world fertilizers industry. In addition to presenting and analysing detailed forecasts on production, consumption, trade and shipping for all products, intermediates and raw materials, the Report also examines the prospects for fertilizer shipping costs in the period to 2005.

It is essential reading for all parties with an interest in fertilizer supply/demand and shipping development.

** Fertilizers: Trade & Shipping to 2005

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The Americas

Re Federal Funding For Alameda Corridor

Representatives from the cities and Ports of Los Angeles and Long Beach announced a proposal for a \$400 million federal loan for the Alameda Corridor. President Clinton earmarked the funding program in his Fiscal 1997 Federal Budget Recommendation.

The President's proposal allows the U.S. Department of Transportation to offer a loan as authorized under its "innovative finance" provisions. The loan can be applied toward the \$700 million still needed for the \$1.8 billion project.

"This is a critical investment in Southern California, our nation's largest gateway to the Pacific Rim," said President Clinton in a prepared statement. "The Alameda Corridor will put the Ports of Los Angeles and Long Beach in a position to profit from a trade boom which will create millions of jobs into the next century."

The Alameda Corridor is a proposed 20-mile truck and train thoroughfare, which will connect the Ports of Long Beach and Los Angeles to the intercontinental rail network. Its completion is essential to the continued movement of cargo to and from the Ports of Long Beach and Los Angeles and their continued growth.

In a news release the U.S. Department of Transportation indicated, "The two ports today handle one-fourth of all U.S. waterborne international trade, primarily with the burgeoning economies of the Pacific Rim nations. The \$116 billion in annual trade is expected to jump to \$253 billion annually by 2010, resulting in an estimated 700,000 new local jobs. Nationwide, 2.5 million jobs are linked to trade through the two ports, and that figure is expected to grow to 5.7 million jobs by 2010. This project will create more than 10,000 local, construction-related jobs."

The President's actions come only weeks after his recent trip to Southern California, where he met with Long Beach Mayor Beverly O'Neill, the Long Beach City Council, Long Beach Harbor Commissioners Roy Hearrean and Carmen Perez, and other supporters of the

Corridor.

Mayor O'Neill has made nine trips to Washington D.C. during the last 18 months to secure funding for the corridor.

Los Angeles Mayor Richard Riordan, who recently testified in favor of the Corridor before the House Subcommittee on Surface Transportation, also voiced his support for the project.

"The Alameda Corridor is one of the most important economic development initiatives in this region," Riordan said. "It will cement Los Angeles' position as the global leader in international trade, create tens of thousands of jobs and be an economic boon to the entire nation."

Los Angeles City Councilmember Rudy Svorinich, Jr. said, "I am pleased that the Clinton Administration recognizes the national significance of the Alameda Corridor by including funding in his Fiscal Year 1997 Federal Budget. These funds will assist in making the Alameda Corridor a reality."

In a written statement from the U.S. Department of Transportation, Secretary Federico Pena said, "The Alameda Corridor project exemplifies the kind of teamwork that yields enormous results for its partners when they've all contributed to the effort."

"The funding partnership created to finance the Alameda Corridor construction demonstrates how federal dollars can be leveraged to get more project for the buck," he said. "The Alameda Corridor will serve as a model of how transportation infrastructure projects will be financed for years to come."

The two ports have committed some \$400 million towards the purchase of rights-of-way and preliminary engineering for the project. Another \$600 to \$800 million are expected to be raised through the issuance of revenue bonds to be retired by user fees from the railroads and shippers who use the Corridor.

More than \$80 million have been committed by the State of California, and another \$45 million grant has been received from the federal government through the Intermodal Surface Transportation Efficiency Act (ISTEA).

Alameda Corridor Fact Sheet

The Alameda Corridor Project consolidates port-related truck and train traffic onto a 20-mile high-capacity transportation corridor linking the Ports of Long Beach and Los Angeles, the largest port complex in the United States, with the national rail-

road system and interstate highway system.

Truck and train volumes required to move cargo to and from the Ports are straining the capacity of the road and rail infrastructure currently providing access to the Ports. With international cargo flows projected to triple in the next 20-25 years, the Alameda Corridor Project will meet the short- and long-term access needs of the Ports, while mitigating the adverse impacts of this growth, including highway traffic congestion, air pollution, vehicle delays at grade crossings, and noise in residential areas.

Major Components

- Consolidation of four rail lines constituting 90 miles of rail with 200 at-grade roadway crossings into a single 20-mile high-capacity rail facility. This facility will be completely grade-separated, double-tracked, and equipped with centralized control.
- Construction of the rail facility below grade level north of Route 91, and at grade level south of Route 91, with highway bridges built over the facility.
- Construction of a railroad drill track (operating siding) to serve local industries adjacent to the Corridor.
- Widening and improvement of Alameda Street, the major truck route adjacent to the rail facility, from four to six lanes south of Route 91, and reconstruction with left-turn pockets and new signalization north of Route 91.

Project Benefits

- Reduces Traffic Congestion and Improves Roadway Safety by permitting the development of near-dock and on-dock rail, reducing train-related traffic delays at grade crossings by 90 percent, and improving the capacity of Alameda Street to attract truck traffic from freeways and highways.
- Improves Railroad Operations by increasing train speeds from 10-20 miles per hour to 30-40 miles per hour, reducing train operating hours by 30 percent, and reducing the number of times trains have to stop for other trains (also causing severe traffic blockages) by 75 percent.
- Improves Air Quality by reducing train and truck traffic emissions and emissions associated with traffic delays at grade crossings. The project also improves the feasibility of electrifying freight rail operations.
- Reduces Train-Related Noise and Vibrations in residential areas by 90 percent.

Economic Impacts

- Expands International Trade-Related Employment by permitting the Ports to expand their throughput capacity and capitalize on the projected increase in international trade, generating an additional 700,000 jobs in Southern California and over 2.2 million jobs nationwide by the year 2020.
- Enhances Redevelopment Opportunities in the area hardest-hit by 1992's civil unrest by improving access and economic viability of locating and expanding business near the Corridor. Moreover, over 10,000 construction-related jobs will be created in the next 2-7 years by constructing the Corridor.

Financial Plan

The Alameda Corridor will cost in excess of \$1.8 billion (escalated dollars) to design and construct, including the cost of right-of-way acquisition. The following funding has already been identified or earmarked for the Project:

- 1991 ISTEA (earmarked in bill)*	\$44.9 million
- U.S. Department of Commerce, Economic Development Administration	2.0 million
- Los Angeles County Metropolitan Transportation Authority (LACMTA)	8.0 million
- Prop. 116 Rail Bonds (California)	80.0 million
- Railroad Matching Funds for Prop. 116	8.0 million
- Ports of Long Beach and Los Angeles	400.0 million
Total Funding Commitments	\$542.9 million

• *Federal International Surface Transportation Efficiency Act of 1991*

Approximately \$1.3 billion in additional funds will be required to complete the Project. About \$600 million of this amount will be raised by revenue bond issues supported by Corridor and port users. The remaining \$700 million must be secured from other Federal, State, and local sources.

To date, the Ports have expended nearly \$400 million for Corridor design, environmental clearance, and railroad rights-of-way acquisition.

Project Status/Schedule

- Alternatives Analysis and Conceptual Design are complete.
- Environmental Impact Report and Preferred Alternative were adopted by the ACTA Board in January 1993. The Federal EIS process is expected to be complete in June 1995.
- Railroad Rights-of-Way, Construction, and Operating Agreements required to implement the Corridor are complete. (Note: the Memorandum of Understanding for the Corridor Joint Operating Agreement has been executed, but has not yet been converted into a full agreement.)

- Initial Construction on some parts of the Corridor can begin in late 1995.
- Completion of the Corridor is targeted for 2001, per resolutions of the ACTA Board and both ports' Boards of Harbor Commissioners.

Port of Charleston: PAC Fosters Communication

Port Advisory Committee meetings continue to foster communication, exchange of ideas between transportation and trade businesses.

In a matter of an hour and a half, the audience at last quarter's Port Advisory Committee (PAC) meeting absorbed the following: an update on the South Carolina trucking industry, a detailed schedule for the 1996 S.C. International Trade Conference, a glance at the flow of electronic information at the Port of Charleston, and comments from the port's Executive Director W. Don Welch.

The PAC is designed as a forum for a variety of voices involving the port community. Coordinators Byron Miller (of the SCSPA's public relations department) and Jay Bland (of Wilson Trucking) purposely limit the presentations to 10 to 30 minutes to eliminate anything but solid, hard-core information. And the PAC committee members seem to appreciate the efficient use of time – participation in the quarterly meetings has grown both in numbers and the types of industries represented.

In early February, the president of the South Carolina Trucking Association Rick Todd recapped the events of 1995 and looked ahead to '96. "We're finally beginning to see some fruits of our labors," Todd explained, referencing the newly deregulated environment and the re-structuring of the State Department of Transportation. "Our advisory committees are meeting regularly to keep a finger on the pulse of the industry. And the new format of the Department of Public Safety – broken down further into the State Transport Police and the Motor Carriers Services Division – make it easier to identify and focus on certain issues."

Laurie Herron, this year's chairman for the S.C. International Trade Conference, elaborated on the theme "1996 and Beyond: Challenges in Global Transportation and Trade." "Education is really our primary focus," she said. "Not only will we offer quality seminars during the conference, but we extend our reach also to students in the community by offering scholarships promoting education in

the international trade industry."

John Christensen, SPA senior manager of information services, offered some insight to the electronic info flow in and around the port. "The ORION system and other services are driven not only by customer wants, but by customer demands. And the cooperation among the different port users has been great – The Port of Charleston is the only port in the country with 100 percent participation in Customs' Automated Manifest System. We're constantly working to stay on the cutting edge of technology, and it's a lot easier to do with the support of the port community."

Mr. Welch highlighted the different publications which make it easier to do business with the Port of Charleston, "Port News" magazine, the port encyclopedia, the steamship service profile, and the economic impact statement document the progress of the port," he noted. "It's always instructive to look back at where we've been. I don't know the limits of where we can go, but we're headed in the right direction. We spend a lot of money forecasting industry trends, and although no one can see into the future, we have a pretty sophisticated system to be as accurate as possible. And that information is leading us to the development of the Daniel Island Terminal."

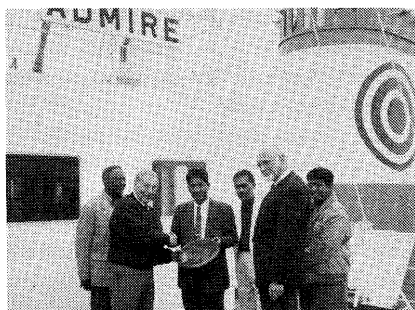
The Port Advisory Committee meets quarterly at the Wando Executive Center at the Wando Welch Terminal. (*Port News*)

Newly Commissioned Vessels Call Stockton

Two newly commissioned vessels on their maiden voyage made the Port of Stockton their first port call. The M/V *White Coral*, operated by NYK Line and the M/V *Admire*, operated by Sanko Kisen



Presentation ceremonies commemorating the maiden voyage of the M/V White Coral. From left to right: Chief Officer Ambrosio Bulac, Chief Engineer Hum Kim Jung, Captain Yeong Uk Ho, Port Commissioner Ron Coale, Kyoko Krygsman, Port Director Alexander Krygsman.



Presentation ceremonies commemorating the maiden voyage of the M/V Admire. From left to right: Port Commissioner Ossie Harrell, Port Commissioner Ron Coale, Captain Socrates R. Santy, Chief Officer Ricardo Lagarde, Port Director Alexander Krygsman, Chief Engineer Edito Magno.

Corp. were both scheduled to receive shipments of bagged rice destined for Japan. The 21,649 DWT Panamanian registered vessel *White Coral* sailed from Stockton on January 13, 1996 with its cargo of 10,000 M/T aboard, while the 27,000 DWT Philippine registered vessel *Admire* departed from Stockton on February 19, 1996 with its cargo of 16,000 M/T.

Presentation ceremonies commemorating the maiden voyages of each vessel were held aboard both ships during their port stay with visiting steamship representatives and Port of Stockton dignitaries present. Plaques were presented to Captain Yeong Uk Ho, Master of the M/V *White Coral* and Captain Socrates R. Santy, Master of the M/V *Admire*.

Africa/Europe

Antwerp: New Container Dock Plans Take Shape

By Guy Mintiens

Although Antwerp looks forward to taking delivery of a state-of-the-art 650,000 TEU container terminal in October 1996, the city's port will be needing significant additional container handling capacity in the medium term. This view is shared by Antwerp's Port Authority, which in recent months has worked hard to prepare plans for a new tidal container dock for submission to the Flemish minister responsible.

Implementing these plans means that the port will double its container handling capacity over a period of fourteen years.

Antwerp has always been one of Europe's top three container ports. 1994 saw the breaking of the 2 million TEU barrier with room to spare as the number of containers soared by 17.7%, by far the

largest rise for any port in Europe. In 1995 the increase in container traffic was again unmatched by any other large container port in Europe. The figures for the first 10 months indicate that Antwerp will handle roughly 2.34 million TEU in 1995. Forecasts put the figure for container traffic in the port of Antwerp in the year 2010 at 4.1 million TEU.

This trend has convinced Antwerp's planners that they must revise their priorities and recently they have, assisted by the Administration of the Tidal Scheldt of the Flemish Government, concentrated on developing plans for new container terminals. These new container terminals will be built in the port area on the Left Bank, overlooking a dock which will open directly into the tidal Scheldt, making it a tidal dock.

In fact the port of Antwerp expects that the new North Sea Container Terminal, due to open by October 1996, will be able to cope with the growth in container traffic until 1999. However, a third container terminal outside the locks will be needed by the beginning of the next century in order to deal with the new traffic. After all it is expected that the programme of works for deepening the Scheldt over the coming years will have a positive impact on the container trade. The improved maritime accessibility these works represent for container ships, particularly for the new mega-carriers, has already led to the decision by various consortia (including the Grand Alliance) to include Antwerp as a fixed port of call in their sailing schedule.

The extra handling capacity needed to handle the container traffic expected in Antwerp in 2015 is estimated at between 225 and 265 hectares of terminal area and 5.8 km of berthing facilities for deepwater container ships.

Three Terminals

Initially, some 15 plans were developed to create additional container capacity on the Left Bank. After weighing the pros and cons the choice was made for a tidal dock south of the village of Doel, as this option appears to be more versatile than conventional riverside terminals, such as the Europe and North Sea terminals.

When completed the new tidal dock will be equipped with three terminals offering multiple berths, along 4,750 m of deepwater quays. The three terminals will cover a total area of 230 hectares and will be developed in three main phases.

The first terminal will be located on the northern side of the dock, close to the Scheldt. When finished it will cover 60

hectares and offer 1,500 m of berths. The quayside will be developed in two phases: 1,100 m in the first phase and 400 m in the second. Quay depth of this terminal will vary between 400 and 550 m.

The second terminal is likewise situated on the northern side of the tidal dock, but will be close to the Waasland dock complex. When finished, this terminal, which will only be developed in the third phase, will have a total area of 70 hectares and 1,100 metres of berths. Here the site will extend between 400 and 500 m inland.

As the plans now stand the third terminal will occupy the entire southern side of the tidal dock and will be developed partly in phase 2 and partly in phase 3. When completed the terminal will have a total area of 100 hectares, 2,150 metres of berths and a quay depth of between 500 and 550 metres.

Timing

Construction of the tidal dock is expected to start in 1997 and completion is expected in 2009, when the works of the third phase will be finalised.

Although the completion of the first phase is only planned for 2002, the Port Authority hopes to be able to receive the first ships in the new tidal dock by the end of 1999 or early 2000. By that time the first part of the first phase, namely 700 m of quaywall should be operational.

The detailed plans are currently being studied by the Flemish Minister of Transport and Infrastructure. As is usual for such projects, the Minister has already ordered a number of studies to examine the feasibility of the tidal dock from the hydraulic engineering, nautical, economic and environmental points of view, not to mention a host of others. The Minister will then submit the project to the Flemish Port Commission for its advice, before the tendering procedure can begin. The entire procedure is expected to be completed in the first months of 1997.

There is every reason to believe that the new tidal dock will be a success. Even at this early stage all major container handlers in the port of Antwerp have expressed their interest in a terminal on the tidal dock and all submitted their applications for a concession immediately. Moreover, the possibility of reserving one of the terminals for one particular shipping line is under consideration as well. This would be the first time a dedicated terminal is used in Antwerp, which has hitherto only made use of multi-user terminals. Even so the terminal would not be given in concession directly to the shipping compa-

ny, rather it would go to an established terminal operator, who will attend to the handling of the vessels of the shipping company in question.

Other Aspects

A number of important subsidiary aspects must be considered in connection with the tidal dock concept.

Perhaps the most interesting of these relates to the accessibility of the Left Bank dock complex. The third phase of the project provides for the building of an access channel and a lock linking the end of the tidal dock with the Waasland Canal. In this way a second route into the Waasland complex will be provided, thus taking much of the current burden off the Kallo Lock.

Another aspect is the attention given to the short-sea and barge-borne container traffic. Originally it was the intention to refill the Doel Dock, dug some years ago. But in the end it was decided to retain the entire Doel Dock, and to lay out the southern side of the dock for short-sea and feeder activities, as well as for loading and discharging of containers from barges. This plan would give terminals 1 and 2 an ideal connection to one of the main transport modes for arriving and departing containers.

Moreover, the idea of building an inland navigation berth on the Scheldt side of the northern bank of the tidal dock has been given consideration as well. Provisional embankments have been provided at the northern and southern ends of the tidal dock for the safety of navigation, but it will still be perfectly possible to build a small berth for barges here.

Finally, we can report that according to the first estimates the entire tidal project will cost somewhere in the region of BEF 13.2 billion. (Hinterland)

Regulations, Tariffs of Antwerp – 1996 Edition

Regulations and Tariffs of the Port of Antwerp – 1996 is now available. This book is the only publication in four languages giving a complete and accurate survey of the regulations and tariffs governing port activities in Antwerp.

The various chapters look at the following items:

Shipping: port authority regulations – cleaning of the quays – maritime navigation dues – locks – towage service – drinking water – directions for masters of seagoing vessels – Scheldt navigation –

pilotage – maritime police – delivery of goods – clearance of vessels – general conditions ship's agents – letters of indemnity – conversion of freights – tallying – 1951 Rules.

Goods: quays, sheds and sites – cranes – delivery of containers – leaving of inbound cargo on the quay – general conditions freight forwarders and cargo handlers – measurement of goods – drawing up of documents.

Inland traffic: harbour dues inland craft – locking through via sealocks – chartering of inland navigation vessels – railways (siding charges – unloading times – work on Saturdays) – Rhine-Rules Antwerp-Rotterdam.

Also included are the reception charges, information notices for port users and information about the medical services, possibilities for arbitration and business information.

In order to ensure that the book remains a manageable size it has been examined to which category of port users each regulation applies in particular. Regulations relating to maritime shipping are in principle published in full in both English and Dutch. Regulations dealing with goods are reproduced in all four languages, while regulations relating to inland carriers are published in full in Dutch, French and German. A summary is provided where no integral translation is given.

The book has 312 pages and was published under the patronage of the Antwerp Port Authority and the Port of Antwerp Promotion Association (ASSIPORT). It can be ordered from the publishing company PUBLITRA (Brouwersvliet 33, bus 4, B-2000 Antwerpen, phone 32/03/232.10.60, fax 32/03/231.27.52) at the price of BEF 3,100/copy (plus postage).

Free Market Is Leitmotif At Africa Transcom 95

The Cameroon National Shippers' Council (C.N.S.C.), in collaboration with the Port of Rouen Authority, organised the international symposium Africa Transcom 95 held in Douala, 10-12 October.

Over 200 delegates reflected on the theme "trade and transport between Europe and Africa, shippers and the liberalisation of trade", under the patronage of his excellency Paul Biya, president of Cameroon, and the presidency of the Cameroon's prime minister Simon Achidi Achu.

Cameroon's ministry of transport and

the French ministry of cooperation gave their support to Africa Transcom 95 that received financial and technical aid from the European Union.

The symposium targeted the question of how to position African goods on the world market. "Given the changes in the economy, characterised inter alia by takeovers amongst shipping companies, less restrictive trade barriers and privatisation in Africa, it seemed imperative to launch an in-depth reflection on the trade of African products," said Mr Emmanuel Edou, C.N.S.C. managing director opening the symposium.

Mr Pablo Leunda Martiarena, representing the European Union, evoked the ties that have linked the European Union and countries in Africa, the Caribbean and the Pacific. "It is necessary to improve African competitiveness. Free market conditions governing players in industry and shipping are prerequisite to the efficiency of such a policy," he said.

"Producers should optimise their production and sales forces. Africa is in a period of transition. It is reorganising its networks and privatising its services. It is imperative to optimise logistics," said Professor Philippe Chalmin.

Cameroon minister of transport Issa Tchiroma Bakary closed the symposium. "I want the conclusion of this symposium to become an integral part of our development and trade policies. We must add value to our products if we do not want to be eternally condemned to trade basic commodities", he said. (Rouen Port)

Hamburg: Container Turnover Growing

The dynamic growth of Hamburg's container turnover continues unabated. In 1995 Germany's largest seaport handled 2.9 million TEUs, an increase of 6% on 1994. This growth rate was higher than those of Hamburg's competitors and thus mirrors the gains in market share.

The most important trading regions continue to be East Asia, which accounted for 43% of total container traffic, and Scandinavia with 18%. The development of both regions is heavily interdependent since a considerable proportion of Scandinavian cargoes flows to and from the Far East via the Port of Hamburg. This large share of Scandinavian traffic also demonstrates Hamburg's outstanding significance as Scandinavia's seaward "transit interface". In 1995 Hamburg gained considerably more cargo from both regions.

The list of Hamburg's top ten container

trading partners continues to include five East Asian and three Scandinavian countries. The one newcomer is Brazil, the first South America country.

The increase in loaded container throughput was 6.7% – higher than the overall growth rate. As Dr. Hans Ludwig Beth, Chairman of Port of Hamburg Market and Public Relations (HHVW), explained, “on the one hand this reflects the success of overseas exporters in European markets; on the other hand – and particularly from the perspective of inter-port competition – this development also indicates Hamburg’s increasing significance as a European distribution centre for overseas exporters”.

The share of 40’ containers rose from 39% to 42% – a faster increase than in the two years previously. At the same time, there was a slight fall in the average utilization per TEU – for the first time since 1991. One contributory factor was the faster growth of westbound traffic because eastbound containers are normally heavier than westbound ones. And 40’ containers improve a ship’s capacity utilization without increasing its draught since they are lighter per unit of volume. The proportion of 40’ containers increased to an above-average extent on the North America, East Asia and Scandinavian routes.

Leading Handling Centre For Far Eastern Cargoes

With its numerous foreign-trade firms, consulates, banks and insurance companies, the City-State of Hamburg is an important link in Germany’s Far Eastern trading chain. But the Port of Hamburg has even more to offer. Not only the most important seaport for Germany’s trade with the Far East, it is also the main interface in traffic between many neighbouring countries and the Far East. In view of the growth prospects for the Single European Market as well as Central and Eastern Europe, Germany’s largest universal port has even chance of further strengthening its position as the hub of Europe’s trade with the Far East in 1996.

One of Hamburg’s decisive advantages, besides the efficient service its port operators offer, is its infrastructure with excellent hinterland connections – whether by rail, truck, feeder or inland-waterway vessel. There has also been a remarkable degree of involvement in the organization of hinterland traffic by Hamburg’s cargo-handling companies.

As a result of joint ventures between

forwarders and railway companies a number of new direct block-train connections have been set up between Port terminals and cargo-handling centres in Poland, Hungary, the Czech Republic and Austria. Today there are at least five departures a week to all the key industrial and trading centres in Hamburg’s hinterland (e.g. Warsaw, Prague, Budapest, Vienna, Salzburg, Milan, Munich and Basle). And there are also 8-10 feeder ship sailings to other European ports as well as numerous road-haulage services.

For shippers the high frequency of liner sailings and their tie-ups with hinterland traffic is of decisive importance. All the major container lines operating on European-Far East routes call in at the Port of Hamburg which offers some 30 liner services (including 12 full-container services) with over 1,000 sailings a year.

Hamburg’s 16 sq. km. Free Port also plays a key role in the quality of the Port. Here, imported goods can be stored, inspected, sampled, bought and sold, treated and processed without customs clearance or duty. The presence of some 450 branches of East Asian companies in Hamburg also strengthens the Port’s position. What’s more, Hamburg is also home to the European headquarters of the seven most important Far East shipping lines.

Since World War II, the Far East has seen by far the most dynamic economic growth of any region in the world. This is reflected in the increase in traffic handled by the Port of Hamburg on this route. In the past decade, the Far East’s share of Hamburg container traffic has risen from 33% to 43%. Economic growth in the Far East is unanimously forecast to be well above the world average in future. But the

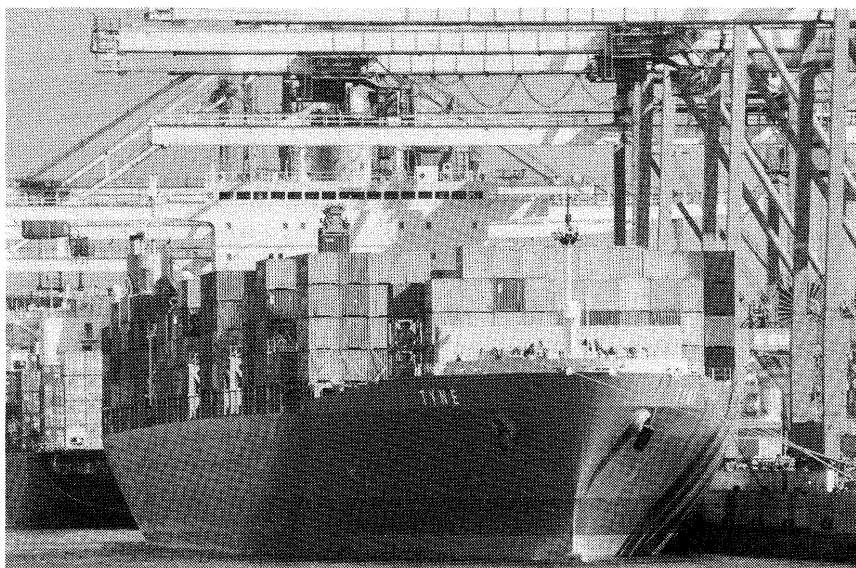
key sources of growth will shift away from highly industrialized Japan to the newly-industrializing and developing countries of the region.

Besides the so-called Four Tigers (Singapore, Hong Kong, Taiwan and South Korea), China, Thailand and Malaysia are increasingly gaining in importance because of the existence of low-cost production facilities for non-durables and consumer goods for which there is pent-up demand in Central and Eastern Europe, as well as in eastern Germany.

In 1995 trade between Europe and the Far East was influenced by shifts in currency relations. In the last three years, global exchange rates have shifted in East Asia’s favour with Germany and Europe the losers. This development has affected Germany’s competitiveness in East Asia and slowed down the growth of Asia-bound exports from Hamburg. Nevertheless, Hamburg’s container traffic with East Asia is expected to grow by 5-10% p.a.

In 1995 container turnover on the Far East routes was around 1.23 million TEUs. Of this total, imports accounted for some 672,000 TEUs and exports 557,000 TEUs. Incoming traffic rose by 10.5%, outgoing by 5.4%. Trade with North-East Asia was 7.3% up on 1994 and with South-East Asia the increase was 10.4%. By far the most important suppliers and customers were Hong Kong (approx. 365,000 TEUs in 1995), Singapore (345,000 TEUs), Japan (190,000 TEUs), Taiwan (135,000 TEUs) and South Korea (130,000 TEUs).

The Port of Hamburg has representative offices in Hong Kong, Seoul, Singapore and Tokyo.



Port of Hamburg

New Cruise Brochure Launched at Cork

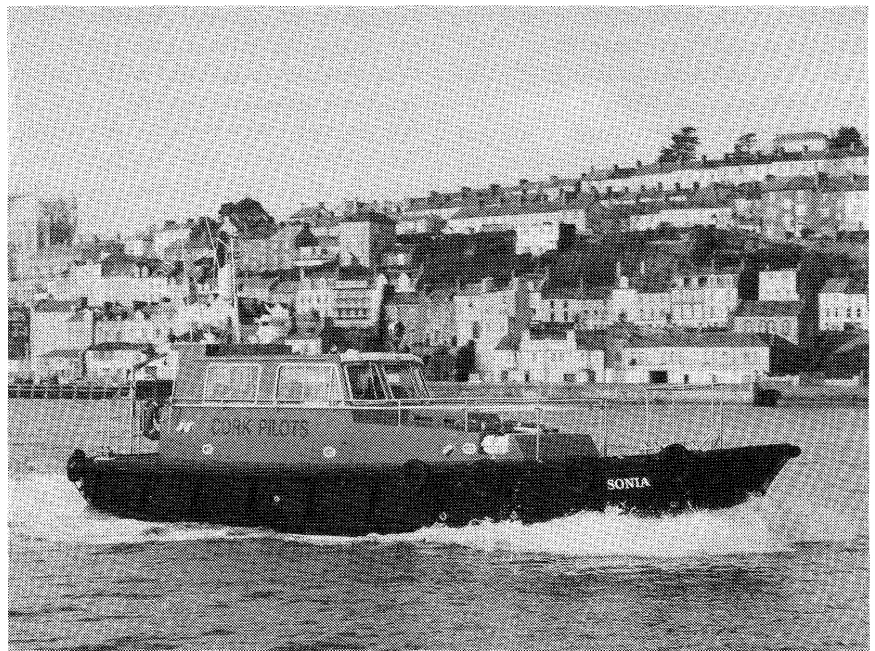
CorkCruise, a joint promotional organisation between the Port of Cork and Cobh & Harbour Chamber of Commerce, launched a new cruise brochure on Monday, 4 March. The official launch ceremony was performed by Mr. Toddy O'Sullivan, Ireland's Minister of State at the Department of Tourism & Trade in the presence of the Lord Mayor of Cork, Cllr Joe O'Callaghan and a representative gathering of civic and commercial guests.

Since 1990 CorkCruise has played an active role in promoting the Port of Cork as a cruise destination. The new brochure highlights the major attractions of a cruise call at Cork, particularly the wide range of convenient shore excursions which can be undertaken. The highlights of a Port of Cork stopover are

- * **Cobh** – this charming old world town is situated within a few hundred metres of Cobh Cruise Terminal.
- * **Cobh Heritage Centre** – located at the quayside, the Centre reproduces living conditions in Ireland and on board emigrant ships during the 1800's.
- * **Cork city** – Ireland's second city, founded on a monastic settlement in 606 A.D. The city is renowned for its hospitable people and for its many fine bridges, "steps and steeples".
- * **Blarney** – famed for its castle with the kissing stone and for village shopping with its wide variety of local crafts and glassware.
- * **Kinsale** – fashionable old world fishing port.
- * **Jameson Heritage Centre, Midleton** – the carefully restored Old Midleton Distillery is the only self-contained 18th Century industrial complex of its kind in Britain or Ireland. At the Centre can be seen the largest Pot Still in the World.
- * **Killarney** – world acclaimed for the splendour of its lakes and mountains and for its traditional and romantic jaunting cars.
- * **Glengarriff/Bantry Bay** – spectacular rugged scenery and subtropical gardens.
- * **Waterford** – home of Waterford Crystal.

For the active passenger, there is a wide choice of excellent golf courses within easy reach of the port, including Fota Island's magnificent 18 hole championship course.

The port facilities at Cork are superior to



Cork's New Pilot Launch 'Sonia'

On 27 February the Port of Cork's new pilot launch was formally blessed and named *Sonia* as a tribute to Ireland's superstar athlete, Cobh born Sonia O'Sullivan, World 3,000 metres Champion. The pleasant ceremony was performed in the presence of the athlete's parents, John and Mary O'Sullivan. The vessel was built by the Irish company, Aqua-Star Workboats Ltd. of Carrigaline, Co.Cork who were successful in a competitive international tender. The pilot launch is one of the semi-displacement type, with an overall length of 13 metres. It is powered by two Volvo Penta TAMD 122 engines, each developing 380 HP, giving a maximum speed of 24 knots and a service speed of 20 knots at 1,500 RPM. The launch is equipped with state of the art safety equipment and is capable of working in all weathers.

The *Sonia* will replace the existing pilot launch *St. Nessian* which was built in 1972 and it will be used in conjunction with pilot launch *Faillte* which was built in 1990.

those in any other part of Ireland. Cobh Cruise Terminal is Ireland's only dedicated cruise terminal and it can accommodate vessels up to 265 metres in overall length. Exceptionally large vessels such as QE2 can berth at Ringaskiddy while some vessels opt to cruise directly to the heart of Cork city.

CorkCruise ensures that every passenger's visit is a memorable experience. From the moment the cruise ship come alongside, our friendly representative is on hand to provide tourist and other information which will make the visit more enjoyable. A special treat is the traditional Irish cabaret – usually performed in the ship's theatre in late afternoon – while the brass or pipe band performance on the quayside prior to departure guarantees an emotional farewell. The message is always the same – we trust you experienced a truly Irish welcome and please hurry back again.

Göteborg Profitable– Fourth Year in a Row

Port of Göteborg AB, operator of Scandinavia's largest port, made a profit in 1995 of Swedish Kronor 127 million (£12 mio). Total sales amounted to SwKr 908 mio (£86 mio).

This was the fourth year in a row that the Port made a profit at this level, with the exception of 1994, when profits soared to SwKr 173 million (£16 mio). In the late 80's, the Port of Göteborg had several years in the red. During the 90's, the combined profits have reached £50 million.

The Port of Göteborg AB is a city-owned limited company acting as a combined port authority and stevedore in Scandinavia's largest port. It lives on its income and does not receive subsidies from national, regional or local government bodies.

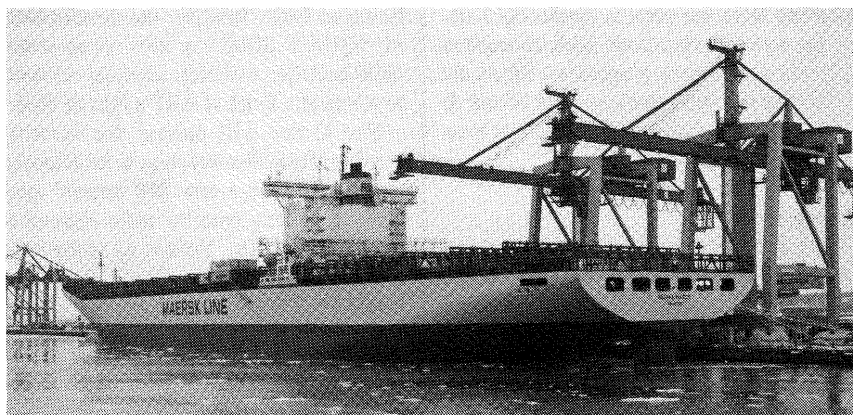
Göteborg: Decision Soon on Its Future

The board of Port of Göteborg AB, operator of Scandinavia's biggest port, announced that it will soon make a strategic decision regarding the port's future as a direct deep-sea liner port. The port must decide whether or not to invest between Swedish Kronor 100 million and 200 million to meet demands of liner operators regarding vessel size that can be served at the port.

The decision, to be made in June, will be made on the basis of a solid investigation into the economic and technical factors involved. This could mean upgrading a number of the existing six container cranes or purchasing new cranes. Also, terminal layout may have to be changed and berths strengthened.

The matter has become a burning issue since Maersk Line introduced post-Panamax vessels sizes on its Europe-to-Far East run, where Göteborg is the European end port. The port can handle the 6,000 TEU vessels with its present equipment, although a certain amount of extra ship-planning is needed. The Port's container cranes are built to panamax measures, and thus they cannot reach the three extreme rows of containers furthest from the quay. Also, the height of the crane arm above a full deck-load of containers should be increased.

The Port of Göteborg, with 460,000 TEU shipped last year, is the leading container bridgehead for direct-calling deep-sea liners in the Nordic area. About one-third of its general cargo is transshipment cargo to or from other Nordic countries than Sweden.



The Regina Maersk, the world's biggest container vessel, taking on her first commercial load at the Skandia Harbour at Göteborg, Sweden. The vessel is a post-Panamax one and has a 6,000 TEU container capacity. Furthermore, she has the world's strongest diesel engine (75,000 hp) and has a reefer capacity bigger than any dedicated reefer vessel (700 TEU).

ABP Holdings' Profits Up 10%, Dividend Up 18.2%

1995 Results: Year to 31 December 1995

"The strengths of our business have been clearly demonstrated in our results for 1995, with all our main activities performing well. We have also continued to develop opportunities for future growth," said Sir Keith Stuart, ABPH Chairman, commenting on the 1995 results.

Profit before tax was £88.4 million, an increase of 10 per cent (1994: £80.3 million).

Ports and transport contributed £102.3 million (1994: £92.4 million) including £75.5 million from ports and transport operations (1994: £68.5 million), and £26.8 million from port-related property

income (1994: £23.9 million).

Property investment income increased to £13.8 million (1994: £12.3 million).

The contribution from property development activities was £2.8 million (1994: £3.0 million).

Profit on sales of fixed assets – property – was £0.2 million (1994: £2.5 million).

The cost of interest was £30.7 million (1994: £29.9 million).

The effective tax charge was 24.7 per cent (1994: 23.0 per cent).

Underlying earnings per share, excluding profit on sales of fixed assets – property, rose from 15.7p to 17.5p, an increase of

11.2 per cent. Including sales of fixed assets – property, earnings per share rose 6.9 per cent.

Dividend

At the time of the Company's interim results announcement in September 1995, the directors indicated their intention that the dividend for the year 1995 should be increased from 5.5p to 6.5p per share. The whole of this uplift was implemented through an increase in the interim dividend from 2p to 3p per share. The directors are, therefore, now recommending that the final dividend for 1995 should be 3.5p per share, the same as the final dividend for 1994. The increase in the total dividend for the year 1995 compared with 1994 is, therefore, 18.2 per cent. Dividend was covered 2.7 times (1994: 3.0 times).

If approved by the shareholders, the final dividend will be paid on 25 April 1996 to shareholders registered on 19 March 1996.

Finance and Investment

Shareholders' funds rose by £113 million to £849 million at 31 December 1995 with the major movements being £42 million in retained earnings and increases of £43 million in the value of port-related investment property and £31 million in the value of operational land following valuations by Healey & Baker.

Strong cash flow from operations helped to finance capital expenditure of £61 million in the ports and transport business and £16 million on investment properties. The capital investment programme, particularly at the ports, is expected to continue at a high level in 1996 and 1997. The level of gearing at December 1995 was 40.8 per cent (December 1994: 46.0 per cent), with net borrowings at £347 million (December 1994: £338 million).

Ports and Transport

Commenting on ABP's ports and transport business, Sir Keith said: "Total cargo tonnage passing through our ports rose to 114.5 million tonnes (1994: 110 million tonnes). There were increased volumes of vehicle exports, container and roll-on/roll-off unit loads, and some bulk commodities including iron ore. These increases were partially offset by rather lower levels of timber imports and steel exports."

- ABP's Humber ports had an excellent year:

At Grimsby and Immingham there was a record throughput of over 44 million tonnes, boosted in part by the opening

in June of the new Nordic Terminal, the four-berth roll-on/roll-off (ro-ro) complex operated by the DFDS shipping group.

At Hull, most trades were maintained at good levels, but timber imports were reduced as a result of the continuing slackness in the building and construction industries. Ro-ro capacity at Hull is being expanded with the development of a new four-berth terminal which, when completed in June 1996, will double common-user capacity at the port.

- Southampton's business continued to expand. Container throughput at Southampton Container Terminals (SCT), ABP's joint venture with P&O Containers Ltd, rose 16 per cent to 683,000 container units. To meet strongly rising demand, additional capacity is being provided for SCT with the development of Berth 207, which is expected to come into operation in the Autumn of 1996. ABP expects in the near future to undertake a dredging programme to deepen the approach channel, which will expand the port's capacity to handle the largest container ships coming into service over the next few years.
- The Southampton/Isle of Wight ferry operator, Red Funnel, had an excellent year, with passenger numbers rising to more than 2 million, an increase of 15 per cent on 1994. Car traffic rose by 25 per cent to over 280,000 vehicles, and there was a 24 per cent increase in commercial vehicles.

Commenting of the Group's South Wales ports, Sir Keith said: "In the early months of 1995 ABP's South Wales ports experienced rather difficult trading conditions, but performance improved in the later months of the year. The current expansion of steel-making capacity in South Wales brings the prospect of increased business for the ports. An important development in this connection is the recently announced agreement between ABP and British Steel for a programme to deepen the tidal harbour at Port Talbot to handle larger vessels and increased imports of raw materials for British Steel's South Wales plants. The deepening project is expected to be completed during the course of 1006."

Property

Sir Keith said: "Our programme for redeveloping areas of the port estates no longer required for port operations has

continued to make good progress."

- At Cardiff, following the completion of the 119,000 sq ft office building for NCM Credit Insurance in March 1995, ABP has now moved on to the next phase in the Capital Waterside project, with the construction of the "Scott Harbour" 110,000 sq ft office project. The decision by the Millenium Commission not to approve the application for grant for the Cardiff Bay Opera House Trust was disappointing, but it is still hoped that the site allocated for this project will be developed as an arts centre and a home for the Welsh National Opera.
- Also in South Wales, ABP's project in conjunction with the Welsh Development Agency for the regeneration of part of the old dock estate at Barry will be moving ahead in 1996.
- Grosvenor Square Properties' portfolio away from the ports is producing a rising rental income from both investment and development properties. Since the end of the year, the leasehold of the St Martin's Lane office, London, has been sold for £15 million.

Prospects

Sir Keith, commenting on prospects, said: "The strong investment programme at our ports is reflecting and facilitating increased trade, particularly in unit loads and bulk commodities. Our broadly based property activities also provide opportunities for creating added value from our port estates and at carefully selected sites elsewhere. I am confident that, following the progress achieved in 1995, we are well-placed to achieve further organic growth in the business."

£1 Mil. Multi-purpose Crane for Southampton

Associated Britain Ports' (ABP) Port of Southampton has purchased a new multi-purpose quayside crane at a cost of over £1 million.

The crane, built by Belgium-based company BM Titan, has a lift capacity of 35 tonnes at a maximum 21 m radius. It was designed to lift increasing amounts of heavy project and out-of-gauge cargo for deep-sea services operating from the Port of Southampton. It can also be used for high-speed transfer of palletised cargo.

Andrew Kent, Port Manager, ABP Southampton, said:

"Investment in new facilities is an ongoing process at the Port of Southampton. The new crane enables the port to expand the range of services available to customers and complements our existing six and ten-tonne quay cranes as well as the 200-tonne heavy-lift vessel, *Canute*."

The Port of Southampton is home to many of the leading deep-sea shipping lines operating frequent services to the Far East, Middle East, Africa, Australasia and the USA.

'Quay 2000' Project by ABP at Port of Hull

Associated British Ports (ABP) has informed the Department of Transport that it is planning to promote a Harbour Revision Order to allow the development of "QUAY 2000", a new deep-water multi-purpose riverside terminal adjacent to Alexandra Dock at ABP's Port of Hull.

The Order will enable the existing wooden River Pier structure to be removed and replaced by a new 410 metres' quay fronting directly onto the main channel of the River Humber. Vessels up to the maximum draft permitted for Hull (10.4 metres MHWS*) will be able to berth at the quay. It will be supported by a paved cargo-handling area of 7.5 hectares, as well as existing development areas at the western end of Alexandra Dock.

QUAY 2000 will be designed to support unit load and/or conventional shipping, according to customer demand. Discussions with potential major users are already under way. QUAY 2000 will complement ABP's existing powers to develop two more tidal roll-on/roll-off terminals on the riverfront south of Queen Elizabeth Dock.

Mike Fell, ABP's Port Manager at Hull, says: "QUAY 2000 is a flagship project to carry the port's success forward into the next millennium. There has been spectacular cargo growth in the 1990s and this major new facility, combined with other projects, will ensure that the Port of Hull remains in the vanguard of European and deep-sea trade. Our future lies very much on the riverfront, where vessels will not be constrained by the lock systems of the enclosed docks."

**MHWS: Mean High Water Springs is the average level of the Spring High Waters throughout the year.*

Exxtor, Immingham to Continue Partnership

Associated British Ports' (ABP) Port of Immingham has renewed its agreement with Exxtor Group Shipping Services Limited, the shipping and international transport group, to operate and develop the four berth roll-on/roll-off (ro-ro) Exxtor Terminal at the Port of Immingham for another ten years. The new agreement runs until 2006 and is a continuation of a partnership established in 1966 when the terminal began operations.

The 30-ha Exxtor Terminal is located at the north west-arm of Immingham Dock and handles Exxtor Ferries' daily service to Rotterdam which started in April 1995. Some 20 other ro-ro ferry sailings take place each week for companies such as Cobelfret, Fred Olsen and Eimskip to destinations in North Europe and Scandinavia.

In addition, the terminal handles an ever-increasing traffic of lift-on/lift-off services to the Baltic states.

Dennis Dunn, Port Manager, ABP Grimsby & Immingham, welcoming the announcement said:

"The new agreement is a renewal of Exxtor's commitment to the Port of Immingham. I look forward to consolidating the success jointly achieved by our two companies over the last 30 years."

Exxtor Terminal is 30 ha in size and has the capacity to service 1,200 ro-ro units, 700 trailers and 400 cars a day. The terminal is operational around-the-clock, seven days a week.

The Port of Immingham is the largest ro-ro port on the east coast of Britain and, together with the Port of Grimsby, makes one of the busiest port complexes in the country, handling almost 45 million tonnes of cargo annually.



Associated British Ports' (ABP) of Immingham has renewed its agreement with Exxtor Group Shipping Services Limited to operate from the port for the next 10 years. Pictured l to r: Alan Sinclair, managing director, Exxtor Group Shipping Services Ltd; Dennis Dunn, Port Manager, ABP Grimsby & Immingham; and Captain Peter Ide, Master of Exxtor Ferry Endeavour (pictured in the background).

Port of Felixstowe: Let's PROTECT Environment

The Port of Felixstowe, in close liaison with Maritime Cargo Processing plc, has taken a major step towards harmonising electronic data interchange. At a meeting attended by over a hundred customer representatives at the Orwell Hotel, the Port announced that after many years of discussion and consideration, PROTECT is finally coming to fruition.

What is PROTECT?

It was originally a group of five Ports dedicated to producing an electronic Dangerous Goods message that would

meet the requirements of all the member Ports, thus allowing shipping lines or their agents to send only one message for all purposes.

This objective is in the process of being realised. The PROTECT group now consists of six Ports – Felixstowe, Antwerp, Bremen/Bremerhaven, Hamburg, Rotterdam and Le Havre. The message itself contains not only the basic requirements of the International Maritime Dangerous Goods Code but also the sometimes very complex requirements of the Ports. This is particularly true of those northwest European ports that are also city states and have their own local legislation

and requirements appertaining, not only to dangerous goods, but also to marine pollutants of all forms.

In Felixstowe, the Information Systems Departments and Dangerous Goods Section of the Port's Safety Department have been working closely with Maritime Cargo Processing plc (through the community system FCPS), to provide an electronic solution to all foreseeable European and International Dangerous Goods Legislation.

At the Felixstowe meeting, chaired by Charles Wilkinson, Chief Executive of MCP, Bob Barnes, the Head of Safety for the Port, gave an explanation of the safety and environmental benefits of PROTECT, also explaining the legal base for requiring such information to be readily available. Pete Thurgood of MCP went on to explain the technicalities of the system utilising the newly introduced User's Guide.

In summing up, Chris Lewis, Head of Information's Systems for the Port, said "In line with the other PROTECT Ports, Felixstowe is now moving into a position where the PROTECT message will be acceptable via the community system by the Spring of 1996. A sizeable investment has been made, with the objective being to produce the vast majority of Dangerous Goods Information within the Port electronically by the end of 1996. This is a long awaited simplification of electronic messages and an important initiative, not only in NW Europe but globally."

The information received from the Shipping Lines' systems will feed into three areas:

First, it will feed CHARTS (the Port's real-time cargo control system), allowing enhanced electronic control over all hazardous goods on the piers, improving information and safety for all our employees.

Second, it will produce Hazardous Goods Inventories for vessels, for the Port and for Harwich Haven Authority.

Third, in the longer term, similar information will go to the UK HAZMAT system (when it is able to receive EDI messages), which was designed for HM Coastguard to use in Marine Emergencies, not only within the harbour but, in fact, anywhere within European waters.

This last system integrates with HAZMAT systems being produced all over Europe. The objective is not only to ensure the safety of those involved in search and rescue operations in all European waters, but also to ensure fast response to polluting incidents thus also protecting the environment.

From the customer viewpoint, the system not only allows for the same message to be used for all the major NW European container ports, but certainly at the Port of Felixstowe it will be offered free of charge in the interests of safety and environmental protection. Other ports internationally, including Hong Kong, Singapore and several Mediterranean Ports are known to be interested in adopting the message.

The name PROTECT came from Felixstowe. The system will protect not only the workforce of Felixstowe, but also ships' crews, rescue personnel and the environment as far afield as the European waters of the Mediterranean and hopefully further. The initiative was well named.

Asia/Oceania

Container Throughput, Exports Up at Brisbane

By Justine Day

Latest reports show total exports increased by 10.9% through the Port of Brisbane helped by a boost in coal and rural product movements. A total of 4,471,210 tonnes was recorded for the six-month period ending December 1995, compared to 4,033,470 tonnes for the same period the previous year.

Container throughput for the period also showed substantial growth, increasing by 6.1% to 122,193 TEUs. Port of Brisbane Corporation Chief Executive Officer, Mr Greg Martin commented, "Containerised exports increased by 13.2%, with cotton and other rural products, mineral sands and manufactures performing strongly, compensating for a slight downturn in containerised imports."

Indeed, total imports decreased by 10.5% accounting for a 1% decrease in overall trade throughput for the period. Mr Martin attributed the downturn in imports to shifting trends in the construction and rural sectors. "The fall in the housing sector, coupled with a decrease in major construction activity in the region, weakened imports of clinker, sawn timber and other materials such as tiles and glass," he explained.

"More favourable local weather patterns resulted in a significant drop in volumes of drought-relief feed grain imports. However, we can expect a gradual improvement in grain exports as a result of the improved growing conditions," he said.

(Brisbane Portrait)

First CEO for Sydney Ports Corp. Named

A key step in the corporatisation of the State's ports has been taken with the selection of the first Chief Executive Officer of the Sydney Ports Corporation.

The Minister for Ports, Carl Scully, announced the State Government had endorsed the selection of Gregory J Martin "to fill what is unquestionably Australia's most prestigious ports management position."

Mr Scully said Mr Martin, currently the Chief Executive Officer of the Port of Brisbane Corporation, had been selected by the Board of the Sydney Ports Corporation, and the Government would formally recommend his appointment to the Governor in Executive Council.

Mr Martin, 46, began his ports career as a Civil Engineer with the Queensland Department of Harbours and Marine in 1972. He held a range of senior ports management positions in Queensland before being appointed Chief Executive Officer of the Port of Brisbane Corporation when it was formed in 1990.

Mr Scully said Mr Martin's experience provided an ideal background to lead the Sydney Ports Corporation following the Government's corporatisation reforms.

"Under Mr Martin's management, the Port of Brisbane underwent a period of major and very successful development," he said.

"I believe his leadership will provide similar benefits for the Sydney Ports Corporation and enhance the position of Sydney Harbour and Botany Bay as Australia's premier ports."

Mr Scully congratulated the Chairman of the Sydney Ports Corporation, Brian Finn AO, and the rest of the Board for their selection of Mr Martin.

He also paid tribute to the work of Mr John Hayes as Acting CEO of the Sydney Ports Corporation since July 1 last year.

A Variety of Ships Visit Port of Napier

Shipping activity at the Port of Napier has provided port watches with a fair degree of variety this summer with visits from Captain James Cook's replica ship, *Endeavour*, to the modern-day cruiser, the *Marco Polo*.

The *Endeavour* made a stormy and unscheduled entrance to the port in late January after previously arranging to tie up instead at Napier's inner harbour.

However, rough weather and raging seas saw the *Endeavour* make a motorised run for the port and calmer waters – more for the volunteer crew's comfort than the safety of the ship.

Urgent security was arranged to allow the port to open the port area to the public during the *Endeavour* visit. The alternative inner harbour berth had been arranged, and dredged, to allow easier and safe public access.

In complete contrast to the 18th century equivalent of modern bulk carriers came the *Marco Polo* which continues to attract interest during its regular cruises into Napier. The *Marco Polo* is scheduled to make six visits to Napier this season, testing operational skills to ensure both the cruise vessel and cargo ships sail on time.

Napier's Port Pack Becomes Action Packed

The Port of Napier's Port operation is storming to success, packing 27 percent of the full export container traffic handled at the port.

Port Pack Manager, Brenda Chapman, describes the early success of the packing and warehousing operation as "awesome" and attributes the ahead-of-target packing rates to a dedicated team of staff willing to help each other to meet the challenges.

The Port Pack team is separated into two sections, pulp and warehousing, but all staff share the same aim of "giving the customer what they want," she said.

The main volumes of cargo handled through Napier's Port Pack are timber and timber products, cars, onions, tomato and other food products including grain and petfood.

"There's nothing we won't pack," said Mrs Chapman who transferred from her marketing position to the Port Pack managing job mid-way through last year when the Port of Napier's new 7,100m² warehouse officially opened for business.

The warehouse and container packing area was commissioned to meet the strong growth in container volumes through Napier. The new facility gives shippers the advantage of bringing product to a central point for packing and presentation direct to the ship. There is a paved, covered area for all-weather packing and a night light system for 24 hour service.

"It means we can supply dry storage which we couldn't always do before as the increasing volumes put real pressure on storage," said Mrs Chapman.



The port-side warehouse means shipping companies can also make more efficient use of containers because there is little downtime through transportation of empty containers which means a cost saving for clients. It also fits neatly into the on wharf container yard where empties are stored, cleaned and repaired. The empty container storage packing and shipping provide a complete and efficient logistics

chain.

The Port Pack operation packed 6,490 containers in the year ended September, exceeding its target by about 1,500 for the year. (The Port of Napier operates on a September financial year end.)

The new Port Pack warehouse is part of an overall \$37 million development programme at Napier with a new wharf due for completion early next year.

Dalian Gateway to North China; 80-90 Berths to Be Built

Located at the southern tip of Liaodong Peninsula, the Port of Dalian is a large-scale comprehensive port handling both cargo and passengers with foreign trade cargo as its focus. Being a major hub port in North China, it is a fine natural ice-free port with deep water and abundant space. Its hinterland includes the three Northeast provinces and four leagues in the eastern part of Inner Mongolia, which is rich in minerals, grains, forest products, energy and other resources and is one of China's highly developed industrial bases. With the Shenyang-Dalian Railway and major highways radiating cargo flows deep into the hinterland and underground pipelines bringing Daqing crude oil directly on to the oil loading terminal, the Port of Dalian boosts its intermodal system offering the utmost convenience and ease of access.

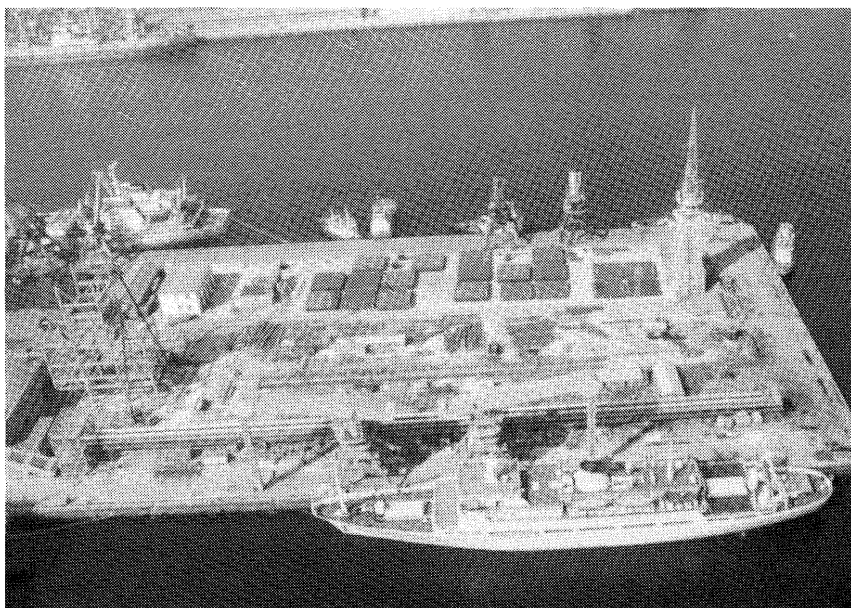
Through constant expansion and reconstruction ever since it was built in 1899 and especially since New China was founded in 1949, the Port of Dalian has constantly raised its throughput capacity, improved its machinery and equipment, advanced the implementation of new technology and management, and bettered the welfare and education of its staff. Today,

it has grown into a modern large-scale comprehensive port. The Port of Dalian has established shipping and trading relations with more than 160 nations and

regions in the world. In 1994, it handled 62.12 million tons of cargo and 4.4 million passengers. The volume of foreign trade containers is increasing at an average rate of 20% per year and reached 305,006 TEU in 1994.

At present, there are 8kcT of land and 346kcT of water area under the Port of Dalian's jurisdiction. With a full range of machinery and equipment, the Port provides all-round services and a large variety of cargo, including crude oil, processed oil, minerals, coal, timber, grains, containers, complete sets of equipment, breakbulk and general cargo can be handled or transferred on its 62 production berths. Meanwhile, the Port also provides services such as bonded warehousing, fueling and bunkering, tallying, ship repair, ship hold cleaning and container repair. Port-related industries such as foreign trade companies, ship's agents, a seamen's club, bunker supply and shopping centers are all located near the Port, providing quality services for incoming vessels and guests from home and abroad.

The Port of Dalian has been making efforts to develop friendly relations with foreign partners in the port and shipping field. Up to now, it has established sister-port relations with the Ports of Kitakyushu, Fushiki Toyama and Yokohama in Japan, Oakland and Houston in the U.S.A., Vancouver in Canada and Vladivostok in Russia. Quite a number of cooperation and exchange programs have been realized successfully between the Port of Dalian and its sisterports.



Consisting of 4 piers and 3 wharves which include 30 berths, the Dagang Terminal handles wheat, soyabean, iron and steel, minerals, chemical fertilizer, containers and general cargoes. Domestic and international passenger ships, passenger/cargo and roll-on/roll-off ships are also handled in this area.

To meet the new challenges of the coming 21st century, the Port of Dalian has determined its future development strategy. Dayao Bay New Port Area has been listed as one of the key national projects and one of the four international deep-water transshipment ports of China. The first four berths in the First Phase of this project were completed in 1992, and the six berths are right now under construction. Moreover, 80-90 berths are scheduled to be built in the Dayao Bay area. By then, the Port will be able to expand its throughput capacity to a large extent and thus make a far greater contribution to Sino-foreign trade and cooperation.

Under the operation and development strategy of "all-round service, multiple functions and modernization", the Port of Dalian has been focusing in recent years on its major area of business and, at the same time has been developing maritime industries, trade and finance, information support and other port-related businesses. The business scope of the Port is extending to domestic coastal shipping, road transportation, ship's agent, freight forwarding,

bonded warehousing, storage, container services, cargo packing, commerce, tourism and social services, which make the Port a hub in the world manufacturing and sales system.

With the aim of "safety first, quality first, service first and reputation first", the Port of Dalian is committed to providing efficient and excellent services for all port users.

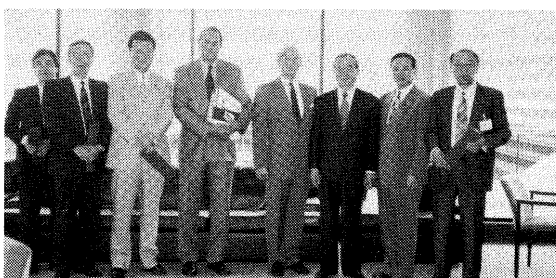
Tomakomai Mission Visits Australia, New Zealand

A six-member delegation of the Tomakomai Port Authority (TPA), Hokkaido, Japan, visited the Ports of Melbourne, Auckland, Napier and Sydney from 25 January to 3 February 1996. The delegation members were Mr. Noriomi Kanbe (Chairman of the Tomakomai Port Authority Assembly), the leader; Mr. Morio Ohira, Mr. Keisei Yamaguchi and Mr. Koutaro Yamaguchi (Members of the Port Assembly); Mr. Hiroshi Fuseya, Executive Vice-President of the TPA; and Mr. Tamotsu Yamazaki (Chief of the TPA's General Affairs Section and Chief of the Port Assembly's Secretariat).

The visitors from Tomakomai were warmly welcomed by the key officials at each of the ports of call, where they exchanged views and information on issues of mutual interest and the future course of the cooperation between Tomakomai and the respective ports visited. The pictures were taken on the occasion of the delegation's visit to Melbourne, Auckland and Napier respectively.



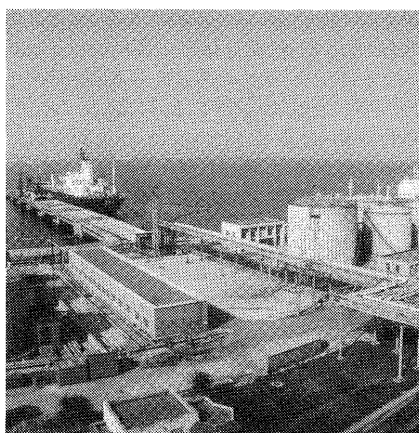
Mr. Kevin Shea (second from right), Chief Executive, Port of Melbourne Authority with Mrs. Shea, welcomes the visitors from Tomakomai on 26 January.



Mr. Robert Cooper (fourth from right), Chief Executive, Ports of Auckland Ltd., and the current President of IAPH, is pictured with the delegation members in his Port Building office on 30 January.



At the Port of Napier, the delegation was welcomed by Mr. G.M. Cassidy, Chairman, and Mr. G.J. Marshall, General Manager, on 31 January.



The product oil terminal, the largest of its kind in China, with 4 jetties which include 6 berths of 9 m deep, can accommodate four 10,000 dwt and two 3,000 dwt oil tankers simultaneously.

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IAPH SUPPORTS ALL EFFORTS TO PREVENT DRUG TRAFFICKING

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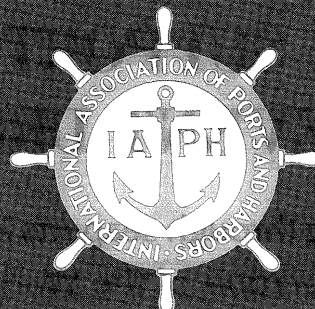
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1. Suggestions regarding how the quality of port services could be improved should be presented in English, French or Spanish, typewritten, and submitted to the Secretary General, the International Association of Ports and Harbors. Kotohira Kaikan Building, 1-2-8, Toranomon, Minato-ku, Tokyo 105, Japan.
2. 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.
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.
 - 3.1 Entry texts should not exceed 20 pages excluding a reasonable number of appendices containing tables, graphs or drawings.
 - 3.2 The paper size must be A4 (21.0 x 29.7 cm).
 - 3.3 Regardless of language used (English, French or Spanish), the entry paper must be accompanied by a brief summary in English.
 - 3.4 Three (3) copies of the entry paper should be submitted to the IAPH Head Office at the above address.
4. 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 wide range of improvements in general terms.
5. The First Prize for the winning entry will consist of:
 - 5.1 The Akiyama Prize (a silver medal plus US\$1,000 or the equivalent in local currency); and
 - 5.2 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.
6. In addition to the First Prize, Second, Third and Fourth Prizes of US\$500, US\$400, US\$300 will be awarded to the next best entries.
7. Additional prizes of US\$100 each will be awarded to any other entries judged by the panel to be of a sufficiently high standard.
8. A summary of the winning entry may be eligible for publication in the "Ports and Harbors" magazine.
9. At the decision of the panel, a bursary may be awarded to any one prize winner (subject to the agreement of the employer)
10. The closing date for receipt of entries is **30 September, 1996.**