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## Mid-Term IAPH Exco Meeting

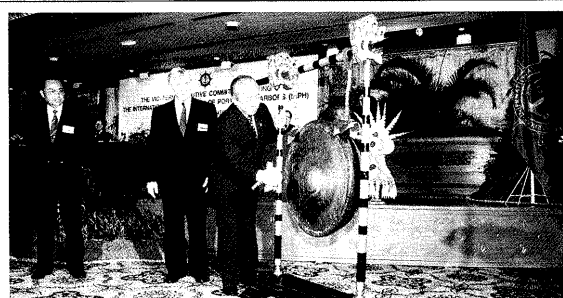
**Bali/Jakarta, Indonesia**  
**April 21-25, 1996**



The officers and delegates enjoy the performance of Balinese dance at the start of the Opening Ceremony.



Indonesian hosts greet IAPH participants at welcome cocktails, from left, Messrs. Sudjanardi, Sumardi, Soentoro, Bachri, Harbani and Masengi.



Minister of Communication Dr. Haryanto Dhanutirto opens the meeting by sounding a gong, witnessed by Mr. Soentoro, Director General of Sea Communication (left) and Mr. Cooper, IAPH President (center).



A Balinese dancer fascinates IAPH delegates.



Governor of Bali Dr. Ida Bagus Oka (left) welcomes IAPH President Mr. Cooper and all the delegates to his official residence for a dinner.



Participants gather for a group photo at the hotel's poolside stage in Bali.

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Cooper (left) and Soentoro at IAPH meeting in Bali

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# IAPH ANNOUNCEMENTS AND NEWS

## BALI REPORT

### Mid-Term Exco Meetings in Bali, Indonesia

#### Exco charts IAPH's role for resolving global port issues

**B**ali – a new name in the history of IAPH meetings – was the venue of this year's meeting of the Executive Committee, which met from 22 to 24 April in the Grand Bali Beach Hotel. It was hosted by the Indonesia Port Corporations at the initiative of the Director General of Sea Communication, Indonesia's Ministry of Communications.

Twenty-one of the thirty Executive Committee members gathered in Bali to review the tasks which the Association's committees and members have been undertaking, with an eye on the London Conference next year when the key issues contributing to the sustainable improvement of port functions in support of world trade will be debated.

The participants were impressed by the warm welcome and hospitality of our Indonesian hosts throughout their stay in Bali and very much appreciated the technical tour of the Port of Tanjung Priok in Jakarta on 25 April. The delegates all enjoyed the wonderful weather, their contacts with the remarkably talented and friendly people they encountered, the delicious food including exotic tropical fruits, and the fascinating performances of music and dance to which they were treated at various receptions which were staged by our hosts between the serious business programs.

Indonesia's participation in IAPH dates back to 1975 when the IAPH Conference was held in Singapore. Since then Indonesian members have been active in IAPH affairs behind the scenes. Consequently IAPH welcomed the opportunity to hold this year's meetings of Exco there when the invitation was offered by the Indonesian government, fully backed by the country's major Port Corporations. IAPH members were able to discover the wonder of Indonesia, the potential for port development and the people who sustain the ever-growing ports and transportation industries as a result of the painstaking preparatory work undertaken by our Indonesian hosts.

We offer our hearty 'Terima Kasih' – thank you – to everyone who worked so hard to make the IAPH gathering such a memorable and successful event.

–By Kimiko Takeda, IAPH Head Office



The officers and delegates enjoy the performance of Balinese dancers at the start of the Opening Ceremony.



## Official Opening Ceremony

**O**n the morning of Monday, 22 April, the meeting was opened by Indonesia's Minister of Communications, His Excellency Dr. Haryanto Dhanutirto, who welcomed all participants and addressed the gathering. He elaborated on the ever-increasing importance of the roles played by ports and harbors in every country given on-going economic developments and changing trends in transportation. Following his welcoming address, the Minister stepped from the podium and sounded a gong to officially open the meeting. Mr. Robert Cooper, President of IAPH, together with some 150 participants including 40 delegates and 25 accompanying persons as well as some 80 local officials representing Indonesia's ports community, witnessed the moment.



The opening ceremony was attended by 150 participants including 80 local officials.



Indonesia's Minister of Communications welcomes IAPH participants.

## Official Opening Address

**by His Excellency Dr. Haryanto Dhanutirto  
Minister of Communications, Indonesia  
(Monday, 22 April 1996)**

**I** am delighted to be here with you today to have an opportunity to extend a few words and warm welcome to all of you in conjunction with the Mid-Term Executive Committee Meeting of the International Association of Ports and Harbors. May I on this occasion express my appreciation to all of you and I hope you have a pleasant stay since your arrival in Bali.

The world today is much different from that of 10 or 15 years ago. The world is now in a time of great change, and a great transformation is under way concerning global trade. In line with the increase in the world's trade, sea transportation is growing tremendously. Sea transport side by side with air transport is shaping the global transport scene. Ports and harbors as a part of the sea transport system will assume greater roles as gateways to the global transport network.

It is our hope that, through this Mid-Term Exco Meeting, actionable recommendations will be made and that in turn the International Association of Ports and Harbors will be able to assist in providing information, guidance and direction to all its

members in order to adapt to the changing circumstances, particularly with respect to efficient port operations and management.

It is our hope as well that, through the Mid-Term Exco Meeting, the Association will be better recognized internationally and that, in turn, bilateral and multilateral cooperation can be forged to support our economic development, especially with regard to the development of ports and harbors.

Distinguished delegates, ladies and gentlemen:

On this occasion, I would like to inform you that the ports of Indonesia are growing upstream. The container traffic in Indonesia during the last four years has grown very rapidly by around 25% annually, while the total container throughput of the 8 major container ports in 1995 was 2.5 million TEUs, which is estimated to increase to 4 million TEUs by the end of the 6th Five-Year-Development-Plan (Repelita VI) in 1998. The Port of Tanjung Priok in Jakarta has been developed into a deep-sea port and 8 other ports have been acting as container ports.

Moreover, we are continuing our efforts to enlarge the capacities of Indonesian ports and harbors to cope with their ever increasing volume of trade. In this regard, we welcome the participation of the private sector both from local and international companies to jointly benefit from the port and harbor development.

Finally, may I express my wish that this meeting result in fruitful deliberations. Now I herewith declare the Mid-Term Executive Committee Meeting of the International Association of Ports and Harbors open. May God Almighty bless our endeavors.

# Keynote Address by Robert Cooper, IAPH President

(Monday, 22 April 1996)

## Beyond 2000: In a Stormy Sea of Change

### Summary

**K**ey trends since 1950 have been the growth of global forces in trade and dominance of free market economics. These have led to: the Asia-Pacific's emergence as the world's most dynamic region; development of regional associations committed to free trade; and greater competition. During the late 1990s these directions will be reinforced by continuing growth in capital movements, further privatisation, intensified competition among private enterprises, the rise of an international middle class, and the spread of telecommunications networks. Greater infrastructural investment and new and creative ways of funding it will be required because governments do not have the money.

The prevailing trade and economic trends have heightened awareness of global environment issues. Dredge tailings, for example, are a difficult problem because communities are opposed to further land reclamation and urban noise is a growing concern as ports work round-the-clock. Yet shipping is still an environmentally responsible way of transporting



goods within and between countries.

Containerisation grows apace and capacities of post-Panamax container-ships have jumped from 4,000 TEUs to 6,000 TEUs because the mother ships are cheaper to build and operate. The vessels have been introduced by global shipping consortia to link major hub ports on trunk routes. Competition has been heightened between ports for mainline services and cooperation between hubs linked by main route services and feeder services.

These changes have strengthened the role of ports beyond 2000 and underline the International Association of Ports and Harbors' prime function is to ensure the continuing improvement of port operations to support economic growth and freer trade. The Association offers an opportunity to share experiences, build greater understanding, learn about the forces shaping the industry, and debate emerging trends. The Exco's task is to identify key issues and strategies for resolving persistent port problems.

It is with great pleasure that I welcome members of the Executive Committee to this mid-term meeting. Welcome also to the partners who have joined us for this opening session. It is always a pleasure to have you with us.

I would like to take this opportunity to give a special welcome to the Minister of Communications, His Excellency Dr Haryanto Dhanutirto. We appreciate your participation in this session as recognition of the importance of the International Association of Ports and Harbors.

I would also like to thank the Director General of Sea Communication in Indonesia, Mr Soentoro, for agreeing to host this event. We are very grateful for the effort and work that our Indonesian hosts have put into organising this meeting. Our own secretariat in Tokyo have also done a fine job in bringing this session together and we appreciate the effort you have made on our behalf.

I do have to say that the location has caused me some difficulty. In New Zealand, Bali is known as a wonderful holiday destination. I have found it very hard to convince my colleagues that I have really come here to work and not to spend my time lying on the beach or seeing the lovely sights of this beautiful island.

Some of you may have had similar problems. But we all know the reality is different from the perception.

Let me say how much I appreciate that you have given up your

time, from demanding tasks in your own port business to contribute to the work of this Executive Committee meeting.

The pace of activity in business never eases. We all seem to run faster and faster – often just to be able to stay in the same place. The pressure of change is relentless. New technological developments confront us every day. And there is continuous pressure to improve performance constantly in every aspect of our activities.

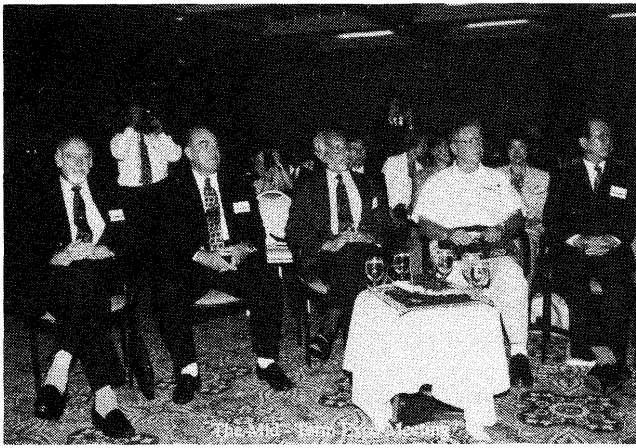
That is why it is so important to take occasions such as this one to pause and focus for a while on what lies ahead in the future. It is easy in the rush of daily business to forget about the big picture, the global perspective. But we who are business leaders in our port industry must also be able to provide the vision for where that industry is heading.

We are just four short years away from the end of this century. Just four short years from the 21st century. There is no doubt the years ahead will be exciting and enthralling.

It is clear that the trend towards free trade and globalisation which has gained force in the last part of this century will take off in the next millennium. And our businesses, the ports and harbours of the world, will be at the heart of that trend.

That is why I have titled my address today "Beyond 2000: In a stormy sea of change."

Over the next few days, we have the task of charting the course



for this Association as we move into the next century. We have the responsibility of ensuring the Association is as relevant to the needs and business of its Members in the future as it has been in the past.

I would like to begin with the big picture - the global forces at work in the international economy and in global shipping. Then I will focus on the smaller, but nonetheless important, picture - the role of the International Association of Ports and Harbors during this challenging time.

## **Trade and Economic Trends**

First the global trends.

The last half of the 20th century has been dominated by the growth of free market forces in economics and global forces in trade. Globalisation is the driving engine of change in the 1990s and will be in the next century. It is changing business, it is changing politics and it is changing the way people live.

The growth in international trade over the past 30 years has been enormous. There have been major shifts in trading patterns. Regions such as Asia have rapidly gained economic and political influence and are emerging as the powerhouse of the global economy. Eight of the world's top 10 markets are located in the Asia/Pacific region and, it is probably that by 2020, China will be the world's largest economy.

In every part of the globe, efforts are in train to promote free trade, often beginning at regional level. The European Union has been joined by NAFTA and ASEAN. APEC has committed itself to achieve free trade in the Asia/Pacific region by 2020. By way of local example, within ASEAN, sub-regional co-operative arrangements have been adopted.

Trade barriers have been torn down, economies have been made far more open to the world. In New Zealand, for example, we have removed tariffs, reformed the labour market, privatised or corporatised many enterprises which were previously owned by the Government, reduced debt and introduced rigorous controls on Government financial management. Many countries have adopted similar economic reforms.

There has been growing recognition that establishing fair trading structures is the best way to address the disparity between the developed and the developing world.

The result, world wide, has been increasing competition. In 1982, fewer than 5% of manufacturers in the United States counted a single foreign firm among their five major domestic competitors. Today, 30% identify three of their top five competitors as being foreign firms.

If I could give you a snapshot of the world in the remainder of the 1990s and the first part of the next century, these are the images we would see:

- Massive amounts of capital moving around the globe at the

touch of a keyboard on a computer. This capital will seek out the best rate of return without regard for location, ideology, race, language or tradition;

- Private enterprise will drive economic growth as international investment grows and as Governments seek new ways to finance infrastructure developments;
- Competition will intensify as private enterprises seek out the cheapest or most efficient place to do business and as countries reduce traditional barriers to their markets;
- Economic growth and political changes will continue to give rise to a new world market — an international middle class with disposal incomes to spend. This burgeoning market of consumers will be able to use technology, such as satellite television and the Internet, to shop in the global marketplace;
- The dazzling growth in telecommunications and information technology will continue. The change is completely re-writing the rules of international business and we should be mindful that a growing proportion of international "exports" are travelling by computer network.

As the world has moved away from a fortress approach to economic management, countries have begun to search for new ways to fund investment and meet their needs for the development of infrastructure.

With huge growth in many developing areas of the world, there is demand for new facilities and massive investment in all parts of the economy and economic infrastructure. These include port, road, rail, and sea transport infrastructure and services, as well as in the provision of electricity, water and telecommunications.

Some US\$8 billion has recently been committed to port development schemes in the Asian region alone.

That search has led to many exciting investment opportunities around the world. To quote the New Zealand example again, simply because it is the one I know best, we now have large American ownership stakes in our national rail system, in our electricity industry and in our telecommunications sectors. We have major investment in other industries from Japan, China, Malaysia, Singapore and Indonesia.

And New Zealand companies, for their part, are investing in other parts of the world where they have the ability to make a difference. One of our small telecommunications companies, for instance, has made significant investments in Vietnam. Two of our major corporates have large investments in South America. We have major brewing investments in China.

Governments, in turn, have recognised that they do not always have the funds to investment in infrastructure, such as ports, railways, roads and services.

Some have begun to realise that Governments do not necessarily make the best investment decisions and that it is better to encourage private enterprise to take a role.

Many of these forces are at work here in Indonesia, where I understand many joint ventures and private sector projects are being encouraged. I understand a consortium of New Zealand companies is investing in a joint venture geothermal power project in Central Java.

## **Environmental Trends**

Going hand in hand with these trade and economic trends, is an increasing awareness of our environment.

Again, environmental issues are global, not just regional or local. The sulphur dioxide released from a factory in one country can actually wreak a detrimental effect in quite another country.

As we know from the work of one of our Technical Committees, on behalf of the ports industry, ballast water taken aboard ship in one port may well release unwanted marine organisms on the other side of the world.



Public opinion is the driver behind the environmental debate. Public opinion is usually driven by emotion, rather than based on science or good sense. But it is certainly powerful and its potentially huge effect on world trade should not be underestimated. Demand for beef in Britain has dropped about 70% since concern arose about the risk of mad cow disease.

Environmental concerns have the potential to threaten our businesses. Let me give you some examples.

Harbour dredging, particularly the disposal of dredgings, is a problem faced by many ports around the world. Further reclamation of land from the sea is often regarded as undesirable by local communities, who wish to protect the marine environment. As the transport industry seeks efficiency by using its assets 24 hours per day, noise will become a bigger environment problem for most urban ports.

But I believe there are counter-balancing opportunities.

Communities are looking for cleaner, more environmentally acceptable ways to transport people, food and goods, to minimise congestion in cities and to reduce emissions from cars and trucks. The sea is a maintenance free highway and I believe we can mark out shipping as an environmentally responsible way to transport goods between and, in many cases, within countries.

Securing our future as environmental expectations rise means we need to ensure that we act responsibly and work to build a strong partnership with our local communities and neighbours. It also means that we must understand the impact our activities have on the environment so that we can explain it to the public.

## Developments in Shipping

These global developments in trade, economics and environment are being matched by major changes in the shipping business.

It is old hat nowadays to talk about the trend to containerisation. More goods are carried by containers than I think we ever imagined when the concept was first introduced. Today even some bulk cargoes can be comfortably and efficiently handled by containers.

Containerisation has inexorably led to major changes in the port industry. Reflect for a moment on the changes you have seen in the span of your own career.

Imagine how the founding fathers of this Association, some 40 years ago, would view the scene today. And yet it is a scale of change which we should try to envisage for the next 40 years!

A few short years ago, a paper was presented to this Association predicting the growth of post-Panamax containerships with the capacity of more than 4,000 TEUs. At that time capacities of 6,000 TEUs lay only in a very few innovative minds and in the sights of the sceptics. Today the first of those units are in service and designers are already contemplating plans for 8,000 TEU ships.

These jumbo ships are cheaper to build on a slot basis. More importantly, they will bring considerable cost cuts in ocean transport, especially as far as crewing and fuel costs are concerned.

Already large shipping consortia – or alliances of shipping lines – are introducing a number of these large, fast vessels into express services between a few major ports.

In spite of the additional costs in loading and discharging feeder vessels, these vessels have a clear future on the major east-west routes linking Asia to the European and American continents.

Imagine the development of infrastructure, the operational systems and financial returns needed to justify investments on this scale.

What these developments will mean is more competition between ports, and paradoxically more co-operation between the leaders, linked as they will be by main routes and feeder services. Port service standards will inevitably rise as efficiencies improve

and they are benchmarked against the best.

Technological developments will emphasise another trend in the port industry, which is an increasing focus on the operational role as we recognise and embrace the opportunities from developments in the computer and communications sectors.

Against this background of change, ports are increasingly recognising their role as a service industry and as a link in a much wider transport chain. Ports, after all, are simply a transit station to get goods from one mode of transport into another. So, it is likely in many parts of the world that our links with other parts of the transport chain will strengthen – whether that is by way of direct investment or the development of partnerships and alliances.

## Role of IAPH

The changes and trends that I have outlined all reinforce one point. In a swiftly changing and often confusing world as we move into the next century, the role and importance of ports will strengthen. Ports will remain as a crucial part of the transport links which enable economic growth and free trade to occur. Profitable, efficient ports are therefore essential to economic prosperity.

The International Association of Ports and Harbors has an invaluable role in achieving this goal. Although in this Association we come from different parts of the world, with different languages, cultures, political situations, and although we are accustomed to different ownership structures, we all have a common desire to improve the operation of ports throughout the world.

This organisation offers the opportunity to share experiences, to build understanding and to learn about the forces that will shape our industry over the next century.

It also gives us a common voice in often intense national and international debates over the trends which are emerging.

But the effectiveness of this Association is in direct proportion to the interest and impact of its membership. We, the representatives gathered here today have accepted a responsibility to ensure the Association continues to be relevant to and effective in this changing world.

Among the important administrative matters this Executive Committee meeting will handle, there will be opportunity for us to discuss, both formally and informally, the future direction and emphasis of this Association. There are matters where we, the Officers, Executive Committee and the Secretariat have a particular collective responsibility to our fellow members of the Association.

One of our tasks over the next few days is therefore to identify the issues that are of concern to us and to decide how we can be most effective in our advocacy. It will be an opportunity to reflect on what lies ahead. As well, it is a time when we can share ideas and experiences freely and frankly, so that we understand the most effective ways to achieve our goals. As always, it is a time to build upon those friendships between us, forged on our common interests and, often, common problems, and which know no boundaries of race and language.

Last year, this organisation celebrated its 40th anniversary. We owe a debt of gratitude to the people who had the foresight to recognise our common interests and provide a forum for them. They provided the vision that brings us together today.

In setting up this group, they set an ambitious vision: *World Peace Through World Trade – World Trade Through World Ports*.

As we look towards the next century, that goal is still relevant and the need to promote our common interests is stronger than ever. I feel privileged to lead this organisation at such a time and strengthened by the support of you, my colleagues.

# Exco Meeting: Part One

Monday, 22 April

## Opening Remarks by the President

At 1115 President Cooper opened the meeting by welcoming all the members present and identified those members who had not been able to come to Bali and whose regrets had been received through the President or via the Secretary General.

In accordance with the agenda tabled, Mr. Hiroshi Kusaka, the Secretary General, was invited to make his report.

## Report by the Secretary General

Mr. President and Executive Committee Members:

It is a pleasant duty for me to report on the activities of our Association during the months following the Seattle/Tacoma Conference last year.

First I would like to express my deep appreciation to our hosts, Indonesia's Ministry of Communications and each of the four Port Corporations, for hosting this year's Exco meeting of our Association in this beautiful island of Bali. In particular, I wish to express my profound respect and thanks to His Excellency Dr. Haryanto Dhanutirto, Minister of Communications, who officially opened our meeting earlier this morning, Mr. Soentoro, Director General of Sea Communication, Mr. Sudjanadi, an Exco member of IAPH and coordinator for this meeting, and the respective Directors from the four Port Corporations for their strenuous efforts and dedicated service in making the arrangements for this gathering.

I would also like to thank all of you here for attending this important meeting of our Association and for the generous coop-

eration afforded our Head Office staff in carrying out their day-to-day duties for the benefit of IAPH's worldwide membership. We at the Tokyo Head Office have been able to obtain wise and timely advice from you, the President and Vice-Presidents as well as the other officers whenever we needed such assistance in handling various issues, whether related to internal matters or to IAPH's position for presentation to the relevant meetings of other international bodies.

As for the details of the Association's activities, we have kept our members informed of all developments through "Ports and Harbors", letters and faxes. As you will find in my written Report, the scope of our activities has been wide-ranging.

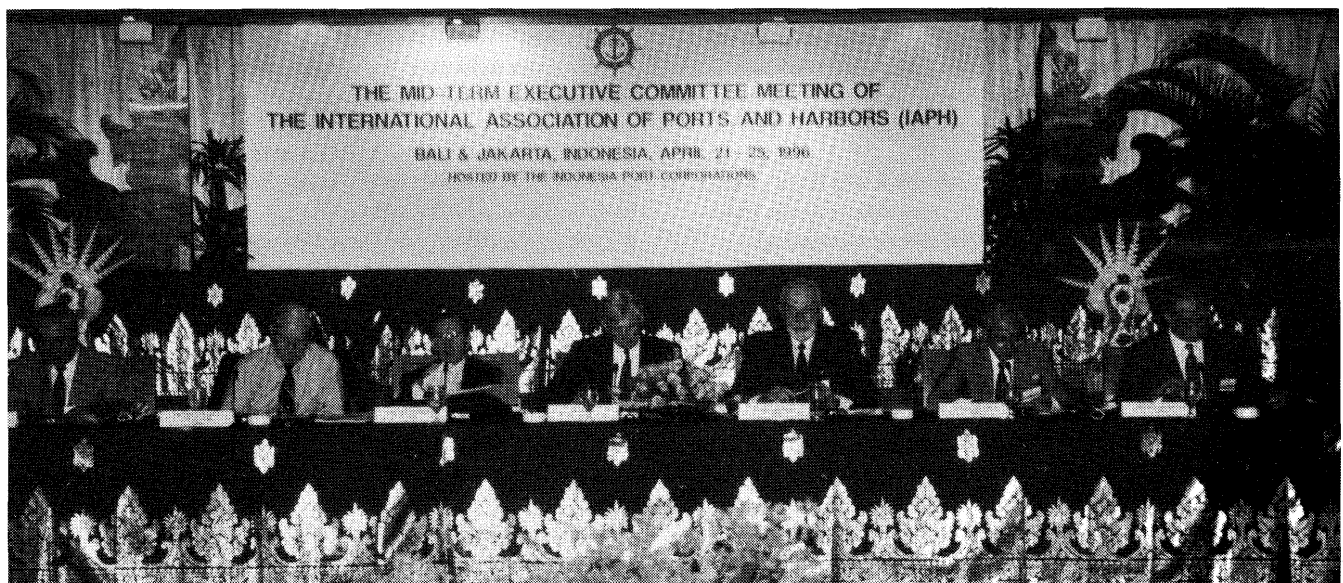
Our Technical Committees have been very active during recent months. In fact, the meetings of various committees have taken place in a number of cities, such as London (Trade Facilitation), Auckland (Officers meeting), Hamburg (Port Planning), Durban (Port Safety & Environments and Marine Operations), New York (IAPH/IMO Interface Group), Algeciras (Sea Trade and Africa/Europe Officers' Meeting and Madrid (Legal Protection Committee), to name a few.

The numerous achievements we have been able to report to IAPH's worldwide membership have come about due to the dedicated service given by the chairpersons and members of both the Internal and Technical Committees.

Our membership campaign efforts have been supported by innumerable IAPH officers and other individuals. As we are going to hear the Membership Committee's report later in this session, I will not discuss the details of the current situation concerning membership. However, I would like to request all members' continued support of our membership recruitment efforts.

As for our organization's financial situation, I sincerely hope that the financial performance as presented in the settlement of accounts for 1995 and the budget for 1996 to be presented by the Finance Committee will win the support of this meeting. No doubt our continuing efforts will be directed towards achieving best use of the Association's funds in order for IAPH to work for the increased benefit of its members.

As regards the Association's journal "Ports and Harbors", it has been the constant aim of the IAPH Head Office Secretariat to



*President Cooper (center) opens the business session.*



*Secretary General Kusaka (left) presents his report on IAPH activities.*

improve the journal within the constraints of human resources and the funds available. In this connection, special mention is made of the fact that some tangible improvements to the journal have been possible thanks to the suggestions we have been able to receive from London. The Head Office secretariat will continue pursuing possible improvements to future issues.

It has been a guiding principle previously agreed by the Exco that every Exco member must contribute papers for the "Open Forum" section at least once in his or her two-year term of office. We urge all members to use the space available in the journal as actively and frequently as possible. Moreover, members are asked to lend their positive support to the ongoing efforts to boost advertising in the journal.

In connection with our efforts to reduce the overall expenditure for the Tokyo Head Office, the arrangement has been made to relocate the Head Office early in July. The new office will be only a few minutes' walk from where our office is presently located. The telephone and fax numbers are to remain unchanged for the benefit of our members. With this arrangement, we are expecting to reduce our office rents by over 40% on an annual basis.

Finally, I am convinced that our deliberations this week in Bali will contribute to crystallizing what further commitments are required of each of us in our various capacities towards advancing the work of this organization so as to increase the dividends not only to its members but also to all ports and port communities throughout the world. Thank you!

## Reports from Internal Committees

### Membership

Mr. Erick Schafer (Copenhagen), Vice-Chairman of the Membership Committee, reported on the current situation concerning IAPH membership on behalf of Mr. Ron Brinson (New Orleans), Chairman of the Committee, who was absent.

Mr. Schafer reported that there had been 232 Regular Members (with the number of units subscribed totalling 744) and 105 Associate Members (with 107 units) from 83 countries and economies as of 31 March 1996. He further reported that a total of 13 members – 7 Regular and 6 Associate Members – had joined the Association in 1995, although the Association had lost 15 Regular and 7 Associate Members during the same period, resulting in a decrease of 9 members (8 Regular and one Associate). The meeting also heard of the changes in the Spanish membership.

Mr. Schafer commented that, as a result of such reforms involving world ports and for financial reasons, some members of long-

standing had no option but to leave IAPH. He urged Exco members to give their continuing support to the membership campaign efforts.

In conclusion Mr. Schafer expressed his deep appreciation to Mr. S. F. Makalew, former Director of the Indonesia Port Corporation I, for the contribution he had made to the work of the Membership Committee from the mid-1980s until he left his position at the port last autumn.

## Constitution and By-Laws

Chairman Carl Veng (Copenhagen) gave the Constitution and By-Laws Committee report.

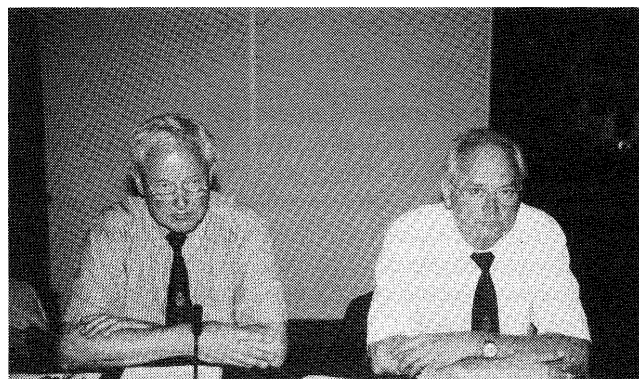
The Committee considered whether further amendments should be recommended to the Exco meeting for submission to the London Conference next year. Since the major amendments to the Constitution and By-laws were made in Seattle, the Committee had not found any critical points in the provisions of the By-Laws to be amended. Nevertheless, it considered that some minor changes would be appropriate. They include:

Simplification of the explanation of the dues for Associate Members - to replace the relevant wording by a table.

Specification of gender: – to amend the wording he or his to be changed to read he/she and his/her and to add an additional clause to the effect that:

"The wording 'Chairman' or 'Chairmen' used in the By-Laws does not indicate any specific gender but is applicable to the specific function of the members concerned".

The report also touched on the topic concerning the timing of decision on the venue of future Conferences. The point was to see if the site selection by the Board could take place more than four years prior to the Conference so as to enable the host to allow more time for the preparations involving local governmental or municipal authorities.



*Mr. Schafer (right) and Mr. Veng present the Membership and Constitution & By-Laws reports.*

## The IAPH/IMO Interface Group

### Report by Jean Smagghe

You will remember that last year in Seattle, I speculated on the continuing existence of the Ship/Port Interface Working Group in IMO, known as the SPI Group.

We now know that the SPI Group will continue in being, and

we were right to stress the strategic importance of the IAPH/IMO Interface Group we set up two years ago in Copenhagen in order to make positive and constructive contributions to IMO discussions, keeping in mind that the aim of our Association is the defense of our members' interest.

In Seattle, we decided to strengthen the IAPH/IMO Interface Group by increasing its membership by one from each region and authorizing direct participation of a representative from each region's association of ports.

The Group's membership now comprises:

Myself as Chairman, the other Vice-Presidents, the past President and the Chargé de Mission for International Affairs as ex officio members

3 members from Africa/Europe: Struijs (Rotterdam), Navas (Madrid) and Prevot (Le Havre)

3 members from America: Kornegay (Houston), Krygsman (Stockton) and Stark (Vancouver)

3 members from Asia: Goon (Singapore), Hayes (Sydney) and Tu Deming (Shanghai) Representatives of AAPA, ESPO, AAPMA

Alex Smith, IAPH's Liaison Officer with IMO, and, of course,

The Coordinator and Chairmen of our Technical Committees, particularly Pat Keenan and Peter van der Kluit.

Three meetings have been held since June 1995, one in Seattle, one in London in September, one in New York in January, and another meeting was held yesterday here in Bali.

It is a pity that we were unable to meet in Houston but I would like to thank Tom Kornegay who had invited the Group to meet in Houston and I would like to thank Lillian Borrone for having hosted the Group in the Port of New York. Of course reports of these meetings have been circulated and I am sure that you are all well aware of the work performed. You will also find all the details in the reports of the Technical Committees.

Since June 1995, the Group has covered 17 meetings of IMO committees and subcommittees. The main issues we have dealt with:

## 1. Protection of the Marine Environment:

Many of our efforts have been directed to overseeing IAPH's contribution to IMO discussions of the subject. We have often had to give a quick response and we have thus adopted the Association's accelerated procedure for agreeing and submitting position papers to IMO dealing with:

- Financing and sustainable funding of port reception facilities for waste from ships
- Prevention of air pollution from ships
- Anti fouling paint on ships' hulls

Furthermore, we have asked the Port Safety and Environment Committee to develop IAPH positions on:

- The presence of harmful organisms in ballast water
- The adoption of the precautionary approach in environmental protection
- Emergency preparedness and response to pollution of port waters

## 2. Maritime Safety:

Here also there are a lot of important issues:

Our Group is more than ever aware of the importance attached

by IMO to the need for all interested parties, including Ports, to take all possible steps to secure the safety of bulk carriers: This means that we need the proposals of our Technical Committees, and particularly the Cargo Operations Committee, which must examine the draft Code of Practice for the safe loading and unloading of dry bulk carriers established in IMO.

Three other issues are also important to us:

The Port State Control – PSC – which has become a significant weapon in IMO's armoury to defend States against the dangers posed by sub-standard ships. Our position is quite clear: ports should not be directly involved at Vessel Traffic Services. Our position is that the development and implementation of VTS Systems should be based on carefully assessed local requirements. I would also like to mention that we now have to look at hydrographic surveying and charting commitments, this issue being of course very important to secure safer navigation in some parts of the world.

## 3. Port Operations:

We have the feeling that IMO's SPI Group is more and more interested in some issues which are in the field of Port Operations, but do not seem to be really in the field of IMO's activities, such as safety in dock work or cargo handling training programmes. We must of course avoid any overlapping with IMO and we will try to convince IMO that they should deal with port operations only when there is a clear, demonstrable and compelling need for them to do so, which does not seem to be the case today.

To conclude, I would like to stress that the IAPH/IMO Interface Group seems more important than ever to IAPH. This Group is very active and I do think that it has been very efficient. Of course its activities are based on the IAPH Technical Committees, mainly the Port Safety and Environment Committee, the Marine Operations Committee, the Legal Protection Committee, the Cargo Operations Committee and the Trade Facilitation Committee. I wish to thank warmly the members of the Group for their active and efficient work as well as the members and particularly the Chairmen of the associated Technical Committees. Finally I have to thank Alex Smith in cooperation with the secretariat in Tokyo, for the very important role he plays as a pivot of this Group, for the great efforts he has made for the success of our work, and of course for his wealth of experience in IMO matters.

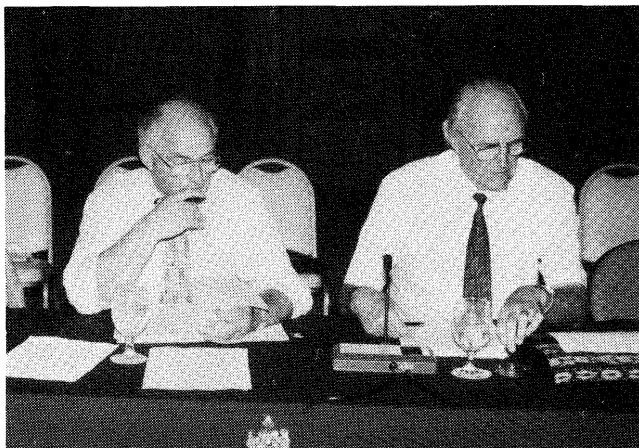
# On the IAPH/BPA Agreement on Representation

## for the Period May 1995 to April 1996

### Report by Alex J Smith IAPH European Representative

**M**y report has been previously circulated. I intend at this time to focus your attention only on those matters which I believe are of immediate importance.

In so far as I believe representational objectives have been met credit is due in large part to the support and contributory efforts of dedicated IAPH activists in the Region. On IAPH's behalf, I am



*Mr. Smith (right) reports on representation activities.*

indebted to them for their continuing encouragement and readily available expert assistance. I am also very appreciative of the back-up provided by the staff at BPA and IAPH Head Office.

It is convenient for reporting purposes to refer separately to IAPH's links with the UN System's Organisations, System's Organisations, Intergovernmental Agencies and Non-Governmental Organisations (NGOs). It should be understood however that cross-linkage of the work of these bodies on issues of specific interest to IAPH is thankfully very much the rule and very necessary if joint efforts are to meet with success.

It is significant and important that the business of seaports has begun to feature regularly in discussions within the organisations of the UN System. Such discussions should be encouraged with the proviso that IAPH accepts and responds positively to the notion that their credibility demands the input of expertise from active port operational personnel.

That input is particularly important in discussions within the International Maritime Organisation (IMO). ExCo is therefore

asked to continue to encourage member ports to release personnel with specific expertise to give direction and authority to IAPH's presentations at IMO meetings based on well-reasoned technical briefs prepared by IAPH Committees.

ExCo would also no doubt wish to encourage the growing trend wherein active port operational personnel are being included within the national delegations of IMO's Member States. Both the local and international interests of their ports are thereby doubly secured.

ExCo's attention has earlier been drawn to IAPH/IMO Interface Group activities by Mr Smagghe. Section 2 of my report should be seen as complementary to Mr Smagghe's report. In Section 3 you will also have noted IAPH's close links with other intergovernmental agencies.

I continue to believe strongly in the benefits which we in IAPH derive from continuing and close co-operation with non-governmental organisations (NGOs). Aspects of some of these benefits are referred to in Section 4 of my report.

With regard to one of these matters specifically, ExCo is asked to continue to encourage port participation in the World VTS Guide which after all is jointly owned and published by IAPH together with IALA and IMPA. The Guide is now recognised widely as the authoritative document in this field of activity.

The importance of correlating IAPH activities with those of Regional Port Associations (RPAs) almost goes without saying. Deliberate efforts to do so however are a recent phenomenon and stem directly from the mutually perceived needs of IAPH and RPAs to develop and promote global solutions to what both parties now more than ever know to be global problems.

I have made one proposal in this regard namely that IAPH should develop a handbook for general circulation listing all Associations of Ports including their respective aims and objectives and key contact points as a step along the road towards greater cooperation and communications between IAPH and local/regional associations of ports.

## Exco Meeting: Part Two

**Wednesday, 24 April**

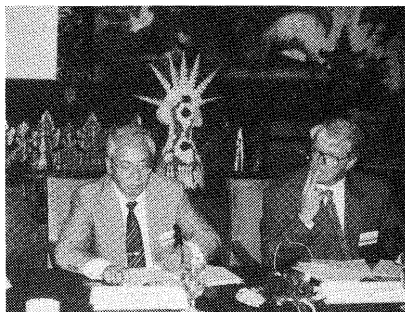
### 20th IAPH World Ports Conference in London

**M**r. David Jeffery, Chief Executive, Port of London Authority and the IAPH Conference Vice-President, assisted by Mr. Geoff Adam, Executive Secretary for the Conference Organizing Committee, made presentations on the plans for the 20th Conference. The meeting heard that the preparatory work being conducted by the Steering and Organizing Committees in London was well advanced. They explained that the speakers invited for the working sessions would include top officials from IMO, UNCTAD and WTO (formerly GATT), along with other internationally known figures representing major business and academic institutions. Many speakers had already confirmed their participation. The outline of the 20th Conference is introduced later in this issue.

#### Registration Fee

Mr. Jeffery referred to the question of the level of registration fee chargeable to Conference participants. He indicated that the

post-recessionary climate was making it difficult even to maintain the optimum level of sponsorship achieved by earlier hosts. It



*Mr. Jeffery (right) speaks on the London Conference.*

was therefore apparent that a higher fee was required that reflected the quality of the Conference. He proposed that a registration fee of £1,200 plus VAT (currently 17.5%) for IAPH members and £1,500 plus VAT for non-IAPH members will be chargeable.

Following lengthy and detailed discussion Exco accepted that it had always been apparent that the selection of London as the 1997 Conference venue would lead to an increase in registration fee that reflected the fixed

costs of holding such an event in the UK. Its prestigious qualities as a centre of international maritime activity required a high standard of programming with further additional expense. In the event Exco expressed its appreciation that great care had been taken by the Organizers to keep the costs within acceptable limits which compared favourably with those for conferences recently held in London and northern Europe. Mr. Welch, Chairman of the Finance Committee, seconded Mr. Jeffery's proposal for the level and structure of fees, which was then unanimously agreed by Exco for submission to and approval by the Board of Directors by correspondence on 30 June 1996.



## Report by the Finance Committee

The Finance Committee, chaired by Mr. W. Don Welch, met in Bali on Monday 22 April and again on Wednesday 24 April immediately prior to the resumption of the Exco meeting. The Committee, based on the discussions and examination of the financial reports submitted by the Secretary General, recommended that Exco accept the Settlement of Accounts for 1995 and the budget for 1996. In making this recommendation, Chairman Welch highlighted the following points:

### 1) Settlement of Accounts for 1995

The negative impact of the drastic appreciation of the Yen during the years of 1993, 1994 and 1995 has been sharply reflected in the financial performance of the Association in 1995.

The deficit estimated in the 1995 budget was nearly halved because the disbursement of funds budgeted for the items "Technical Committees' Financial Support" and "Strategic Action Projects" was not made in full as some of the projects had been postponed to 1996, and as a result of the cost-saving measures adopted by the Head Office.

### 2) Financial Operations for 1996 and 1997

Short-term interest rates in Japan have fallen to a record-low of 0.5% making it all the more difficult to expect a normal level of revenues from operating funds.

With this situation in mind, the Head Office has decided to move its office to a less expensive premise effective from July this year, but without affecting the telephone and fax numbers. On a yearly basis, amount of 5 million Yen, or some 40% of the current office rent will be saved.

### 3) Financial Prospects for 2006

The Committee examined a paper presented by the Head Office on the financial prospects for the next 10 years till 2006 in which a series of simulations had been conducted to see at what stage and to what degree IAPH would need an increase in the Regular Membership dues. Having considered the contents of the paper, the Committee was instructed to monitor the situation and report to the 1997 Conference in London.

### 4) Expense Items

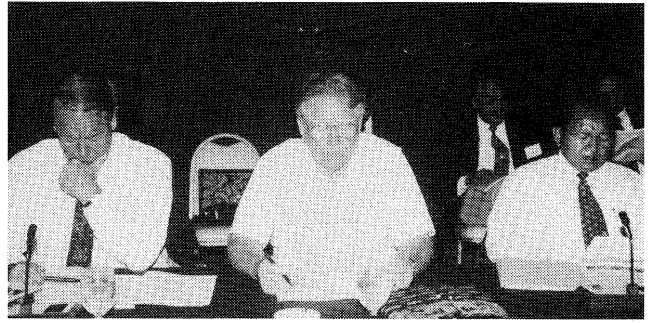
In accordance with the recommendation by the Committee, the meeting approved the following expense items:

Co-sponsorship for the "Ship/Shore Safety Check List", a project which is fully supported by IMO, to be published by ICS, BIMCO, ICHCA, OCIMF and IAPH. IAPH was to contribute the amount of £2,000.

Sponsorship of a workshop to be organized at the initiative of the Human Resources Committee in Mombasa sometime in this year. It was confirmed that once main features of the workshop had been clarified IAPH would approve financial support up to US\$6,000.

IAPH is in receipt of a formal request by the IMO Secretary General to share part in the IMO expenses for their publications. This element has been incorporated in the budget item "Yet to be decided by the Board" but without specifying any concrete amount. IMO is yet to formalize its request for funding to the parties concerned.

As for the project for a trial production of a publication to be known as "Port Health and Safety News", proposed by the



Mr. Welch (center) report on IAPH finances.

Port Safety & Environment Committee, the Finance Committee took the views that the creation of a new publication by IAPH should be looked at more carefully in the context of the entire budget so as to minimize the items which require disbursements on a constant basis.

### 5) IAPH Revenues

The Committee again recommended that the Association seek ways in which the revenues of IAPH can be enhanced through means other than the membership dues, by supporting advertising in the journal or publications of IAPH or by organizing seminars where possible.

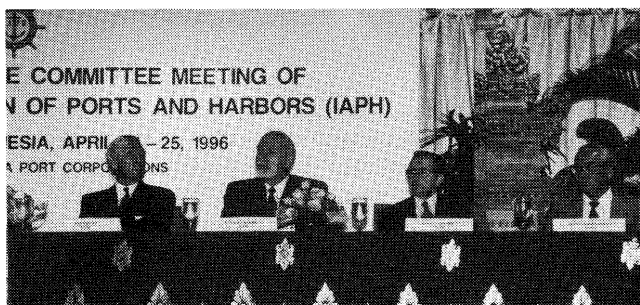
## Reports from Technical Committees

### Port Affairs Group: by Smagge, Coordinating Vice President

As you know, the Port Affairs Group is composed of five Technical Committees, namely, Port Planning and Construction, Dredging, Port Safety and Environment, Marine Operations and Cargo Operations. I must also add that our colleague Pat Keenan very efficiently coordinates these five Committees. Today, three of the five Committee Chairmen are attending, and they will report on their work. Before they do so, however, I would like to stress how active these three Committees have been.

Philip Ng held a meeting of the **Port Planning and Construction Committee** in Hamburg last December, where several very interesting papers were presented on different issues dealing with port development. The work performed is very valuable and we can be confident that the Committee will be able to present papers at the London Conference in 1997 on the most advanced port technologies. Furthermore, the Committee will start the updating of the IAPH Guidelines for Port Planning and Design and intends to present a new edition in Kuala Lumpur in 1999, four years after the last edition in 1995.

Anthony MacDonald, as you know, has chaired the **Dredging Task Force** since the Seattle/Tacoma Conference in 1995. He attended a very important meeting of the London Convention 72 held in London at the beginning of December with our Legal Adviser, Mr. Joseph LeBlanc. The next meeting of the LC Scientific Group will be held in May and a Diplomatic Conference to adopt an amended Convention will be held at the end of October in London. Of course, this meeting is very



*Coordinating Vice-Presidents Smagghe (2nd from left), Taddeo and Someya report on the work of the Technical Committees.*

important and the IAPH Dredging Task Force will continue its efforts to ensure that the final amendment decisions adequately protect port interests. I would like to insist again on the importance of the work of the Dredging Task Force for ports.

**Peter van der Kluit** has done a tremendous work as usual. Because of the problems encountered by John Watson in the Port of Dundee, he agreed to hold and chair joint meetings of the Port Safety and Environment Committee and the Committee on Marine Operations. One of these meetings was held in South Africa in November, the other one in Rotterdam three weeks ago.

It is clear that **the Committee on Port Safety and Environment** is essential to the life of the Association as well as to the defence of its members' interests, as it deals with issues which are sensitive and often very political. Of course, the basic task of the Committee will be discussed and endorsed by the IAPH/IMO Interface Group. Among these issues, I would like to take in particular the financing of port reception facilities, air pollution from ships, including fuel oil quality, aquatic organisms in ballast water and the use of TBT paints. The Committee is also working on Guidelines on waste management and is keenly interested in the setting up of workshops in developing countries. On Monday, the IAPH/IMO Interface Group approved:

- a paper on TBT paints; and
- the circulation of the questionnaire of IMO on the financing of reception facilities through the IAPH Secretary General to port members.

Now I would like to say a few words on the **Marine Operations Committee**. In fact **Mr. Watson** has not been able to chair this Committee since 1994 due to the privatization process in the Port of Dundee. Unfortunately, he had to resign from his position of Chairman of the Committee a few weeks ago. Of course, we are all very sad about that and I would like personally to thank him very much for the efficient work he has performed for the Association, keeping in mind the time when I was chairing the COPSEC in the years '87 to '93.

We are now looking for a successor to John, and I make the proposal to our President that the Chairman of the Marine Operations Committee, **Mr. I. B. Dale, Director, Marine Department, Hong Kong**, should be appointed today with the Vice-Chairman to be appointed by the EHMA.

The main issues the Marine Operations Committee will have to address immediately are closely linked to IMO concerns such as the VTS, the safety of bulkcarriers, the Port State Control and the Hydrographic surveying and charting commitments. About bulkcarriers, I thank the Finance Committee for its deci-

sion to the effect that IAPH should financially participate in the project along with the other maritime institutions.

The fifth Committee of the group is the **Cargo Operations Committee**. Unfortunately, **John Terpstra** is not here today, but I am sure that you were all supplied in February with the excellent report on the container gantry cranes survey. This is a good opportunity for me to thank the Secretary General and his team for the work performed to produce this survey as well as the edition of the report. Another very important task for the Committee is to keep monitoring the evolution of the non standard containers, even if Europe is working hard to stop this development. I also want to say a word on the concept of the "precautionary approach", in which port operations will become more and more complicated. Although it is not a serious problem today, I agree with Mr. McDonald that we must not neglect it.

## Trade Affairs Group

### by Taddeo, Coordinating Vice President

It is my pleasure to report on the activities of the Technical Committees for Trade Affairs group, which comprises the following four committees:

- Ship Trends
- Sea Trade
- Trade Facilitation
- Combined Transport and Distribution

### Ship Trends Committee

The Ship Trends Committee met in Paris on February 23, 1996 and decided it will update the previous report presented at the 19th Conference in Seattle/Tacoma.

In order to do so, the committee will collect information about the world economy, variation of GDP, variation of industrial production, trade expansion, etc...

Secondly, it will give information on some specific seaborne trades that seem to be of particular interest, such as container, reefer, crude oil, liquified gas and dry bulk. The livestock carriers issue will be kept pending.

Thirdly, it will follow the situation of the world fleet and new vessels on order in the shipyards.

Finally, it will inquire and comment on trend characteristics of ships and will consider these trends as regards design and equipment for port facilities in order to be able to make appropriate recommendations.

A preliminary draft is scheduled for November 1996 and will be considered at the next Committee meeting and the final report will be ready in March 1997, to be presented to the 20th IAPH conference.

As far as the membership is concerned, I am pleased to inform you that the Ship Trends Committee counts five new members from the ports of Antwerp, Osaka, Charleston, Port Hedland and Montreal.

### Sea Trade Committee

As you well know, the Sea Trade Committee was created by Mrs. Lillian Borrone, Chairman 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 Paolo of the

Puertos del Estado and Mr. Jose Arana of the Puerto Bahia de Algeciras on February 25-27 1996, in Algeciras, Spain. It was held in conjunction with the spring 1996 meeting of the IAPH's African and European officers and divided into sessions on trade, ship design and port design.

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 seminar was a financial success. The considerable expenses necessary to hold the seminar were offset by modest conference fees and the generous hospitality and support of the Puertos del Estado and the Puerto Bahia de Algeciras.

The Sea Trade Committee has dedicated several meetings to the review and refinement of guidelines for the collection and analysis of port statistical definitions. These definitions are being distributed to other interested organizations for their comments.

The committee is also investigating the available options for the provisions of port, regional and trade lane forecasts. Mr. Mike Sclar, with Mike Sclar Associates and DRI-McGraw-Hill's World Sea Trade Service (WSTS), has assisted the committee on several occasions and was invited to speak in Seattle. In Algeciras, Mr. Sclar demonstrated the capabilities of his product to a general audience and held a workshop for those interested in exploring its impressive capabilities in greater detail.

The committee will be continuing efforts to assist members gain a wider understanding of the availability of consistent trade forecasting services in the coming months.

## Trade Facilitation Committee

At the IAPH conference in Seattle last June, it was announced that Mr. Hassan Ansary of Canada Ports Corporation had been appointed to take over from Mr. David Jeffery as Chairman of the Trade Facilitation Committee but, unfortunately, he was unable to take up the position. Mr. Jeffery kindly agreed to carry on as Chairman of the committee and we are all very grateful for his kind cooperation.

Turning to the more permanent chairmanship of the TFC, I am pleased to inform EXCO that Mr. Leandro Amargos from the Port of Barcelona has agreed to take over the chairmanship of this committee with the full support of the President of the Port of Barcelona as well as Mr. Fernando Palao.

Mr. Amargos has been an active member of the committee and has made major contribution to other work that Mr. Jeffery had let in this field on behalf of the European Maritime Industries Forum. He will bring a new dimension to the TFC and I recommend to EXCO that Mr. Leandro Amargos be appointed Chairman of the Trade Facilitation Committee.

The Trade Facilitation Committee held two meetings, the first in London in October 1995, and the second in Limmasol, Cyprus, on March 15, 1996, to coincide with the Transmed Conference 1996 and the Mediterranean Freight Exhibition.

The committee seeks to avoid undertaking work already being covered by other organizations and in order to do so, maintains contact with UN Economic Commission for Europe WP.4 (Working Party on Facilitation of International Trade Procedures) and with the World Customs Organization.

The issues currently being covered by the TFC work programme include:

- IAPH IT Award
- Information sharing
- Regional and EDI Developments
- Customs Procedures
- Training Requirements
- Involvement with other Organizations

- Electronic Links between TFC members

## Conclusion

The issues highlighted above and reviewed in detail by the committees have a direct impact on our ports not only immediately but also for the long run. The sharing of information as well as EDI developments will help each port to carry out its mission.

I extend my most sincere thanks to all active members of the Technical Committees for Trade Affairs and say "UN GRAND MERCI" to the chairpersons in charge of the committees and more specifically to Mr. D. J. Jeffery, chairman of the Trade Facilitation Committee, who has so graciously accepted to carry on his mandate after Seattle due to uncontrollable circumstances.

## Report from the Combined Transport and Distribution Committee by Göran Wennergren

Mr. Wennergren (Göteborg), Chairman of the Committee, made presentations on the state of the study work undertaken by his Committee. He explained that the Committee, in cooperation with a group of university researchers from University of Technology in Gothenburg and Tokyo University of Mercantile Marine, had completed the Report titled "The Future Role of Ports in Combined Transport and Distribution Centres". The Report will be published by the IAPH Head Office with the full support of the Port of Göteborg and other voluntary sponsors towards the end of this year. A summary and outline of the Report follow:

## SUMMARY

In this report the future role of ports in the area of combined transport is studied. Higher requirements placed on transport both from industry and political intervention are believed to encourage the development of combined transport systems. Consequently, this will be an important development area for ports. It is found that ports can successfully play an active role in the developments, operation and management of combined transport systems. This report also considers distribution centres. It is found that ports have good potentials to establish distribution centres. Even if ports choose not to get involved in the actual operation of distribution centres it is suggested that they should establish close cooperation with them, at inland locations as well as close to the port.

The following nine key issues for ports to consider are identified:

- Study industrial markets. Identify your customers and be customer-focused.
- Commercial integration. Increase the ports transport activities.
- Engage in distribution centres.
- Port to port alliance.
- Transport chain alliances.
- Commercial integration. Smart solutions.
- Invest in communication, information and logistic competence.
- Stimulate unitized cargo.
- Develop competence and positive attitudes.

## REPORT OUTLINE

This report consists of seven chapters. In chapter one the background and the purpose of the work is given as well as a description of the method used. A frame of reference for the analysis is developed in chapter two. Chapter three contains a description of the current situation in terms of trends and obstacles. Short term and long term scenarios are described in chapter four. Distribution centres and how they concern ports are discussed in

chapter five. In chapter six case studies of ports are presented and analysed. Conclusions from this study, in terms of success factors, are presented in chapter seven.

## Human & External Affairs Group

by Someya, Coordinating Vice President

As the Coordinating Vice President of the Human and External Affairs Group, I would like to report on the activities of our three committees, namely, the Human Resources, Legal Protection, and Port Communities Committees.

I would like to start with the report of the **Human Resources Committee** chaired by Mr. Goon Kok Loon from the Port of Singapore Authority.

As the importance of human resources has become more recognized worldwide, the role and activities of the field of human resources development is greatly expanding. Following this trend, preparations for the workshop/seminar in Africa have been under way since the Seattle Conference. During the Human and External Affairs Group meeting yesterday, it was proposed at the initiatives of Mr. Goon and Mr. Bayada that the workshop/seminar should be held in Mombassa in August with 100-150 participants. This would also require US\$6,000 contribution from the IAPH.

It was also suggested at the meeting yesterday that it might be appropriate to ask for some assistance from other ports in the Europe/Africa Region in order to bring the workshop/seminar to a greater success. This point still needs to be discussed and coordinated, and it was pointed out that it should be held sometime in November or December this year, rather than in August, which would allow only four months to go through all the preparations. This proposal seems to be fairly reasonable. I trust that this seminar/workshop will be a great opportunity for ports in developing countries to acquire advanced knowledge about port operation and management.

The committee is also dealing with the IAPH Bursary Scheme and the Award Scheme Essay Contest. Information on the Bursary Scheme for 1996 and the Award Scheme for 1996/1997 have been released in the first issue of Ports & Harbors this year. At the Human and External Affairs Group meeting yesterday, it was pointed out that we should have French and Spanish speaking judges for the Essay Contest to make it fair to all the applicants, since the condition of the scheme allows entries in either the English, Spanish or French languages. Now we are trying to select suitable persons for the judges.

Overall, the activities of the committee have been very helpful to the development of human resources and it is clear that this committee has fulfilled its mandate.

Turning to the report of **Legal Protection Committee**, it has been dealing with three major issues, namely, issues on HNS Convention, the revision of the 1976 Convention on the Limitation of the Liability for Maritime Claims, and Ships' Arrests.

The HNS Convention will have a direct impact on ports, and the committee has submitted a position paper to the IMO Diplomatic Conference, which is now being held in London. I believe that the outcome of this conference will be a desirable one for all IAPH member ports.

As for the second issue, the revision of the 1976 Convention concerning Maritime Claims, the committee has submitted a position paper to the Diplomatic Conference, which includes the

IAPH opinions on the spill-over issue.

As for the third issue, UNCTAD and IMO are now jointly working on the revision of the 1952 Convention on the Arrest of Sea-Going Ships, but I am sorry to say that draft convention, now under discussion, does not consider the interests of ports. On behalf of Mr. Valls, I would like to call for your continuing attention on this matter.

The issue of arrested ships is becoming more and more serious in many ports, and the committee is now preparing to circulate a questionnaire among IAPH Directors and submit the results to the UNCTAD/IMO joint meeting scheduled for this December, if it proves necessary. The committee would like to ask Exco to endorse their planned circulation of the questionnaire.

Mr. Valls has asked me to put the following requests to Exco.

The first is the committee would like Exco to mandate its continuing work and approach with regard to a possible further submission to IMO and UNCTAD, concerning the problems related to the Arrests of Sea-Going Ships.

The other is that they would like to ask Exco to mandate the committee to continue its work with regard to the Work Program of the IMO Legal Committee or other UN agencies, involving legislation where the interests of ports are involved.

The committee has made enormous contributions to protect the legal status of ports, and it is certain that they will continue to be of great benefit to the member ports. Therefore I myself can find no reason to object to Mr. Valls' requests.

Lastly, I would like to present the report of the Port Communities Committee.

The **Port Communities Committee** submitted a report on the public relations strategies survey at the Seattle Conference, and the final version of the report is now available to all members.

The terms of reference of the committee is "to encourage the development of the whole port community by means of identifying community attitudes to port development and operations and the growth of industries in port areas and to formulate a public relations strategy to deal with problems that may arise." Chairman Bellefontaine is now planning to communicate with each committee member for ideas of suggestions regarding the title of the committee and its terms of reference.

Chairman Bellefontaine would also like to ask for any suggestions or comments from Exco members regarding the committee's future work plans.

This concludes the reports of the Human and External Affairs Group.

In closing, I would like to express my sincere appreciation to Chairmen Goon, Valls and Bellefontaine, for their generous efforts in facilitation their respective committee's activities.

Thank you very much.

## Sea Trade Seminar in Algeciras

Report by Jean Smaghe

Thanks to Lillian Borrone, New York, and to Fernando Palao, Puertos del Estado of Spain, we were able to set up a new kind of IAPH meeting on the occasion of the IAPH Africa-Europe meeting in Spain in February. I am very happy to tell you that the IAPH Sea Trade Seminar held in Spain two months ago was a great success. It was attended by about 80 top managers of African and European ports – mainly port chief executives – and the level of quality of the presentations was very

high. We organized three working sessions dealing with Trade Forecasts, New Trends in Ship Construction and Port Development. The three American lecturers were excellent: They were Mr. Sclar, Mr. McKesson and Mr. Zachary, whose offerings we had highly appreciated in Seattle last year. The three moderators were Fernando Palao, Peter Struijs and myself. We had time for a real debate and I do think that IAPH meetings along these lines must be encouraged. It is certainly profitable for the professional image of our Association. From a financial point of view, it appears that such meetings can be financed by very modest fees paid by each participant, about US\$200 only, although, of course this is only possible if the host agrees to pay the expenses linked to the social events. Anyway I am convinced that this is a good way to promote our Association in the future and I am convinced that this is followed by new seminars of that kind in the near future. Muchas Gracias, Fernando!

## Expression of Appreciation to the Hosts

**T**he Executive Committee adjourned with a resolution of thanks to the hosts of the mid-term Exco meetings, which was read by Mr. Patrick Falvey, Chairman of the Legal Counselors from New York, at the official closing ceremony held on the evening of Wednesday, 24 April. The ceremony was followed by the IAPH dinner, where President Cooper thanked everyone involved in the event.

## Resolution of Thanks

By the Executive Committee of the International Association of Ports and Harbor (IAPH),  
at its mid-term meeting on Wednesday, 24 April, 1996  
at the Grand Bali Beach Hotel, Bali, Indonesia

RESOLVED that the Executive Committee of the International Association of Ports and Harbors does hereby express its deep appreciation to:

H.E. Dr. Haryanto Dhanutirto  
Minister of Communications, Indonesia

H.E. Dr. Ida Bagus Oka  
The Governor of Bali

for their most gracious support and cooperation toward the successful convening and conduct of the mid-term meeting of the Executive Committee of the IAPH.

Our thanks also go to

Mr. Soentoro, Director General of Sea Communication

Mr. Syamsul Bachri, Managing Director  
Indonesia Port Corporation I

Mr. Amir Harbani, Managing Director  
Indonesia Port Corporation II

Mr. Frans R. Masengi, Managing Director  
Indonesia Port Corporation III

Mr. Sumardi, Managing Director  
Indonesia Port Corporation IV

and

Mr. Sudjanadi, Chairman of the Organizing Committee  
for the Mid-Term Meeting of IAPH and its staffers

for their untiring dedication for making the mid-term meeting of IAPH's Executive Committee such a success.

Our thanks further go to  
the Exhibitors, NUSTRA Convention and  
The Grand Bali Beach Hotel  
and their staffers for their support and cooperation for the  
success of the meeting and for the  
enjoyment of the participants  
without their dedicated service and help  
the Meeting would not have been such a success.



Mr. Patrick Falvey (left) reads Exco's resolution expressing appreciation to the Hosts.



The Indonesian hosts acknowledge the appreciation for their work on the Closing Ceremony.



At the IAPH dinner, a 'Kecak' dance is performed by young people from Bali.



# Indonesia Session

0800-0930, Wednesday 24 April

**F**ollowing the very successful session held during the Copenhagen Exco meeting in 1994, a bull session was again slated for the Bali program on Wednesday 24 April. The session was devoted to the presentations on "Private Sector Participation in Indonesia's Port Development Program" delivered by Mr. Soentoro,

Director General, Sea Communication, ably assisted by Mr. Sudjanadi and the other officials from the four Port Corporations. The presentations are partly introduced later in this issue for the benefit of the readers of the journal.

## Private Sector Participation In Indonesia's Port Development Program

**By Mr. Soentoro**  
Director General of Sea Communication  
Ministry of Communications, Indonesia  
at the Exco Meeting of the IAPH (Bull Session)  
24 April 1996, Grand Bali Beach Hotel

Directorate General  
Of Sea Communication  
Ministry of Communications,  
Republic of Indonesia

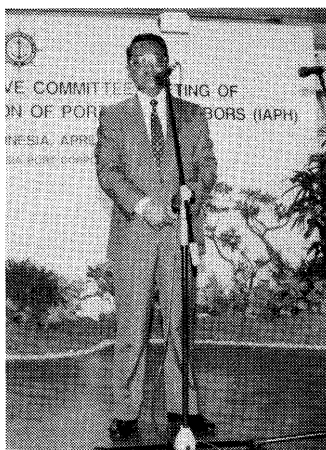
Indonesia  
Port Corporations I, II, III, IV

### 1. Introduction

Indonesia is one of the fastest-developing nations in Southeast Asia. With its vast natural resources, strategic location at the crossroads of the major shipping routes, large population and rapid industrial expansion, the country offers many opportunities for private investors.

Indonesia is now in the sixth Five-Year-Development-Plan Period (PELITA VI) in which the emphasis has been on assisting the private sectors to generate development and employment.

The maritime trade of Indonesia through public ports, domestic and international, totaled some 400 million tons in 1995. Ports of Indonesia are growing upstream. A remarkable growth of the container traffic in Indonesia during last three years has been increased very rapidly of about 25% annually, while the total container throughput for 8 major container ports in 1995 is of 2.5 million TEUs which estimated to be increased by the end of 1998 (end PELITA VI) of 4 million TEUs. As the most prospective major container ports among others: Tanjung Priok, Tanjung Perak, Tanjung Emas, Belawan, Makassar, Panjang, Banjarmasin, Balikpapan, Bitung and Palembang. And the further new deep



sea ports of Kabil Batam and Bojonegara. To reach the port infrastructure demand on containerization, a Master Plan and feasibility studies have been prepared. The Ministry of Communications/ Directorate General of Sea Communication and Indonesia Port Corporations have decided a development plan for major container ports in Indonesia.

After years of tight regulation, Indonesia has opened its port sector to private investment. In this paper, we describe the country and its port development programme and private sector participation.

### 2. Indonesia

Indonesia is one of the newly-industrializing countries of Southeast Asia. Along with fellow members in the Association of Southeast Asian Nations (ASEAN), Indonesia has experienced rapid economic growth, a rising standard of living and an emerging middle class in the last decade. With an expanding economy and rising living standards comes rapid growth in international trade.

For many years, Indonesia relied on exports of oil and gas to drive its economy. Policy changes at the highest level, starting about a decade ago, began the development of a domestic manufacturing industry and the participation of foreign investment.

Indonesia is an archipelago that stretches from east to west for a distance comparable to the width of the USA. With the exceptions of land transport within the densely-populated island of Java and, to a lesser extent, within parts of Sumatra, Indonesia depends on ports and shipping for most of its domestic and international commerce. Figure 2.1 shows the strategic position of Indonesia,

which located at the crossroads of the major shipping routes.

The statistics in Table 2.1 highlight the principal features of Indonesia.

**Table 2.1 - Statistical Summary of Indonesia**

Item	Value
Population (Millions)	
Actual 1990	179
Estimated 1993	188
Projected 2000	210
Projected Annual Increase Rate 1990 to 2000	1.6%
Gross Domestic Product - 1993 (Billion Rupiah)	
Total	298,026
Excluding oil and gas	270,750
Annual Percent Increase in Total Gross Domestic Product	
1993 over 1992	6.5%
1987 - 1993	6.7%
Annual Percent Increase in Manufacturing	
1993	6.5%
1987 - 1993	10.2%
Gross Domestic Capital Formation as Percent of GDP - 1993	27%
Value of Exports - 1993 (Million U.S. Dollars)	
Total	36,823
Excluding oil and gas	27,077
Value of Imports - 1993 (Million U.S. Dollars)	
Total	28,328
Excluding oil and gas	26,157
Annual Percent Increase in Value of Exports - 1981 to 1993	
Total	3.2%
Excluding oil and gas	16.1%
Annual Percent Increase in Value of Imports - 1981 to 1993	
Total	6.8%
Excluding oil and gas	7.1%

Source: Biro Pusat Statistik, Jakarta 1994

Note: U.S.\$1.00 = Rp.2,200 (Approximately)

### 3. Profile of Indonesia Port Management

As Indonesia is the world's largest archipelagic country with some 3 million square kilometres of national waters, ports and shipping play a key role in the nation's commerce. The country is also adjacent to three of the world's major sea lanes, including the Straits of Malacca. Under Pelita VI, the first five-year plan of the Government of Indonesia's (GOI) Second 25 Year Development Plan (long term development plan) which began in 1993, the GOI has made the maritime sector one of the 18 principal economic

sectors for investment.

This section begins with a brief history of the organization of the Indonesian port sector and goes on to describe its present structure. The section then summarizes the existing port infrastructure and finishes with a statistical picture of the nation's maritime trade.

### 3.1 Organization of the Port Sector

The major Indonesian ports originally were administrative departments within the Directorate General of Sea Communication (DGSC) of the Ministry of Communications. In 1983, four regional state port corporations (called Perusahaan Umum Pelabuhan I to IV and often abbreviated to Perumpel I to IV) were formed to manage each 25 to 30 branch ports. These corporations changed status in 1992 to common-stock corporations in which the Government of Indonesia is entirely share holding. Smaller ports remain under the direct administration of DGSC, and there are a large number of private industrial ports.

**Table 3.1 - Management of Indonesian Ports and Harbours**

Port Management Body	Distribution by Size of Port			Distribution by Trade Classification		
	Major (1)	Other	Total	International	Local	Total
Public Ports						
Port Corporations	24	86	110	72	38	110
Other Government (2)	1	545	546	8	538	546
Total Public Ports	25	631	656	80	576	656
Special Industrial Ports (3)	-	1,142	1,142	51	1,091	1,142
Total Indonesian Ports	25	1,773	1,798	131	1,667	1,798

Notes: (1) Of major importance to the national economy and handle about 70 percent of the nation's cargoes.

(2) Managed by government on a non-commercial basis.

(3) Developed by public or private industries for own use.

Table 3.1 summarizes the status of Indonesia's 1,798 recognized ports. Of these, 25 handle the majority of the nation's commerce.

The four port corporations (now called P.T. (Persero) Pelabuhan Indonesia I to IV - literally Indonesia Port Corporation I to IV), and their head office locations, principal ports and areas of jurisdiction are listed in Table 3.2.

The new status changes the focus of the port's management, from government service providers to limited-liability, profit-making companies that may keep retained earnings for port investments. The port corporations also have mandate to involve

**Table 3.2 - The Port Corporations of Indonesia**

Port Corporation	Location of Head Office	Principal Port	Number of Ports	Provinces
I	Medan, North Sumatra	Belawan	24	D.I. Aceh, North Sumatra and Riau
II	Tanjung Priok, Jakarta	Tanjung Priok (Jakarta)	29	West Sumatra, Jambi, South Sumatra, Bengkulu, Lampung, West Java, D.K.I. Jakarta, West Kalimantan
III	Surabaya, East Java	Tanjung Perak (Surabaya)	31	Central Java, East Java, Bali, East Timor, West Nusa Tenggara, East Nusa Tenggara, Central Kalimantan, South Kalimantan
IV	Ujung Pandang, South Sulawesi	Makassar	21	East Kalimantan, South Sulawesi, Central Sulawesi, South East Sulawesi, North Sulawesi, Maluku, Irian Jaya
		Total	105	



private sector in port developments.

Other milestones in the evolution of the port and shipping sector over the last decade include:

- Presidential Instruction No. 4 (1985), which brought in new customs measures and relaxed entry restrictions for shipping, freight forwarding and shipping agency work.
- "Package of November 21 (1988)", which brought in further changes that freed up considerably the shipping sector, including the latitude to operate foreign ships in inter-island trades.
- Enactment in 1992 of a new maritime sector law which modernizes the legislation for maritime transport and ports, and provides the legal basis for greater private participation in ports development.
- Planned for 1994, promulgation of the Government Implementing Regulations for the 1992 maritime sector law, to be followed by implementing Ministerial Decrees.

The resulting rules and regulations as they affect private sector investment are discussed in detail in Section 4 below on the port investment environment.

### 3.3 Maritime Trade

The maritime trade of Indonesia through public ports, domestic and international, totalled some 400 million tonnes in 1995. This figure includes oil and gas exports and imports, and cargo handled over private wharves within the jurisdictions of the port corporations. General cargo traffic over public wharves is about one third of this volume. Total cargo throughput between 1991 and 1995 increased at 10 percent a year over this period, with international traffic growing by 12 percent a year.

Container traffic growth began seriously in Indonesia when Container Terminal I in Tanjung Priok was opened in the late 1970s. This port has experienced double-digit growth in container volumes in most years since then. Containers began to appear in the other large ports in the 1980s and in small ports in this decade. Much of Indonesia's international container trade is transshipped in Singapore because of this port's proximity to the Strait of Malacca, the main sea lane between Asia and Europe. Container traffic growth has been particularly strong since the mid-1980s when economic restructuring encouraged investment

**Table 3.3 - Container Traffic in Major Container Ports  
1991 - 1995 (TUE)**

Port	1991	1992	1993	1994	1995	Growth Rate (%)
TG. PRIOK	736,000	867,000	1,054,000	1,307,000	1,620,000	24
TG. PERAK	167,000	237,000	323,000	439,000	697,000	36
BELAWAN	163,000	133,000	153,000	194,000	247,000	27
TG. EMAS	58,000	58,000	69,000	67,000	110,000	26
MAKASAR	15,000	11,000	47,000	71,000	106,000	60
PALEMBANG	30,000	32,000	43,000	55,000	72,000	29
PANJANG	20,000	28,000	40,000	52,000	67,000	20
Total	1,129,000	1,366,000	1,729,000	2,175,000	2,819,000	31.5

in manufacturing. Table 3.3 summarizes the throughput since 1989 in the country's seven largest container ports. Total traffic measured in twenty-foot equivalent units (TEU) has almost tripled in this period with an average growth rate of 27 percent a year. The growth rate was above 20 percent in all ports.

## 4. Private Sector Participation

### 4.1 Precedences

Private operations in the Indonesian port sector and foreign investment in Indonesian infrastructure are not new concepts. Some examples from the past include:

- Private stevedoring operations in Indonesian public ports. For many years, private Indonesian companies have provided both ship and shore break-bulk cargo handling services in Indonesian public ports.
- Terminal operating agreements. In 1993, the Port of Tanjung Priok began experimenting with agreements in which private stevedoring companies are responsible for all operations within specified areas of the break-bulk sections of the port.
- Development of a private container terminal at Tanjung Priok. P.T. Pelabuhan Indonesia II has concluded an arrangement with a private company for the development of Container Terminal III at this port.
- Phase II of the Paiton power station in East Java. A consortium of private Indonesian and foreign companies is developing this plant for the state electric utility company.
- The toll roads around Jakarta. These have been developed by a variety of Indonesian and foreign companies.

### 4.2 Intentions and Evaluation Procedures

The broad intention of DGSC and the port corporations in the encouragement of private port investment is to expedite the development of port infrastructure to provide adequate capacity for the nation's economic growth. More specifically, these institutions, plus the Government of Indonesia generally, have been dismantling regulations that do not serve a useful purpose. Their intent is to develop a framework that assures legal and business certainty for foreign and domestic investors in port. The target of the investments include shipping companies, port operating companies, cargo owners and others with specific skills, experience and funding to be brought to Indonesia.

The Government has indicated that the process for selection of private sector partners for the port projects will be transparent. Furthermore, the Government wishes to ensure that proper guidelines are laid down for the selection of such partners.

The general evaluation procedures and criteria for the prequalification and selection of private investors in the port sector are:

1. The private sector participation in port development is not burdening the government national budget.
2. The involvement of the private sector should decrease the costs of port operations and improve port performance, quality, efficiency and effectiveness.
3. The selection of prospective private parties will generally involve competitive bidding and pricing.
4. The evaluation of alternative financial proposal will be based on the impact of the project on the net cash flow of the port corporation.
5. The evaluation procedures will also ensure that the private investor has appropriate port sector capabilities : operational experience, capital, management, human resources and technology.

### 4.3 Scope of Private Operations

The scope of private operations in the public ports range quite widely. In general, all port facilities or business activities are potentially open to private investment including operations, with the exceptions of port basin for ship safety. In increasing degree of level of service, business risk and investment exposure, these

include:

- Development of Container Terminal:
  - Container berth;
  - Container yards;
  - Container equipment;
  - Container terminal building.
- Development of bulk terminal.
- Development of passenger terminal.
- Reclamation.
- Pilotage and vessel towing.
- Reception facilities.
- Computerization of port services.

## Bull Session

**0945-1115, Wednesday 24 April**

*After a coffee break, the session resumed for free discussion by all participants. At the invitation of President Cooper, who acted as moderator for both sessions, the participants spoke and commented on the various hot issues as outlined in the following report which Ms. Karren Beanland from Auckland made available to the Tokyo Head Office.*

## Private vs Public Debate

**by Karren Beanland**

**Group Manager-Public Affairs**  
Ports of Auckland Ltd



Privatisation, corporatisation and commercialisation were the main topics of debate during the "bull" session held during the Mid-Term Executive Committee meeting in Bali.

Because there were many speakers, all experienced professionals with direct involvement in ports in their own countries, it is only possible to give a brief synopsis of a few speakers in what was a very lively session.

Several speakers agreed that there was no single model for the ownership of ports and that one system could not be transferred from one country to another. The future ownership structure of ports would be influenced by existing structures, the need to encourage private investment and the role of governments.

It was noted that there was an important difference between the ownership and management of ports. Mr Palao from Spain observed that in Europe most of the port authorities were publicly

owned but most services had been privatised. Ownership of land and management of operations should be considered as two separate questions.

Mr Jeffery, from the United Kingdom, suggested that the IAPH could play a useful role by drawing together a number of models that could be used for privatisation. A seminar on privatisation could also be considered and might provide a way to draw out models.

Several speakers commented that it was inappropriate for port land to be privatised because ports were public assets.

Mr. Welch, from the United States, said that in the United States there was no movement towards the privatisation of port ownership, although many services were privatised. The United States had 100 ports, ranging from the full landlord situation, where the port authority owned the facility but contracted out the operations, to ones where the port itself ran all the operations. But ownership remained in public hands.

Charleston had an unusual blend of public and private, he said. The port was an enterprise agency, required to be self-sustaining financially, yet it was also considered to be a part of the economic development team in the state and had to co-operate with that effort. It also had to compete against ports who were not required to be financially self-supporting.

Mr Schafer, from Denmark, questioned the philosophy behind port privatisation. In the port business the first idea should be to serve customers and achieve the lowest transfer prices possible. Ports were so vital for the economic and development of a country that private ownership was not appropriate. What was needed was to create the circumstances for the private companies to invest in ports.

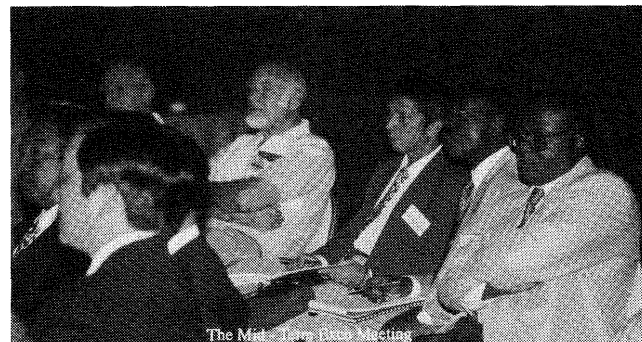
Mr Cooper from New Zealand said that ports in his country had been corporatised and four were listed on the Stock Exchange. They had a single simple statutory mission - to operate as a successful business.

Ports of Auckland bought its land and assets for NZ\$250 million when the company was established, which required a strong focus on return on investment. He noted that a common difficulty where ports remained in public ownership was political interference in the development and occasionally the operation of a port. This had been a common complaint at IAPH meetings.

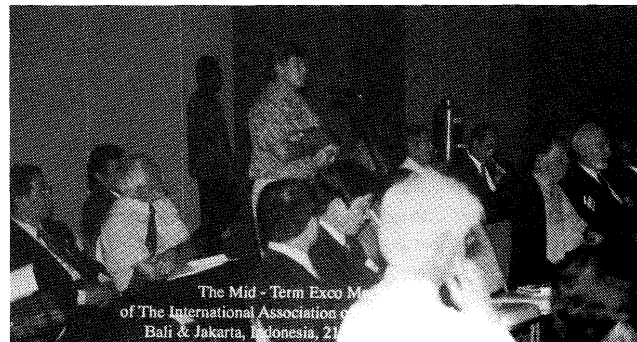
Mr Hirst commented that Australian ports were corporatised, but state governments still owned all the port assets, especially land. As a result, they were neither government departments nor private companies.

Mr Rajasingam was invited to discuss problems Malaysia had experienced in its commercialisation programme. Giving a personal view, he said it was necessary to be aware of the pitfalls and to take it stage by stage. In Malaysia, port land had not been sold. It was leased for a maximum period of 30 years. Initially, many services affecting navigation and safety had been privatised. This was now being reconsidered.

Mr Patrick Falvey, from the United States, said that privatisation was a popular concept because central governments needed to economise. Governments had built a constituency for privatisation by telling the public that without it there would be tax



The Mid-Term Exco Meeting



The Mid-Term Exco Meeting  
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Ports & Harbors, Bali & Jakarta, Indonesia, 21

increases or cuts in services. However, there had to be some element of control over rate-setting to prevent monopolistic tactics between port operators. Any privatisation agreement should include an ability for the facility to be taken back into public ownership if major problems arose.

It was also noted that the efficiency of a port depended on the quality of management, whatever the ownership structure. Attracting private investment was important, but often internal competition was much more important than external competition.

Mr Smaghe, from France, said the aim of privatisation was to improve efficiency and to serve customers at lower cost. In many ports, the main problem was not the status of the port itself but the customs procedures and the inland transport which was behind them.

Discussion also centred on pilotage. Mr Taddeo, from Canada, said there are very serious concerns being raised in Canada about the pilotage service provided by the central government coast-guard, which was required to recover its costs. Port companies, shipping lines and the import/export community were concerned that pilotage costs were making them uncompetitive.

In Canada, some of pilotage services were provided for social or environmental purposes. The commercial sector did not want to meet the costs of services that it did not use. Ships coming into the Port of Montreal, for example, were now being designed specifically for that gateway, so some of the pilotage charged for other aspects of the seaway was not appropriate.

Mr Jeffery outlined the experience of the Port of London, where the port company had taken over pilotage. The number of pilots was significantly reduced and the pilotage and traffic control system were now combined, with great economics and improvement in safety. The next move would be to reduce the need for pilotage.

Among the many other speakers, some noted that some of the problems with pilotage were caused by inaccurate charts. In some areas, several different agencies had a responsibility to produce charts, but they used different systems, had differing objectives and got different results. This was a complex issue with environmental connotations which IAPH could consider.

The meeting also discussed how ports could be most effective in influencing public debate about issues, such as the environment. Mr Krygsman from the United States argued that only 20% of money spent on environmental protection was effective. The rest went on legal expenses which did not produce an environmental result.

Mr Falvey urged ports to play a part in political processes so that their voice could be heard. Mr Welch also suggested that in addition to influencing the political process, ports should build a constituency among other members of the business community.

*In Jakarta, IAPH participants visit Tanjung Priok Port and receive a warm welcome from the port's Managing Director Harbani.*



Tanjung Priok Port



## Address by Mr. Soentoro Director General of Sea Communication Ministry of Communications, Indonesia

at the Farewell Party  
held at the Hotel Horison, Jakarta  
25 April 1996

**T**he Honorable Mr. President, Vice-Presidents, Mr. Secretary General, dear colleagues, friends, distinguished guests, ladies and gentlemen:

I have the honor to express my sincere gratitude for your presence here in conclusion of the mid-term Exco meeting of the International Association of Ports and Harbors.

I believe that, through the IAPH Exco meeting in Bali from 22 to 24 April, great resolutions have been attained and actionable recommendations have been made in favor of better and more efficient port and harbor operations as well as the even more effective management of the Association's affairs for its members.

The positive response from IAPH members to the Government of Indonesia's policy to develop ports within the country in a large sense, that is to develop its suprastructure, infrastructure and human resources by increasing private participation, is very much appreciated.

We sincerely hope that cooperation between port members of IAPH and Indonesian Port Corporations will be enhanced, whereas along the lines of what we have done recently with the Port of Rotterdam on human resources development and with the Port of Singapore on port operation systems.

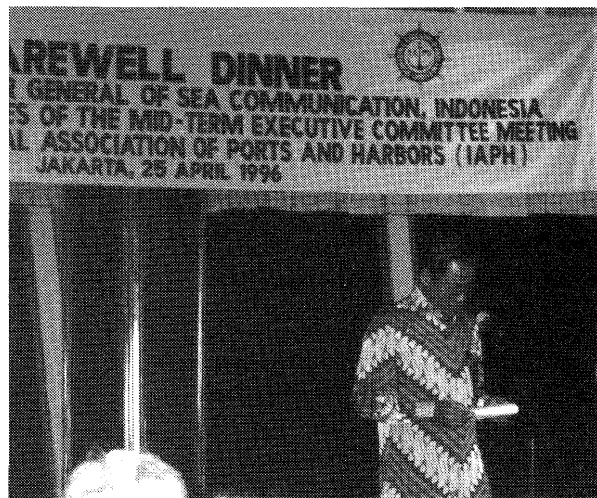
It is hoped that the Indonesian port management will learn from IAPH.

On this occasion, I would like to extend my highest appreciation to the IAPH Secretariat - especially Mr. Kusaka, Mr. Kondoh and their staffs - for their high spirit in organizing this IAPH Exco meeting 1996.

To the Board of Directors of Indonesia Port Corporations and the Organizing Committee who have worked hard to co-organize and run the meeting. I sincerely thank you all for your hard work to make this Exco meeting a success.

In conclusion, may I wish you a very enjoyable evening and a safe journey home.

I hope to see you again at other IAPH events. Thank you.





# LIST OF PARTICIPANTS

Mid-term Executive Committee Meetings  
Bali & Jakarta, Indonesia, April 21-25, 1996

## EXCO MEMBERS PRESENT (\* accompanied by guests)

Robert Cooper*	IAPH President	Ports of Auckland Ltd.	New Zealand
Jean Smagghé	1 <sup>st</sup> Vice-President	UPACCIM	France
Dominic J. Taddeo*	2 <sup>nd</sup> Vice-President	Port of Montreal	Canada
Akio Someya	3 <sup>rd</sup> Vice-President	Nagoya Port Authority	Japan
David J. Jeffery*	Conference Vice-President	Port of London Authority	UK
Joseph Bayada*	General Manager	Cyprus Ports Authority	Cyprus
Errol L. Bush	Director of Ports	Port Authority of the Cayman Islands	Cayman Islands
Goon Kok-Loon	Deputy Chief Executive Officer (International)	Port of Singapore Authority	Singapore
John C. Hayes*	Executive Officer/Policy & Planning	Sydney Ports Corporation	Australia
Patrick J. Keenan	Chief Executive	Port of Cork	Ireland
Alexander Krygsman	Port Director	Port of Stockton	USA
Jean-Michel Moulod	Director General	Port of Abidjan	Cote d'Ivoire
M. Rajasingam	General Manager	Klang Port Authority	Malaysia
Charles M. Rowland	Executive Director	Canaveral Port Authority	USA
Pieter Struijs*	Vice Chairman	Port of Rotterdam	the Netherlands
Sudjanadi	Coordinator	Sea Communication	Indonesia
Hideki Toshima	Director, Port & Harbor Research Institute	Ministry of Transport	Japan
Tu Deming	Director	Shanghai Port Authority	China
W. Don Welch*	Executive Director	South Carolina State Ports Authority	USA
Göran Wennergren		Port of Göteborg	Sweden
Fernando Palao	President	Puertos del Estado	Spain

## IN ATTENDANCE (\* accompanied by guests)

Geoff Adam*	Head of Port Promotions	Port of London Authority	UK
Karren Beanland	Group Manager – Public Affairs	Ports of Auckland Ltd.	New Zealand
Patrick J. Falvey*	Chair, IAPH Legal Counselors	Port Authority of New York & New Jersey	USA
Bao Hanmin	Division Chief	Shanghai Port Authority	China
Harold J. Hilliard	Marketing Manager	Port of Long Beach	USA
Takao Hirota	President	OCDI	Japan
John Hirst	Executive Director	Australian Port & Marine Authorities	Australia
Assemian Kablankan	Director, Research	Port of Abidjan	Cote d'Ivoire
Rinnosuke Kondoh	Dy Secretary General	IAPH Secretariat	Japan
Hiroshi Kusaka	Secretary General	IAPH Secretariat	Japan
Anthony Morrison	Deputy Secretary	Sydney Ports Corporation	Australia
George M. Murchison*	Commissioner	Port of Long Beach	USA
Hiroyuki Nagai	Asst. Under Secretary	IAPH Secretariat	Japan
Philip Ng	Chair, Port Planning & Construction	Port of Singapore Authority	Singapore
Kohnosuke Onso	Under Secretary	IAPH Secretariat	Japan
Ritsuko O'Haru	Int'l Affairs Staff	Nagoya Port Authority	Japan
Erik Schäfer	Acting Chair, Membership Committee	Port of Copenhagen	Denmark
Alex J. Smith*	IAPH European Rep.	British Ports Association	UK
Ronald P. Snodgrass	Chief Executive	Port Taranaki	New Zealand
Kimiko Takeda	Under Secretary	IAPH Secretariat	Japan
Peter van der Kluit*	Chair, Port Safety & Environment Committee	Port of Rotterdam	the Netherlands
Carl Veng*	Chair, Constitution & By-Laws	Port of Copenhagen	Denmark

**INDONESIAN DELEGATES** (\* accompanied by guests)

Soentoro*	Director General	Sea Communication
Sumartono*		Komisaris Utama
Syamsil Bachri*	Managing Director	Port Corporation I
Sugito*	Direktur Personalia dan Umum	Port Corporation I
Slamet Wangsamihardja		Port Corporation I
Torang Tambunan		Port Corporation I
Ngatiman		Port Corporation I
Amir Harbani*	Managing Director	Port Corporation II
Sahlan Asnawi*	Direktur Personalia dan Umum	Port Corporation II
Homan Prayitno*	Direktur Usaha	Port Corporation II
M. Rachmat*	Kabag Hukum & Humas	Port Corporation II
Abdul Razak Mony		Mony Port Corporation II
Sulaiman		Port Corporation II
Djatar		Port Corporation II
Lisa Wuntu		Port Corporation II
Frans S. Masengi*	Managing Director	Port Corporation III
Millyadi*	Direktur Personalia dan Umum	Port Corporation III
Hanreng Laima*	Direktur Usaha	Port Corporation III
Tarjono	Kabag Humas	Port Corporation III
Oetomo		Port Corporation III
Suwandi		Port Corporation III
Tanjung		Port Corporation III
Retro Utami		Port Corporation III
Pulung Iriani		Port Corporation III
Marsamsi		Port Corporation III
Sumardi*	Managing Director	Port Corporation IV
Abudullah*	Direktur Personalia dan Umum	Port Corporation IV
Chalid Thahir*	Direktur Usaha	Port Corporation IV
J.D. Dunda	Kabag Rimbang	Port Corporation IV
Baharuddin M.	Staf Subdit Hukum	Port Corporation IV
Wahyono Bimarso	Direktur Teknik	Port Corporation IV
Kol (L) Suyono Dipo	Adpel Makasar	Port Corporation IV
Makalew	Guest	
Sudarso Kederi	Guest	
Kardinal	Guest	
Agus	Guest	

## LIST OF EXHIBITORS

PT. PELABUHAN INDONESIA I  
JL. GUNUNG KRAKATAU UJUNG NO. 100, MEDAN  
TEL: (061) 610220, 610330, 611630  
FAX: (061) 610906, 611882  
SCOPE OF BUSINESS: PORT DEVELOPMENT & OPERATIONS

PT. PELABUHAN INDONESIA II  
JL. PASOSO NO. 1, TANJUNG PRIOK, JAKARTA 14310  
TEL: (021) 4301080  
FAX: (021) 491689, 491268  
SCOPE OF BUSINESS: PORT DEVELOPMENT & OPERATIONS

PT. PELABUHAN INDONESIA III  
JL. PERAK TIMUR NO. 610, SURABAYA  
TEL: (031) 3291992 - 3291996  
FAX: (031) 3295207  
SCOPE OF BUSINESS: PORT DEVELOPMENT & OPERATIONS

PT. PELABUHAN INDONESIA IV  
JL. SOEKARNO NO. 1, PELABUHAN MAKASAR, UJUNG

PANDANG.  
TEL: (0411) 319043, 316549, 316966  
FAX: (0411) 319044  
SCOPE OF BUSINESS: PORT DEVELOPMENT & OPERATIONS

PT. GUNANUSA UTAMA FABRICATOR  
JL. BENDUNGAN HILIR RAYA NO. 60, JAKARTA 13340  
TEL: (021) 5703329  
FAX: (021) 5703334  
SCOPE OF BUSINESS: EQUIPMENT MANUFACTURER

PT. WASKITA KARYA  
JL. BIRU LAUT X, KAV.10, CAWANG, JAKARTA 13340  
TEL: (021) 8508510, 8508520  
FAX: (021) 8508506  
SCOPE OF BUSINESS: CONSTRUCTION INDUSTRIES

PT. ADHI KARYA  
JL. RAYA PASAR MINGGU KM.18, JAKARTA 12510  
TEL: (021) 7990965  
FAX: (021) 7975311  
SCOPE OF BUSINESS: GENERAL CONTRACTOR



# 20TH IAPH WORLD PORTS CONFERENCE

Hosted by the Port of London Authority • 31 May to 6 June 1997

Venue : The Park Lane Hilton Hotel, London, U.K.

Duration : 31 May - 6 June 1997

Conference Theme : Maritime Heritage-Maritime Future

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

## Registration Fee

	<b>Early Bookings</b> (Between 26 November 96 - 27 February 1997)	<b>Late Bookings</b> (Between 28 February 6 June 1997)
<b>IAPH Members:</b>	<b>£1,410.00</b> (inclusive of £210.00 VAT @ 17.5%)	<b>£1,763.00</b> (inclusive of £ 263.50 VAT @ 17.5%)
<b>Non IAPH Members:</b>	<b>£1,763.00</b> (inclusive of £263.00 VAT @ 17.5%)	<b>£2,115.00</b> (inclusive of £315 VAT @ 17.5%)

- Note 1** Any variation in the rate of VAT will need to be included in the final fee paid by delegates.
- Note 2** The fees include one accompanying Partner. Additional Partners will each be charged at the rate of £421.00 (inclusive of £62.00 VAT@17.5%)
- Note 3** Accompanying Persons: Each delegate is able to bring ONE person to the Conference when a full delegate fee is paid. This can either be a spouse

or an assistant (interpreter).

However, if a delegate brings a spouse and an assistant (interpreter), then the second person will be charged at the full delegate fee. As such, the second person will be treated as a "delegate" and will be covered by the same arrangement as the "main delegate", including the freedom to bring a partner if so required.

- Note 4** All payments for delegates fees must be paid in Sterling Bank Drafts.

**No credit card transactions will be accepted for delegate fees.**

- Note 5** Honorary Members: As far as the retired Honorary Members are concerned, the host has agreed to reduce the fees for such members by 50%, while the active Honorary Members are requested to pay the full registration fee.

## IAPH Conference - 31 May - 6 June 1997 Outline Programme

Date	Time	Business	Social	Accompanying Guest Tours
<b>Sat. May 31</b>	Morning	Committee Meetings	Registration for Committee Members	
	Afternoon	Committee Meetings		London Sightseeing Tour
	Evening		Early Arrivals Cocktails - Hilton Hotel	Early Arrivals Cocktails - Hilton
<b>Sun. June 1</b>	Morning	Committee Meetings	Registration for Delegates commences	London Sightseeing Tour
	Afternoon	Committee Meetings		
	Evening		Opening Ceremonies and Welcome Reception at the International Shakespeare Globe Theatre	
<b>Mon. June 2</b>	Morning	Working Session No 1	Registration continues	Full Day tour to Goodwood
	Afternoon	Keynote Address		House on Orient Express
	Evening	Plenary Session	Free	Free
<b>Tue. June 3</b>	Morning	Working Session No 2	Free	Greenwich
	Afternoon	Working Session No 3	Guildhall Reception	Free
	Evening			Guildhall Reception
<b>Wed. June 4</b>	Morning	Technical Tour	Technical Tour - Port of Tilbury	
	Afternoon	Technical Tour	Technical Tour - Port of Tilbury	
	Evening		Free	Free
<b>Thur. June 5</b>	Morning	Working Session No. 4		Tower of London/Tower Bridge
	Afternoon	Working Session No. 5		Lunch Dickens Inn
	Evening		Docklands Tour & Themed Evening on Thames	Free Docklands Tour & Themed Evening
<b>Fri. June 6</b>	Morning	Working Sessions Nos. 6 & 7		Free
	Afternoon	Plenary Session/Closing Ceremony		Free
	Evening		Gala Dinner at Hampton Court Palace	Gala Dinner at Hampton Crt

## Draft Business Programme

### Monday 2 June

#### OPENING SESSION

09.00 - 09.15 President's Address: **Robert Cooper**, IAPH President

#### Working Session No 1

##### OPPORTUNITIES FOR AND IMPEDIMENTS TO THE GROWTH OF INTERNATIONAL TRADE

Session Chairman:

**Robert Cooper**, IAPH President  
Chief Executive, Ports of Auckland Ltd

09.15 - 10.00 Keynote Speaker: **Rt Hon Sir Leon Brittan, Kt, PC**

Vice President, European Union Commission

10.00 - 11.00 Coffee Break - Tour Exhibition

11.00 - 11.45 Future Contribution from Developed Economies

Speaker: **Peter Sutherland**, former Director General, General Agreement on Trade and Tariffs/World Trade Organisation

11.45 - 12.30 Future Contribution from Developing Economies

Speaker: **Rubens Ricupers**, Secretary General, United Nations Conference on Trade and Development

12.30 - 14.00 Lunch

#### First Plenary Session

Session Chairman: **Robert Cooper**, IAPH President

14.00 - 14.45 IAPH Secretary General's address

IAPH Statutory Reports

14.45 - 15.30 IAPH Vice Presidents' Committee Reports

15.30 - 16.00 Coffee Break

16.00 - 17.00 IAPH Vice Presidents' Committee Reports continued

### Tuesday 3 June

#### Working Session No 2

##### COMMERCIAL ISSUES FACING THE PORTS AND SHIPPING INDUSTRIES

Session Chairman: **Jean Smagghe**, IAPH First Vice President

Ingenieur General des Ponts et Chaussees, UPACCIM

09.00 - 09.40 Keynote Speaker: **UK Secretary of State for Transport**

09.40 - 10.20 Expectations of the Shipper

Speaker: **Ian McAllister**, Chairman and Managing Director Ford Motor Company

10.20 - 10.50 Requirements of the Shipowner

Speaker: **John Lyras**, President of European Community Shipping Association and Chairman, Paralos Maritime Corporation SA

10.50 - 11.20 Coffee Break

11.20 - 12.00 Intermodalism - Feeder ports the role of short-sea v other transport modes

12.00 - 12.30

Speaker: **Juan Kelly**, Chairman of International Chamber of Shipping and Chairman, Maersk Line  
Discussion Forum on issues raised during

12.30 - 14.00

#### Working Session No 2

Chairman: **Jean Smagghe**, IAPH First Vice-President  
Lunch

14.00 - 14.40

#### Working Session No 3

##### FINANCIAL PRESSURES ON THE PORTS AND SHIPPING INDUSTRIES

Session Chairman: **Akio Someya**, IAPH Third Vice-President, Executive Vice-President, Nagoya Port Authority

##### Risk and Liability

Speaker: **David Martin-Clark**, Chairman, Through Transport Mutual Services (UK) Ltd

14.40 - 15.20

##### Financing the Development of Ports

Speaker: **Rt Hon John McGregor, OBE, MP, PC** Deputy Chairman, Hill Samuel & Co Ltd  
Coffee Break

15.20 - 15.50

15.50 - 16.30

Discussion Forum on issues raised during Working Session No 3

Chairman: **Akio Someya**, IAPH Third Vice-President

### Wednesday 4 June

#### TECHNICAL TOUR DAY AT PORT OF TILBURY

### Thursday 5 June

#### Working Session No 4

##### COEXISTENCE OF PORTS WITH THE ENVIRONMENT

Session Chairman: **Sir Brian Shaw**, Chairman Port of London Authority

09.00 - 09.40

Keynote Speaker: **Sir Crispin Tickell, GCMG, KCVO**

09.40 - 10.20

The Warden, Green College, Oxford  
Environmental Issues

Speaker: (TBA) eg Friends of the Earth or Greenpeace

10.20 - 10.50

##### Planner's Perspective

Speaker: (TBA)

10.50 - 11.30

Coffee Break

11.30 - 12.10

Port Operator's Requirement - Maximising Development of Existing Ports

Speaker: **Ron Brinson**, President & CEO, Port of New Orleans

12.10 - 12.50

Port Designer's View - Development of Green Field Site

Speaker: **Director of Ove Arup and Partners**

12.50 - 14.00

Lunch

#### Working Session No 5

##### REGENERATION OF OLD PORT AREAS

Session Chairman: **Dominic Taddeo** - IAPH Second Vice-President and Chief Executive Officer, Port of Montreal

**Thursday 5 June**

- 14.00 - 14.30 *Redundant Port Land - Turning a Liability into an Asset*  
Speaker: **Neil W Oosthuizen**, Chief Executive, Portnet
- 14.30 - 15.00 *Need for a Facilitator*  
Speaker: **Michael Pickard**, Chairman, London Docklands Development Corporation
- 15.00 - 15.30 Coffee Break
- 15.30 - 16.00 *Meeting the Needs of the Local Community*  
Speaker: (TBA) eg Leading Community Campaigner
- 17.30 - Leave for Docklands Tour

**Friday 6 June**

**Working Session No 6**

**SAFE SEAS AND SAFE PORTS**

Session Chairman: **William O'Neil**, Secretary General, International Maritime Organisation

- 09.00 - 09.30 Keynote Speaker: **Ms Ines Usman**, Minister of Transport & Communications - Sweden
- 09.30 - 10.00 *Safety at the Port Interface*  
Speaker: **Head of Panama Canal Authority**
- 10.00 - 10.30 *Safe Ship Operation*  
Speaker: **Admiral Sir Nicholas Hunt GCB LVO** Director General, UK Chamber of Shipping
- 10.30 - 11.00 *Discussion Forum on issues raised during Working Session No 6*  
Chairman: **William O'Neil**, Secretary General International Maritime Organisation
- 11.00 - 11.30 Coffee Break

**Working Session No 7**

**PORT OWNERSHIP - PUBLIC RESPONSIBILITY OR PRIVATE ENTERPRISE**

Session Chairman: **Sir Keith Stuart**, Chairman, Associated British Ports

- 11.30 - 12.00 *Case for Public Ownership*  
Speaker: **Dr Dirk Kersten Beherendt**, Head of Port and Shipping Division, Senate of the Free and Hanseatic City of Hamburg
- 12.00 - 12.30 *Case for Private Ownership*  
Speaker: **Senior Executive from Forth Ports Group**
- 12.30 - 14.00 Lunch

**Second Plenary/Closing Session**

IAPH Official Committee Business  
Port Klang presentation  
Closing Address  
- Outgoing IAPH President:  
**Robert Cooper**  
- Incoming IAPH President:

**Outline Social and Accompanying Persons' Programme**

**Fully Inclusive Social Programme**

- |           |         |                                                         |
|-----------|---------|---------------------------------------------------------|
| Saturday  | evening | Early Arrivals Cocktails at London Hilton on Park Lane  |
| Sunday    | evening | Opening Ceremony and Welcome Reception at Globe Theatre |
| Monday    | evening | Free                                                    |
| Tuesday   | evening | Reception at Guildhall                                  |
| Wednesday | evening | Technical Tour                                          |
| Thursday  | evening | Free                                                    |
| Friday    | evening | Docklands Tour & Themed evening on Rive Thames          |
|           |         | Gala Dinner at Hampton Court Palace                     |

**Fully Inclusive Accompanying Persons' Programme**

- |           |           |                                                         |
|-----------|-----------|---------------------------------------------------------|
| Saturday  | afternoon | London Sightseeing Tour                                 |
|           | evening   | Early arrivals Cocktails at London Hilton               |
| Sunday    | morning   | London Sightseeing Tour                                 |
|           | evening   | Opening Ceremony and Welcome Reception at Globe Theatre |
| Monday    |           | Full day tour to Goodwood House on the Orient Express   |
|           | evening   | Free                                                    |
| Tuesday   | morning   | Greenwich                                               |
|           | afternoon | Free                                                    |
|           | evening   | Reception Guildhall                                     |
| Wednesday |           | Technical Tour                                          |
|           | evening   | Free                                                    |
| Thursday  | morning   | Tower of London/Tower Bridge                            |
|           |           | Lunch Dickens Inn                                       |
|           | afternoon | Free                                                    |
|           | evening   | Docklands Tour & Themed evening on River Thames         |
| Friday    | morning   | Free                                                    |
|           | afternoon | Free                                                    |
|           | evening   | Gala Dinner at Hampton Court Palace                     |

**If you require any clarification or assistance relating to your proposed visit to the 20th IAPH Conference in London in 1997 please call :**  
**Sheila or Terry Hatton**  
**IAPH 20th Conference Headquarters**  
**Port of London Authority Devon House**  
**58-60 St Katharine's Way**  
**London E1 9LB**  
**England**  
**Tel : +44-(0) 171 265 2656**  
**Fax : +44-(0) 171 265 2699**



# IAPH Head Office moves!

Effective from 8 July 1996, the IAPH Head Office is to be located on:

3rd floor, Kono Building  
1-23-9, Nishi Shimbashi, Minato-ku, Tokyo 105  
Telephone: (03) 3591-4261 (same as before)  
Fax: (03) 3580-0364 (same as before)  
E-mail: iaph@msn.com  
Access: 5 minutes on foot from the JR Shimbashi Station  
4 minutes on foot from "Toranomon" Station of the Subway Ginza Line

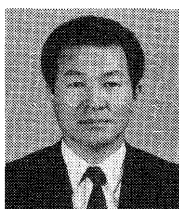


The new office will be only a few minutes' walk from Toranomon's Kotohira Kaikan Building, which has been the home of the Head Office since 1967. The telephone and fax numbers are to remain unchanged.

## New Appointments

### Executive Committee

President Cooper has appointed Mr. Sung Kyu Chun, Director General, Pusan District Maritime and Port Authority, Korea, to serve on the Committee to fill the vacancy created by Mr. Byung-Sung Min, who has been transferred from the Port Authority. Mr. Chun's appointment was officially made at the mid-term Exco meeting held in Bali on 24 April, unanimously supported by the members present.



### Trade Facilitation

Mr. Leandre Amargós Torruella, Assistant Director of the Port of Barcelona, Spain, has taken over from Mr. D.J. Jeffery of London as Chairman of the Committee. The appointment was made at the mid-term Exco meeting held in Bali on 24 April, unanimously supported by the members present.



### Cargo Operations

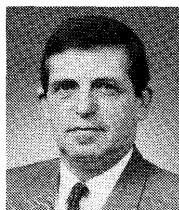
Mr. Tetsuo Kimura, Director General of Kitakyushu Port and Harbor Bureau, Japan, has been appointed by President Cooper to serve on the Committee to fill the vacancy created by Dr. Akio Someya, IAPH Third Vice-President from Nagoya, who had resigned from the Committee in order to concentrate on his other IAPH commitments.



### Marine Operations

Mr. I.B. Dale, JP, Director of Marine, Marine Department, Hong Kong, was appointed to chair the Committee by the President of IAPH at the Exco meeting in Bali.

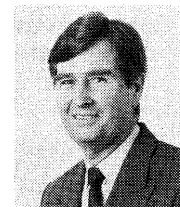
In announcing the appointment of the new chairman, the Exco adjourned with a vote of thanks to Mr. John Watson, who had stepped down from the chairmanship of the Committee due to the privatization process in the Port of Dundee, for his meritorious service to the work of IAPH.



### Port Safety & Environment/ Marine Operations

President Cooper has recently appointed Mr. John Hirst, Executive Director, the Association of Australian Ports and Marine Authorities Incorporated (AAPMA), to serve the two Committees of IAPH as a "corresponding member".

President Cooper has hailed Mr. Hirst's willingness to serve on these two technical committees further to his commitment as a member of the Dredging Task Force and an observer to the IAPH/IMO Interface Group.



## Waste Reception Facilities in Ports

### IAPH ports asked to answer IMO questionnaire

At its meeting in Bali, the Exco decided on the circulation of the IMO questionnaire on the financing of reception facilities to port members. The following letter dated 9 May 1996, originally drafted by Mr. P.C. van der Kluit (Rotterdam), Chairman of the IAPH Committee on Port Safety & Environment, was circulated to the IAPH member ports from the Tokyo Head Office.

To Member Ports of IAPH:

### Re: Funding and Sustainable Financing of Waste Reception Facilities in Ports

We believe it to be the intention of IMO to provide guidance of funding and sustainable financing of waste reception facilities in ports.

In due course therefore we can anticipate IMO will circulate a questionnaire to member states relating to this subject.

A draft of that questionnaire has been made available to IAPH and other international organizations.

In anticipation of these developments, we believe it would be helpful to the IMO Working Group addressing this subject to receive specific information from port authorities on the proce-

dures and practice employed by ports world wide.

We would therefore ask you to complete the attached draft questionnaire on behalf of your port area.

In addition, we would appreciate your response to the following additional questions.

- Would your port authority be in favor of a compulsory regime of waste discharge by arriving vessels? Please differentiate between the waste categories of the draft questionnaire.
- Can you specify per waste category who is supplying the reception service?

We would appreciate it if you would return the completed survey to Mr. P.C. van der Kluit, Chairman of Port Safety & Environment Committee, at the following address by June 15, 1996.

Mr. P.C. van der Kluit  
Executive Secretary/Policy Advisor  
Directorate of Shipping  
Rotterdam Municipal Port Management  
PO Box 6622  
3002 AP Rotterdam  
The Netherlands  
Fax: +31 10 477 82 40

## UNCTAD Intergovernmental Meeting of Port Experts

Geneva, 18-22 March 1996  
By J.P. Lannou (Le Havre)

The main issues tackled during the intergovernmental meeting of port experts organized by UNCTAD in Geneva from 18 to 22 March 1996 were as follows:

### 1) Modernization and development of ports

Speeches delivered by port representatives (from France, China, Sri Lanka, Russia, Venezuela, Indonesia) enabled the participants to be informed of the developments under way in these countries. The globalization of the commercial exchanges imparts to ports a major interest in the national economies and numerous reforms have been implemented in order to improve port productivity. The issue of the management of human resources was very well emphasized by the ILO representative (International Labour Organization) as being an essential element to take into consideration. A meeting on this last point was to be held in Geneva from 20 to 25 May 1996.

### 2) Training and Technical Assistance

The work carried out by UNCTAD in practice led to the drawing-up of a course intended for middle executives on the management of modern ports. This course will be proposed within the framework of the TRAINMAR Programme. In addition, conference stemming from the research work may be set up soon, with financial assistance from Belgium and France.



The representatives of the various countries underlined their great interest in UNCTAD's work and especially their attachment to TRAINMAR Programmes.

The ILO representative indicated that a training programme for container handling was under contemplation. A financing scheme borne by the Dutch Government is being set up with UNCTAD.

The conclusions of this work mainly studied the noted and necessary development of ports between public and private sectors, the interest generated by the pooling of modern communication technologies and the crucial part played by ports in the promotion of world trade.

The group of experts wished that such conferences could be repeated every two years in order to encourage closer cooperation and assist members in following the rapid evolution of the changes which are taking place in port and related businesses.

## Sponsorship Campaign For IAPH Publications

In accordance with the recommendations made by the Finance Committee and endorsed by the Executive Committee recently in Bali, the Secretary General has sent a letter to IAPH members appealing for their participation in sponsoring the production of IAPH publications.

The IAPH Head Office welcomes members' support in the form of advertisements in "Ports and Harbors" magazine and in the "IAPH Membership Directory". Moreover, it is seeking sponsors to cover the production cost of the Report entitled "The Future Role of Ports in Combined Transport and Distribution Centres", which was completed by the Committee on Combined Transport and Distribution, chaired by Mr. Wennergren of Goteborg. The sponsorship fee suggested is US\$1,000. The Head Office looks forward to receiving as many favourable responses as possible from our members.

## Visitors

On 1 April, Mr. Jose Luis Rodrigues, Marketing and Commercial Director, the Port of Barcelona together with Mr. T. Suzuki, the Port of Barcelona's Tokyo representative, visited the Head Office, where they were welcomed by Secretary General Kusaka and his staff.



On 3 April 1996, Mr. Sudjanadi, Chairman of the Organizing Committee for the mid-term Exco in Indonesia, together with his colleagues from the Organizing Committee, vis-

ited the Head Office where the visitors and the Head Office staff spent the whole afternoon checking on the state of the arrangements before the Indonesian hosts finalized the programs and the relevant publications. The other visitors were **Mr. Sumardi**, Managing Director, **Indonesia Port Corporation IV**, **Dr. Sahlan Asnawi**, Director of Personnel & Commercial Affairs, **Port Corporation II**, and **Mr. Freddy Haloho**, **NUSTRA Convention**, the designated organizer for the IAPH meetings.



On 15 April, **Mr. Alexander Krygsman**, Port Director, **Stockton Port District**, together with **Mrs. Krygsman** and **A. Yoshimura**, **Stockton's representative in Japan**, visited the Head Office to meet with their friends there. The couple were en route to Bali for the IAPH Exco meeting.



## OBITUARY

### Eljas Muurinen, Helsinki

On 15 April, the Tokyo Head Office learned from the Port of Helsinki, Finland that **Mr. Eljas Muurinen**, the Port's Managing Director, had died on 14 April 1996.

According to the information supplied from Helsinki, **Mr. Muurinen** have had 60-year anniversary on 26 April 1996 and he was Managing Director since 1975.

**Mr. Muurinen** was actively involved in the work of IAPH and served as the IAPH Director from Finland from 1979. He used to be a regular participant of our conferences and served on various



conference committees.

Secretary General **Kusaka** has expressed the deep condolences of IAPH to the Port of Helsinki through **Mr. Eero Leppanen**, Deputy Managing Director.

## Membership Notes:

### Changes

**Frederic R. Harris, Inc.** [A-3-1] (China)  
 Address: 13F-1, No.376, Jen Ai Road  
 Sec 4, Taipei 106, Taiwan  
 Mailing Addressee: **John E. Ricklefs, Ph.D.**,  
 Senior Vice President  
 Tel: 886-2-325-0525  
 Fax: 886-2-705-7670  
 E-Mail: frharris@msl.hinet.net

### Ports and Harbours Bureau, Ministry of Transport [Regular] (Japan)

Senior Deputy Director General for Engineering Affairs: **Hideaki Kimoto**  
 Director, Planning Division: **Takeshi Kawashima**  
 Director, Coast Administration & Disaster Prevention Division: **Yutaka Nakamura**  
 Director, Engineering Division: **Teruo Uehama**

### City of Kawasaki [Regular] (Japan)

Director General, Port and Harbor Bureau: **Saburo Okabe**

### Kitakyushu Port and Harbor Bureau [Regular] (Japan)

Director General, Port and Harbor Bureau: **Tetsuo Omura**

### City of Yokohama [Regular] (Japan)

Director General, Port & Harbour Bureau: **Hiroshi Koike**  
 Director, Marketing & Trade Development Department: **Yoshiro Muramatsu**  
 Director, Management Department: **Hiroshi Sasaki**

### Kenya Ports Authority [Regular] (Kenya)

Mailing Addressee: **Robert Brenneisen**  
 Executive Chairman

### Inchon District Maritime and Port Authority [Regular] (Korea)

Mailing Addressee: **Kim, Kwang-Soo**  
 Director General

### Korea Container Terminal Authority [Regular] (Korea)

Address: 68-889, Jwachun-3Dong,  
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# OPEN FORUM

## The Need for Port Alliances<sup>①</sup>

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### Overview

**D**uring the last 30 years ports have been subjected to increasing inter- and intra-port competition, not just because of port overcapacity and often competing technology, but also because increasing intermodal integration and modal service consolidation has allowed port users to develop larger and often overlapping hinterlands which in turn permits consideration more alternatives for transshipment, ports, intermodal integration, and modal choice.



Liner shipping companies have taken the lead in integrating modal services and today most sizeable container shipping companies are directly or indirectly involved in inland transportation, transshipment, inland depot operations, and equipment (container) management. In fact in many cases these non-shipping operations consume the bulk of liner shipping investment and operating costs and their effectiveness impacts on a firm's competitiveness more than shipping itself. Because economies of scale are more pronounced in these non-shipping operations, shipping companies have formed various types of agreements which permit them to take such scale in investment and operating costs by combining their non-shipping operations. Most liner operators have now extended their collaboration to true multimodal operating alliances in which members not only share space on their jointly contributed fleets of ships in a particular service, but also combine many of their non-shipping operations. These cause not only cost reductions but also great improvements in services. The economic incentives are:

1. improvements in service frequency and quality and therefore door-to-door service time and cost;
2. improvements in vessel and equipment utilization and thereby reductions in fixed and variable costs;
3. improvements in market shares and high value cargo bookings;
4. reductions in intermodal storage (inland depot) and port terminal throughput costs;
5. improvements in negotiating powers with ports and feeder-transport providers;
6. reductions in financial and other fixed costs such as insurance;
7. coordination and integration of MIS and EDI systems and services for greater efficiency and market penetration; and,
8. improvements in logistic chain management and economies of scale by equipment, depot, terminal, and vessel sharing.

As liner alliances learn to effectively enhance their combined services, they now also integrate their operating, as well as information and supply systems, share equipment and facilities, and consolidate their feeders.

The last has additional implications as feeders integrate their services into alliance shipping schedules and establishes long-term through rates and standardized rates.

Most importantly, liner shipping alliances affect the use and operations of ports. Even though many ports have been privatized they usually continue to serve as common user facilities, not dependent on just one or a limited number of users.

Liner shipping alliances have now been formed on most of the major container shipping routes and on some, such as Far East-Europe or East Asia-North America trades, where we now have only a handful of large shipping alliances instead of 10-20 shipping consortia or earlier 40-50 liner shipping companies. These developments obviously affect ports which no longer serve as common user facilities but either as feeder ports or alliance shipping centers.

Because of their system-wide commitment, shipping alliances are usually medium to long term (typically 10 year) agreements. This puts ports at a grossly competitive disadvantage as they must now deal with huge, powerful user groups who can easily make or break a port. In many cases, an alliance may account for 20-30% of container throughput at a large container transshipment port such as Colombo.

Unilateral action by a liner alliance can therefore effectively reduce a port's viability. Shipping alliances are obviously anti-competitive in a general or marco sense, but because most routes are served by a sufficient number of alliances (most of which are multi-national), they do not contravene accepted international standards of competition.

To counter these developments which in some cases are now paralleled in tramp (bulk) shipping as well, the port industry will have to be restructured not just by privatization which may involve sale of ports or terminals to proprietary users such as liner alliances, but by cooperative or alliance relationships among competing and/or complementing ports.

### Advantages of Port Cooperation and Alliances

These new circumstances negate much of the purpose of intra-port competition. Ports can be more valuable and of much more use to their 'alliance' users if they coordinate their developments and services to match their needs. Such port coordination may be informal or use a 'port alliance' framework under which ports coordinate or combine their

1. service standards,
2. capacity and technology developments,
3. rates,
4. marketing,
5. EDI and management information systems,
6. port support and feeder systems,
7. inland depots and container repair/leasing facilities,
8. accounting systems,
9. communications systems,
10. financial services,
11. cargo clearance procedures,
12. labor and equipment pools, and
13. training and technology transfer.

<sup>①</sup> Based in part on a talk at TOC '96.

Not only would such an approach reduce costs significantly while improving service quality and capacity utilization, but it would also permit ports to plan more effectively and react to changing 'alliance' user requirements in a cost effective manner.

Ports compete on the basis of

1. quality of service
  - ship turnaround time
  - port operational and financial/technical services
  - reliability or risk
  - intermodal integration model costs and modal efficiencies
2. facility and operational effectiveness
  - utilization
  - technology

The port's performance depends largely on facility/equipment utilization, unit service costs, financing costs, and management effectiveness. If a group of regional ports share one market, the loss of shipping by some is the gain by others. In other words, at any instant in time port competition here is a zero sum game.

Cargo will move through the ports which provide the best cost and time chain for the needs of the cargo. The situation here is particularly fluid when new infrastructure developments change the feeder (collection/distribution) times and costs between various regional ports and the market area served.

This means that the hinterland will be less segmented as shippers/consignees achieve near equal time and cost access to the various ports in the region. From the point of view of port users then, the region's ports actually act like one large port complex with port facilities and terminals throughout the region. This applies to shippers and consignees as well as ship operators. The latter, as previously discussed, are largely organized in alliances to benefit from economies of scale of costs and operating capacities.

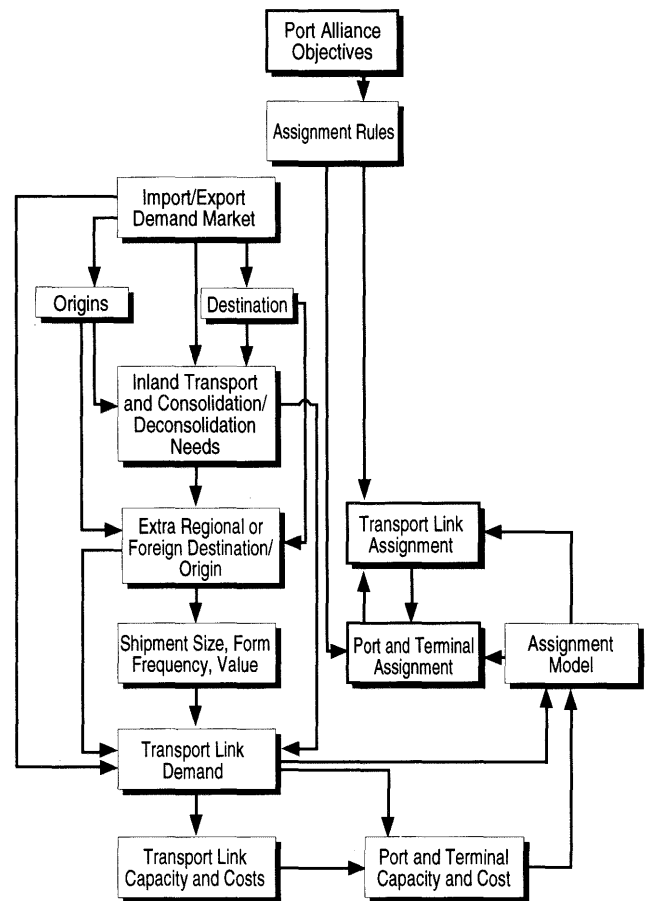
Port users increasingly trade off ports, particularly when ports serve the same hinterland. They encourage them to overinvest and provide them with alternatives. This has become a costly exercise which has caused many to become non-profitable, high cost ports with under-utilized facilities and equipment. To counter these developments, regional port rationalization leading to port alliances is proposed.

The master planning of such a port alliance requires first an evaluation of the combined market as well as the capacity of all the potential alliance ports. The objective is to develop an overall regional demand/supply balance and then structure an effective capacity and capability assignment strategy which both serves the port alliance and port users most effectively. The idea is to develop a win-win situation where both regional ports and their users maximize their objectives. In theory this implies minimizing the total direct and indirect costs of ports and port users in handling the required traffic.

The purpose of the port alliance is to assign traffic and services in a most cost effective manner so as to maximize capacity utilization, minimize port alliance and user costs, and optimize services. The port alliance is defined here not just as a group of ports or terminals, but includes the regional modal (land and water) transport network as well as inland depots. In other words, it is a regional distribution depot and port/terminal system which constitutes the regional land/sea interface system.

The master planning of regional port alliance formation is described in Figure 1 which shows how the assignment of alliance port capacity and services is made to port users. Ultimately this

Fig. 1: Port Alliance Master Planning



approach assumes long-term assignments, although periodic adjustments or changes may be required to respond to changes in market demands, user capacity and technology or factor costs.

It is important to assure 'fairness' in managing port alliances not only to or between alliance members, but also their users. Our difficulty is that the various regional port, depot or link service operators may have different objectives, particularly in an environment where some are public sector enterprises, some are totally private, and some are hybrids. Ownership will obviously affect objectives and any differences in objectives will have to be reconciled before a port alliance master plan is formalized.

Similarly each port or transport operator may want to retain his marketing. There is also the concern that such a regional alliance which largely eliminates competition encourages monopolistic pricing and a reduction in service quality. These are real concerns and it is for this reason that shipping alliances for example not only never work in a monopolistic service environment but also allow their members freedom to

1. maintain their identity,
2. improve their service level and quality,
3. change the capacity offered to the alliance,
4. perform their own marketing, and
5. purchase or use slots (capacity) of other members to serve their clients.

A similar environment is proposed for regional port alliances. In other words, the objective is to

1. improve the utilization of port investments,



2. increase economies of scale and thereby improve costs,
3. assure better balance in port use,
4. improve technology transfer,
5. share costs of service such as communications, training, inland depots, marketing, transport links, funds transfer, software development, maintenance and supply inventories, and more,
6. provide overflow capacity which permits higher planned utilization levels, while maintaining revenues from overflow traffic that cannot be accommodated at a particular port or terminal,
7. maintain ownership and management authority of the port and terminal,
8. improve quality of service,
9. improve stability in port use and operations,
10. increase profit margins.

These objectives can be achieved but it requires goodwill, trust, and willingness to enhance regional benefits.

Usually a port alliance would be developed gradually by a slow integration of the region's ports and transport links. The plan would be to start with load balancing. Here ports and transport links would continuously report their utilization and offer temporary or longer term excess capacity to others who could take up these 'slots' by channeling part of their traffic there. The cost of use of these underutilized facilities would obviously be attractive to discourage users from expanding their own capacity. Furthermore they would also maintain complete market control. This approach works well in shipping alliances. Later the alliance can be strengthened by joining transport link, inland terminal, training, technology transfer, equipment maintenance, and similar

activities, until a full alliance is achieved.

### Conclusions and Expected Benefits

An evaluation of the impact of forming a port alliance in the lower Yangtze River was made. The study concluded that assuming service quality and capacity remain at least constant such a development would

1. save over US\$580 million in port investment over the next 5 years,
2. reduce port operating costs by 10% in 1997, increasing to 30% by 2003,
3. reduce port user costs by an average of 18%,
4. improve ship turnaround time by 10%, growing to 30% by 2003,
5. reduce regional inland depot and transport link investment by over \$100 million,
6. reduce regional inland transport costs by an average of 10%,
7. reduce transport link congestion,
8. improve port profitability, and
9. reduce overall user costs.

Most importantly, such an alliance will provide greater stability and improved expandability.

The concept of port alliances may be strong to some. We have moved from railway ports, to public sector, common user ports, to competing public and private sector ports. The recent changes and rationalization of the shipping (and airline) industries will now force ports to reorganize themselves to respond to and effectively work in this new environment.

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# International Maritime Information

# WORLD PORT NEWS

## Int'l Conference on Polluted Sediments

In September 1997 an international conference on contaminated sediments will be held in Rotterdam. The congress is an initiative of the Dutch Ministry of Transport and Public Works, the Port of Rotterdam, the IAWQ (International Association on Water Quality) and TNO (Dutch Organization for Applied Scientific Research).

When solutions for problems regarding contaminated sediments were sought in the past, an unintentional separation between science, policymakers, regulators, problem-owners and industry could be observed. At present there is more than in the past a tendency to balance environmental and economic aspects reaching practical and realistic solutions, instead of prioritising research towards what is theoretically and scientifically possible. It is intended that this contaminated sediments conference will bring together the various parties involved, to benefit from each others experiences and join forces in tackling the complex problems of sediment contamination and restoration.

There has been a preliminary selection of the following themes:

- National policies and strategies.
- Site investigation and characterisation.
- Fate of sediment and contaminants.
- Physico-chemical analysis and characterisation.
- Risks and quality criteria.
- Ecological effects.
- Management and control.
- Source control strategies.
- Treatment technology in- and ex-situ.
- Disposal.
- Beneficial use.
- Cases.

## Manila Conference on Prevention of Pollution

"Sustainable Financing Mechanisms for the Prevention and Management of Marine Pollution" will be the theme of a Regional Conference to be held at Manila Galleria Suites, Metro Manila, the Philippines on 14-16 November 1996.

The conference will be organized by Global Environment Facility, United

Nations Development Programme, International Maritime Organization, Regional Programme for the Prevention and Management of Marine Pollution in the East Asian Seas.

Co-sponsored by the Asian Development Bank, the International Development Research Centre and the Swedish International Development Agency, the conference will be hosted by the Government of the Republic of the Philippines.

### Provisional Program

#### Day 1: November 14, Thursday

Arrival of participants  
Registration  
Keynote Address  
Dinner reception

#### Day 2: November 15, Friday

##### Session 1: Linkages between industry and the public sector

- Navigational safety, pollution prevention, and management. Who pays?
- Shipping industry perspective on "User Pays/User Says"
- Environmental management funds and their application in East Asia
- Hydrographic survey needs in East Asia: Financing the investment
- Vessel traffic services in the Malacca Straits
- Electronic Chart Display and Information System as a risk management tool
- Cargo taxation as a source of financing for navigational safety and pollution management
- Shipping and oil industry initiatives in preventing and combating oil spills in East Asia

##### Session 2: Business opportunities

- Investment opportunities in integrated coastal management
- Development of the environmental industry in developing countries
- Privatization of waste management
- Privatization of shore reception facilities
- Build, operate, and transfer (BOT) policies and other incentive programs in East Asian countries

#### Day 3: November 16, Saturday

##### Session 3: Users and beneficiaries

- Poverty as a threat to the coastal environment

- Malacca Straits: Users and beneficiaries
- Socioeconomic benefits of integrated coastal management
- Sustainable benefits of coastal tourism management
- Economic and environmental benefits of waste minimization
- The economic benefits of hydrographic surveys
- Seafarer training and certification, and its socioeconomic implications

#### Session 4: Building partnerships

- Creating policy instruments for environmental industry
- Investment in pollution management: Private sector perspective
- Multilateral financial institutions' policy and programs in support of public-private sector investment in environmental industry
- Investment in marine pollution management: Donors' perspective
- Financial requirements to sustain the maintenance and deployment of oil spill equipment stockpiles
- Liability compensation and insurance involving ship accidents and oil spills
- Mobilization of in-country and external resources for marine pollution prevention and management

For further information, please contact:

Conference Secretariat c/o the Programme Manager, UNDP/IMO Regional Programme for the Prevention and Management of Marine Pollution in the East Asian Seas, P. O. Box 2502, Quezon City, 1165, Philippines, Telefax # (632) 9269712 or CMC Fax # (632) 6354216, on or before October 1, 1996.

## Promotion of Safety: Role of Ports Stressed

The IMO's resolution on Strategy for ship/port interface (A.786 (19)) states that international conventions concerning ships and their crews adopted by the Organization may have a bearing on ports' infrastructure, superstructure and operations.

It recognizes the contribution that ports, as nodes in the transport chain, can make towards that promotion of maritime safety, the protection of the marine environment

and the facilitation of maritime traffic.

It says that there is a need for IMO to address ship/port interface matters, taking into account the work of other international organizations and the need to avoid overlapping and duplication of effort.

It agrees that IMO should act as a forum to promote the co-ordination between relevant intergovernmental and non-governmental international organizations in consultative status on matters of concern arising from ship/port interface activities and to:

- (a) identify subject areas concerning both ships and ports;
- (b) establish and periodically update the objectives to be achieved with respect to the subject areas so identified;
- (c) make an inventory of the work done and being undertaken by IMO and other intergovernmental and non-governmental international organizations in the subject areas identified;
- (d) evaluate whether the work referred to under (c) meets the objectives set for the subject areas;
- (e) identify subject areas requiring further consideration;
- (f) identify, prioritize and periodically update the needs of countries with respect to the subject areas; and
- (g) take any action deemed necessary to promote the above areas of activity.

## Air Pollution Annex To Be Adopted in 1997

The Marine Environment Protection Committee of IMO at its 37th Session decided that the proposed new annex VI on air pollution from ships should be adopted as a protocol of 1997 to the International Convention for the Prevention of Pollution from Ships, 1973, as modified by the Protocol of 1978 relating thereto (MARPOL 73/78). The Secretariat was requested to prepare a draft for consideration at the next session.

The Committee then reviewed the text drafted so far. One of the most important issues to be resolved is the maximum permissible sulphur content of fuel oil. The majority of delegations favoured a 5% limit, but many others supported lower levels ranging from 3% to 4%.

Although there was no time for discussions concerning Special Areas, Sweden introduced a document on behalf of the Baltic Sea states. It pointed out that a proposed requirement that ships operating in the Baltic should burn fuel oils with a

maximum sulphur content of 1.5% had been discussed at length but with no resolution. The document concluded that the Baltic Sea States "do not believe that it is morally justifiable for Member States of this Organization, whose prime objective appears to be the protection of their economic interests, to suggest that they are better suited to assess and judge the degree of degradation of the Baltic Sea Area and the level of protection it deserves, than the people who actually live in it, care for it and depend on it".

## New Publications

### The Law of Tug and Tow

*The Law of Tug and Tow* is the new, comprehensive account of this increasingly important area of shipping law.

The author, Simon Rainey, brings to the title the up-to-date, practical approach of someone closely associated with the area at first hand. *The Law of Tug and Tow* is designed to be of real practical help to all professionals involved in the field and covers every stage of the tug/tow relationship:

- Before entering into a contract – it sets out the respective obligations of the parties and other issues which need to be considered, such as pre-contractual disclosure.
- The contract – it provides clause-by-clause analysis of the four most widely used standard contracts, TOWHIRE, TOWCON, SUPPLYTIME 89 and the UK Standard Conditions for Towage and Other Services.
- The problem areas – it discusses particular problems of the law of tug and tow, concentrating in detail on such issues as towage and salvage, collision rules, limitation of liability, general average and jurisdiction.

Common problems are highlighted throughout, and the author makes frequent reference to relevant case law to show how the law is actually applied.

*The Law of Tug and Tow* is a highly useful reference work and invaluable reading for anyone involved with shipping, including lawyers, tug owners, salvage operators, shipowners, P & I clubs and port and harbour authorities.

*The Law of Tug and Tow*  
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## The Americas

### Larger P&O Container Ships Calling at Halifax

Beginning next month (May), one of the world's largest container lines, P&O Containers, will boost its business at the Port of Halifax.

A major trend in world container liner shipping is the establishment of global alliances where container lines share vessels and sailing schedules. One of the most significant is the "Grand Alliance" consisting of Hapag-Lloyd, Neptune Orient Line, NYK, and as of May of this year, P&O Containers. The alliance is a major force at the Port of Halifax offering service on two routes: the Pacific Atlantic Express (PAX); and the Asia-East Coast Express service (AEX).

As a result of P&O's partnership in the "Grand Alliance", the line will move cargo via Halifax on the consortium's AEX service beginning May 11. The "Grand Alliance" will phase in the first of its 3,000 TEU class vessels in Halifax on the service in June. These vessels will replace existing 2,000 TEU ships in the service.

David Bellefontaine, President and CEO of the Halifax Port Corporation, notes, "P&O Containers is a major force in world shipping and we are extremely pleased with the company's plans for Halifax in their global network. As well, the deployment of larger vessels on the AEX service, involving all "Grand Alliance" partners – Hapag-Lloyd, Neptune Orient Line, NYK and P&O – is a welcome development."

### Long Beach in 1955 No. 1 Container Port

In 1995, Long Beach again ranked first among North American container ports based on total TEU throughput. Others among the top five were Los Angeles, New York/New Jersey, Oakland, and San Juan.

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

## North American Container Ports – 1995

Ranking by TEUs

Rank	Port	TEUs
1	Long Beach	2,843,502
2	Los Angeles	2,555,344
3	New York/New Jersey	2,262,792
4	Oakland	1,549,886
5	San Juan (fy)	1,539,000
6	Seattle	1,479,076
7	Tacoma	1,092,087
8	Hampton Roads	1,077,846
9	Charleston	1,023,903
10	Honolulu(fy)	805,036
11	Montreal	726,435
12	Houston	705,367
13	Miami(fy)	656,175
14	Port Everglades(fy)	632,789
15	Savannah	626,151
16	Baltimore	534,556
17	Jacksonville(fy)	529,547
18	Vancouver(BC)	496,365
19	Halifax	382,575
20	Anchorage	345,865
21	Portland(OR)	329,748
22	Veracruz	224,579
23	New Orleans(a)	198,424
24	Palm Beach(fy)	162,045
25	Boston	159,844

fy = fiscal year. (a) Units of varying lengths, not TEUs.

Source: AAPA survey

(AAPA ADVISORY)

## Port of Corpus Christi Southside Storage Yard

The Port of Corpus Christi has announced the completion of its Southside storage yard. The new storage area features 15.5 acres of open and paved storage, bringing the total open storage capacity in and around Cargo Docks 8, 14, and 15 to 23 acres. This will create a continuous hard-surfaced area extending from the docks to the storage area. Rail trackage will be extended throughout the entire yard with access to both sides of the tracks for loading and unloading railcars.

"Finishing the Southside, especially with this new open storage, makes it ideal for the breakbulk cargoes such as steel and RO/RO traffic (military cargo and heavy equipment) that we have been targeting over the last year," said Ed Altemus, the port's director of trade development.

In 1992, the port opened its Southside General Cargo Dock, Dock 8. One of the strongest open wharfs on the Gulf of Mexico, Cargo Dock 8 features 45' draft

and on-dock rail tracks available for direct transfer between vessels and railcars. In addition, the Southside terminal offers over 173,000 square feet of shipside covered storage.

Ranked as the sixth largest port in the United States, the Port of Corpus Christi moved over 78 millions tons of cargo in 1995.

## Africa/Europe

### Antifer Accommodates 2,000th Oil Tanker

The oil port of Le Havre-Antifer accommodated in 2,000th ship, the *Laconia*, a 330,000 dwt vessel, on March 16th inst., that is 20 years after its coming on stream which took place on March 17, 1976. The *Laconia* unloaded 328,000 tonnes of crude oil coming from *Ras Tanura* (Saudi Arabia).

Despite the reductions in crude oil imports which happened after the second oil crisis, the Port of Antifer has never stopped playing a major part in the French economy: it handles more than half the deliveries of crude oil to the port of Le Havre which account for about 40% of the supplies of French refineries.

From its coming on stream, more than 360 million tonnes of oil were unloaded in Antifer by the largest oil tankers in operation throughout the world. When one knows that the difference in cost of maritime transport between a 220,000 dwt ship and a 400,000 dwt ship is at present estimated at around FF. 6 to FF. 8 per tonne, this means that a money saving of 2 to 3 billion francs was achieved: these figures should be compared to the investment cost for the construction of the port of Antifer, around one billion francs, that is a cost equal to that of the construction of two 500,000 dwt oil tankers.

In 1995, the average deadweight tonnage of the ships accommodated in Antifer was 313,000 tonnes and 16.5 million tonnes of crude oil were received, that is more than half the imports transiting through the Port of Le Havre in 1995 which amounted to 29.9 million tonnes. It should be stated that more than one tonne of crude oil out of the five imported to France is dealt with in Antifer. Moreover, the Le Havre oil terminal is located at the entrance to the traditional port and any manoeuvring of a big oil tanker is forbid-

ding the sailing in or out of the other ships sometimes for several hours, which cannot be accepted for large containerships: that is the reason why Antifer has also the advantage of relieving the traffic congestion at the entrance to the Port of Le Havre, which thus guarantees the free flow of vessels and high traffic security.

### Consultant to Examine Le Havre Restructuring

The Board of Directors accepted in principle to engage a consultant to examine the restructuring of the Port of Le Havre and authorised the General Manager to initiate the tendering process.

The General Manager was requested to establish a timetable for the study and the Management Committee will select a consultant. The Board requested that a Committee, consisting of the officers of the Board of Directors and other Members of the Board, if necessary, be set up to monitor the report.

### Le Havre-Lyons Rail Shuttle to Be Created

The Board of Directors was informed of the consultation initiated with shipowners and CNC with a view to start a rail shuttle between Le Havre and Lyons and was authorised to carry on negotiating with potential partners by including the Port Community in order to set up a structure intended for the promotion of container rail transport to or from Le Havre.

### Constantza Eastern Gateway to Europe

The Port of Constantza, the largest port of Romania and one of the largest in the Black Sea covers an area of about 3,600 ha. At the time being there are 103 berths with a total length of quay of 25 km.

The North Port is entirely operational and consists of 12 basins with water depth between 7.0 and 13.5 m, 15 km of quay and 78 berths, and has specialized terminals for ore, coal, oil products, chemical products, rolled metals, containers, general cargo.

The South Port is partly operational. There are 10 km of quays, 25 operational berths, water depth between 13.5 and 19 m,

and handling capacities for ore, coal, phosphate, crude oil and derived products, rolled metals, general goods. There are also a ferryboat terminal and a RO-RO terminal.

The South Port encompasses the entrance into the Danube-Black Sea Canal which is part of the important navigable corridor of the Rhine-Main-Danube. According to the EEC-UNO standards, the Danube-Black Sea Canal ranks in the \*F\* class of inland canals (length 64.4 km, width 90 m, water depth 7.0 m, bridge clearance 17 m, 2 double locks at Cernavoda and Agigea, 3 river ports and allows convoys of max 6 barges of 3,000 t each).

In order to transship cargo into barges the South Port has a specialized river-maritime basin with a depth of 7.0 m.

After the above general information we shall review the developments of the traffic in 1995 compared with 1994. In 1995 the total throughput increased by 12.7% compared with 1994, that is from 30.41 mil. tons to 34.85 mil. tons.

Displaying the structure of the traffic, we can see an increase of 13.4% for general cargo, 14.6% for solid bulk and 7.1% for liquid bulk.

The main solid bulk imports have been coal, coke, ores, phosphate and the exports have been coke, coal, ores, cereals, cement, urea. The increased imports of ore, coal, coke show the recovery of the Romanian metallurgical industry.

The main liquid bulk import has been the crude oil and exports have been processed oil products.

The general cargo consists in exports of textiles and leather products, paper, wood and furniture, chemical products, glass and construction materials, industrial equipment and imports of food and vegetables, consumer goods and industrial equipment.

The containerized traffic has almost doubled (up 42.7%) in terms of quantity (682,053 tons in 1995) and reached 50,050 boxes (68,552 TEUs). The main feeder lines calling in Constantza are: Zim Israel Navigation, Compagnie Maritime d'Affretement Marseille, Romline Constantza, Blue Container Line Dealmar Piraeus and Metz Container Line Limassol.

Speaking about the transit cargo we have to say that, even this throughput was in 1995 of only 1.368 mil. tons, which means however an increasing of 17.3% compared with 1994, we expect a boosting of the transit in 1996.

The traffic of cereals is a very promising sector for the Port of Constantza, both

from the point of view of Romanian exports and of the transit traffic. In 1995 the port handled 854,000 tons of cereals exported by Romania and 350,000 t of cereals from Hungary, Slovakia and Serbia. We expect further increasing due to the abolition of the embargo on Yugoslavia which, on one hand opens the Danube corridor towards the Central Europe and on the other hand enables Serbia and Montenegro to produce and export greater quantities of cereals.

The number of vessels calling in at Constantza in 1995 was 4,261, an increase of 18.7% compared with 1994. Out of the total 2,250 were conventional vessels, 571 container carriers, 244 Ro-Ro vessels, 724 bulk carriers, 472 tankers.

In addition to what we call the maritime traffic (i.e. loading/unloading the seagoing vessels), the Port of Constantza has an important river-maritime traffic. In 1995 this traffic was 8.217 mil. tons, increasing by 30.3% compared with 5.726 mil. tons in 1994. The main cargoes have been:

Kind of cargo	Quantity in 1995 (thousand tons)	95/94%
iron ore and scrap	4,035	+30.5
coal, coke	2,261	+14.9
non-ferrous ores	493	+47.8
cement and building materials	455	+38.2
cereals	436	+89.0
metals	379	+31.4
natural and chemical fertilizers	62	-43.1
other	96	+52.1

Having in view the trends of trade during the last years and the forecasts on medium term, both for Romania and for the Black Sea region, the Port of Constantza has set some important objectives to be reached in the coming years.

A new storage facility for cereals will be located in the South Constantza Port close to the entrance in the Danube-Black Sea Canal. The World Bank worked out a study analysing the prospects of the cereals trade in Romania, Bulgaria, Serbia and Hungary and the need for new facilities along the Danube and in the ports at the Black Sea and expressed its interest to offer financial support for such facilities.

A priority for the Port of Constantza is a new container terminal. The feasibility study has already been worked out. It foresees the building of the terminal in the South Port in three stages, reaching a final capacity of 800,000 TEU/year.

The first stage will put in operation a yearly capacity of 160,000 TEU and could be ready in maximum two years since the financial support is available. Contacts have been established between the Romanian Government and the Japanese

Government in order to get a long term loan dedicated to this terminal.

The development of an LPG terminal is also considered on medium term. Two American companies are interested to set up a joint venture with two Romanian companies in order to build and operate this terminal.

Constantza Port Administration has recently signed the Finance Contract for a loan of 70 mil. ECU from the European Investment Bank, granted on a 50:50 basis with the Romanian Government budget. The loan will be used for rehabilitation works at the North and South breakwaters.

The effectiveness of using the port facilities will be furthermore enhanced by the implementation of a Management Information System designed to serve in a first stage the needs of Constantza Port Administration and in a later stage the entire port platform and to make the connection with the international port data networks. The first stage will be carried out in about one year with financial sources owned by the Port Administration. The second stage will be developed using foreign financial resources supplied by the winner of the tender.

Concerning its relationships with other ports, the Port of Constantza established good contacts both in the Black Sea (Novorossysk, Poti, Varna) and in the Mediterranean Sea. Co-operation agreements have been concluded with Marseilles and Barcelona. The first approach for a long term co-operation with Hamburg is in process at the time being.

Looking at the important trade potential in the Black Sea area, the Port of Constantza prepares itself to meet the future demands and to play the role of a distribution center for the Black Sea region.

Finally, mention has to be made that 1996 represents a landmark for the Port of Constantza, which celebrates 100 years from the foundation of the modern port. The Romanian Ministry of Transport, Constantza Port Administration and Port Employers' Association of Constantza Autonomous Administrations have prepared a number of special events meant to value the history and the prospects of the port.

One of these events will be the inauguration of the Museum of Constantza Port which is placed in the former Royal Pavilion, built starting with 1909 under the direct guidance of Anghel Saligny who is the designer of the famous bridge over the Danube. The Royal Pavilion and the Lighthouse Carol the 1st were the land-



marks of the entrance into the port between the two World Wars.

Having in view the increasing passenger traffic, Constantza port Administration has planned to build between the Royal Pavilion and the Lighthouse, a maritime station. This complex is thought to return to the city a part of the old port, in an attempt to better harmonize the urban and the port functions.

Another event will be the International Seminar which will put forward some interesting topics related to the Port of Constantza as an important player in the Black Sea region.

We strongly believe that Constantza Port's one hundred years of good tradition give us the power to build a new future as the Eastern Gateway to Europe.

### Algeciras Bay: Bridge Between 2 Continents

A glance at a map is sufficient to appreciate the privileged location of the Port of Algeciras Bay. It is a bridge between two continents: Europe and Africa, on the direct route across the Mediterranean to Asia, Northern Europe and America.

With only 100 years of history, the Port of Algeciras Bay has learned to take good advantage of its strategic position, to become Spain's first port in movement of goods and the Mediterranean leader in container traffic.

This port's spectacular growth over the past thirty years has been shaped by two significant events: the establishment of important industries (stainless steel, electric power station, petrochemicals) in Algeciras Bay in the early 60's, and the choice of Algeciras as a container transshipment port by two chief international shipping companies: Sea Land, in the mid 70's and Maersk in the mid 80's. In the case of Maersk, the result was the vast "Terminal 2000", recently put into operation.

The Port Authority of Algeciras Bay is constantly at work to carry out this role with success. At this time, to consolidate its position as the natural port of Southern Europe, a Logistics Activity Zone (L.A.Z.)

### Covered Steel Terminal To Be Developed at Hull

Associated British Ports (ABP) has announced the development of a new cov-



*Artist's impression of new covered steel terminal being built at a cost of some £2.5 million at Associated British Ports' Port of Hull (top, centre of photo). The possible second phase of the scheme is shown by a dotted line.*

ered steel terminal at the Port of Hull.

The common-user terminal, estimated to cost about £2.5 million, will provide an all-weather facility for low air draught vessels which will berth completely under cover at the port's King George Dock. It will combine a 24-hour operation with access across the whole tidal range, offering a first-class turnaround for ships and a high level of care for steel products. This will be the first totally enclosed steel terminal in the UK.

Vessels of up to 12 m air draught and 127 m overall length will be able to berth within an enclosed shed which will be constructed over the present King George dry dock. Vessels will remain afloat at all times.

A full cargo-handling, agency and distribution service will be offered at the terminal by ABP in association with Lockwood Shipping, part of the TTS shipping group.

The terminal will comprise 4,500 sq m of covered storage with overhead gantry crane for the handling of all steel products, with a further 5,000 sq m option available for a Phase II development. Road and rail distribution will be available from within the covered terminal, enabling steel to remain totally protected from the weather from ship's hold to transport.

Commenting on the development, ABP Hull Port Manager, Mike Fell, said:

"This innovative development will strengthen the attractions of Hull to those who ship steel products. The port is ideal-

ly located to service the European steel market and this development will enable companies to have their products handled at a first-class facility giving total protection for the steel.

### Trinity III Development At Felixstowe Opened

Prince & Princess Michael of Kent officially opened the Port of Felixstowe's latest expansion, the £45 million Trinity III development, on Wednesday 3 April 1996.

Trinity III extends Trinity Container Terminal with a peninsula quay, 630 metres long and 200 metres broad, and adds three ship-to-shore cranes unique in the UK for the extent of their capability.

This extension maintains Felixstowe continuing progress advances that gathered pace in July 1967, when the Port launched a UK transport revolution by opening a purpose-built container terminal at Landguard.

Container volumes have risen 10% over the last twelve months, the result of increased business by shipping lines that have used the Port for anything up to 30 years — and trade brought by new customers attracted in 1995. Before the end of 1996 annual throughput is likely to top two million TEUs, a total that no UK rival can approach and no more than three European mainland ports can surpass.

"Trinity III has been completed a full

month ahead of schedule, a tribute to British professionalism in many disciplines," says Derek Harrington, the Port's Managing Director.

"The extension augments already considerable advantages we enjoy in the talents of our employees, the quality of equipment and good location both for overland transport and maritime trade patterns. They all help to ensure that Felixstowe will stay well ahead of competitors in this country far into the future."

Transshipment traffic won from other European Ports accounts for 25% of Felixstowe's container throughput: Transfer between ships within the Port is cost effective, making no demands on UK overland transport. Felixstowe is an ideal transshipment centre with more than 80 shipping lines (servicing 372 ports in 100 countries worldwide) concentrating their UK calls in one contiguous and secure Customs-controlled area without internal barriers, either natural or man-made.

More than 60 hectares of newly-reclaimed land in that area is available for future development and older sections of the Port are capable of further development emphasising Felixstowe's ability to meet the anticipated needs of the 21st Century.

Environmental considerations were a high priority in the planning and construction of Trinity III. Most visibly, earthen banks have been built along the whole northernmost limits of the Terminal to separate development land from the Port-funded Trimley Nature Reserve.

Continuation of extensive tree-planting will bring more benefits to wildlife over the years. Day-to-day co-operation and long-term research also continue with local authorities and conservationist organisations.

## London: Diversity Helps It Keep Premier Position

Despite a drop of 2.6 million tonnes in oil products, the Port of London maintained its position as the UK's largest seaport, handling 51.3 million tonnes of trade in 1995. This was only marginally lower than in 1994 (51.6 million).

The trade figures show that imports rose by 2% to 37.4 million tonnes (36.7 million – 1994), while exports dropped 6.7% to 13.9 million tonnes (14.9 million – 1994). The overall change was a marginal 0.5% decrease. The number of vessel arrivals/departures within the Port increased by

852 to 28,244 (27,392 – 1994).

These figures are revealed in the 1995 Annual Report & Accounts published by the Port of London Authority (PLA). Commenting on these figures, Sir Brian Shaw, in his Chairman's Statement, says "A port authority can do little to counter the effect of international commodity prices on segments of its trade and revenue. It is a huge advantage, therefore, to have London's strength in depth."

"Growth of trade in the non-oil sector virtually made up for the oil revenue shortfall and enabled us in 1996 to hold conservancy charges at 1 January 1994 levels for a third year running."

Complimenting the London Port community, Sir Brian says, "Capital investment by the private sector terminal operators in London has exceeded £100 million in the past three years. This is impressive by any standard. Moreover, this investment has not been confined to a few major operators but has been spread across the whole range of specialised and multi-purpose terminals."

"The PLA has played its part as well and 1995 saw the completion of a major project to improve the ruling depth at Diver Shoal, downstream of Gravesend." This, he reports, was completed within budget and ahead of schedule and enables the Port to accept ships of 13 metres draught on any predicted tide.

"It has been a year of development and consolidation for the Port of London with the prospect of still better things ahead. I thank the Port operators and users for their loyalty and achievement in a fiercely competitive environment."

Turning to the role of the PLA, Sir Brian describes it as "complex and frequently misunderstood". "We are the conservator and navigation authority but, apart from ownership of much of the riverbed, we do not own or control developments on the river banks."

"However, despite our somewhat limited statutory powers, we try to promote and facilitate use of the Thames and reconcile the often conflicting interests of those who use it or wish it to be used in some way. We are proactive in this, and participate energetically in many initiatives to promote the river and London itself".

Making reference to the selection of Greenwich as the National Millennium Exhibition site, Sir Brian believes that "it will give the river and tourism industry a unique opportunity in the coming years to develop the full potential of the Thames in London".

The financial review of the year shows that while the PLA's turnover dropped by

£900,000 to £27.3 million (£28.1 million – 1994), the overall profit for 1995 of £2 million was £600,000 up on the comparable figure for 1994.

Overall, operating expenditure at £26.4 million was £1.4 million lower than 1994 (£27.8 million) due, in the main, to lower staffing numbers. This more than offset the reduction in revenue resulting from the freezing of charges and marginal drop in throughput.

## Asia/Oceania

### Newcastle All Out to Assist Stricken Carrier

Staff and oil pollution response equipment from the Newcastle Port Corporation were mobilised to the mid-North coast during February, to stand-by in case the disabled bulk carrier *Pernas Arang* in strong winds and heavy seas, ran aground off the coast of Woolgoolga, north of Coffs Harbour.

The situation has been monitored closely by the Corporation as the vessel was buffeted by the heavy seas and gale force winds. Pollution response staff took their equipment to the site overnight as weather conditions deteriorated. However, the arrival of a salvage tug and the ability of the disabled vessel to hold position using two anchors alleviated any potential threat to the nearby coastline.

With salvage crews securing lines to the *Pernas Arang*, the vessel was then towed to Newcastle for repairs to a broken crankshaft on the ship's main engine. The ship was bound for Newcastle from Singapore to load coal when the crankshaft broke. In normal conditions the repairs could have easily been completed whilst at sea. However, due to 8 metre seas buffeting the vessel, repairs could not be undertaken safely and it was decided to complete the work in Port.

On arrival in Newcastle the vessel was quickly repaired. Following an inspection by surveyors of the completed work, the 64,870 tonne carrier loaded coal at Kooragang No.5. The *Pernas Arang* then sailed from the Port of Newcastle on the 28th February. (Scuttle Butt)

### New Records Set In 1995 at Nagoya

The estimated statistical results for the Port of Nagoya in 1995 have been

released. They show that traffic at the port is likely to reach the highest in the port history, with the volume of container cargo at 26.9 million tons and approx. 1.48 million TEUs. These figures represent increases of 21% over 1994 in tonnage and the number of containers. The number of full container vessels calling at the port was 3,308, also an all-time high, which indicates the rapid growth of the Port of Nagoya.

The total volume of cargo handled was also up about 4% over the previous year, at 142.6 million tons, broken down into approx. 54.8 million tons domestic and 87.9 million tons international cargo volume. The total volume and the domestic cargo volume again show the record breaking figures.

The opening of regular container routes to China and Taiwan last year was one reason for the increase in containers. Also a range of measures were implemented to cover the Port of Kobe, paralyzed by the Great Hanshin Earthquake. These included emergency construction of container facilities such as additional container berths, yards and cranes, resumption of weekend cargo handling and the introduction of concessionary "earthquake rates."

Two deep draft container berths are under construction in West-4 and 5 Sections, which are scheduled to go into service in 1997. Two mega gantry cranes (17 rows 6 tiers clearance) are to be installed at berth No. 93 in West-4 Section, which together with the three over-Panamax gantry cranes currently in service at the berth No. 94, will improve the efficiency of service to the growing number of container vessels calling at the port.

	1995	1994	%
Ship arrivals			
number	44,605	43,983	101.4
gross tonnage	200,649,003	195,926,338	102.4
Volume of cargo handled (F.T.)			
total	142,618,156	137,261,335	103.9
foreign trade	87,868,067	83,848,410	104.8
domestic trade	54,750,089	53,412,925	102.5
Container cargo volume (F.T.)	26,903,889	22,160,830	121.4
TEU	1,477,359	1,224,422	120.7

(Nagoya Port News)

## Napier Systems Going 'On-line Real Time'

The Port of Napier's operations systems are going 'on-line, real time' to ensure the company is able to offer its customers the most up to date system to track and identify the status of their cargoes.

New technology development at the port includes Radio Data Transfer (RDT) so the exact whereabouts of any individual container can be tracked at any given time.

"This takes us right up front compared to other ports and is an indication of the growth in business at Napier.

"It's also as a result of client request – our customers demand this sort of information," said Operations Manager, John Roil.

From now on, fork lifts will be equipped with computer terminals and radio transmitter so the drivers can log in each container movement. The information is sent by radio transmitter back to the database to provide clients with the 'real time' whereabouts of cargo.

Previously the information was manually entered into the data system and naturally there could be delays from the time a container started its move on or off ship to the time port clients traced the exact location of cargo.

Trials are also underway to extend an EDI service to customers. This will provide clients, including Customs, with the ability to access information relating to their specific area of activity from the Port's systems.

The software for the new Global Port System programme comes from Advanced PC Products Ltd in the United Kingdom and is already in use at some overseas ports including Thames, Malta, and Dubai.

John Roil said Napier preferred to introduce "tried and proven" equipment rather than being at the absolute forefront of technological change. This company philosophy saved the headaches and hiccups which come with systems which have not already been tested in similar applications.

Staff in the operations area are already in training and Mr Roil said response to the new system and equipment was positive.

Two new closed circuit television cameras are also being installed on towers in the operations area to monitor the container terminal area.

"This will help in the planning and the logistics to make sure forklifts are operating where they should be and ensure there is no congestion and no delay," said Mr Roil.

## Tauranga Offers New Cellularised Service

A new fully cellularised service from the Port of Tauranga to a huge range of destinations in South East Asia and

beyond is a further boost for exporters and importers in the Bay of Plenty and Waikato regions.

The first vessel in the joint service between Malaysia International Shipping Corporation (MISC) – one of the world's largest shipping lines – and Pacific International Lines (PIL) arrives at the Port of Tauranga in the first week of May with agents for the service declaring strong support from the region.

"Along with ample dry slots, we are offering brand new reefer capacity to a vast array of destinations, and feel confident that there is demand for this level of service," said New Zealand Line Manager for MISC, Murray Gain.

The *Ardmore*, expected in Tauranga on Friday, is only two years old and has a capacity of 818 TEUs. It is one of three vessels on the service calling at the Port every 13 days.

Port Chief Executive, John Halling, said existing services to South East Asia from Tauranga, plus the new MISC-PIL service, means the Port now offers connections to the region every few days.

"MISC-PIL has added a further dimension to the connections we already offer, giving exporters and importers a flexible range of opportunities to do business with destinations throughout Asia, including South Africa, the Indian subcontinent, China, East Asia and South East Asia," he said.

Destinations being served are Port Louis, Capetown and Durban in South Africa; Dubai, Calcutta, Madras, Karachi, Bombay and Colombo in India, Pakistan, Sri Lanka and the Gulf; Shanghai, China; Cebu, Manila, Ho Chi Minh and Hong Kong in East Asia; Surabaya, Semarang, Jakarta, Bangkok, Port Klang, Singapore in South East Asia.

Transshipment of cargoes to Europe through Singapore and Port Klang is also offered as part of the new service.

Cargoes being sought for the new service include meat, fish, horticultural produce, timber related products, dairy, wool and animal by-products.

## Outdoor Training for All PSA Employees

Starting today (16 April 96), the Port of Singapore Authority (PSA) will send all 7,500 employees from its divisions through a two-day outdoor training programme to improve communication and teamwork in the world's busiest port.

Called "Adventure Learning" or "AL", the \$4-million training programme is possibly the world's largest in terms of number of participants.

Mr David Lim, PSA's Chief Executive Officer, said, "Our theme is 'One team. One Global Vision.' We are launching Adventure Learning because we believe it to be a fun and effective way for us to build better teams. I hope it will bring our staff closer together. If they understand each other more, and communicate more, they will be able to respond better to the challenges ahead, and PSA will stay the number one container terminal operator in the world."

As PSA corporatises next year, a change in culture and mindset is needed. Adventure Learning will be used to change employees' old patterns of thinking and teach them to experiment with unusual ways of solving problems instead.

To ensure a corporate-wide change of culture, all staff, from directors to port workers, will participate in the course conducted by the Singapore Training and Development Association (STADA). In addition to the trainers from STADA, five full-time PSA facilitators will co-train the participants to import PSA's core values, such as unity and communication.

The training course requires workers to swing from ropes, fall backwards into the arms of their team members from a height, and balance on tight ropes. Those certified unfit will participate as process observers. The power of Adventure Learning lies in the skillful facilitation of the trainers to draw key learning points from simple outdoor activities to be used in the workplace.

Ms Wong Fong Tze, PSA's Quality Development Manager, who has gone through the course, said, "The Adventure Learning quote is 'Tell me and I'll forget. Show me and I may remember. Involve me, and I'll understand.' AL is a powerful training methodology. It can be a personal

experience being a team player or adopting the role of being a team leader. The other usefulness is that it can be used as a diagnostic tool to reveal similar workplace situations. We believe that managers and staff once exposed to the experience of team-building will be in a better position to motivate, trust and promote group learning better."

Even though the training benefits have been the main focus, employees' safety has not been compromised. The programme will not feature activities like the swinging from high grounds. Instead, the course will be mainly at ground level, with some activities just above 1.5m high. For those who like greater challenges, future programmes will be customised to include some high ground activities.

So far, about 250 PSA employees have gone through the pilot training programme and have found it most beneficial.

Said Mr Ng Geok Kwee, Planning and Design Manager, "The programme is fun yet effective. Over the two days of training, I feel a greater sense of camaraderie with my colleagues. We had to work as a team to succeed in the activities."

PSA plans to send all 7,500 employees through the programme by end 1997. To meet this target, 180 workers will be sent each week.

Though a relatively new concept in Singapore, outdoor adventure training is common in the United States and used by companies like AT and T. In Singapore, private companies and statutory boards like the Economic Development Board have done it.

## Brief Description of Activities in the Adventure Learning Programme:

### 1. Group Juggling and Time Warp

The team is challenged to improve the time it takes to toss a ball in an estab-

lished pattern to all its members. This activity teaches communication, creativity and problem-solving skills.

### 2. Nitro Crossing

Each team member carrying a container of water has to cross an obstacle by swinging from a rope tied to a tree. However, the rope is out of reach. The team has to brainstorm and think of a solution within a time limit. This activity teaches creativity, teamwork and problem-solving skills.

### 3. The Spider Web

Each member of the team has to get from one side of a "web" to the other side without touching it. To succeed, some members will have to be carried through the "Web" by others in the group. This activity teaches teamwork, communication and trust.

### 4. The Croc Pit

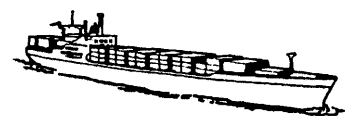
The team has to get across the pit using only two planks of irregular lengths and two specially constructed beer crates. This activity teaches creativity and problem-solving skills.

### 5. Trust Fall

Each team member has to free fall backwards into the arms of his/her team members from a height of 1.5 metres. This activity teaches trust.

### 6. Mohawk Walk

Members have to balance on a horizontal cable to move from one end of the cable to the other. The team is only assisted by the vertical ropes attached. The rope obstacle is one metre above the ground. This activity teaches teambuilding and cooperation.



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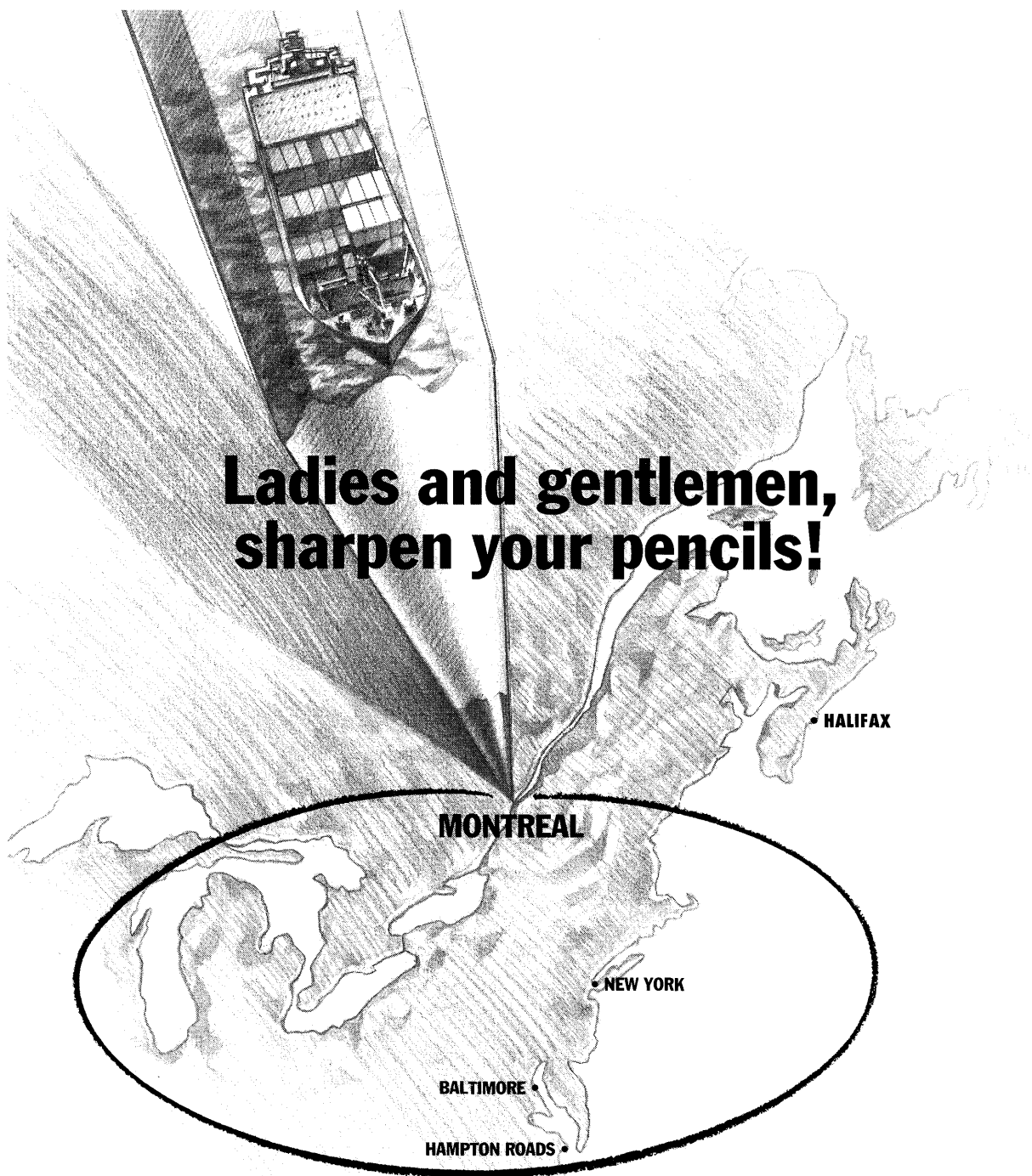
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