



# Ports & Harbors

October 1997 Vol. 42 No. 8

*Port of Brisbane's Fisherman Islands complex at the mouth of the Brisbane River, where road, rails and sea transport interface at one purpose built facility*



PORT OF BRISBANE

## PORT OF BRISBANE



**Port Ownership:  
Public  
Responsibility  
or Private  
Enterprise?**

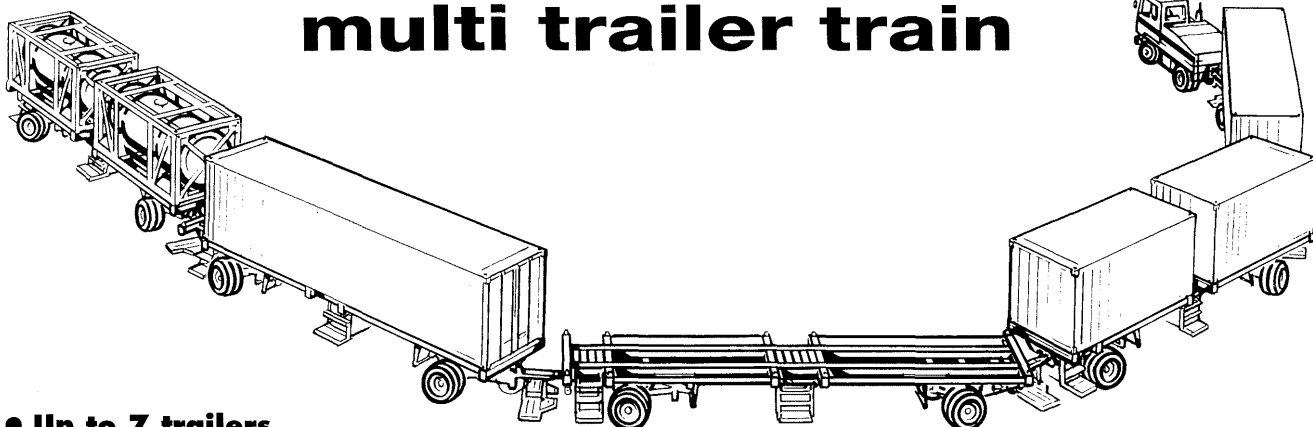
**Port State  
Control in  
Australia: Results  
of Inspections  
1996**

**Dalian's New  
Strategy to  
Meet the  
Demands of  
Trade**

**An Introduction  
to Malaysia  
host country for  
the 1999 IAPH  
Conference**

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● BLG Bremer Lagerhaus-Gesellschaft, Container Division, P.O. Box 107965, D-28079 Bremen, Germany, Tel.: +49/421/398-3450, Fax: +49/421/398-3540

## IAPH Officers

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Executive Vice-President  
International Affairs of  
Association of French  
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General Manager  
Klang Port Authority  
Malaysia



## Port of Brisbane

**T**he Port of Brisbane Corporation is determined to provide its customers not just with well-managed equipment, but with integrated logistics solutions, brought about through closer, more responsive working relationships and a better understanding of customers' business and its needs. See page 26.

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# IAPH ANNOUNCEMENTS AND NEWS

## Technical Committees' TOR Submitted to the Board

**A**T the closing session of the London Conference, the chairmen of the 12 Technical Committees were appointed by the new President Mr. Jean Smagghe. While in London it was technically difficult for the Board to approve the terms of reference of the Committees as most of them were yet to be finalized by each committee. Consequently the Board

agreed in London that it would hold a meeting by correspondence as soon as all the committees were ready to submit their TORs.

In this connection, the Secretary General circulated a letter to the Board members in late August 1997, in which the following TORs as confirmed by the respective chairs were referred to the Board for approval.

alerts to the Secretary General for dissemination to the membership as it deems suitable.

- Coordinate the dissemination of technical information related to dredging and dredged material disposal developed by IAPH via electronic media with the Permanent International Association of Navigation Congresses (PIANC), World Dredging Congress (WODCON), the International Association of Dredging Companies (IADC) and the American Association of Port Authorities (AAPA).
- Review TOR for recommended changes as deemed necessary.

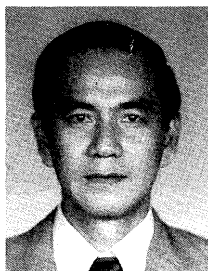
## Terms of Reference (TOR) for the Technical Committees 1997 - 1999

### 1. PORT AFFAIRS GROUP

#### 1.1 Port Planning & Construction

**Chairman: Philip Ng**  
Port of Singapore Authority

- To monitor, collect, analyze and disseminate information pertaining to planning, design, construction and maintenance of port and harbor facilities.
- To review and update the existing IAPH technical guidelines on port planning and design, and
- To undertake joint working programs with other committees and/or organizations to further improve on the safety and reliability of port and harbour facilities.



#### 1.2 Dredging Task Force

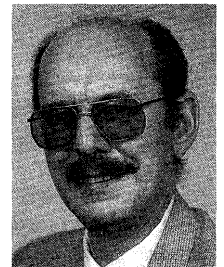
**Chairman: Geraldine Knatz**  
Port of Long Beach

- Continue interface meetings and coordination with the London Convention of 1972 (LC72) and the Scientific Group of the LC72.
- Identify emerging legal and policy issues affecting dredging activities and dredged material disposal under the London Convention and develop IAPH positions on these issues.
- Evaluate the long-term dredged material disposal problems of the ports, in order to recommend appropriate positions to the IAPH decision-making body to contribute to an IAPH strategy on environmental matters.
- Keep the IAPH membership informed on all dredging activities by providing news articles, letters and informative



**Chairman: Peter van der Kluit**  
Port of Rotterdam

- To review and revise as and when necessary relevant chapters of the Guidelines on Port Safety and Environmental Protection;
- To participate in activities within the sphere of its interest of other relevant organizations, such as ICS and OCIMF;
- To offer support to the IAPH liaison officer with IMO in London; and
- To closely liaise with other Committees in order to ensure coordinated input to the IAPH/IMO Interface Group and subsequently to the IMO Working Group on Strategy for the Port Interface (FAL/SPI) and other IMO Committees or Working Groups.



#### 1.4 Marine Operations

**Chairman: Ian B Dale**  
Marine Department Hong Kong

To monitor, collect, analyze and disseminate information on matters relevant to securing safe and efficient marine operations in port waters within parameters defined by international, regional and national regulatory author-



ities, e.g. the International Maritime Organization (IMO), and to develop port-related marine operational policies of importance to the membership.



### **1.5 Cargo Operations**

**Chairman: Don Meyer**  
Port of Tacoma

To examine and review cargo handling matters relating to the planning, development and operation of facilities and systems, including multi-modal transfer, equipment evaluation, manpower training and other cargo handling criteria for assisting the movement of bulk, neo-bulk, general cargo, container, Ro/Ro, and barge cargo.



## **2. TRADE AFFAIRS GROUP**

### **\*2.1 Trade Policy** (Formerly Sea Trade)

**Chairman: Lillian Borrone**  
The Port Authority of New York & New Jersey

- To implement statistical guidelines developed by the Committee;
- To explore trade policy issues that may affect members of the Association such as Customs capacity, short sea shipping as opposed to land transportation, commercial regulations concerning ocean shipping, etc.;
- To advise the Association on trends and issues of international economic policies related to ports and harbors; and
- To develop educational programs in association with other committees related these terms of reference.



**\*Note: The proposal for the change of the Committee's name and its new TOR are yet to be approved by the officers and the Board.**

### **2.2 Ship Trends**

**Chairman: J.M. Moulod**  
Port of Abidjan

- To analyze the maritime economy, focusing on trends in both the world fleet and ship characteristics and their impact on port facilities.



### **2.3 Combined Transport & Distribution**

**H. L. Beth**  
Port of Hamburg

- To investigate present and future port activity patterns as well as the port involvement in the combined transport sector, with specific focus on the role of ports as an interface in the transport network and as a node in the overall transport chain.
- To expand its study into the activities of ports and port service providers in different parts of the world, in an effort to analyze the questions such as:
  - To what extent do port activities change into transport activities including logistics activities?
  - To what extent will port activities be spread locationwise?
  - What are the roles of communication systems and port operation?



### **2.4 Trade Facilitation**

**Chairman: Emili Arbos**  
Port of Barcelona

To encourage the simplification and harmonization of the documentation and information flows required to facilitate the movement of cargo and ships through ports, with particular emphasis on international efforts to extend the adoption of both information technology and electronic communications (including Electronic Data Interchange) to monitor port activities.

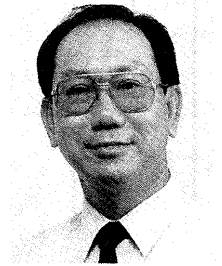


## **3. HUMAN & EXTERNAL AFFAIRS GROUP**

### **3.1 Human Resources**

**Chairman: Goon Kok Loon,**  
Port of Singapore Authority

To propose, develop and administer programmes for the provision of training, education and technical assistance to developing ports, such as the IAPH Bursary Scheme, the IAPH Award Scheme (essay contest) and the IAPH/UNCTAD Monograph Scheme.



### **3.2 Legal Protection**

**Chairman: Bruno Vergobbi**  
Port of Dunkirk

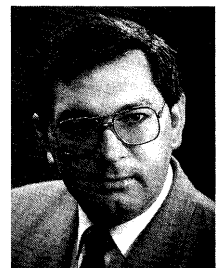
The follow-up, study and recommendation of the proposed action to be taken on behalf of IAPH concerning any demands in which the collective interests of port authorities are brought into question from the legal and financial points of view. This especially applies to the Association's relationship with the IMO and its various partners in the maritime field.



### **3.3 Port Communications**

**Chairman: David Bellefontaine**  
Port of Halifax

- 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;
- To assess the economic impact of the port on the daily lives of the community; and
- To formulate a public relations strategy to deal with problems that may arise.



# The IPD Fund: Status Report on the 1997 Campaign

PROMPTLY answering the call for voluntary contributions to the IPD Fund which the Secretary General circulated to all IAPH members several weeks ago, the following members have made fresh contributions to the Fund. We are encouraged by the quick and generous responses from our members and hope that we will be able to report a longer list of donors in the following issues and invite all members' continued support of the on-

going fund-raising campaign.

However, to our great regret, in the list of contributors in the previous fund-raising campaign which was attached to the Secretary General's circular, the **Port Authority of Thailand** was erroneously excluded. We apologize to the PAT for this omission and we again list the names of donors for the previous campaign as well as those organizations to which IAPH bursaries have been granted since 1976.

## List of Contributors to the Special Port Development Technical Assistance Fund

(in the 5th Fund-raising campaign, started July 1997)

(As of 29 August 1997 in order of receipt at the Tokyo Head Office)

ORGANIZATION	COUNTRY	US\$
Georgia Ports Authority	USA	1,500
Bintulu Port SDN BHD	Malaysia	1,000
Ports of Auckland Ltd.	New Zealand	500
Fremantle Port Authority	Australia	50
Port Services Corporation	Oman	985
Associated British Ports	UK	1,000
Nanaimo Harbour Commission	Canada	250
Japan Cargo Handling Mechanization Association	Japan	240
<b>Total:</b>		<b>5,725</b>

## List of Contributors

in the 4th Fund-raising Campaign (1992 - 1996)  
Name of Organization (in alphabetical order)

ABP (Associated British Ports), U.K.  
Abu Dhabi Seaport Authority (Mina Zayed), U.A.E.  
Akatsuka, Dr. Yuzo, Univ. of Saitama, Japan  
Akiyama, Mr. Toru, IAPH Secretary General Emeritus, Japan  
Auckland, Ports of, Limited, New Zealand  
Barcelona, Puerto Autonomo de, Spain  
Bintulu Port SDN BHD, Malaysia  
Cameroon National Ports Authority, Cameroon  
Carlos Armero Sisto, Anuario de Puertos: Buenos Aires, Argentina  
Cayman Islands, Port Authority of, Cayman Islands  
Clydeport Ltd., U.K.  
Constantza Port Administration, Romania  
Copenhagen Authority, Port of, Denmark  
Cotonou, Port Autonome de, Benin  
Cyprus Ports Authority, Cyprus  
Delfzijl/Eemshaven, Port Authority of, the Netherlands

de Vos, Dr. Fred, IAPH Life Supporting Member, Canada  
Dubai Ports Authority, U.A.E.  
Dundee Port Authority, U.K.  
Empresa Nacional de Administracao dos Portos, E.P., Cape Verde  
Fiji, Ports Authority of, Fiji  
Fraser River Harbour Commission, Canada  
Fremantle Port Authority, Australia  
Gambia Ports Authority, Gambia  
Ghana Ports and Harbours Authority, Ghana  
Hakata (Fukuoka City), Port of, Japan  
Halifax, Port of, Canada  
Helsingborg, Port of Sweden  
Hiroshima, Port of, Japan  
Irish Port Authorities Association, Ireland  
Japan Academic Society for Port Affairs, Japan  
Japan Cargo Handling Mechanization Association, Japan  
Japan Port and Harbor Association, Japan  
Japanese Shipowners' Association, Japan  
Johor Port SDN BHD, Malaysia  
Kawasaki, Port of, Japan  
Klang Port Authority, Malaysia  
Kobe, Port of, Japan  
Kobe Port Terminal Corporation, Japan  
Korea Container Terminal Authority, Korea  
KSC (Kuwait Oil Company), Kuwait  
Kudo, Dr. Kazuo, Tokyo Denki University, Japan  
London, Port of, U.K.  
Maldives Ports Authority, Maldives  
Marine & Harbours Agency, Dept. of Transport, S. Australia, Australia  
Marine Department, Hong Kong  
Sydney Ports Corporation, Australia  
Mauritius Marine Authority, Mauritius  
Melbourne Authority, Port of, Australia  
Miri Port Authority, Malaysia  
Montreal, Port of, Canada  
Nagoya Container Berth Co., Ltd., Japan  
Nagoya Port Authority, Japan  
Nanaimo Harbour Commission, Canada  
Napier, Port of, Limited, New Zealand  
New York & New Jersey, Port Authority of, U.S.A.  
Niigata, Port of, Japan  
Okubo, Mr. Kiichi, Japan  
Osaka, Port of, Japan  
Osaka Port Terminal Development Corporation, Japan  
Pacific Consultants International, Japan  
Penta Ocean Construction Co., Ltd., Japan  
Point Lisas Industrial Port Development Co. Ltd., Trinidad & Tobago  
Port Authority of Thailand, Thailand  
Public Port Corporation I, Indonesia  
Pusan East Container Terminal Co., Ltd., Korea  
Quebec, Port of, Canada  
Shipping Guides Limited, U.K.  
Solomon Islands Ports Authority, Solomon Islands  
South Carolina State Ports Authority, U.S.A.  
Tauranga, Port of, New Zealand  
Toyama Prefecture, Japan  
UPACCIM (French Ports Association), France  
Vancouver, Port of, Canada  
WorldCargo News, U.K.  
Yamaguchi Prefecture, Japan  
Yokohama, City of, Japan

**Total: 77 contributors**

***Recipients of the IAPH Bursary Scheme (1976-1997)***

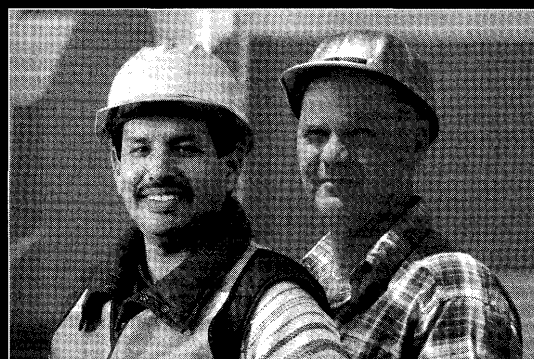
COUNTRY	ORGANIZATION	NUMBER	PERCENT
Algeria	Office National des Ports	2	1.8%
Bangladesh	Chittagong Port Authority	2	1.8%
Benin	Port of Cotonou	10	9.2%
Brazil	Port Alegre	1	0.9%
Cameroon	Cameroon Ports Authority	8	7.3%
Cape Verde	National Ports Authority	3	2.8%
Cyprus	Cyprus Ports Authority	6	5.5%
Ethiopia	Marine Transport Authority	1	0.9%
Fiji	Ports Authority of Fiji	4	3.7%
Ghana	Ghana Ports Authority	7	6.4%
Haiti	National Ports Authority	1	0.9%
India	Cochin Port Trust	2	1.8%
Indonesia	Public Port Corporation II	1	0.9%
	Indonesia Port Corporation I	1	0.9%
Kenya	Kenya Ports Authority	10	9.2%
Liberia	National Ports Authority	1	0.9%
Malaysia	Bintulu Port Authority	3	2.8%
	Kelang Container Terminal	4	3.7%
	Klang Port Authority	1	0.9%
	Kuantan Port Authority	1	0.9%
	Penang Port Commission	3	2.8%
	Sabah Ports Authority	2	1.8%
Mauritius	Mauritius Marine Authority	5	4.6%
Mozambique	National Ports Authority	1	0.9%
	Port of Maputo	1	0.9%
Nigeria	Nigerian Ports Authority	3	2.8%
Peru	National Ports Authority	1	0.9%
Senegal	Port of Dakar	1	0.9%
Solomon Islands	Solomon Islands Ports Authority	1	0.9%
Sri Lanka	Sri Lanka Ports Authority	4	3.7%
Tanzania	Tanzania Harbours Authority	6	5.5%

Thailand	Port Authority of Thailand	1	0.9%
Gambia	Gambia Ports Authority	4	3.7%
the Netherlands	Port of Rotterdam	1	0.9%
Trinidad & Tobago	PLIPDECO	2	1.8%
Turkey	Turkish State Railways	1	0.9%
Yemen	Yemen Ports Authority	3	2.8%
<b>(30 countries)</b>		<b>(37 ports)</b>	<b>Total: 109 100%</b>

***Training Institutes attended by the Recipients (1976-1997)***

VENUE OF TRAINING	NUMBER	PERCENT
IPER, Le Havre, France	38	34.9%
Singapore Port Institute, Singapore	18	16.5%
Port of Rotterdam, the Netherlands	13	11.9%
IHE, Delft, the Netherlands	8	7.3%
IPPPM, New Orleans, USA	4	3.7%
Port of Marseilles, France	4	3.7%
UWIST, UK	4	3.7%
Humberside College, UK	2	1.8%
Port of London Authority, UK	2	1.8%
Ports of Cardiff, Barry & New Port, UK	2	1.8%
Fourth Ports Authority, UK	1	0.9%
Ghana Ports Authority, Ghana	1	0.9%
Johor Port Authority, Malaysia	1	0.9%
Liverpool Polytechnic, UK	1	0.9%
Port Authority of NY&NJ, USA	1	0.9%
Port of Göteborg, Sweden	1	0.9%
Port of Liverpool, UK	1	0.9%
Port of Rostock, Germany	1	0.9%
University of Aston, UK	1	0.9%
University of Connecticut, USA	1	0.9%
Miscellaneous	4	3.7%
<b>(20 training institutes)</b>	<b>109</b>	<b>100%</b>

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## 20th World Ports Conference of the International Association of Ports & Harbors – London June 1997

### *London Issues the Final Newsletter*



**I**N late August, the Tokyo Head Office members were delighted to receive a pictorial newsletter recording the London Conference from the PLA. The newsletter, which our host had sent to all the participants, contains a message from Mr. David Jeffery, Chief Executive of the Port of London Authority, and pictures of various scenes from the Conference week. With our renewed appreciation and thanks to Mr. Jeffery and his Organizing Committee team for organizing the magnificent Conference that we experienced in London, we reproduce the message from Mr. Jeffery.

**As my last duty as Conference Vice President for the 20th World Ports Conference I have pleasure**

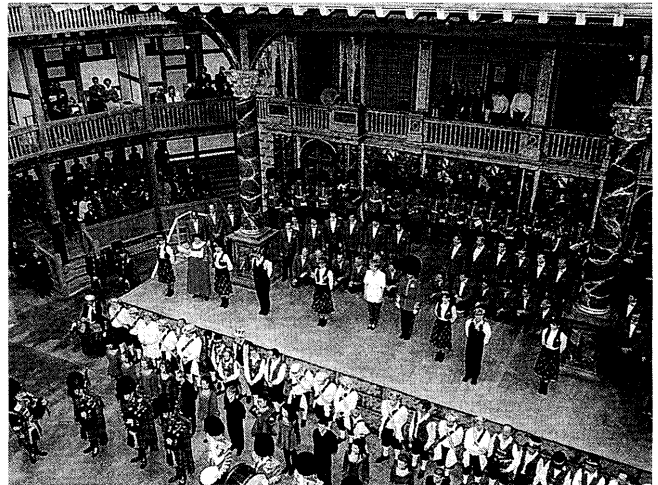
**in sending you this final Newsletter. I hope you will agree with me that as a photographic record of the 20th World Ports Conference and your stay in London it is representative of the many highlights from the memorable events of Conference Week.**

On behalf of Geoff Adam, Sheila and Terry Hatton, the Organizing Committee and myself, I would like to thank you for attending the London Conference and playing a part in making it the unquestionable success it was. I would also like to express a special thank you to all those

who kindly took the time to write to our Chairman, Sir Brian Shaw and myself with messages of congratulations for PLA's organisation of the Conference and the "thought provoking and imaginative programmes" we arranged. We are gratified that so many of you enjoyed your time in London.

David Jeffery

*David Jeffery*



## From the Working Sessions of the London Conference

**F**OLLOWING our coverage of the presentations made at the Working Sessions in London in the previous issue, in this issue we feature in the OPEN FORUM column, the presentations by Dr. Dirk Kersten Behrendt (Head of International Economic Relations and Shipping Division, State Ministry of Economic Affairs, Hamburg), and Mr. William Thomson, (Chairman, Forth Ports Plc), who argued the cases for public and private ownership respectively in the final day's working session under the subject Port Ownership – Public Responsibility or Private Enterprise.

## Visitors

**O**N Tuesday 19 August 1997 Mrs. Penny Lockwood, Manager, Ballast Water Unit, AQIS (Australian Quarantine and Inspection Service, Department of Primary Industries and Energy, Canberra), visited the Head Office to exchange views with Mr. Kondoh on issues related to the unwanted aquatic organism associated with discharged ballast water.

On the same day, in the meeting room of the Japan Association of Marine Safety (JAMS), she met with representatives of the Japanese Ministry of Transport, the Environment Agency, the Japanese Shipowners' Association (JSA) and JAMS for an exchange of views on the current state of development of research studies and the future course of joint actions to be conducted by the parties concerned.

Present at the meeting were:

- Ministry of Transport: Mr. H. Nishida, Office of Oceans, Transport Policy

### Bureau

- Environment Agency: Mr. K. Muramatsu, Office of Ocean Environment, Water Quality Preservation Bureau
- JSA: Mr. M. Sakota and Mr. H. Hosaka, Marine Operations Division
- JAMS: Capt. Takeo Ikegami, Executive Director, Capt. Takeaki Kikuchi, General Manager, Mr. H. Yoshida, Senior Researcher, Marine Pollution Prevention Research Department
- IAPH: Mr. R. Kondoh, as an observer.

On Thursday 21 August, Mrs. Lockwood visited the ports of Tokyo and Yokohama. On Thursday 28 August and Friday 29 August, she visited the ports of Osaka and Kobe respectively.



Picture taken at the JAMS Meeting Room

## Malaysia sets campaigning for the 1999 Conference

**B**eginning with the September issue, the conference logo appearing on the top of the front cover page has been changed from London to Malaysia. Following the explanation of the logo which our host in Malaysia introduced to IAPH members in the previous issue, we have allocated the last two pages of this issue for the article and photographs which have recently been received from the Klang Port Authority to introduce the charms of Malaysia which await IAPH participants in May 1999.

## Obituary

**M**R. Katsuya Yokoyama, a former IAPH Deputy Secretary General (1973-1976), died from cancer on 16 August in a Tokyo hospital. He was 76.

Mr. Yokoyama, who formerly served as Secretary General of the Japan Container Association dispatched from MOS, joined IAPH Head Office in 1973 as Deputy Secretary General under the late Dr. Hajime Sato, Secretary General and made an especially valuable contribution to the preparation work for the conferences in Amsterdam in 1973 and in Singapore in 1975.

After retiring from IAPH he served as the Japan Representative of the Port of Los Angeles and more recently, briefly served in the Port of Bremen's Tokyo Office.

His funeral was held in a Buddhist temple in Tokyo on 19 August. From IAPH, Secretary General Kusaka and the senior staff members attended the service.



ASIA'S LEADING SHIPPING DAILY

# Shipping and Trade News

TUESDAY, APRIL 16, 1996

NEWS EDITION

ASIA TODAY

Bangladesh Development Investment Study Nets Grant

Yang Ming Ponders Singapore Options

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## Port Ownership: Public Responsibility or Private Enterprise

– Case for Public Ownership –

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### Introduction

The organizers of this conference have decided to put a subject on the agenda of this working session which shall include a contrast: Port Ownership – either public responsibility or private enterprise.

My part is to plead for public ownership and I should like to offer you the views of a Hanseatic Port-town with more than 800 years of history. Speaking as a representative of one large European sea port and the biggest one in Germany, my position is naturally influenced by Hamburg's situation and experience. However, some of our opinions are shared by our competitors in Belgium and the Netherlands which live on the same Hanseatic traditions as municipal ports.

### Importance and Functions of Ports

Ports in Europe are characterized by variety. There is a great diversity as to location, size, purpose, commodities, facilities and organization for historic, geographical, legal and administrative reasons.

The variety becomes most obvious by the activities which we can see in port

areas as

- cargo handling, be it bulk, conventional cargo, containers or cars,
- ferry services.
- storage and distribution,
- shipbuilding and repair,
- other port industries like steelworks or power stations processing raw materials from abroad,
- fishery which we scarcely have any longer in Germany,
- and marinas for leisure craft.

Nobody has ever counted the number of ports in Europe, or at least within the European Union. Experts calculate that there are some four thousand. But exact statistics are difficult to get.

From different sources I have listed in table 1 annual national port tonnages and the number of commercially relevant ports in the 13 maritime member states of the European Union. This table shows, mainly based on the figures of 1994, a total turnover of nearly three billion tons of seaborne cargo in 629 ports which illustrates the economic importance of ports.

To find an approach to the issue of port ownership for me as a lawyer, it seems useful to come to an agreement on what a port actually is.

Amazingly enough there is no generally accepted definition of ports.

Only attempts have been made to work out such definitions.

In 1986, the European Commission published a study about the situation of the major community port – the so called Fact Finding Report – with the following proposal for the purpose of the study:

“A seaport... may be understood to be an area of land and water made up of such improvement works and equipment as to permit, principally, the reception of ships, their loading and unloading, the storage of goods, the receipt and delivery of these goods by inland transport and it can also include the activities of businesses linked to sea transport.”

It is remarkable that this definition refers mainly to cargo. In so far the next example is wider: In December 1995 the Council of the European Union passed a directive on statistics of carriage of goods and passengers by sea (Directive 95/64/EC of 8 December 1995, Official Journal No. L 320/25 of 30 December 1995) with the following definition, again only for the purpose of this directive:

“Port means a place having facilities for merchant ships to moor and to load or unload cargo or to disembark or embark passengers to and from vessels.”

And finally, in March 1996, the United Nations Conference on Trade and Development (UNCTAD) agreed on the following definition which seems very comprehensive:

“Seaports are interfaces between the various transport modes and are typically combined transport centers. In addition, they are multifunctional trade and industrial areas where goods are not only in transit but also handled, manufactured and distributed. In fact, ports are multidimensional systems which to function adequately, must be integrated into global logistic chains. An efficient port requires not only adequate infrastructure, superstructure and equipment but also good communications and especially a dedicated and skilled management team with motivated and trained work force.”

We could certainly discuss which is

the best version. But I think the main criteria are identical and can be summed up in one phrase:

"A seaport is a territory at the water-side destined for economic activities related to seaborne cargo and to the carriage of passengers by sea."

We have to state that none of these definitions include the aspect of port ownership nor do they deal with the questions how a port is organized and operated. Obviously, these items are not essential for defining a port, although they may be important factors.

But at least we can learn from our definitions that a port is just a territory and not automatically an independent legal entity or a commercial enterprise.

This leads me to the question: What do we mean by port ownership?

As a port is a complex mixture of many activities, the term "ownership" could – theoretically – be related to different subjects as property of land and water, infrastructure, superstructure or even operations. But in the context of this lecture, I would like to restrict myself to deal with the ownership of land and water in the port. Therefore, public port ownership means that the port area, land and water, is owned by a public, local, regional or state authority. However, this does not say anything about port operations. These can well be in the hands of private enterprises. This is the model of a so called landlord port, where the territory is owned by the public side, whereas the port business is left to the private sector.

For further explanation of this model, I should like to describe the situation in the port of Hamburg.

## **The Situation in the Port of Hamburg**

### **Responsibilities of the Federal Government and the Individual States**

Hamburg is a municipality, a city, and at the same time one of the sixteen states of the Federal Republic of Germany. It is the second smallest state by area, but not in terms of economic or political importance.

It has its own parliament and government.

Legislation and administration are shared between the federal state and the individual states. According to the German constitution, port affairs belong to the responsibilities of the individual states. The ministries of the Federal Government, in principle, have nothing to do with ports. But they are involved

in port affairs through assignments in other fields.

For instance, the river Elbe – outside the City State of Hamburg – is a federal waterway controlled by the Federal Ministry of Transport and has to be maintained by it. So the Federal Government has to dredge the fairway between Hamburg and the North Sea – over a distance of more than 1009 kilometres – and has to pay for it.

We have a similar situation with the national motorways and railroads. If the Federal Government would not keep them in good condition it would mean a lot of disadvantages for the port.

Eventually, the Federal Government is responsible for foreign affairs. Today this means to a great part the work in the European Union. This includes the support of German port interests on the European level. So we have the curious situation that the Federal Government has no responsibility for ports on the national level but nevertheless has to represent German port interests at the European Commission and within the Council.

The port of Hamburg is an area for commercial activities of private enterprises. The government's role is restricted to the following tasks:

- the setting-up of the legal framework for the port and the port activities, and of political guidelines for port development;
- the planning, construction and maintenance of port infrastructure;
- traffic regulations and traffic surveillance;
- renting out land to interested enterprises.

Government, however, is not involved in the port business proper as for instance

- cargo handling,
  - storage,
  - processing of goods,
  - and onward transportation,
- as well as connected activities like trade, banking, insurance, marketing and public relations for the port etc.

All this entirely rests with private enterprises.

### **The Port Development Act**

I had already mentioned that according to the constitution of the Federal Republic of Germany port affairs are the responsibility of the individual federal states and form part of their jurisdiction. This enabled the Hamburg parliament to pass a special Port Development Act, with the following principles:

It defines the port area which covers

75 square kilometres or one tenth of the total territory of the City State of Hamburg. The port area is characterized by being located at or near the banks of the river Elbe and its arms.

It defines the economic activities allowed in the port. It is not possible to do whatever you want in the port, because the port area is limited and has to be used carefully. Therefore, this area is reserved for port-related activities only. These include handling and storage of seaborne cargo, transport, complementary services, port-related trade, passenger services, and port-related industry, in a nutshell: services and industries taking economic advantage of being situated at the waterside.

As a consequence, living is not permitted in the port. Port activities and residential areas are clearly separated; hereby a lot of problems can be avoided.

It should be mentioned that important parts of port related activities, especially office work, are located outside the port, in the city.

The underlying principle of the Port Development Act is that port development including construction and maintenance of port infrastructure is considered a public task of the City State of Hamburg.

This corresponds with our practice in other industrial areas where infrastructure is also provided by the public.

Most of the land in the port area is state property and not for sale. Land can only be let out on lease to private sector enterprises up to thirty years. A renewal of the lease agreement can be negotiated.

This principle is based on the consideration that land in the port area is scarce and that at present the port cannot be extended beyond the narrow borders of the City State into the territory of the neighboring states. Therefore, port land has to be used very carefully and should not be open to speculation of private land owners.

Although most of the land in the port is state-owned some hectares are still in private hands in the former Prussian parts of Hamburg.

The Hamburg government is obliged to acquire privately owned premises within the port area. For this purpose the City State has a right of pre-emption, whenever private land in the port is offered for sale.

And finally the Port Development Act lays down special planning rules.

### **Political Principles for Port Development**



Apart from the Port Development Act the City State's parliament has approved some political principles which are important for the future port development.

First: The Port of Hamburg is a universal port. It handles all sorts of goods without restrictions.

In actual fact, however, container traffic is becoming more and more important.

In 1996, the total turnover amounted to 71.1 million tons, about half and half bulk and general cargo. Container handling exceeded 3 million TEU (= twenty foot equivalent unit), which means the second rank in Europe and number 7 in the world league of container ports.

Second: In 1970 the Hamburg parliament approved a new economic concept for the port, which introduced two new elements:

- Fair internal competition of all terminal operators for ship and cargo in the port,
- separation of the financing of port investment into
  - infrastructural expenditures, that means the costs for fairways, reclaiming land, harbour basins or for filling in docks no longer needed, raising-up the land to a surge water protected level, roads and railway tracks; they are financed by the City State,
  - and superstructural measures like pavement, sheds and warehouses, cranes, container gantries, van carriers, railway sidings and roads on the operating area which are the responsibility of the private enterprises.

On the basis of this cost separation each firm may build and organize its terminal according to its requirements and financial means. Who invests most can probably offer the best equipment and perhaps the best service and is most competitive.

Perhaps you have noticed that I did not mention the quaywalls, neither as infrastructural nor as superstructural measures. We regard them as terminal related infrastructure, they are built, financed and maintained by the State of Hamburg, but the terminals have to pay a rent for them.

### **Background reasoning for the organization in Hamburg**

Of course it is legitimate to raise the question: "Why have we accepted this organization?"

It would be too simple just to answer: "For historic reasons." And this would not be entirely true either. For our port is already 800 years old since the former emperor Frederick Barbarossa granted shipping and fishery rights on the river to Hamburg in 1189, whereas our present system was established only in 1970. At the same time some considerations which led to the present organization were certainly influenced by history.

Since the middle ages, the development of the City of Hamburg was dependent on the port. Hamburg has ever been a place for shipping and trade. The people of Hamburg preferred bargaining to fighting and whenever their northern neighbors, the Danes, attacked them – what happened several times during the centuries – they first tried to buy them before they beat them. From there they got the nickname "pepper sacks". The last big deal happened in 1769, when Hamburg released the Danish Royal House from a large debt and received extensive areas on the southern banks of the river as compensation which nowadays are the centre of our port.

Today we regard it as a fact that every European sea port, be it small, medium-sized or large, is an economic engine with important local, regional or even national effects. As other industrial areas, ports can offer jobs, create taxes and initiate economic activities. In Hamburg for instance 140,000 jobs are directly or indirectly dependent on the port, 15 percent of all jobs in the City, an impressive figure in times with an unemployment rate of 12 percent in our City State.

In addition, ports fulfill national tasks as they enable foreign trade. Without ports we would not have sea transport which is the basis for global trade. In so far, many ports have a vital function for the national economy. Many states can only participate in international trade using ports for their imports and exports. The best example are island states as the United Kingdom and Ireland. The same applies for peripheral countries as Finland and Greece or for landlocked states in central or Eastern Europe which need the transit function of ports for their overseas connections. Hereby ports contribute to the welfare of their own and even neighbouring states.

From these two arguments I come to the conclusion that ports have a public function and for this reason it would be quite natural for public authorities to have an interest in the development

and prospering of ports and not to leave this entirely to the private sector. But there are still other factors.

In many countries portland is limited and port areas cannot be extended at will because of the geographical situation, political borders or environmental reasons. In a time when environmental consciousness is growing, the transformation of green land into industrial sites becomes more and more difficult.

As consequence, portland is precious and has to be used very carefully. I think that can be reached in a good way by public ownership where portland is leased for a limited period and is hereby excluded from private speculation.

Finally, public ownership allows control of the use of portland. A port is a complex organism where various activities have to co-operate to offer quick, reliable and efficient services to the customer. There should be the full range of services to meet all needs of the ships, the cargoes and the passengers.

To my understanding for this purpose a "public co-ordinator" is useful who attracts and selects the enterprises needed or wanted in the port and who – as landowner – also has the power to offer suitable sites. I do not deny that this responsibility could also be carried out by a private enterprise which owns the land. But it will follow different principles. A public authority is or should be obliged to the public welfare and therefore, should observe aspects like most extensive services, competition between different operators and the regional or national economic effects of port activities, whereas a private enterprise will normally pursue its own commercial interests and aim at profit maximisation and the best shareholder value. In a market economy this is legitimate. However, the interests of an individual private enterprise might neglect or even contradict the public interests in a prosperous general economic and social development.

I will illustrate this with a simple example:

In the port of Hamburg, we had had a refinery for more than 50 years which was closed down because of overcapacity in our country at the end of the lease contract in 1995. The site was given back to the port administration and will be used as an extension area for a neighbouring container terminal.

Probably this would not have been possible or only with difficulties, if the land of the refinery had been private property. May be that the oil company

would have left the area unused for a certain time just to save the cost for cleaning the contaminated soil, may be that it would have tried to get an extremely high price for the land knowing the extension needs of the container terminal.

### Financing of infrastructure

As I had mentioned before in the port of Hamburg – as in other continental ports in Northwest Europe – the provision of infrastructure is regarded as a public task. To my understanding this is a logical consequence of the public port ownership.

Of course I am aware of the fact that some people plead for the application of the "user pays principle" and therefore consider financing of port infrastructure by public authorities as state aid.

With my background I cannot share this view for the following reasons.

Up to now, there is no transport mode where the user pays the total cost of the infrastructure. Within the European Union there have been long discussions about such a principle for years, but no solutions have yet been found. On the contrary, in several European countries the provision of road and rail infrastructure and in some cases even certain rail and air operations are regarded as a public task. Therefore, it does not seem reasonable to introduce the user pays principle alone in maritime transport or to start the implementation of this principle just in the port sector. By the way, this would be contrary to the target of the European transport policy to promote short sea shipping.

In addition, the European Commission stated in 1989 in a document titled "A general Study on State Aid in the Port Sector" (DOC VII/103/89-DE) that financial support from public authorities for port infrastructure should in principle not be considered as state aid within the terms of Article 92 paragraph 1 of the EC Treaty.

This was confirmed 1994 in a Commission communication concerning guidelines on the application of Articles 92 and 93 of the EC Treaty and Article 61 of the EEA Agreement on State Aids in the aviation sector (94/C 350/07, Official Journal No.C350/5 of 10th October 1994). In chapter III paragraph 12 it says generally:

"The construction or enlargement of infrastructure projects (for instance airports, motorways and bridges) represent a general measure of economic policy which cannot be controlled by the Commission under the Treaty rules on State Aid. Infrastructure development

decisions fall outside the scope of application of this communication in so far as they are aimed at meeting planning needs or implementing national environmental and transport policies."

I think our way of financing port infrastructure is in line with this statement.

### Conclusion

The model of public port ownership which I have pointed out to you is – in principle – also used in other Northwest European continental ports as Antwerp,

Bremen or Rotterdam. So one could speak of a Hanseatic model.

I would never say that this model is the best system you can or should have. Certainly there may be acceptable alternatives as long as they also reach the main objective of a port: to offer fast, reliable and efficient services at reasonable prices for all customers to the benefit of the enterprises and the public welfare.

We are convinced that we meet these demands with the Hanseatic model of public port ownership.

# Port Ownership: Public Responsibility or Private Enterprise

– Case for Private Ownership –

by Mr. William Thomson

Chairman, Forth Ports Plc

(Presentations made at the 20th IAPH Conference in London Working Session 7–6 June 1997)



**M**Y Lords, Ladies, Gentlemen, Colleagues, I feel privileged to be able to address you this morning on such an interesting subject and one very close to my heart.

I passionately believe in the ability of private enterprise to deliver the highest level of standards, efficiency and service. It almost goes without saying that I also believe that the public interest is for the most part met most directly by private enterprise in the following ways:

- By constantly striving for improved performance.
- By looking for innovative strategies designed to "grow" the business.
- By controlling suppliers and obtaining best value services from them.
- By constantly seeking to perfect customer service. In this way "real value for money" is obtained for the taxpayer.

I confess to being mildly irritated by the title of this session – perhaps it was

designed to stimulate and provoke – but it seems to imply that the task of meeting "public responsibility" rests entirely with those who are required to manage publicly owned assets and of course this would be arrant nonsense. In many respects private enterprise is more exposed to the challenge of failing to meet some perceived public duty or public good and is less able to escape the many regulatory examinations of its performance than its public sector equivalent. The best example of this is "Crown immunity" which for many years has been used by those operating government services to escape prosecution for mistakes and failures which would have seen its private sector equivalent irretrievably damaged.

My task before you this morning is not only to put the record right but perhaps convince more of you to accept that private enterprise has far more to offer than public ownership subject of course to a clear cut regulatory frame-

work existing.

It would hardly surprise you that I take as my models for private enterprise in the seaports, those ports in the UK which have successfully leapt into the private sector over the past 15 years, including my own Forth Ports which "jumped ship" in 1990 and became a company listed on the London Stock Market. Prior to that time we had operated a "Trust Port", a peculiarly British model. This organisation had great autonomy without offering much scope for growth and innovation primarily because its statutes imposed increasingly outdated restrictions and limitations on the "body corporate", particularly expansion through acquiring other ports and terminals.

Before going too much further, it is perhaps important to define the various seaport models both fiscally and operationally.

At one extreme, one has a port wholly owned by a Sovereign Government, or local state authority controlling all port services including stevedoring. This model will have its finances integrally linked into that of the Government or local authority department responsible for it. It may not have separate accounts. All investment decisions will be determined by Ministers, councillors or public officials as will the availability of funds. Profits, euphemistically called surpluses, and losses, (called deficits) will be held by the state. Profits may or may not be retained for future investment in the port. Losses will be absorbed into the generalities of the public sector borrowing requirement and will ultimately be paid for by the tax payer.

In between, we have what is frequently referred to as the landlord model of a port authority. This is nearly always state owned and controls such important matters as tariffs for shipping related to conservancy, environmental/safety matters and safe entry, berthing and exit. Infrastructure costs will be borne by this authority usually through the allocation of capital by the state. The landlord port is thought (by owners and port operators!) to exhibit the best qualities of public responsibility. Landlord ports are rent seekers and gatherers. They rarely handle the actual ships and shipping and cargo services. This is left to Private Enterprise. Private enterprise may build on the landlord's estate such buildings as cold stores, warehouses etc. Private enterprise will also manage the many diverse work forces in a port.

Thus, private enterprise will survive

on the back of investment decisions and other controls imposed by the state owners, and their success of failure may well depend on the skill of the public owners to correctly anticipate market trends.

At the other end, are the wholly owned private port authorities – still remarkably few – but steadily growing in number as governments and local authorities find the insatiable appetite of their seaports for capital hard to provide for.

The UK is the most advanced example of this type of authority in the world, New Zealand being the only country to have moved so comprehensively to such a wholesale transfer of ownership of seaports to the private sector. But even in New Zealand, where there are 5 seaports listed on the New Zealand stock market, high levels of ownership (and therefore control) are exerted by the regional authorities. Other isolated examples of private ownership of the entire seaport authority do exist for example, Copenhagen, Melbourne and Port Klang (more a major terminal than a port authority)

So what are we to make of these different models. Why do I believe that the UK model offers such value for state government, local community and port customers alike?

For private enterprise to work effectively, it must have a highly competitive environment, so geography clearly plays its part. In the UK it is said we have too many ports. Frequently major port complexes may be less than 100 miles apart, and competition for particular trades is intense. In these circumstances the temptation to over invest is tempered by realisation that you will see an inadequate return on your investment if someone else can service your customers cheaper and yet as effectively. So local monopoly dangers are less and for customers fearing the ability of the port authority to charge what they like, we still have powers of appeal over port charges to the Secretary of State for Transport and his/her substantial powers to impose a price formula.

All privatised public seaport authorities in the UK are still governed by local Acts of Parliament which prescribe what they may or may not do without Parliament's approval. A port may not be closed by a private owner unless Parliament approves.

Contrast the above circumstances with countries like Australia where each major seaport is separated by many hundreds, perhaps thousands of

miles and I accept that competition is weaker and for private enterprise to thrive, other measures must be put in hand.

Finally, before presenting the UK position to you as a model worthy of demonstrating the best effects of private enterprise with public responsibility we cannot ignore "labour", for so many years the outward manifestation to the public of the inward turmoil and chaos characterising port environments.

I have no intention of "Union Bashing". My own company has good relationships with its workforce and the Trade Unions sometimes representing them.

But in considering any important policy debate surrounding the seaports, one cannot ignore the power of organised labour and the influence that dock worker registration has had upon so many important decisions taken by port authorities, many of them as a consequence unwise and expensive.

It is significant that the two countries most advanced in passing control of seaports over to private enterprise both tackled the difficult issue of labour reform at the end of the 1980s. And the result was to remove the power of the Trade Union movement in the docks to resist constitutional and corporate change. Most UK port authority bosses will tell you that they have completely reformed employee relations in the docks since 1989, to the extent that most employees are share holders in their enterprise, have had their jobs completely re-organised to ensure maximum flexibility and have seen restrictive practices and industrial stoppages and other forms of action vanish from the industrial scenery of the docks.

With individual companies now able to command and achieve loyalty to their own enterprise rather than some industrial holy grail of collectivism, there has been transformation which of course private enterprise is best able to utilise and develop.

So what of the performance in the UK major private sector seaports during this period and is this performance an important part of the judgement we must make about the appropriate constitutional models for seaports around the world in the future?

I have concentrated on results from the four port companies listed on the London stock market. Not shown on the slides but of great significance is the extent to which new capital investment projects are gathering pace in the UK.

Clearly, greater sums are being allo-

cated for major projects amongst the leading private port operators than ever before.

To summarise therefore my position on public responsibility or private enterprise, I would say that the title should read:

"Public responsibility AND private enterprise"

Clearly private enterprise will be careful about its use of assets, tough on ensuring high standards of efficiency and productivity and keen to grow its business and develop business opportunities. All these objectives are very much in the public interest and the interest of the economy.

It is in the use of land that controversy still exists or at least nervousness on the part of the public owner of port land. How, they say, can a private owner be trusted to put aside sufficient

land for port development. Surely they will seek higher profits from using the land for non-port purposes. I am afraid that this argument is not borne out by reality. In truth, a private owner in seeking to grow a business will first seek to develop his core business to make use of the economies of scale. Only when he is satisfied that the market genuinely does not exist for a port related activity will he turn to other uses, and even then exploitation of the broader core business will be at the forefront of his business strategy.

So I commend private enterprise with public responsibility as the way forward for seaport communities across the world. I believe that they will provide the best value for taxpayer and customer alike and through competition and rationalisation will create the kind of modern, technologically advanced environment, which seaport customers want.

ed Australian ports during 1996. This gives an inspection rate for the year of 59.3%.

The annual number of inspections has gradually increased since recording of data commenced in 1991. In 1996 there was a 14.1% increase in the number of inspections compared to the previous year.

The types of ships inspected are summarized below. It will be noted that well over half the ships inspected (59%) were bulk carriers. About 11% of the bulk carriers inspected were detained to ensure rectification of serious deficiencies.

#### Percentage of Inspections by Ship Type

Bulk Carrier	59%
Container Ship	9%
Dry Cargo Ship	7%
Vehicle Carrier	3%
Oil Tanker	5%
Other	17%

#### Detentions

A ship is detained under the Navigation Act when the deficiencies observed during an inspection are considered by the inspecting surveyor to render the ship unseaworthy or sub-standard.

When intervention action is taken to detain a ship, AMSA follows the international convention requirements of informing the Consul or the nearest diplomatic representative of the ship's flag State and the appropriate classification society. Details of the intervention are subsequently reported to the IMO.

A ship is not deemed to be seaworthy under the Navigation Act unless:

- (a) it is in a fit state as to condition of hull and equipment, boilers and machinery, stowage of ballast or cargo, number and qualifications of crew including officers, and every other respect, to encounter the ordinary perils of the voyage then entered upon; and
- (b) it is not overloaded.

Under the Navigation Act a substandard ship is one where conditions on board the ship are clearly hazardous to safety or health.

Serious deterioration of the hull structure, overloading or defective equipment such as life saving, radio and fire fighting equipment would be considered cause to render a ship unseaworthy. Ships which seriously breach the provisions of Marine Orders Part 11

## Port State Control In Australia: Results Of Inspections In 1996

*(This article was prepared by AAPMA from the 1996 Port State Control Report of the Australian Maritime Safety Authority.)*

**A**USTRALIA conducts a PSC program that complies with both the spirit and the intent of the control provisions contained within the relevant international conventions. In addition, Australian domestic legislation contains the authority for Australian Maritime Safety Authority (AMSA) marine surveyors to board a ship at any time to investigate issues that have the potential to jeopardize safety of the marine environment.

It is AMSA's objective to inspect at least 25% of foreign ships visiting Australian ports. The percentage is based on the number of eligible ships during a given year. For this purpose eligible ships means those ships which have not been inspected by AMSA during the last six months (three months for a passenger ship) immediately preceding the date of arrival at a port.

AMSA conducts PSC in accordance with international guidelines and within the constraints of its authority under modern administrative law. Surveyors

are guided by a set of Instructions to Surveyors, which are based on a number of resolutions promulgated by both the IMO and ILO. Consistency, uniformity and objectivity are the keys to a successful and credible PSC program. AMSA continually strives to enhance performance in these three areas to ensure that Australia's PSC program continues to gain respect from both Australian interests and from foreign stakeholders.

#### Inspections

During 1996, AMSA carried out 2901 inspections on ships registered in 68 countries. The total number of individual ship visits to all Australian ports during 1996 is estimated to be 12,237. Many of these visits were made by regular traders and ships calling at more than one port. It is estimated that 4895 eligible ships (an eligible ship is one which has not been inspected by AMSA during the previous six months - or three months for passenger ships) visit-



(Substandard Ships), which implements the health and safety aspects of IL0147, may also be detained if considered to be substandard. AMSA surveyors use their professional judgement to determine if a ship should be detained under the Navigation Act.

The detention rate when expressed as a percentage of the total number of ships inspected was 8.5%, which compares favorably with the 1995 detention rate of 9.6%. Bulk carriers accounted for 73% of the ships detained in 1996. The detention percentage for the year according to ship type is shown below.

#### Detention Percentage by Ship Type

Bulk Carrier	73%
Container Ship	4%
Dry Cargo Ship	9%
Vehicle Carrier	3%
Other	11%

#### Deficiencies

A deficiency is recorded when the

condition of a ship's hull or its equipment does not conform to the requirements of the relevant IMO safety or pollution prevention conventions or where hazards to the health or safety of the crew exist which are considered to be in breach of ILO 147.

Deficiencies arise from:-

- the absence of either equipment or approved arrangements required by conventions;
- non-compliance of equipment or arrangements with the appropriate specifications of the relevant convention; and
- substantial deterioration of the ship or its equipment, such as life saving appliances, fire fighting equipment or radio equipment.

The 13,638 deficiencies observed on ships in 1996 are categorized below:-

#### Total & percentage of deficiency categories

Deficiency Categories	Number of Occurrences	Percentage of Total	
		1996	1996
Life Saving Appliances	3542		25.97
Fire Fighting Appliances	2445		17.92
Safety In General	2003		14.69
Load Lines	1664		12.20
Navigation Equipment	833		6.11
Propulsion And Auxiliary Machinery	660		4.84
Accommodation	590		4.33
Food And Catering	427		3.13
Radio	332		2.43
Marpol Annex I (Oil)	259		1.90
Mooring Arrangements	181		1.33
Ship's Certificates	177		1.30
Crew Qualifications/Crew	114		0.84
Cargo/Cargo Gear	101		0.74
Accident Prevention	79		0.58
Solas Operational Deficiencies	78		0.57
Working Space	57		0.42
Tankers	33		0.24
Alarm Signals	25		0.18
Marpol Operational Deficiencies	25		0.18
Marpol Annex II (Chemicals)	3		0.02
Marine Pollution Annex III	3		0.02
Other	7		0.05
Total	13638		

Relatively minor deficiencies are found on many ships. These may not pose an immediate hazard to the safety of the ship or its crew or passengers and may be rectified during the ship's normal stay in port and without disruption to its schedule.

Deficiencies observed in life saving appliances and fire fighting equipment account for 44% of the total number of deficiencies observed in 1996. Although this figure has decreased slightly from 1995, it is still alarming in view of the equipment's importance in

the event of fire or other ship safety incidents. It is believed that many, if not all, of such deficiencies might have been prevented with proper maintenance. Lack of maintenance may be due to inadequate management of ships by owners or operators, inadequate inspection or concern on the part of the ship's officers or crew, inadequate provision of resources for proper rectification of deficiencies, inadequate surveys by the flag State or by classification societies authorized by the flag State. Insufficient crew numbers on board ships also contributes through a lack of crew available for equipment maintenance.

#### Australia's Views On The Issue Of Who Is Responsible for Safety

The Australia Government remains committed to the preservation of the marine environment and to the protection of life and property at sea. Port State Control (PSC) is one of the strategies utilized by AMSA in ensuring that these objectives are achieved. However, it needs to be remembered that the primary responsibility for the safety and operation of the vessel lies clearly with the vessel's owner and/or manager and the flag State. PSC can never replace the effective operation of a safety culture by responsible owners/managers on ships under their control and the oversight of those ships by the flag State under the international convention requirements.

The actions of some flag States in either being unwilling or unable to implement their international maritime convention responsibilities continues to impose an unacceptable risk on those nations with whom their ships trade. In addition, those nations who implement a PSC program in an attempt to manage this risk incur costs which should rightly be borne by the owner/manager and the flag State. Australia is a strong supporter of proposals to review the flag State responsibilities and accountabilities that exist under the current international safety conventions. The aim of that review is to identify and assist those flag States which may need assistance in fully meeting their international requirements and, as a last resort, to identify those flag States unwilling to meet their international obligations and instigate appropriate action.

# WORLD PORT NEWS

## **CIS, Baltic States to Talk on Ports, Shipping**

16-17 October 1997

The Swissotel, Istanbul

**R**APIDLY increasing cargo flows into and out of Russia and the republics of the CIS continue to make this an attractive market for the shipping industry, while the expansion and modernisation of port facilities serving the area is beginning to create choice for shippers in a competitive marketplace. But high costs and low reliability still plague most routes, with customs clearance remaining a major hurdle.

Following the great success of the past two year's conferences attended by over 300 delegates, the Adam Smith Institute is proud to announce this third high profile international conference on Ports, Sea and River Shipping in the CIS and Baltic States.

For further information, please contact:

Claire Doe, Conference Organiser  
Adam Smith Institute

11-13 Charterhouse Buildings, London, EC1M 7AN, England, UK

Tel: +44 (0) 171 490 3774

Fax: +44 (0) 171 490 8932

main issues. A chief area of interest is how satellites can be used to provide hyper-accurate information in harbour surveying work.

For further information, please contact:

Tanya Lowe, Conference Producer  
International Quality & Productivity Centre (IQPC)

Tel: +44 171 691 3227

Fax: +44 171 691 3200

Email: [enquire@iqpcmail.co.uk](mailto:enquire@iqpcmail.co.uk)

<http://www.iqpc.co.uk>

## **Equiport 98 in May 1998 In the Heart of Paris**

**E**QUIPORT 98, the exhibition for shipping, intermodal transport, port and maritime technologies will be held 12-15 May 1998 in the heart of the Port of Paris, Gennevilliers.

For its 6th edition, EQUIPORT, the major meeting for port and maritime professionals, will gather:

- shipping, intermodal transport, and logistic platform companies,
- port and maritime equipment manufacturers with a large space outside the halls for heavy material

display,

- for the first time in Paris, a presentation of port workboats and river transport boats afloat.

"EQUIPORT 98 to be held in the port of Paris, first river port in France, demonstrates our will to develop multi-modal transport and position the port of Paris as hinterland gate to the French maritime ports", said the port of Paris' delegate.

Organizing EQUIPORT for the first time in Paris allows us to offer to logistic professionals and equipment manufacturers an exhibition which will be held in the capital of France and in the same time to be present in a port, in the heart of the first logistic platform of the Paris region", declared the organizers.

With a very easy access, located only 6 km from the center of Paris, it is the ideal location for exhibitors and visitors.

A large program of conferences and events will also be organized during the 4 days of the exhibition.

Additional information, please contact:

Edit Expo International

12, rue Vauvenargues

75018 Paris

Tel: +33.1.42.23.13.56

Fax: 33.1.42.23.13.07

## **Dec. Conference on GPS, Satellite Technology**

**S**ATELLITE technology and GPS have revolutionised navigation in the shipping industry. This technology has the ability to do so much more as the need for efficiency in ship handling and operation becomes increasingly necessary. Moreover, with safety in the industry increasingly under scrutiny, using satellite and GPS systems within this context is paramount.

This conference to be held on 1st & 2nd December at Hyde Park Hotel, London will be looking at the variety of ways in which satellite technology can be applied both in ship-management and in other areas of maritime operations. It will bring together experts from leading shipping lines, ports and technology providers to discuss the

### **Theme:**

**A**LL around the world governments are investing in infrastructure development that will support the revitalization of the private sector and boost trade and economy. The development of free trade and industrial zones in proving to be popular option for achieving these goals. Out of necessity, private investors are being wooed by governments for the funding of these

new projects.

This summit looks at free trade zones in the Middle East and investigates what is really on offer to the investor. It showcases options, examines risks, asks about financing, compares results and attempts to assess the micro and macro economic significance of free zones for the regional and global economy. It exposes the logistical support necessary to ensure success; the redevelopment of seaports to support free

## **The 2nd Middle East Infrastructure Development Congress**

# **Ports and Free Trade Zones Summit**

November 23-25, 1997, Al Bustan Rotana Hotel, Dubai, United Arab Emirates

zone activity, increased cargo handling/freight forwarding capacity, improved air-sea-land augmentation and response to changes in the shipping industry.

## **Countries and projects highlighted at the summit:**

**Salalah, Oman:** the challenge to Dubai as the Arabian Peninsular's transshipment center, has really begun hotting up with port authorities in Oman awarding contracts to develop the container port of Salalah. \$330 million is being invested in this transformation project. The politically stable environment in Oman is hinted at giving Salalah the edge over projects in other countries of the region, such as Aden in Yemen.

**Aden, Yemen:** construction of the container terminals is the centerpiece of the \$280 million first stage of a \$580 million 25-year redevelopment scheme which aims to restore Aden's port as the region's primary container hub on routes from Europe to Asia. Though politically less stable than Oman, Aden is exceptionally well located. Significant loans and funding is still being sought for the project, which competes with the concurrent development of Salalah in Oman. Both ports will provide greater savings on bigger ships. The Port Authority of Singapore won the \$187 million contract to redevelop Aden port, and has committed to invest an unspecified amount in this project, particularly the development of the new container terminal.

**Qeshm, Iran:** so far foreign investors have undertaken to invest \$1.5 billion in Iran's Qeshm island free zone, which has the capacity to attract investments worth \$4 billion. This is one of three zones in Iran, set up to attract foreign investment and aiming to promote non-oil exports. Foreign and privately-owned Iranian banks have also been allowed to establish branches in the zones. Whilst being strategically located – commanding the northern side of the entrance to the Gulf, and well-established, investors still lack of confidence over repatriation of profits and political risk. Qeshm believes that it has now established an improved climate for business, and is confident about its future. Intense activity suggests that it is finally coming into its own as a magnet for export-oriented investment.

**Aqaba, Jordan:** \$3 billion is

being invested in the transformation of the Red Sea port of Aqaba, into a free trade zone. It is now promoting to draw much needed foreign investment to help rejuvenate its aid-dependent economy, particularly looking to attract multinationals to set up large-scale re-export industry. It will 'become a vital project capable of attracting foreign investments' said Deputy Prime Minister, Jawad Ananl (also attending MEIDC).

**Lebanon:** The government agency, Investment Development Authority of Lebanon (IDAL), has invited international operators to construct and operate tax-free transit zones at Beirut airport and in eastern and northern Lebanon. The Aj-Qleat free one requires a \$13 million investment in infrastructure with optional \$11 million investment in superstructure. The Riyak free zone requires \$12 million in infrastructure with optional \$10 million investment in superstructure. Both are being constructed on a BOT basis with 25-year concessions. A further free zone is being developed at Beirut airport on a BOT basis with a 15-year concession.

**Pakistan:** Significant investment is being made into establishing Special Industrial Zones in the country, further strengthened by a new government coming into office – which gives more importance to industrialization. As such it has announced a fresh package of incentives. Particular attention is being paid to logistics infrastructure development in Karachi Export Processing Zone, to encourage and support private investors and industrial diversification.

**UAE, Dubai:** Dubai Ports Authority has maintained its position as the 13th port in the world for container handling in 1996, and its reputation as the undisputed commercial hub for the region. In addition, Dubai offers the GCC's best-known free trade zone, Jebel Ali, which welcomes the increased competition among new and established free trade zones in the GCC. An incentives-rich free zone is also being developed for Dubai Airport, which has already attracted a number of weighty multinational companies including Boeing. Dubai continues to draw the favour of the regional and foreign investors. The relaxed political climate, together with extremely well-developed facilities, services and special incentives, make it an easy

choice. The Middle East can look to Jebel Ali as a successful model for future growth.

**Ajman:** A major infrastructure development plan has resulted in the Ajman Free Zone having been able to record a meteoric rise in the number of investors. From a paltry 33 in Jan. 1996, when the new development-cum-expansion thrust began, the number jumped to 104 by the end of 1996; today the figure is 170 companies. The zone is aiming for 250 companies by the end of 1997, and 600 by the turn of the century. Ajman offers one unique service as compared to other free zones of the region; total transparency in their pricing policies, so that there are no hidden costs. The zone especially prides itself on its location, manpower costs and service to tenants.

**Fujairah:** The free zone authority has embarked upon its second phase of expansion to upgrade facilities and beef up its infrastructure. \$3 million is being invested in facilities development. The fresh infusion of money in the zone, is expected to result in an annual turnover of Dh1.26 billion by the end of 1998. Located on the east coast next to the Port of Fujairah, affording quick and easy freight movement by sea, land or air, prospective investors have begun to realize the advantages of setting up a base here.

**Hamriyah & Sharjah Airport International Free Zone:** Sharjah is investing Dhs500 m to build a modern infrastructure for its free zone in Hamriyah. The first stage involved the construction of a quay, internal roads, surrounding walls and power supplies. The second phase begun in April, involves the building of warehouses and other facilities at a cost of Dhs150 million. The third stage to be completed by October 1998, includes authority premises, commercial buildings, banks, insurance offices and other facilities.

**Sadiyat island, Abu Dhabi:** Investors are cashing up to subscribe in a project to set up the Middle East's first free storage zone – the latest venture to woo funds from UAE nationals. The zone will have a capital of \$3 billion, to be contributed by UAE public and private institutions, as well as local and foreign individual investors. It specializes in the storage, transport and trading of basis commodities. Subscription is through

banks in the UAE and other countries, who have speculated that the local share issues will exceed 20 percent, or around \$600 million.

## Other issues under discussion:

- the significance of port and FTZ development in international and global terms
- actual and potential markets and their infrastructure requirements
- evaluating and investing in BOT free zone projects in the Middle East
- significant airport free trade zone development and investment opportunities
- funding, financing, incentives and risk assessment for port and FTZ development
- implications of changes in shipping, cargo handling and containerization
- long-term project planning and civil engineering issues

For further information, please

## MEIDC

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## ICS Issues Updated Environment Code

**T**HE International Chamber of Shipping (ICS) has published a revised edition of *Shipping and the Environment: A Code of Practice*.

"The Code has been brought up to date in the light of the latest statistical data and regulatory developments," explained ICS Chairman, Juan Kelly. "Since the first edition of the ICS Environment Code was published in 1993 there has been a further encouraging reduction in the number of incidents involving pollution by ships. This must be a reflection of better regulatory control, and increased awareness of the need to protect the environment."

The Code lists ten principles of environmental management which companies are urged to follow by having in place the management practices necessary to improve environmental performance.

The Code also lists the prime sources

of pollution and provides background information concerning current international legislation, recommendations and codes of practice, as well as recommended management standards that can be incorporated into shipping company's environment plans.

The new ICS Code should be especially helpful to ship operators finalising their safety and environment policies required by Section 2 of the ISM Code.

The Code is available direct from ICS for £5 (to cover postage and packing).

## New Publications

### An Analysis of US Public Port Profitability and Self-Sufficiency

**A**N Analysis of U.S. Public Port Profitability and Self-Sufficiency has been issued by the U.S. Maritime Administration. (Washington, DC: June 1997). 115 pages. Executive Summary. Tables. Figures.

Order from: Office of Ports and Domestic Shipping, Maritime Administration, U.S. Department of Transportation, 400 Seventh Street, SW (Room 7201), Washington, DC 20590. Tel: (202) 366-4357. Fax: (202) 366-6988.

### The European Container Market – Prospects to 2008

**T**HE latest OSC container report – *The European Container Market – Prospects to 2008* – offers a thorough reanalysis and reappraisal of European container port market, port investment and shipping trends. Despite the fact that overall trade volumes will continue to increase at between 8-10 percent per annum, this analysis points to considerably divergent sub-regional port utilization and market outlooks.

The following is a summary of the main findings of the 261-page Report.

#### Market Development

Although OECD European economic growth rates have considerably underperformed those of the USA and, particularly, Japan/Asian NICs, since 1980 the collective European OECD economy has expanded by near 41 percent. This

has generated an increase in European container port demand over the same period of 216 percent, from 11.49m TEU to 36.26m TEU.

Within Europe the container port market remains dominated by the North Continent and UK/Ireland port ranges, although over 1980-96 each has seen a decline in market share, from around 45 to 38 percent and from 20 to 17 percent respectively. This is in some contrast to the Western Mediterranean sub-region, which has increased market share from 15.5 to 20.0 percent.

In terms of the shipping structure, Europe as a whole has seen much increased volumes of deepsea and associated feeder traffic in particular. Total trade in 1985 was 17.16m TEU, rising to 36.26m TEU by 1996 – of the former, deepsea, feeder and inter-European accounted for 10.74m, 2.11m and 4.3m TEU respectively; by 1996 these trade flows were 20.0m, 8.32m and 7.9m TEU respectively. Thus, despite the absolute increase across all structural trade flows over the period, the deepsea proportion declined from 62.6 to 55.2 percent and that of the feeder increased from 12.3 to 22.9 percent.

#### Forecast Demand Growth

In terms of the outlook for total European throughput, total container port demand is forecast to increase from 36.26m TEU in 1996, to 52.83m TEU by 2000, and to 75.21m TEU by 2008.

This will be accompanied by considerable shifts in the structure of the trade, with inter-European trade forecast to increase from 7.92m to 10.79m to 15.12m TEU over this period, feeder trade forecast an increase from 8.32m to 13.40m to 20.0m TEU, and deepsea trade an increase from 20.0m to 28.64m to 40.09m TEU. This signals a moderate proportional decline in the share of inter-European and deepsea trade – feeder traffic is set to develop very strongly.

The forecast demand for container handling is informed by certain market developments, among the most important of which is the impending likelihood that by 2000 vessels of around 8,000 TEU will start to enter the market. By then, these are likely to appear on the Far East-Europe trades, but will be the dominant class on arterial trades worldwide by 2010.

Vessels of 2/3,000 TEU will also come to dominate the secondary deepsea trades, whilst the continued strengthening of operations based on the hub-and-spoke concept will see average



## European Container Throughputs by Region and Market Share Development 1980/96

	1980	1985	1990	1991	1992	1993	1994	1995	1996*
<b>'000 TEUs</b>									
North Continent	5137.1	7315.7	9816.3	10478.5	11259.4	11509.1	12683.2	13234.7	13839.4
Scandinavia/Baltic	975.6	1475.2	1845.7	1822.9	1899.4	2138.5	2381.6	2685.0	2930.4
UK/Ireland	2264.3	3101.2	4228.8	443.0	4778.9	4867.4	5194.9	5550.6	6051.2
Atlantic	481.3	878.1	1223.0	1299.9	1437.6	1433.0	1560.9	1668.2	1774.0
West Mediterranean	1778.4	2881.0	3648.7	3956.8	4095.0	4528.9	5312.2	6198.8	7270.4
East Med./Black Sea	844.5	1521.3	2487.2	2641.7	2974.1	3278.6	3469.4	3942.4	4398.8
Total	11481.2	17172.5	23240.7	24642.8	26444.4	27755.5	30602.2	33279.7	36264.2
<b>Percentage</b>									
North Continent	44.7	42.6	42.2	42.5	42.6	41.5	41.4	39.8	38.2
Scandinavia/Baltic	8.5	8.6	7.9	7.4	7.2	7.7	7.8	8.1	8.1
UK/Ireland	19.7	18.1	18.2	18.0	18.1	17.5	17.0	16.7	16.7
Atlantic	4.2	5.1	5.3	5.3	5.4	5.2	5.1	5.0	4.9
West Mediterranean	15.5	16.8	15.7	16.1	15.5	16.3	17.4	18.6	20.0
East Med./Black Sea	7.4	8.8	10.7	10.7	11.2	11.8	11.3	11.8	12.1
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

\* - preliminary

Source: Ocean Shipping Consultants Ltd.

capacity for feeder vessels increase from around 600 to 1,200/1,500 TEU over the study period.

### Port Implications

For ports and terminals, operators of the largest vessels will concentrate on a diminishing number of regional port calls. At least three container gantry cranes will be required per vessel, with preferential berthing an increasing priority for lines. Terminals will be under great pressure to offer 24 hours, seven days a week operations as service criteria will form the basis to inter-port competition.

In addition, intermodal links, especially as regards the expanding central and eastern European market, will grow in importance as determinant of port call regime. At the same time, effective interface of deepsea and feeder operations will also be of fundamental importance in determining competitive position.

For ports, the increased efficiencies required must be sourced to all areas of operations, but probable areas of particular development will be yard stack height, as well as the use of automated yard handling activities. By far the greatest determinant of efficient throughput, however, remains dwell time. In order to reduce this to a mini-

mum, terminals will have to seek greater cooperation with forwarders and customers. The massive capital costs associated with terminal equipment in the post-Panamax era also indicates possible increased cooperation, if not integration, of operator and terminal concerns.

### Regional Trends & Outlook

The study provides a detailed review of the development of forecast container port demand on a sub-regional basis and contrasts this with the most likely course of terminal investment in the region. This provides a detailed review of the outlook for productivity and container handling charges in the regional markets.

North Continent utilization rates are currently relatively low as a result of the higher level of investment in supply over the development of demand. This, in turn, relates to the high level of inter-port competition and determination on retention of market share. It is clear that the North Continent range will experience some weakening in the fundamentals over 1997. However, by 2000 handling rates are forecast to be some 12 percent higher than in 1996. Although with some hesitation, in general a further firming of handling rates can be expected with rates some 18.4 percent higher by 2002.

For the Scandinavia/Baltic container port region the late 1980s once more witnessed a high level of facility investment, restraining utilization rates as a whole. Political stress and resultant economic uncertainties undermined throughput in the subsequent period and productivity rates declined as a result. Predominantly as a result of the escalation of demand and the relative reluctance of port investment capacity, the outlook for the Scandinavia/Baltic region is one of increased utilisation and an increase in handling charges. Handling rates are forecast to peak at 115.2 percent of their 1996 level in 1999, and stand at just under 110 percent by 2002.

The relative maturity of the UK/Ireland container port market, as well as the concentration of major container handling at only a limited number of front rank ports, has tended to result in a stable productivity profile. This suggests an inflation of handling charges; not, however, before some initial weakening as fresh container capacity is absorbed. A peak in handling charges of 115 percent is forecast for 1999, and return to current levels by the end of the period.

For the Atlantic ports the overall view is complicated by the relatively strong development of Atlantic Island terminal throughput as compared to, for example, that of western France. Further to this, throughput development has at least in part been prompted by recent conversion of general cargo trades. Albeit that regional views mask individual port markets, for the Atlantic port market as a whole some considerable handling rate decline is forecast. Although throughput levels are increasing for the range, the pace of investment in supply is forecast to severely undermine utilization. It is forecast that over the 1996-2002 period rates will therefore decline to only 70.5 percent of the 1996 level.

Utilization levels at West Mediterranean terminals have generally increased at a very high rate, especially over the 1990s. From 15.95km in 1986, container berth capacity reached over 23km by 1996, an increase of 44.6 percent and for the most part due to port investment (initially underutilized) in the mid to late 1980s. Over the same period total gantry number increased by over 84 percent to 94 units. Comparatively, total regional throughput increased by over 150 percent, with consequent impact on utilization rates. The substantial investment in supply is largely forecast to be utilized, thus

## Regional Container Terminal Investment Requirements to 2006

	1996/2002	2003/2008
<b>No. Container Gantries</b>		
North Continent	88	114
Scandinavia/Baltic	26	43
UK/Ireland	35	50
Atlantic	13	16
West Mediterranean	50	58
East Mediterranean/Black Sea	32	49
Total	244	330
<b>Container-Berths - kms</b>		
North Continent	29.89	38.74
Scandinavia/Baltic	13.75	22.51
UK/Ireland	6.20	8.86
Atlantic	6.33	7.95
West Mediterranean	11.77	13.74
East Mediterranean/Black Sea	8.19	12.85
Total	76.13	104.65

Source: Ocean Shipping Consultants Ltd.

## The European Container Market – Prospects to 2008

Available: 13 - 06 - 1997

Price: £510-00 or US\$890-00

Details from:

Study Sales Department  
Ocean Shipping Consultants Ltd  
Ocean House  
60 Guildford Street  
Chertsey  
Surrey KT16 9BE  
England  
Tel: (0) 1932 560332  
Fax: (0) 1932 567084

maintaining rates around the current level – indeed, by 2002 rates will be around 10 percent greater.

From a lower base in all respects, Eastern Mediterranean/Black Sea port handling has on average grown increasingly more intense over the period. Container throughput has increased rapidly and has driven up utilization despite the increase in container berths and cranes. However, demand is not forecast to maintain the pace of supply development in this diverse region and rates are forecast to decline to 84 percent of 1996 levels over the period to 1999, with a further erosion of rates to a mere 60 percent by 2002.

In broad terms, the current European total container port investment programme is roughly in line with forecast demand at typical productivity rates.

Over the 1996-2002 period a further 244 gantries and a further 76.13km of container berth will be required. Over the following 2003-08 period, a further 330 gantries and near 105km of container berth will be required – see Table 2.

The outlook is in general very positive, although the analysis underlines the degree to which localized over-capacity will restrain handling rates. In general, however, the position remains very positive and this underlines the continued expectation of sustained demand growth.

This report analyses the current state and prospects of the European port sector though a structured approach based on total European and subregional shipping structure, port throughput and capacity supply, investment and productivity analysis.

## MARPOL Placard for Panamanian Vessels

FROM July 1, 1997, Regulation 9 of Annex V, MARPOL 73/78 came into force for newly built vessels (as for existing vessels which were built before July 1, 1997, it will apply from July 1, 1998).

The Regulation 9 (1) requires "Every ship of 12 meters or more in length overall shall display placards which notify the crew and passengers of the disposal requirements of regulations 3 and 5 of this Annex, as applicable," and "The placards shall be written in the official language of the State whose flag the ship is entitled to fly and, for ships engaged in voyages to ports or offshore

terminals under the jurisdiction of other Parties to the Convention, in English or French."

This time, we put placards (water-proof sticker, 25.5 cm x 18.0 cm) notifying Regulation 3 and 5 of Annex V, which are written in English and Spanish, on sale at 450 Japanese yen apiece (price does not include postage).

As you know, the official language of Panama is Spanish only, therefore, every Panamanian flagged vessel shall display placards written in Spanish.

This placard is also fit for the vessels registered in the State of which the official language is English. 15~20 pieces a ship will be proper (including spares).

TO ORDER

Please Contact:

MARPOL 73/78 ANNEX V "GARBAGE DISPOSAL RESTRICTIONS" MARPOL 73/78 ANEXO V "RESTRICCIÓN EN LA DISPOSICIÓN DE DESPERDICIOS"			
It is illegal for any vessel to dump plastic trash anywhere at sea or in navigable waters. Esta Prohibido para cualquier buque verter desperdicios de plástico en el mar o en aguas navegables.			
Less than 3 miles from the base line. Menos de 3 millas desde la línea base.	From 3 miles up to 12 miles. Desde 3 millas hasta 12 millas.	From 12 miles up to 25 miles. Desde 12 millas hasta 25 millas.	More than 25 miles. Más de 25 millas.
<div>Illegal to dump Prohibido verter</div> <div>plastics    plásticos papers    papeles rags    trapos metals    metales glasses    vidrios crockerries    lozas dunnages    tablas de estiba foods    alimentos</div>	<div>Illegal to dump Prohibido verter</div> <div>plastics    plásticos dunnages    tablas de estiba</div> <div>Illegal to dump, if not be ground to less than 25mm. Prohibido verter, si no se tritura a menos de 25mm.</div> <div>papers    papeles rags    trapos metals    metales glasses    vidrios crockerries    lozas foods    alimentos</div>	<div>Illegal to dump Prohibido verter</div> <div>plastics    plásticos dunnages    tablas de estiba</div> <div>Within Special Areas, disposal of food waste into the sea shall be made as far as practicable from land, but in any case not less than 12 miles from the base lines. En Zonas Especiales, los restos de comidas deberán ser vertidos como si fuesen a tierra, pero en ningún caso se verterán a menos de 12 millas de la línea base.</div>	<div>Illegal to dump Prohibido verter</div> <div>plastics    plásticos</div>

Special Areas are such areas as the Mediterranean, the Baltic Sea, the Black Sea, the Red Sea, the "Gulfs area", the North Sea, the Antarctic and the Wider Caribbean Region (See Regulation 5 of Annex V).  
Zonas Especiales son las zonas tales como el Mediterráneo, el Mar Báltico, el Mar Negro, el Mar Rojo, la «zona de los Golfos», el Mar del Norte, el Antártico y la región del Gran Caribe (Ver Regla 5 de Anexo V).

Illegal dumping is prohibited.  
Vertido ilegal prohibido.

M.O. Marine Consulting, Ltd.  
18-1, Kaigan 3-chome, Minato-ku,  
Tokyo, 108, Japan  
Tel: +81-(0) 3-5443-1011

Fax: +81-(0) 3-5443-1014  
Person in charge: H. Iinuma (Mr.) or  
M. Kato (Ms.)

## The Americas

### US Foreign-Trade Zone Projects Increasing

**T**HE Foreign-Trade Zones Board releases a report each year detailing the activity of the nation's foreign-trade zones. The most recent report, that for fiscal year 1995, sheds some light on which industries are taking advantage of foreign-trade zones, and which ones are benefiting the most.

In fiscal year 1995, the oil refining, pharmaceutical, automobile, computer/telecommunications equipment, office equipment, and shipyard industries were the most involved in foreign-trade zone manufacturing activity. The first three industries mentioned above showed particularly high increases in the use of foreign-trade zone procedures. During the year, 38 auto assembly plants with subzone status operated under foreign-trade zone procedures, up from 37 the year before.

More than 90 percent of the activity in subzones involved assembly and manufacturing. This activity was measured in terms of the value of shipments received. Of the shipments received at zones and subzones measured by value, 80 percent was of domestic origin.

The number of active foreign-trade zone projects increased from 124 in 1994 to 134 in 1995. During the year, more than 2,800 firms across the United States used foreign-trade zones, an increase of 100 from 1994. Employment at facilities operating under foreign-trade zone status climbed to 316,000 persons, up by 24,000 people.

During the fiscal year, the Foreign-Trade Zones board received and filed 74 formal applications requesting authority for nine new general-purpose zones, 30 subzones, and 35 authorizations for expansion and new manufacturing at existing zone projects.

In addition to the 74 formal applications, the board processed more than 50 administrative cases involving routine changes to zone projects such as boundary modifications and scope deci-

sions. Some administrative cases were processed under the "fast track" procedure set forth in the foreign-trade zone regulations. This procedure is applicable to cases involving requests for manufacturing authority under circumstances where there is a recent precedent or proposed activity that is for export only.

There are many ways a company may be able to benefit from having foreign-trade zone status, depending on the company's type of operation.

(Port News Magazine)

### Georgia Ports Authority Sets Tonnage Records

**C**ARGO handled via Georgia Ports Authority facilities surged to record levels during fiscal year 1997, ending June 30. The record setting performance in FY '97 underscores the vitality of international trade in Georgia and throughout the southeastern United States.

The statewide total of 10,810,904 tons of cargo, handled through the deepwater seaports in Savannah and Brunswick and at the state's inland

barge terminals in Bainbridge and Columbus, represents an 11.8 percent increase in tonnage over the previous fiscal year and marks the tenth consecutive year of growth. Double-digit growth in both container and general cargo traffic at the Ports of Savannah and Brunswick highlighted the productive year. Container business handled via the Port of Savannah represented approximately 63% of the freight handled through that facility and accounted for nearly 50% of the total commerce handled statewide. General cargo handled in Savannah and Brunswick represented 30% of the statewide total and liquid/dry bulk cargo represented 20% of the grand total.

"Business activity at our ports during the past year has been truly outstanding and very gratifying," stated GPA Executive Director Doug J. Marchand. "Our ability to record tonnage growth year after year and attract new customers and expanded ocean transportation services is the best endorsement I can think of four continued investment in our facilities and equipment, technology, terminal services and intermodal capabilities."

Expansion projects currently underway or in the planning stages at the Port of Savannah include the present construction of a seventh container berth, the acquisition of property for an eighth container berth, studies for deepening the project channel depth and the expansion of general cargo warehousing and berthing capabilities. Improvements at the Port of Brunswick include the development of additional acreage for the storage and handling of automobiles, the replacement of the Sydney Lanier Bridge and a study to deepen the Brunswick navigation channel. At the inland terminal in Bainbridge, proposals for the replacement of the concrete wharf have been received and the Authority will consider awarding a contract to the successful bidder during its July meeting.

#### Georgia Port Authority - Fiscal year 1997

	FY97	FY96	Difference	% Change
Container Tonnage	5,323,621	4,768,443	+555,178	11.6%
General Cargo Tonnage	3,277,295	2,743,335	+533,960	19.5%
Bulk Tonnage	2,209,988	2,157,412	+52,576	2.4%
Total Tonnage	10,810,904	9,669,190	+1,141,714	11.8%
TEUs	695,685	623,685	+72,000	11.5%
Vessel Count	2,244	1,980	+244	12.3%

## **GPA Cited for Efforts In Brunswick Harbor Study**

**T**HE Georgia Ports Authority was honored recently by the Savannah District Army Corps of Engineers with the presentation of the Trainor Award for its involvement in the Port of Brunswick Harbor Deepening Feasibility Study. Also recognized for their efforts in the study were representatives of the Savannah District Army Corps of Engineers, the Brunswick Harbor Pilots, the U.S. Fish and Wildlife Service and the Department of Natural Resources. Presented annually, the Trainor Award recognizes team excellence in the Corps' Civil Works Program.

The U.S. Army Corps of Engineers, in cooperation with the Georgia Ports Authority, has been studying the feasibility of deepening the Brunswick navigation channel and approaches to port facilities during the past two years. The study evaluation considered deepening the 30-foot channel in two foot increments to a maximum depth of 36 feet at mean low water.

The 40-member team worked closely

together on the feasibility study to determine the most cost effective means to support projected growth for the Port of Brunswick. They analyzed and prepared engineering, environmental and economic data that focused on environmental impact, design/cost estimates and benefits to the maritime industry and the local Brunswick community as a whole. According to Corps officials, the study is slated for completion in February, 1998, at which time final design work for actual construction will be prepared.

"The planning for deeper project depths at the Port of Brunswick is critical to its continued success," stated GPA Executive Director Doug J. Marchand. "The teamwork demonstrated by all parties involved in the feasibility study has been truly outstanding. The GPA values its close working relationship with the U.S. Army Corps of Engineers, the Brunswick maritime community, the U.S. Fish & Wildlife Service and the Georgia Department of Natural Resources through efforts that benefit the environment and facilitate trade worldwide."

than \$1.3 billion on capital projects during Dillenbeck's tenure and has watched its operating revenues more than double to \$219 million.

Dillenbeck said his greatest achievements were the acquisition of more than 700 acres of land and water area in the port's north harbor area for future expansion, the start of the Alameda Corridor transportation project and the near completion of a \$150 million infrastructure project designed to expedite road and rail traffic throughout the harbor.

In September, Hanjin Shipping Co. of South Korea will open a \$280 million, 170-acre terminal on part of the property purchased during Dillenbeck's reign. The land, which was formerly used for oil development, will become Hanjin's largest container terminal in the world.

The 20-mile Alameda Corridor, which will link the ports of Long Beach and Los Angeles to the rail heads near downtown Los Angeles, is now under construction. Dillenbeck was instrumental in purchasing more than \$300 million in rights-of-way from three railroads to make the project possible. He also worked to secure more than \$800 million in state and federal financial support for the corridor to supplement more than \$400 million in port financing and \$700 million in revenue bonds to be retired by users of the corridor.

Finally, Dillenbeck implemented a \$150 million road and railway improvements program throughout the 3.6 square mile port complex. That program involves the construction of overpasses at six intersections to allow trucks to travel above trains. The overpasses are critical due to increased train traffic generated by Long Beach's five on-dock rail yards. The program will be completed by early 1999.

## **Dillenbeck Retires From Top Long Beach Post**

**P**ORT of Long Beach Executive Director Steven R. Dillenbeck on August 25, 1997 announced his retirement after a 10-year stint at the nation's busiest container port and 34 years in the seaport business. He will vacate his \$170,000 a year position effective during the first week of October.

"I've given 34 years of my life to port administration. It's been challenging and rewarding, but now I am ready to move on to a slower pace and enjoy my life," he said.

Harbor Commissioners expressed disappointment at Dillenbeck's announcement and indicated that they planned to enter into a consulting contract with Dillenbeck for an undetermined length of time after his retirement. They also named Richard D. Steinke acting executive director upon Dillenbeck's departure. Steinke currently is the deputy executive director.

Although Dillenbeck did not announce the date of his retirement until August 25, the 57-year-old Dillenbeck has indicated for several

years that he intended to retire early. he and his wife purchased a ranch in Montana several years ago and currently have their San Pedro home listed for sale.

Dillenbeck has been at the Port of Long Beach since 1987 when he joined the staff as director of the Properties Division. He was promoted to managing director in 1990 and executive director in February 1991. During his tenure, the number of cargo containers handled by the port has nearly doubled, and Long Beach has grown from the third busiest to the busiest container port in the nation.

"I'm proud to have been at the port when we hit the top," Dillenbeck said. "Long Beach serves some of the finest shipping lines in the world. We've remained focused on their needs, and it has paid off," he said.

Dillenbeck has a reputation as a nonsense manager who has held the line on staff size and operating costs, while pouring millions of dollars into port expansion and capital improvements. His staff of 275 permanent employees is one of the smallest of any major seaport in the nation. At the same time, the port has spent more

## **New Refrigerated Cargo Service at San Diego**

**T**HE Port of San Diego is realizing its new maritime trade development direction for the Cold Storage Facility with the launch of a new refrigerated cargo service on Monday, August 11, 1997.

Russian Pacific Line's reefer vessel *Kraskino* will sail from the Port's Tenth Avenue Marine Terminal to Vladivostok, Far East Russia carrying frozen poultry. In the future, this service will also call at Yokohama, Japan



on inducement.

"Now that Harborside Refrigerated Services has come online as operator of the Cold Storage Facility, this new business is a strong indicator of what's in store for the Port," said J. Michael McDade, Chairman of the Board of Port Commissioners. "We're hopeful that more of these kinds of frozen and, in the future, chilled commodities will transit through here, thereby increasing opportunities for longshore and other labor at the Port."

In late February 1997, Harborside entered into an agreement with the Port to generate year-round cargoes for the Cold Storage Facility. Harborside, a Tampa-based company, also operates successful dockside cold storage facilities in the ports of Tampa and Houston.

The new service is expected to have a sailing frequency every month. Frozen and chilled commodities will be shipped to the Port's Cold Storage Facility by refrigerated truck and rail from origination points as far away as U.S. southern and southwestern states. Longshoreworkers are then charged with loading them onto the cargo vessels for export.

"This new business is a plus for everyone," said Timmy Chavez, President of the International Longshore and Warehouse Union Local 29. "It's good for longshoreworkers and also gives us an opportunity to hire people from the community. We hope to see more of it."

"In addition to these exports, the Port will also soon be receiving import frozen product and perishables," said Ed Bowman, Director of Trade Development.

## Port of Charleston Closes Out Record Year

**T**HE Port of Charleston broke its all-time tonnage record in the most recently completed fiscal year and has become the United States' fifth largest container port.

Charleston moved 10.13 million tons of cargo in the accounting period ended 30 June. This represents a 15% gain from last year's 8.82 million tons. Container volume posted the largest gain, jumping 15% to 9.4 million tons. Container throughput totaled 1.15 million 20-foot equivalent units, an increase of 12% over last year. Breakbulk volume also was ahead of last year, rising 10% to 716,000 tons. Vessel traffic increased 4% to 1,740

ships, from 1,668 vessels in FY 1996.

"Over the past several years the Ports Authority has undertaken serious efforts to diversify our service profile, and now more than 40 ocean carriers offer regular service to and from the Port of Charleston and 130 countries worldwide," said Bernard S. Groseclose Jr., the port's President & CEO. "Although the Port of Charleston has continued to strengthen market share in the two biggest markets, Europe and Asia, they represent a smaller portion of total business because of rapid growth in budding trade lanes."

Both long-time Charleston customers and those who recently entered the port provided the volume gains. Sea-Land, Evergreen, Mediterranean Shipping Company, CSAV-Chilean Lines, the "Global Alliance" and the "Grand Alliance" were among the top contributors to growth.

New ocean carrier offerings included the joint Suez express service by Maersk and Sea-land, and the much anticipated Cosco, "K" Line, Yang Ming service to North Europe. A number of other lines improved services to and from Charleston, impacting Mediterranean, Mid-East and Europe trade routes.

In addition to volume increases, Charleston also performed well financially. Operating revenues gained 14% to total \$71 million, while operating expenses increased only marginally. This more than doubled net earnings to \$10 million. Strong financial performance is important because unlike most other ports Charleston has not received taxpayer support on either a capital or operating basis in two decades, yet has continued to invest heavily in facilities and equipment. More than \$27 million has been committed to new storage and equipment just over the past year.

After a stellar year of double-digit growth, the Port of Charleston continues to strengthen its focus on initiatives to increase capacity and efficiency, including equipment tenders, property acquisitions and investment in information systems.

In February, the Ports Authority announced that it would acquire 500 acres of property along the Wando River side of Daniel Island in Charleston harbor, an island which sits only eight miles from the open sea. The new site complements the 1992 purchase of 800 adjacent acres, giving the port 1,300 acres of land for future terminal development and growth.

The \$300million first phase of construction on the Copper River side of Daniel Island is scheduled for completion in the next five years. Construction on the Wando River side will follow this project. Timing of phase once completion is scheduled to coincide with the deepening of Charleston shipping channels from 40 feet to 45 feet. The environmental phase of the Daniel Island project began earlier this summer.

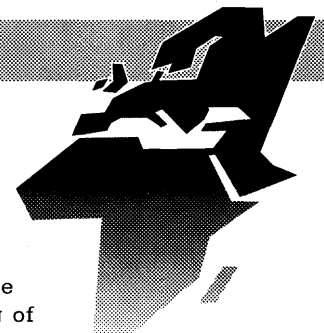
To handle near-term growth and demand, Charleston acquired more than two dozen container toplifters over the past two years at a cost of \$250,000 each and in May approved a \$9 million purchase of seven new Konecranes rubber-tired gantries. A \$5.7 million construction project on an additional 20 acres at the Wando Welch Terminal was completed in June and will help provide breathing room in the interim. Charleston is also in the process of developing a new yard management and inventory system to boost throughput and productivity. Additionally, two new post-Panamax container cranes will be delivered to Columbus Street Terminal in the latter part of 1998 at a price of \$5.34 million each.

## Africa/Europe

### 2 Sheds Transferred to Le Havre City Council

**T**HE Board of Directors approved the transfer to the Le Havre City Council of the sheds 36 and 37, the public warehouses, sheds and open areas located over a surface of about 10 hectares in the Eastern part of the Vauban Docks.

The calling of the site chosen by the City Council, after competition of architects, in mid-March 1997, will be to



accommodate a games hall and a concert hall in the Eastern part whereas the sheds 36 and 37 will be converted into a multi-purpose area including especially a show room of about 16,500 square meters and conference rooms.

### **New CT III to Safeguard Future of Bremen Ports**

**I**N Bremerhaven (Germany) one of the largest port construction programs in Europe is taking on shape. On Friday (11 July 1997), the Container Terminal (CT) III was inaugurated by officially commissioning the first of two new berthing places. The large-scale project involving infrastructure investments of 534 million DM and supra-structure costs of 250 million DM is to reinforce and improve the position of the Bremen ports in the competition among North-West European container ports.

The inauguration ceremony took place on Friday in the presence of some 1,000 port customers and partners as invited guests. Over the weekend, a three-day port festival will take place on the new CT III, with many activities and events for the population.

"When the second (northern) berth on the new quay will be commissioned at the end of 1997, we are fully prepared for the competition among the

North-West European mega ports for the cargo volume of tomorrow", the Bremen Senator for Ports, Mr. Uwe Beckmeyer, told the press. "The international customers of the Bremen ports will then be able to avail themselves of almost 3 kilometers of quay length for oceangoing vessels as well as a modern terminal, the largest self-contained facility in Europe even before extension, which is now extended by another 50 percent to offer 2.4 million square meters of marshalling area. It was seven years ago, in November 1990, that the Senate of the Free Hanseatic City of Bremen decided to extend the terminal at Bremerhaven. The near future will prove that was a wise decision. Europe's large universal ports will have to cope with a strong increase in turnover volume, in particular as far as container traffic is concerned", the Senator said.

He added: "The growth dynamics of worldwide seagoing cargo traffic to be expected become obvious when we look at a current forecast of the Planco Institute (Essen). According to this forecast, the Bremen ports will have to cope with a container turnover which will double by the year 2015 to more than 3 million TEU annually (1996: 1.5 million TEU). This amounts to an average growth of 3.7 percent per annum.

"A look into the current port statistics will show that these expectations are realistic. In the first half of 1997, container turnover at our quays increased

to 813,000 TEU. As compared to the same period of the previous year, this was a marked increase by 8.1 percent. By weight, the increase in the first six months of this year even amounted to about 8.9 percent, reaching 8.3 million tons.

"The Bremen ports were among the pioneers when container shipping started its world-wide triumphant advance in the sixties. Since then", the Senator said, "we invested billions of DM into the establishment of a modern infrastructure and suprastructure of our ports. CT III alone involves infrastructure investments by the Free Hanseatic City of Bremen in the order of 534 million DM. As the operator of the terminal, the Bremer Lagerhaus-Gesellschaft (BLG) will invest another 250 million DM into the suprastructure. CT II is our response to the increased demands which a growing market will make on our ports. This facility will set new standards – in its dimension but also in terms of construction technology.

"The construction companies did a top job," Mr. Beckmeyer said. "The same applies to the port planning bodies of the City of Bremen who have long-term experience in port construction and professional expertise which is only found at some rare locations in Europe."

According to the Senator, the Bremen ports will make all efforts required to safeguard their competitiveness. This will also involve additional extensions to cope with the market development of the coming decade.

"The Planco forecast mentioned before assumes that the required quay length will amount to at least 3,100 meters in 2005", the Senator said. "The net length available after completion of CT III will be 2,700 meters. The expert opinion caused the Senate to make provision for ensuring that the prerequisites for a further extension of the quay to the North are met. This will be a new quay length of about 350 meters, which means another berthing place. This construction project – CT IIIa – is to be approved during this legislative period."

The Senator said he was sure that the Bremen ports would keep pace with their competitors. The would not rely on the extension of the



*Container Terminal Bremerhaven: Opening of the first berth at Container Terminal III on July 11, 1997*

Container Terminal at Bremerhaven alone. The 14-meter enlargement of the fairway of the outer River Weser would further improve the market position of the Bremerhaven Container Terminal.

Also the Senator said, further extension of the railway system would link the Bremen ports even more effectively to the European hinterland. In connection with CT III, 90 million DM will be invested in railway and road construction, thus creating 14 kilometers of additional railways in the port.

Senator Beckmeyer further believes that the reorganization of the BLG will yield positive results because this will enable the company "to become an even more efficient and flexible provider of port services, developing further logistic and distribution packages, allowing it to assume a more active role in the transport chain, thus attracting new business to the port."

The Senator announced that new distribution areas will be provided in the city of Bremen. Furthermore, the city would make even more efforts to settle port-related trades on the 125 hectares called "Carl-Schurz premises" in the immediate vicinity of the Container Terminal and would continuously update the modern Bremen EDP-based port communications systems to meet changing requirements.

The Senator concluded by saying that it is with confidence and high expectations that the Bremen ports face the competition of tomorrow.

### **Total Quality Mgt for Port of Göteborg AB**

**T**HE Port of Göteborg AB has been granted ISO 9002 certification. Every part of the port company was included in the certification process, which subsequently led to Total Quality Management. Port of Göteborg managing director, Gunnar Nygren, accepted the certificate on behalf of the Port from Det Norske Veritas representative, Mattias Widmark.

"Total Quality Management is largely a matter of company relations. We view our ISO certificate as recognition of our role as a link in a transport chain rather than simply being a place where you switch from one means of transport to another," said Gunnar Nygren, managing director of Port of Göteborg AB.

The Port of Göteborg AB opted for certification of its entire operations on a

section by section basis. The first harbor division of the company to be certified was the Älvsborg ro/ro harbor in 1993.

### **UK Dredging Completes 1st Int'l Contract at Cork**

**U**K Dredging (UKD), the recently formed dredging division of Associated British Ports, has successfully completed its first international contract. UKD *Marlin* and *Flat Holm* – a bed-levelling tug – carried out maintenance-dredging works to the approach channel of the Upper Harbor at the Port of Cork in the Irish Republic.

The project comprised dredging the Upper Harbor to a depth of 6.8 m below Admiralty Chart Datum and the removal of 90,000 m<sup>3</sup> of spoil. The construction of the Lee Tunnel – a capital works project by Cork Corporation – has resulted in a build-up of materials in the Upper Harbor which has prompted these dredging works.

Captain Barrie Wooler, Area Manager (West Coast), UKD, says he is delighted with the success of the contract.

"UKD won this prestigious new business because we were able to react quickly and mobilize our resources required to complete the brief. We are well placed at strategic locations in Britain to serve the needs of ports in neighboring countries as well as those in the UK," he said.

Denis Healey, Manager, Engineering Services, Port of Cork commented:

"It was our top priority to complete this essential maintenance work to maintain the port's advertised depths. UKD provided the fast and efficient service, and adopted the flexible approach we required to complete the project."

UKD *Marlin* is a trailing suction dredger with 2,900 m<sup>3</sup> hopper capacity. She is one of three dredgers of this type in the fleet owned and operated by UKD. This international contract was the first success in a marketing campaign to win new business in Europe.

### **Brittany Ferries, ABP Sign New 10-year Pact**

**A** major passenger and freight link in the South-West of England is set to continue into the millennium now that Brittany Ferries and

Associated British Ports' (ABP) Millbay Docks in Plymouth have signed a new 10-year agreement. The agreement ensures Brittany Ferries' continued services from Plymouth to France and the Iberian Peninsula.

Brittany Ferries began operating its service from Plymouth to Roscoff in 1973 and its services to Santander in 1978. Since then, ABP has invested heavily in the infrastructure at Millbay Docks to accommodate the needs of Brittany Ferries.

Andrew Kent, Port Manager, says ABP is pleased with Brittany Ferries' ongoing commitment to the port.

"We are delighted with this agreement which confirms the long-standing business relationship between Brittany Ferries and ABP. In ensuring that the partnership continues well into the next millennium, the City of Plymouth will be assured of first-class tourist and business links with Western Europe," he said.

Ian Carruthers, Managing Director UK & Ireland, Brittany Ferries, says the agreement paves the way for the company's future growth and development.

"The agreement is allied to current investment in a new computer and training centre at Plymouth which confirms our contribution and commitment to the West Country," he said.

Millbay Docks offers a range of passenger-handling services and facilities including a modern passenger terminal, cargo-handling facilities and two ro-ro berths which can accommodate vessels of up to 200 m in length and draughts of up to 8.5 m at all tidal states.

### **3 New Pilot, Patrol Boats For Port of Southampton**

**A**SSOCIATED British Ports (ABP) is investing £1.5 million in three new pilot and patrol boats for the Port of Southampton. The contract to build the new boats has been placed with Southampton-based firm, Halmatic Limited.

The new 14-metre vessels have been specially developed for pilotage and patrol duties requiring speeds of over 25 knots and are designed to maintain higher speeds in most weather conditions while improving crew and passenger comfort and safety.

Captain James Chestnutt, Deputy Port Manager and Harbor Master at ABP Southampton, said:

"The order has been placed in

response to a growth in trade and we are delighted it has gone to a local firm. It is a major investment and is excellent news for Southampton, marking a continuation of improved services and facilities for our customers."

The first of the new pilot boats is expected to enter service during Spring 1998.

## Grimsby & Immingham: Beet Sugar Exported

**A**SSOCIATED British Ports' (ABP) Ports of Grimsby & Immingham have been the centre of British Sugar's flourishing beet-sugar export trade during the past few months.

The Port of Immingham loaded four vessels with a total of 54,000 tonnes of bagged sugar for shipping to Tunisia. In addition, 1,500 tonnes were loaded for transportation to Ethiopia as part of the World Food Aid programme. At Grimsby, a further 7,500 tonnes of bagged sugar, destined for St. Petersburg, were loaded onto three vessels.

The overall loading operation involved 1,265,000 50 kg bags of sugar, each of which was individually handled.

Dennis Dunn, Port Manager at ABP Grimsby & Immingham, said that the ports are delighted to be of service to British Sugar.

"We are justifiably proud of our efforts to give a cost-effective and efficient service to the company, which is one of our longest-established port users," he said

## Embargo Zone Along Liberian Coast Lifted

**T**HE ECOMOG High Command has lifted the 12 miles Embargo zone along the Liberian coast.

The immediate advantage of this action is that a "War Risk" insurance for charterers or owners of vessels calling at the Liberian Ports would no longer be applicable.

In a letter to the Managing Director of National Port Authority (NPA), Mrs. Elsie Dossen-Badio, the ECOMOG High Command said the step to lift the Embargo is a result of the successful installation of a democratically elected Government and that there is no need for the 12 miles Embargo zone along the Liberian coast.

The Embargo was effected when

Liberia was declared unsafe zone as a result of the civil war. During this era, vessels sailing to Liberia were doing so at risk, thus paying huge insurance. But with the abolition of the Embargo, vessels, especially main line vessels, can now sail to Liberia without any security risk.

Meanwhile, the ECOMOG High Command has asked NPA Management to intimate the appropriate Ministries or Organizations to promulgate the aboli-

tion of the Embargo zone with a view to informing the International Shipping Community that Liberia coastal zone is now safe to sail.

In a related development, the NPA Management has extended thanks and appreciation to the ECOMOG High Command for the positive development which Management sees as a milestone in the nation's recovery program after seven years of civil war.

## Asia/Oceania

### Port of Brisbane Corp.: Chairman's Message

Dear Colleague

**I**T's almost a year since the Board of the Port of Brisbane Corporation undertook to review the direction and operations of the Corporation, and I want to thank you for your patience and support during this process.

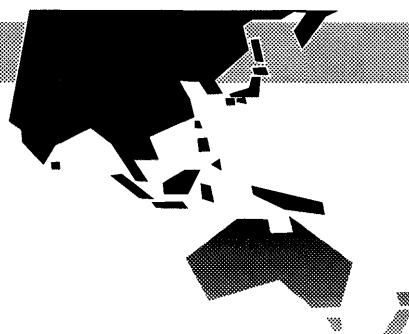
I think you'll be very excited and satisfied with the changes in your port that this review brings.

The first and most important change is a change in focus. The Port of Brisbane led the rest of Australia's ports more than a decade ago in adopting a landlord approach to port management, and this approach served the port's development, and that of its customers, very well.

But to stay ahead, the Corporation recognizes the need to shift this focus towards that of a more active, and more proactive, business partner. Ultimately, we want to provide you not just with well-managed port land and equipment, but with integrated logistics solutions, brought about through closer, more responsive working relationships and a better understanding of your business and its needs. In this way, we'll maximise trade through the port, benefiting your business and ours.

To do this, the Corporation has committed to the following strategies:

- We have a clearly articulated vision of what it is we are trying to achieve for you and with you, and a service mission which distinguishes us from our competition.
- We are realistic about what we can achieve, but will not restrict ourselves to conventional thinking



about the role of port management.

- We are developing a truly commercial culture which incorporates responsive business alliances with our customers, and a mindset to match and exceed their expectations.
- We are developing aggressive, action-oriented plans to implement this approach, and will ensure there is proper follow-up and genuine accountability for delivery of service to our customers.

This is an evolutionary time for ports and the maritime industry, and the Port of Brisbane Corporation is determined to ensure that the port and its customers are able to capitalise on the opportunities available.

We look forward to working with all of our customers in ensuring that the Port of Brisbane's new strategies advance our customers' businesses and the overall growth of trade through the port.

**Elizabeth Nosworthy**

Chairman, Port of Brisbane Corporation

### Our Vision

We will enhance shareholder value by promoting trade growth through the Port of Brisbane, by facilitating access to world class port infrastructure and facilities, and by developing relevant supply chain initiatives that satisfy port

users' needs.

This vision is founded on a commercially focussed team committed to excellence in customer service delivery.

## Our Mission

To be among the world's best port managers in facilitating integrated solutions to match the logistical and business development requirements of our customers.

## Our Customers

- Australian importers and exporters
- Australian domestic cargo owners/coastal shippers
- Shipping lines and agents
- Port operators
- Freight forwarders and other agencies.

## Our Roles

- Facilitator
- Provider
- Marketer
- Business Ally.

## Our Products and Services

- Integrated solutions
- Logistics
- Business Development
- Port facilities.

## Our Strategy

The Port of Brisbane Corporation will achieve its vision and succeed by

- adopting a prime focus on customer service
- developing value-adding business alliances with customers/partners
- implementing a commercial culture
- engaging in aggressive, targeted marketing to attract new businesses to, and trade through, the port
- becoming a diversified port, and
- facilitating world class improvement in port operational performance
- ensuring integrated multimodal port access and infrastructure
- providing competitive logistics solutions which increase trade throughput.

## Fremantle: Statement Of Corporate Intent

**A**S part of its Commercialization from 1 July 1996, the Fremantle Port Authority now produces an annual Statement of Corporate Intent.

The Statement of Corporate Intent is a summary document which provides an outline of the Port's objectives and planned major achievements for the financial year ahead, as approved by the Minister for Transport.

### VISION

*"To have the Port of Fremantle recognized by its customers as a leading world port."*

### MISSION

*"To facilitate trade and to maximise the competitive advantage available to customers using the Port of Fremantle."*

## 1 Introduction

This Statement of Corporate Intent for the Fremantle Port Authority for 1997/98 has been approved by the Minister for Transport, in accordance with the requirements of the commercialisation agreement between the Fremantle Port Authority and the Government.

The Statement provides an outline of the Port's objectives and planned major achievements for the year to June 1998. These activities are consistent with the principles of the Port Charter agreed to by the Government and the current Strategic Development Plan for the Port Authority for the period 1997/98 to 2000/01.

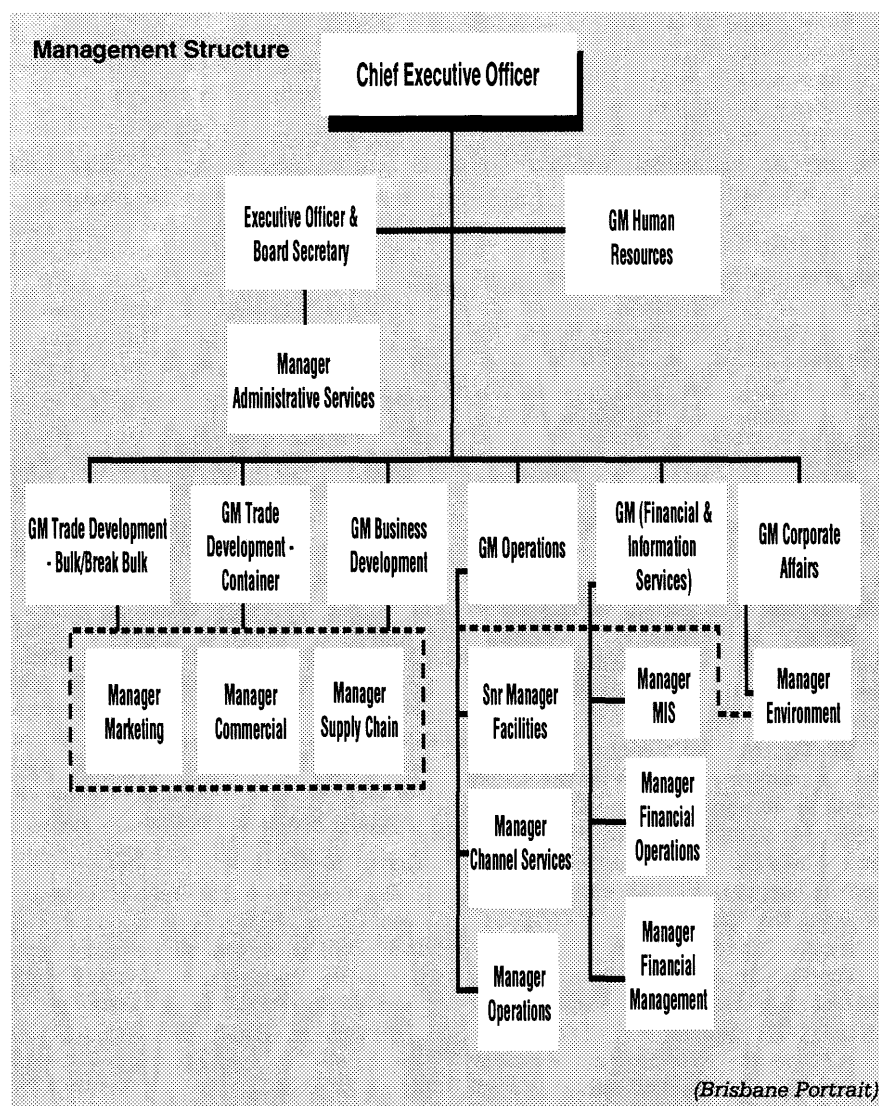
## 2 Vision, Mission and Broad Objectives

Fremantle Port's principal role is to facilitate trade with this being undertaken in a commercial and efficient manner.

The vision, mission and broad objectives of the Fremantle Port authority were developed with input from customers, staff and major stakeholders during the first half of 1996. It is intended that these will be reviewed during the latter part of 1998.

### Broad objectives

- to ensure the provision of reliable, competitive and efficient port services that meet and are responsive to the needs of users;
- to ensure the provision of suitable, reliable and competitive port facilities to meet user needs;





- to facilitate business and trade opportunities;
- to ensure that the management of the port environment (including hazards and risks) related to port operations reflects and meets recognized standards;
- to ensure that Fremantle Port operates at best practice and in a commercial and financially sustainable manner;
- to provide an environment which encourages employees to work with commitment and enthusiasm and in safety to meet corporate objectives.

### 3 Guiding Principles

The Fremantle Port Authority has five guiding principles to help it achieve its mission:

#### Teamwork and Commitment

Commitment to a shared vision and teamwork are vital to successful outcomes and the achievement of objectives.

The FPA aims to maintain a climate where trust can develop and where people can display honesty, respect, integrity, courtesy and fairness.

#### Continuous Improvement

The FPA aspires to excellence by continuously improving the quality of its services.

An Integrated Management System has been developed to facilitate Continuous Improvement.

Systems developed by Det Norske Veritas provide a framework for implementation. This includes the International Safety Rating System to assist with loss prevention and the International Quality Rating System.

#### Customer Service

The FPA has a Customer Service Charter which focuses on understanding the needs of customers and ensuring that services are provided efficiently, reliably, promptly and on a value for money basis.

#### Competitive and Commercial

The FPA's objective is to ensure that all its services are competitive and commercially viable.

#### Safety

The FPA has systems and controls in place to ensure safe work practices and to minimise exposure to loss through damage to people, property or the environment, or through disruption to processes.

### 4 Commercialisation and New Legislation

The Fremantle Port Authority became a commercialised entity on 1st July, 1996. A Port Charter was agreed to with the State Government, setting out the broad principles of commercialisation over a ten year time frame.

The primary objective of commercialisation is to provide the Fremantle Port Authority with the necessary structural and financial framework to help it improve performance and enhance trade opportunities.

The various elements of the commercialisation package will be formalised in new legislation which is expected to be introduced in Parliament for debate in the Spring session of 1997. The new legislation will replace the Fremantle Port Authority Act 1902 and Regulations and will confirm the role and functions of the Port under clear lines of accountability.

The new legislation will also provide for this Statement of Corporate Intent as a formal requirement and will inter alia set out clear guidelines for standards to apply in areas such as the appointment of Board members and officers, codes of ethics and reporting standards.

There is also a need to have regard to the State's obligations under the National Competition Policy package to review existing legislation with a view to eliminating anti-competitive elements.

The State Government's timetable for the review of legislation provides for the Fremantle Port Authority 1902 Act and Regulations to be reviewed in 1997 for anti-competitive elements. It is intended to address these requirements fully in the course of drafting the new legislation.

### 5 Government Support

The trade facilitation role and commercial focus of port authorities was reflected in the State Government's policy statement of November 1995 "The Role of Ports in Western Australia" which set out the principles to guide port authority development through the 1990s.

The Government's position provides for appropriate policies to be developed on rates of return, dividends, taxation and pricing, having regard to the need to balance the Government's desire to reduce port charges, increase trade and to safeguard the future commercial viability of port operations.

The Government has given its commitment to the commercialisation process by agreeing to work with the port authorities to remove impediments to commercial behaviors such as:

- providing exemptions from "whole of government" administrative controls that unnecessarily restrict the ability of ports to act commercially;
- adopting a more flexible approach to investment and pricing which enables port authorities to respond to market forces and capitalise on trading opportunities;
- streamlining employment procedures to enable key positions to be filled with the best person for the job;
- minimising government reporting requirements and other red tape;
- ensuring that government service providers remain competitive; and
- establishing appropriate policies for dividends, taxes, pricing and capital structure.

### 6 Summary of Planned Major Achievements for 1997/98

#### Trade Facilitation

Further assist in facilitating trade and improve the competitive advantage available to port users by reducing a range of Port Authority charges by 5.0%.

A 6% growth in container trade and 5.3% growth in total port trade are forecast to be achieved in 1997/98.

#### Port Development Plan

In consultation with port users and stakeholders, complete the preparation of a Port Development Plan with a thirty year time horizon for the Inner and Outer Harbors.

Furthermore, the Authority will develop an Environmental Management System, to be integrated with the Port Development Plan.

#### Bulk Cargo Jetty

Continue to facilitate further trade growth over the Bulk Cargo Jetty by working with existing and potential new customers to ensure the provision of suitable facilities.

#### Commercialisation

Consolidate commercialisation measures in new legislation for Fremantle Port and satisfactorily address matters relating to National Competition Policy including ensuring the new port authority legislation and regulations do not contain any anti-competitive provisions.

#### Customer Service

Continue to work to identify customer needs in relation to port services and facilities and use this information to prioritise improvements for action by the Authority and other service providers.

Achieve improved levels of customer satisfaction in terms of quality and reliability of services.

## Corporate Improvement

Achieve agreed targets for the implementation of an Integrated Management System to improve performance through Continuous Improvement initiatives and a better understanding and management of risk and safety issues.

Consolidate the Authority's new corporate structure and provide an environment for staff to meaningfully contribute to the achievement of objectives through a more focused commercial approach.

## Port Productivity and Efficiency

Implement a formal system of reporting and monitoring of container terminal productivity and performance through existing lease provisions.

Continue to review FPA services to ensure they are provided in the most efficient manner.

## Improved Business Systems

Identify critical processes and review the manner in which these are conducted to improve customer service and secure potential efficiency gains.

Plan for the greater application of electronic commerce in relevant areas such as banking, invoicing and purchasing, and for the greater use of information technology in other areas such

as manifest processing and in vessel bookings.

## Debt Reduction

Continue to progress further reductions in the Port Authority's Debt to Assets Ratio under a structured program.

## 7 Operating Budget Forecast

Fremantle Port's Operating Budget for 1997/98 shows an after tax Operating Profit of \$6.3 million compared with a budgeted outcome of \$4.3 million for 1996/97. Comparable figures before tax are \$10.6 million and \$7.4 million respectively.

### Fremantle Port Operating Budget

	Budget 1996/97 \$m	Budget 1997/98 \$m
Total Revenue	47.6	51.3
Total Expenditure	40.2	40.7
Operating Profit before income tax	7.4	10.6
Income Tax expense	3.1	4.3
Operating Profit after tax	4.3	6.3

## 8 Capital Works Program

Fremantle Port's Capital Work's program for 1997/98 has been set at \$12.6 million.

The major project in the program relates to the development of infrastructure at the Bulk Cargo Jetty.

The Bulk Cargo Jetty investment includes the construction of a conveyor system on BCJ2 and a rail terminal facility on FPA land adjacent to the jetty to facilitate the importation and subsequent delivery of bulk products associated with a major new mining project in the State.

The new facility will be available to all port users.

Commencement of the project will be subject to the finalisation of agreements with the major new customer and commercial feasibility being demonstrated.

## 9 Performance Indicators

In order to gauge Fremantle Port's success in achieving its Corporate Mission and Broad objectives, its performance is monitored across a range of financial and non-financial indicators as presented below.

The suit of indicators has been expanded for 1997/98 to include a customer satisfaction measure. Other work is progressing to review and further

## Fremantle Port - Performance Indicators

	1991/92 Actual	1996/97 Target	1997/98 Target
<b>FINANCIAL</b>			
Rate of Return on Assets (current cost valuation) %	-3.2	3.3	7.0
FPA Revenue (1990/91 dollars)			
- per unit of cargo	0.96	0.97	0.90
- per ship visit	7,804	6,300	6,468
FPA Costs (1990/91 dollars)			
- per unit of cargo	2.62	1.70	1.53
- per ship visit	31,094	18,200	17,679
Profit/(Loss) before tax (\$m)	(8.6)	7.4	10.6
<b>NON-FINANCIAL</b>			
Total Port Trade - million mass tonnes	17,199	20,800	22,850
Total Container Trade - TEUs	132,093	212,000	227,700
Cargo Processed - Gross Time - tonnes per hour			
- Container	80	125	126
- General	21	30	30
- Bulk	356	380	380
Ship Turnaround Time - Total Time - hours			
- Container	33	28	27
- Bulk	60	60	58
Ship Turnaround Time - Time Awaiting Berth and transit time - hours			
- Container	1	1	1
- Bulk	9	10	10
Customer Satisfaction Percentage of customers satisfied with FPA services	n.a.	n.a.	90%

develop the scope of indicators.

## 10 Port Pricing

Port prices for 1997/98 will be further reduced as follows:

- no change in tonnage and mooring prices (this represents a reduction in real terms of 3.0%);
- a 5.0% reduction (8.5% in real terms) in charges for wharfage, berth hire, pilotage and port administration fees for Outer Harbor private jetty operators paying the higher fee; and
- a 40% nominal decrease in Hazardous Cargo charges on bulk petroleum and gas products.

This latest round of price cuts now means that in real terms port charges have been reduced by approximately 27% over the last four years, adding significantly to the competitiveness of the State's import and export competing industries.

## 11 Dividends

As part of the commercialisation of Fremantle Port, a Dividend Policy has been agreed with the Government and is set out in the Port Charter.

On the basis of this policy and the expected financial outcome for 1997/98, there is no requirement to provide for a dividend payment to the Government in respect of that year.

## Dalian's New Strategy to Meet Demands of Trade

By Gao Lian Bin &  
Zhang Feng Qiang  
Port of Dalian Authority

### I

WITH the development of socialized production, the world economy is breaking down the barriers of nations and regions and its development is heading towards regionalization, consolidation and internationalization. Along with this, world trade has entered a period of soaring growth. According to UN statistics, in 1970 the total value of exports of all nations accounted for 11.4% of their GNP; by 1980, the ratio had increased to 14.1%; by 1990, to 16.2%; and by 2000, it is expected to reach 20%. Mutual exchange and dependence between nations and regions has reached an unprecedented level.

Over 80% of world trade is effected through marine transportation. As estimated by UNCTAD, by 2000 the global volume of international trade by marine

transportation will reach 4.645 billion tons. With the consistent development of the maritime industry, the ports, as water-land transportation hubs are drawing more and more attention. Their position in infrastructure is being further enhanced and a number of well-known huge modern international ports have emerged.

### II

With the implementation of its policy of opening to the outside world and its rapid economic development, the Chinese economy has become the most active in the Northeast Asian region and even the world. China's foreign trade is also undergoing enormous growth. Of China's total foreign trade, East Asia accounts for 61.3% and Europe and North America account for 28.7%. As for China's credit borrowed from overseas, East Asia accounts for 68% and Europe and North America account for 16%. Therefore, at present China's major trading partners and suppliers of the foreign capital are from Northeast Asia.

However, there is one point which should not be neglected. That is, in recent years trade between China and Europe has also been growing tremendously. In 1996, the volume of cargoes from trade with over 10 European nations, including the U.K., France and Germany handled by and transported through the Port of Dalian itself amounted to one million tons. Since 1984, 19 French enterprises, including TOTAL, have established in Dalian joint venture companies and plants with a total contracted investment amount of US\$1049 million and committed foreign capital of US\$576 million.

China is the fourth largest trading partner of the European Union (EU). Since China adopted its policy of reform and opening up, the volume of trade between the EU and China has grown year by year. In 1978, it was US\$3.1 billion; in 1994, it reached US\$34 billion; and in 1995, the volume surpassed US\$40 billion. According to EU statistics, by the end of 1994, the 15 nations of EU had invested in 3,500 projects in China. The amount of committed capital was US\$10 billion, nearly 30 times that of 1984, not much more than a decade ago.

Take Germany, which is China's largest trading partner in EU, as an instance. In 1993, the volume of trade between the two nations surpassed US\$10.08 billion; there are 569 German-investment enterprises in China, with a total committed investment of US\$1.46

billion, the highest among the European nations. Germany has also achieved more technology exports to China than any other European nations. In 1994, the two nations reached agreement on 83 technology transfer projects, with a total capital amount of US\$747 million.

### III

There is a direct link between port and shipping and the world economy and trade. Of the world commodity trade of US\$4,000 billion each year, over 90% is effected through maritime shipping. World economic growth and increased trading activities have brought about new development opportunities for ports. The building of a large international port will largely benefit the regional economy, and first of all the national economy and trade itself. At present, the ports in the East Asian region are all defining their strategies for further development and trying everything they can to become the hub port of Northeast Asia.

The Port of Dalian is located in a golden position in the Northeast Asian economic sphere. However, its potential advantages have not yet been effectively utilized, and it is lagging behind the development of overseas ports in the region. In this respect, the Port of Dalian is determined to grasp the opportunities presented by a new surge in world economic developments and to work hard to build itself into a large international port, thus giving impetus to the Northeast Asian and world economy.

### IV

The Port of Dalian is located at the southern tip of the Liaodong Peninsula in Northeast China. It is the passenger and cargo transshipment hub on the trunk waterway linking the Northeast China economic zone with other regions of China and various world nations.

The bedrock of the Port of Dalian is the City of Dalian. Dalian is one of the most important commercial and financial centers in the Northeast China region. In 1996, its gross industrial output was US\$8.85 billion and the gross domestic product (GDP) per capita was US\$1,633; Moreover, there were 6,004 foreign investment enterprises in the city, with US\$4.17 billion of foreign capital practically utilized and US\$10.67 billion as committed foreign capital. In 1996, there were 802 foreign investment enterprises newly approved, with committed foreign capital of US\$2.469 billion. Furthermore, 1,449 overseas organizations have stationed branch offices in

Dalian.

The Northeast China economic zone is the hinterland for the Port of Dalian. It is an important heavy industry, forestry, commercial grain, animal husbandry and foreign trade export base for the nation. The population, land area and GDP of the zone account for 9.5%, 12.9% and 12% of the national total respectively. Electric power production account for 15%, timber 42%, crude oil 50%, and automobiles 19%. By railroads, expressways and underground oil pipelines, the hinterland and the port are closely bound together. Each year, over 80% of the maritime transportation cargoes in and out of the hinterland are handled by the Port of Dalian.

At the same time, through the Northeast railway and road network, the Port of Dalian is connected with Russia and North Korea. Furthermore, through the Great Siberian Railroad, it can be taken as the starting point of the Euro-Asia land bridge.

The management system of the Port of Dalian comprises a government agency and a commercial enterprise combined in one body. There are 68 production berths right now. Bulk carriers, container ships, self-discharging ships, oil tankers, passenger/cargo roll/roll ships and other kinds of vessels can be accommodated here. There are 750 units of large-scale cargo handling machinery and equipment, 14 railroad locomotives, 150 km of in-port specialized rail lines and over 40 working boats. Crude oil, refined oils, minerals, coal, timber, grain, containers, complete sets of equipment and other packaged general cargoes can be handled or transhipped here. The container terminal is capable of accommodating 4th and 5th generation container ships. The crude oil jetty is capable of accommodating 100,000 to 150,000 dwt oil tankers for discharge. The cargo throughput of the Port in 1996 was 64.27 million tons.

At present, the Port of Dalian is planning and constructing terminals capable of accommodating 5th generation container ships, 300,000 dwt oil tankers, 80,000 dwt bulk grain carriers and 200,000 dwt mineral ore vessels. It is blessed by favourable conditions and the potential to be built into a major container hub port handling petrochemical products and grain and providing passenger ferry transshipment centers.

As the integration of the world economy accelerates, the structure of world trade is also undergoing new changes and the traditional composition of

import and export cargo varieties of all nations is undergoing adjustment. In order to adapt to the trend in world shipping, the Port of Dalian has set itself an overall strategic development aim, that is, to become a large, modernized international comprehensive and multifunctional port, integrating the functions of transport, commerce and trade, tourism, information and services.

The strategic aim will be implemented in three different strategic stages:

## 1. The First Stage (1996-2000)

This is the stage of laying the foundations. In accordance with the requirements for becoming a large international port, it will be necessary to adjust the operational structure, improve the distribution of production, expand the port's functions, establish orderly internal and external port relations and lay the foundations for the construction of a large international port. By 2000, the port throughput will reach 85.60 million tons, and the container throughput will reach 1 million TEUs.

## 2. The Second Stage (2001-2005)

This will be a period of accelerated development. The port's structure will be further strengthened, its functions will be further expanded, and its comprehensive port throughput capacity will be further enlarged. By 2005, the port's throughput will reach 100 million tons and the container throughput will reach 2 million TEUs.

## 3. The Third Stage (2006-2010)

The construction of a large international port will be completed in this stage. Basically, the Port will be able to offer the 3rd generation port functions and the port economic zone will be established. By 2010, the port throughput will top 120 million tons and the container throughput will top 3 million TEUs.

By the early 21st century, the Port of Dalian will be built into "Five Transshipment Centers" and "Three Transportation Bases".

The Five Transshipment Centers are:

1. Oil Transshipment Center: The import and export crude and refined oil will reach 40 million tons.
2. Grain Transshipment Center: The import and export of grain will surpass 10 million tons.
3. Container Transshipment Center: Dalian will become the major container hub port and port for trunk lines in North China.

4. Liquefied Chemical Products Transshipment Center: The throughput will reach 2 million tons.

5. Passenger Transportation Center: The passenger flow will be over 7 million persons per year. The passenger terminal will be built into a transportation center providing both domestic and international lines, and being connected to rail, road, air, and water transportation.

The Three Transportation Bases are:

1. Coal Import Base: This will have an annual throughput capacity of 10 million tons.
2. Bulk Cement Export Base: The annual export volume will be over 4 million tons.
3. Bulk Minerals and Iron and Steel Transportation Base: The annual import and export volume will be over 3 million tons.

In accordance with the general policy of reform and "opening to the outside world" of China, and based on an analysis of development trends and the role of the Port of Dalian in the future as well as the need and potential for further construction, and in order to meet the demands of world economic development, the Port of Dalian has set itself the strategic aim of becoming a large, modernized international comprehensive and multi-functional port, subsequently growing into the hub port of Northeast Asia. It will definitely play an active role in the economic development of Northeast China and the development of world trade transportation.

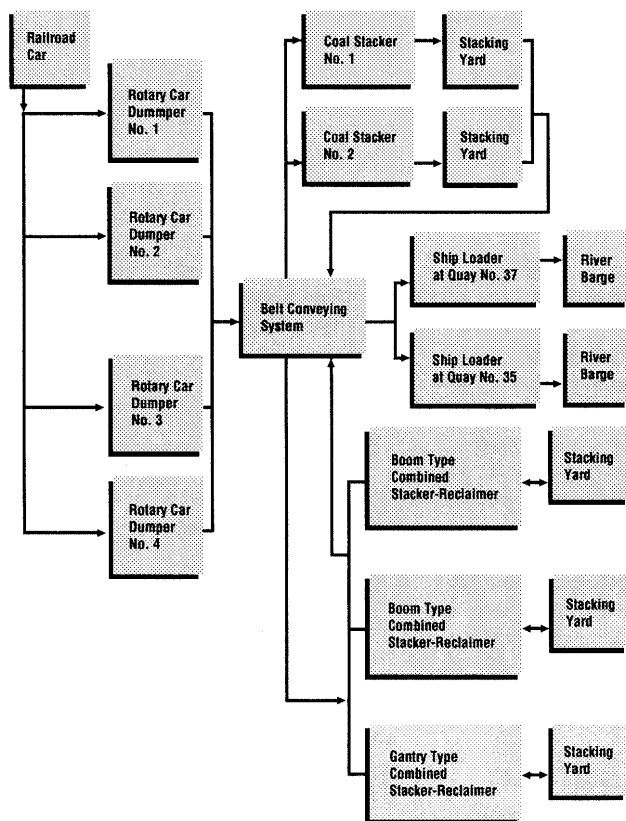
## Port of Nanjing: Bulk Cargo Flow increasing

### I. Description

THE Port of Nanjing, the largest river port in China, is situated in the lower reaches of the Yangtze River. It is 30°05' N and 118°44' E over 300 km away from the Yangtze River Estuary. It is free of silt and ice all year round. From it, vessels of the 10,000 ton class can sail directly to the ocean. This favourable geographical location has enabled the port to become one of the country's hub ports for the sea-river and water-land transit of goods.

The port is old, but at the same time young. Its history may be traced back to 1899, when it was designated as an open port for international trade. Since New China was founded, especially since the policy of reforming and

Sketch 1 : Flow Process of the Coal Terminal



opening up the economy was adopted, it has become a transshipment hub port on the Yangtze River.

Now its annual throughput exceeds 50 million tons, ranking top among the river ports in China. The port's transportation links extend to the provinces of Jiangsu, Anhui, Jiangxi, Zhejiang, Fujian, Hubei, Hunan, Sichuan, Shandong, Shanxi, Hebei, Guangdong and the cities of Shanghai and Tianjin. It has established shipping and trading relations with over 70 countries and regions in the world.

The rapid development of the port is attributable to the increasing bulk cargo flow and the highly developed economy of the hinterland.

The economic hinterland of Nanjing Port is the Yangtze Valley, blessed by nature with a temperate climate and abundant rainfall. It covers a vast land area in the centre, east and southwest of China, having an area of 1.8 million km<sup>2</sup> and a population accounting for 40% of the total population of the country. Railways, roads, waterways, air transport and pipelines are the components of the area's advanced transportation network, which provide means of collection and distribution in all directions for Nanjing Port.

This area is rich in grain and abun-

dant in minerals, water and other resources, and is a major center of industry and agriculture in East China. It not only plays an important role in the Yangtze Valley economic belt, but is also a distribution center for bulk cargo, on which the port's development depends.

The ancient city of Nanjing is the long-established capital of Jiangsu Province which provides a favourable setting for the development of the port. The three main types of bulk cargo handled at the port are coal, oil and metallic ore, and they account for 85% of total ton-

nage.

## 2. Coal Handling

The port's coal terminal is located in Pukou, on the north bank of the Yangtze. It is the largest inner river terminal for coal transshipment in China, with an annual handling capacity of 12 million tons. It undertakes the transshipment of energy resources for the six provinces and Shanghai city in East China. The coal from Shanxi, Shandong, and Anhui provinces is transported through this port to Hubei, Jiangxi, Anhui, Jiangsu, Shanghai, Zhejiang, Fujian and other provinces and cities.

Through constant expansion and reconstruction since the founding of the P.R.C., especially in the 1960s, 1980s, and 1990s, Pukou port has been developed into a highly-mechanized coal terminal. Quays No.35 (50m in length and 8 m in depth) and No.37 (84m in length and 9m in depth) can accommodate coal ships of up to 5,000 ton class.

The coal terminal is equipped with advanced handling machinery, includ-

ing four rotary car dumpers (working rate 1,500 t/h each), three large stacker-reclaimers (working rate 1,250 t/h each), a line sway ship loader (working rate 1,250 t/h) and a belt conveying system 5.5 km in length. It has an open stacking yard of 49,850 m<sup>2</sup> and a special port railway 9 km long. Closed-circuit TV monitoring technology has been introduced into the process of coal handling. The flow process is shown in Sketch 1.

It is evident that the port is benefiting from the strong economic growth in its hinterland, which will bring about greater demand on energy supplies. It is expected that, by the year 2000, coal flow through the port will have increased to 15 million tons.

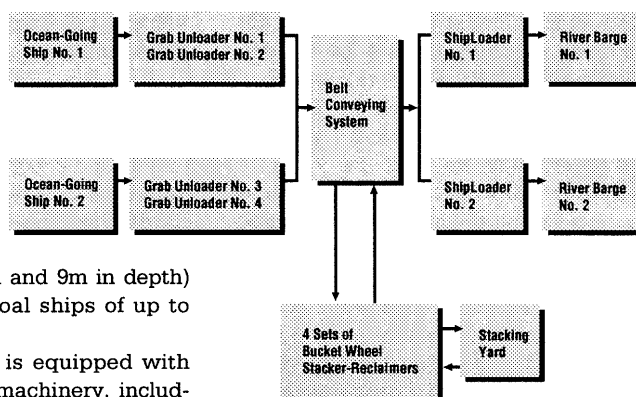
## 3. Oil Transportation

The port's oil terminal is located on the north bank of Yizheng channel and to the north of the Yangtze River Bridge, which is the associated facility of the Shandong-Nanjing oil pipeline. It mainly undertakes the transfer of crude oil from three large oil fields, namely, Shengli, Zhongyuan and Huabei, to the oil refineries along the Yangtze River. It has advanced loading and unloading equipment, including the Chikutan remote control oil loading arm system imported from Japan.

The port, being the largest river terminal for oil transfer in East China, has 15 wharves and large oil tanks with a storage capacity of 70,000 m<sup>3</sup>. The annual volume of oil handled from sea to river is over 18 million tons. With the expansion of new business, it has become a comprehensive oil terminal for transferring and storing crude oil and other petrochemical materials.

The handling of metallic ore and non-metallic ore is the major business which the port has been actively developing in recent years. With its exceptional geo-

Sketch 2 : Flow Process of Metallic Ore





graphical position, the port plays a pivotal role in the transfer and distribution of import and export ore in East China. The annual throughput of metallic Ore is nearly six million tons, while that of non-metallic ore is two million tons, amounting to 40% of the total bulk cargo volume.

The port has opened more than 10 domestic and international ore shipping lines to the Yangtze Valley and Australia, America, Asia and Africa. The flow process is given in Sketch. 2.

### 5. Handling of Phosphor Ore

No.25 terminal, the first special terminal for phosphor ore in Nanjing Port, was built in November 1994 and put into service in June 1996. The designed annual handling capacity is 800,000 tons. One 1,500-ton-class river barge or a 3,000-ton-class push barge unit can berth here.

"Mdd2.600.30" – a new type of stacker and reclaimer has been employed for handling phosphor ore. It can load ore directly from ships onto trains and trucks, raising the efficiency of the terminal operation. Phosphor ore shipped from the upper reaches of the Yangtze can be collected and distributed through Nanjing Port to the provinces of Jiangsu, Anhui and Shandong, to meet the needs of the chemical industry. As a result of the increasing demand for chemical fertilizer in the agricultural production of the hinterland, the transportation of phosphor ore is a very promising sector for the port. The flow process is shown in Sketch 3.

### 6. Longtan New Port Area

To meet the need to build Nanjing into a hub port for metallic ore for the transfer along the Yangtze River, the Nanjing Port Authority has drawn up a development plan for the Longtan New Port Area.

The feasibility study to start the first phase construction of the Longtan New Port Area has been examined by the

Ministry of Communications. The estimated investment amounts to RMB 1,500 million Yuan and the designed annual throughput is 9.3 million tons. The main cargoes to be handled are metallic ore, coal, conventional bulk cargo, general cargo, steel, timber and container cargo.

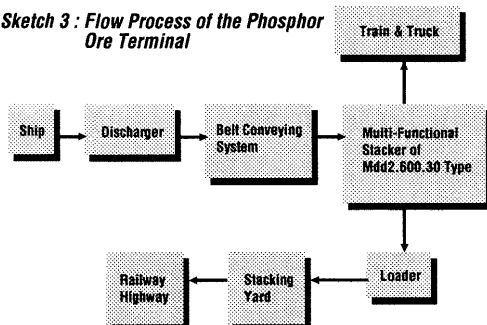
The proposed Longtan port area, situated 30 km away from the northeast of Nanjing city, is a fine, natural, ice-free and siltless port site, with deep water, low waves and a spacious water area. It has a quay length of 1.75km and a water channel of 22 km, thus satisfying the conditions for constructing deep water berths for 30,000-ton-class vessels.

In the first phase of the project, ten berths are scheduled to be built, among which there are two berths for 35,000-ton-class vessels for metallic ore and coal respectively, and one berth for 25,000-ton-class vessels for conventional bulk cargo. Also due to be constructed are handling machines, a special road and stacking yard for the port, as well as facilities for production, safety and environmental protection. The port railway will be linked up with the Shanghai-Nanjing railway, which is the major national trunkline of East China's railway network.

To sum up the above, the Port of Nanjing is a modern large-scale comprehensive river-sea port with bulk cargo handling as its main operational activity for more than 30 years. With the aim of "safety first, quality first and reputation first", the Port of Nanjing is committed to providing efficient and excellent services for all port users at home and abroad. Now the port can with one operation line, unload a coal railway wagon in three minutes, load a 10,000-ton-class coal ship in 40 minutes, load 1,500 tons of crude oil in one hour, and handle over 10,000 tons of cargo in 24 hours. The average turnaround time is less than two days. The port has grown into the No. 1 river port in China. The development of the Longtan New Port Area will certainly increase the port's handling capacity. We can say proudly that it is bulk cargo handling that makes great profits for Nanjing Port and supports the staff and 13,000 workers of the Port.

(By Yan Yang, Nanjing Port Authority – Address: 19 Jiangbian Road, 210011 Nanjing, China)

Sketch 3 : Flow Process of the Phosphor Ore Terminal



## Revision of Yokohama Port Development Plan

THE City of Yokohama has been promoting the revision of all port plans in order to realize part of the comprehensive plan, YUMEHAMA 2010 and to cope with environmental changes brought about by containerization. On January 29th, a discussion and inquiry into the revision of Yokohama Port Development Plan were held at the Yokohama City Port Council, the original draft was approved and the result was submitted to the Mayor of Yokohama.

After being handed to the Minister of Transport, the plan will be discussed with the national Ports & Harbors Council and the result is due to be announced to the public in April. This will enable the City of Yokohama to go ahead with the revised plan in April.

### 1. The Port of Yokohama's Basic Planning Policy

- Construction and improvement of container terminals and other advanced port facilities in order to strengthen and maintain the competitiveness of the Port of Yokohama which is an international port at the centre of Japan.
- Establishment of unit load terminals to strengthen the port's function transporting and trading goods within Japan.
- Improving the port-side transport system in order to ensure a smooth flow of cargo.
- Ensuring safety during port activity by improving the navigating environment of ports.
- Realizing orderly use of water areas including rivers and canals.
- Improving the port environment and promoting citizens' use of waterfront areas.
- Promoting redevelopment of the coastal city area in order to concentrate the Metropolitan business centre functions and provide waterfront areas for citizens to enjoy.
- Protecting against disaster and maintaining the port's operations in an emergency.

### 2. Target Year for Plan Completion 2005

### 3. Cargo Turnover

In the year 2005, cargo turnover is expected to be 146 million tons. (an average yearly increase of 1.2% compared to 1994)

Relatively high growth is forecast

with 54 million tons of this amount predicted to be import cargo (3.5% annual growth rate) and 46 million tons (3% annual growth rate) to be foreign container cargo.

## 4. Main Facility Plans

### (1) Deep-Water Container Berths

In order to maintain its function as one of Asia's principal ports, the Port of Yokohama is planning twelve deep-water container berths (350 m long, 15-16 m deep).

- Increasing water depth of Honmoku Pier's existing berths, and newly constructing two deep-water container berths on land which is being reclaimed between jetties B and C of Honmoku Pier.
- Increasing water depth at two of the existing berths at Daikoku Pier, and revision of the already established plans for deep-water berths at two of the berths in the Minami Honmoku area.

### (2) Large-Scale Earthquake Proof Facilities

Making the quay walls more earthquake proof so that they can be used as place for shelter and bringing in emergency supplies after a major earthquake, and so container transport which supports the Japanese economy can be maintained.

- Adding quays in the North (Suehiro district) and South (Kanazawa district) of the city to add to the existing three berths (Minato Mirai 21 and Yamanouchi districts) that can be used to unload emergency supplies.
- Making six of the existing berths (four at Honmoku Pier, two at Minami Honmoku Pier) into earthquake-proof container berths.

### (3) Expansion of Coastal Artery

Expansion of the coastal artery to the Honmoku Pier area which is the Port of Yokohama's logistics centre.

### (4) Creation of Green Belts

Creation of six new waterside green belts to improve the port environment and form a safe and pleasant port area.

- Creating open spaces by the sea in Tsurumi (Suehiro district), Isogo (Sugita district) and Kanazawa (Sachiura district).
- Creating large-scale coastal green areas in the Yamanouchi and Yamashita Pier districts.

- Creation of a shingle beach at Kanazawa (Fukuura district).

### (5) Redevelopment of Coastal Area

Change of the logistics functions in the coastal area which covers Yamanouchi, Shin-Yamashita and Yamashita, by redeveloping this area.

- Yamanouchi area: redeveloping the

45 hectare area (12 hectares reclaimed land) and changing the function to one of a compound city area which works towards development of commerce, business and research.

- Yamashita area: the first stage will involve changing the function of the Yamashita Park side into one of a coastal green area.

## New Container Terminal In Operation in Nagoya

**B**ERTH No. 1 at Port of Nagoya West-5 Section Container Terminal was completed in March, 1997, and is now operated by Isewan Terminal Service Co., Ltd. Since the first container ship entered on May 28, the cargo volume handled at the Terminal has continued to grow.

West-5 Section Container Terminal is the first high-standard container terminal at Nagoya and one of the largest in Japan. This Terminal has a water depth of 14 m, total quay length of 350 m, and 3 super gantry cranes. It is backed by an enormous container yard 500 m wide.

As the gateway to the Central Japan Economic Region, the port of Nagoya has undergone remarkable development. In order to meet the increasing volume of cargo, an urgent need has emerged in recent years to develop con-

tainer terminals equipped with facilities to handle cargo and larger vessels even more efficiently.

To this end, the Nagoya Port Terminal Public Corporation, founded by the Nagoya Port Authority, started to develop the large-scale West-5 Section Container Terminal in 1993.

A main advantage of the Nagoya Port Terminal Public Corporation is that it is



able to attract a large volume of cargo with a well-balanced ratio of imports and exports. The hinterland of the Port of Nagoya, the Central Japan Economic Region is the industrial core of Japan, responsible for approximately 17 percent of the nation's GDP. This area is noted for its high concentration of manufacturing industries, including automobile and aerospace; it is also an enormous consumption area with population of roughly 2.1 million. The empty container proportion among export is low at 17.4% compared with other major ports in Japan.

In addition, the Port of Nagoya has easy access to other major consumption areas nationwide. Road networks and expressways including the Ise Bay Highway, scheduled for completion in April 1998, further facilitate smooth domestic transportation to and from the West-5 Section Container Terminal. With growing pressure to reduce domestic transportation costs, this Terminal can meet the expectations of customers, by taking advantage of its great access to the hinterland.

Furthermore, the West-5 Section is being developed as a land, ocean and

air distribution base. The Terminal is located close to the projected New Chubu International Airport, which will facilitate links between air and sea transportation.

The Nagoya port Terminal Public Corporation will develop 4 more berths in the West-5 Section. The construction of Berth No. 2 was begun this year. "When they realize the advantages of our Terminal, those who are looking for the best distribution base in the Japanese market will find the West-5 Container Terminal one of the most attractive options," says an official from the Corporation.

## PSA to Build New Container Terminal in Aden

**Y**EMEN Investment & Development International Ltd. (Yeminvest) announced the signing of a contract with the Port of Singapore Authority (PSA) for the Engineering, Procurement and Construction (EPC) contract of a new container terminal to

be built in Aden, Republic of Yemen. This contract was signed in London by Mr Goon Kok Loon, President (International Business Division), PSA and Sheikh Sultan Khalid Bin Mahfouz, Vice Chairman, Yeminvest.

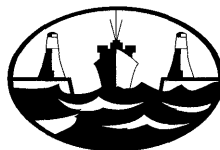
The EPC is a turnkey contract for Phase I of the Aden Container Terminal. It consists of construction of some 700 meters of berth, onshore container stacking areas, roads, standby power plant, buildings and the supply of quay cranes and other equipment for the terminal. The project is scheduled to be completed by March 1999. The design engineer is Postford Duvivier of the United Kingdom.

"We are very pleased to have been awarded the EPC by Yeminvest. Our expertise and experience in designing and operating container terminals have been built up since the 1970s. We are one of the few terminal owners/operators who have full in-house capabilities for designing and developing container terminals. We have been successful and want to export our competencies to create other success stories worldwide," said Mr Goon Kok Loon, President (International Business Division) of PSA.

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"We have seen PSA's significant achievements in Singapore. Therefore, we are confident that they can help us build a world-class terminal in Aden. Not many companies are able to provide integrated and comprehensive port services using information technology like PSA. That is why we chose PSA for this project," said Sheikh Sultan Khalid Bin Mahfouz of Yeminvest.

A Memorandum Of Understanding was also signed in London on 17 June by PSA and Yeminvest for the operation and management of the terminal. PSA also had an option to take an equity interest in the project.

Yeminvest is a special purpose development company owned by the Bin Mahfouz family of Saudi Arabia with principal offices in Aden, Republic of Yemen and Dubai, United Arab Emirates. It was awarded the Aden Free Zone Development Projects Agreement in March 1996 by the Yemen Free Zones Public Authority. This agreement, exclusive to Yeminvest, established a minimum 25-30 year concession to develop and operate the container terminal. The Agreement also provided for an initial concession of 1,500 hectares of Free Zone land which is to be developed by Yeminvest to become the Aden Industrial and Warehouse Estate.

The Port of Aden, a famous ancient port, is located strategically along the Europe-Far East shipping routes. The Red Sea, the Suez Canal, the Arabian Gulf, the East African coast and parts of the Indian Ocean are all within 48 hours steaming distance.

Aden has been earmarked by Yemen for development into a commercial and industrial "Free Zone". Yeminvest aims to make it a major transshipment port for the region. It has the potential to attract transshipment cargo from East Africa, other parts of the Middle East and possibly the Indian sub-continent. Container throughput in Aden was about 12,000 TEUs last year. The new Aden Container Terminal will have the capacity to handle over 500,000 TEUs in the first year of operation.

PSA is the world's single largest container terminal owner/operator. Its International Business Division has entered into joint-venture, management and consultancy projects in various parts of the world including Indonesia, China, South Korea, India, Ghana and Italy. It has taken equity participation in the development of a major container port in Dalian, China. More recently, it signed a contract to develop and manage Fuzhou Port in China.

## The 21st World Ports Conference of IAPH in Kuala Lumpur, Malaysia

*Malaysia - an introduction*

**By Chong Choon Yin**

*Commercial Manager  
Klang Port Authority*

**M**ALAYSIA is situated just north of the Equator in the heart of South East Asia. It comprises Peninsular Malaysia and the two states of Sabah and Sarawak in the island of Borneo.

There are 13 states and two federal territories - Kuala Lumpur and Labuan (an island off the coast of Sabah). Malaysia's government is one based on parliamentary democracy with the Prime Minister heading the Cabinet of Ministers. Nine of the states have their own hereditary ruler, from which the Supreme Head of States, *The Yang Di Pertuan Agong* (King), is elected every five years.

Malaysia's history has been one of continual interaction with foreign powers and influences because of its strategic position between the Indian Ocean and the South China Sea. This was also the reason traders and travelers found it the ideal meeting place. Some even decided to stay, married the locals and settled here. As such, the population of approximately 19.9 million consists of three main racial groups - Malays, Chinese and Indians. There is also a very diverse group of indigenous people who live in Sabah and Sarawak.

The country's racial, religious and cultural harmony is something that is truly appreciated. And, of course, this richly mixed culture spawns an endless list of festivals and celebrations all year round. As for language, Bahasa Malaysia is the national language, but English is widely spoken in addition to all the different languages and dialects spoken by the various ethnic groups.

### **The Capital**

Kuala Lumpur, the capital of Malaysia, is situated on the west coast of Peninsular Malaysia and is home to about 1.3 million people. Kuala Lumpur, or K.L. as it is fondly known, functions as the centre of Malaysia's political, commercial and social life. However, the administrative centre will be moved to Putrajaya near the new Kuala Lumpur

**15-21 May 1999**



*Kuala Lumpur—the federal capital—despite rapid development still retains lush greenery*

International Airport in Sepang shortly.

K.L. is a city of delightful contrasts - a combination of modern cosmopolitan sophistication and lingering old-world charm. It is a city filled with gracious colonial buildings, pre-war shophouses and copper-domed roofs all set against a backdrop of towering skyscrapers. The favourable climate is reflected in lush greenery and a profusion of tropical blooms - a truly fitting background for its happy multi-racial populace.

### **Climate**

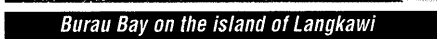
Malaysia has fairly uniform temperature throughout the year. In the lowlands temperatures range from 32 degrees Celsius during the day to 22 degrees Celsius at night. Relative humidity is high, especially in the coastal areas. In the hill country, temperatures can drop to about 15 degrees Celsius. Rainfall is common throughout the year, averaging 200 to 250 cm a year.

### **Economy**

Manufacturing forms the largest single component of Malaysia's economy. Manufactured goods especially electronics, clothing and the national cars have spearheaded industrialization. At the moment Malaysia is forging ahead with the development of the Multimedia Super Corridor which will feature a huge area specially for information technology. Without a doubt, IT will feature prominently in the future economy of the nation.

Apart from that, Malaysia is also the largest producer of rubber, tin, timber, palm oil, cocoa, pepper, tea and coffee. There are also vast resources of petrole-

## The 21st World Ports Conference

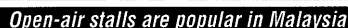


um off the east coast of the Peninsular and the north coast of Sarawak.

And, of course, tourism is also a big industry as Malaysia is a premier tourist destination. The country's natural beauty is no secret to the rest of the world. From idyllic sandy beaches to lush tropical rainforests, from majestic mountains to enchanting islands – it's all here!

## Shopping

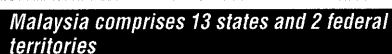
Shopping in Malaysia is truly a voyage of never-ending discovery. Branded goods, traditional crafts, antiques, clothes ... it's the best the region has to offer. And shopping is all duty free. The competitive exchange rate, the variety of product lines and quality goods as well



of Chinese food and exotic cuisine from north and south India, as well as Nyonya and Portuguese food. Western cuisine is easily available too. And there is a limitless number of eating outlets ranging from street hawker stalls to 5-star restaurants.

### ***Entertainment and night life***

When the sun goes down, the city nightspots pulsate to the rhythm of the night life. There are a profusion of karaoke lounges, pubs, cinemas, theatres and nightclubs. These are complemented by the very Malaysian *pasar malam*, the local night street markets.



## Conclusion

Perhaps what is more fascinating is how a country racing towards the future treasures its natural heritage. See how 100-million year old rainforests continue to flourish even as skyscrapers reach for the stratosphere, and discover quaint traditional villages thriving next to bustling city centres.

Yet this is only to scratch the surface. There are so many more sides to this fascinating country with its friendly people. And you can experience them all first-hand when you visit us in 1999.

**IAPH will meet in Kuala Lumpur, Malaysia  
from 15 to 21 May, 1999**

at its 21st World Ports Conference

**Conference Host: Klang Port Authority**

**Conference Theme: Global Trade Through Port Co-operation**



### Explanation of logo

**IAPH'99**  
Port Klang  
15 - 21 May 1999

The stylised boat atop a cresting clear blue wave is symbolic to all mariners as representative of the trade, whereas the fact that it is atop the wave's crest alludes to the way forward and also the opportunities, prospects and potential for the industry in the coming years ahead. It is therefore an ideal logo as this conference is the setting where plans, policies and development in the maritime trade for the next century will be discussed and decided.

The green color of the sailboat reflects the increasing environmental friendliness and consciousness of the industry - a policy adopted by ports and harbours worldwide in both port management and development. Blue has always been associated with internationalism which is the essence of this conference, and the fact that it is a blue wave also connotes clean seas which is what the maritime industry is striving for. Finally the red in 99 is a mark of prosperity and the hope that the maritime industry in the present will always see bright days.

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## West-5 Section Container Terminal Opened (Operated by Isewan Terminal Service Co., Ltd.)

Berth No.2 at the Port of Nagoya West-5 Section Container Terminal has recently been opened and now is operated by Isewan Terminal Service Co., Ltd. This is the first high-standard container terminal at the Port of Nagoya, with a water depth of 14 m, total quay length of 350 m, and 3 super gantry cranes. It is backed by an enormous 500

m-wide container yard. Taking advantage of its exclusive-use system, rapid and reliable cargo handling service at low cost are assured. Nagoya Port Terminal Public Corporation will continue to provide more efficient facilities, putting the greatest emphasis on our partnership with customers who use this terminal.

Berth No.2 under Steady Construction

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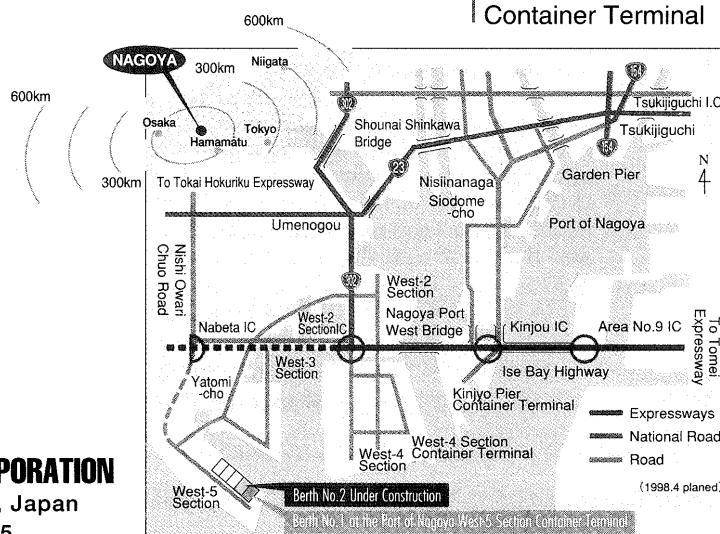
Balanced  
Production and  
Consumption in  
the Hinterland

Port of Nagoya  
West-5 Section  
Container Terminal

Location in  
Center of Japan  
Offers Great  
Accessibility

Developing as a Land,  
Ocean, and Air Distri-  
bution Link with the  
Projected Chubu  
International Airport

### Road Guide to the West-5 Section Container Terminal



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