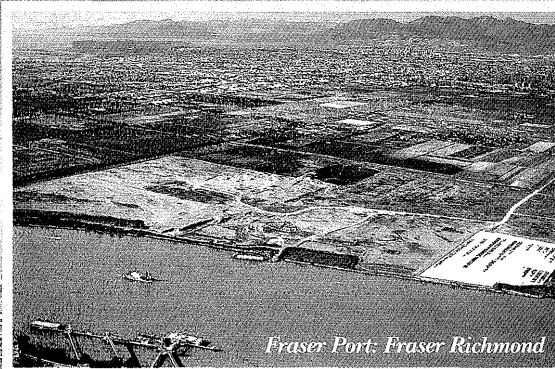


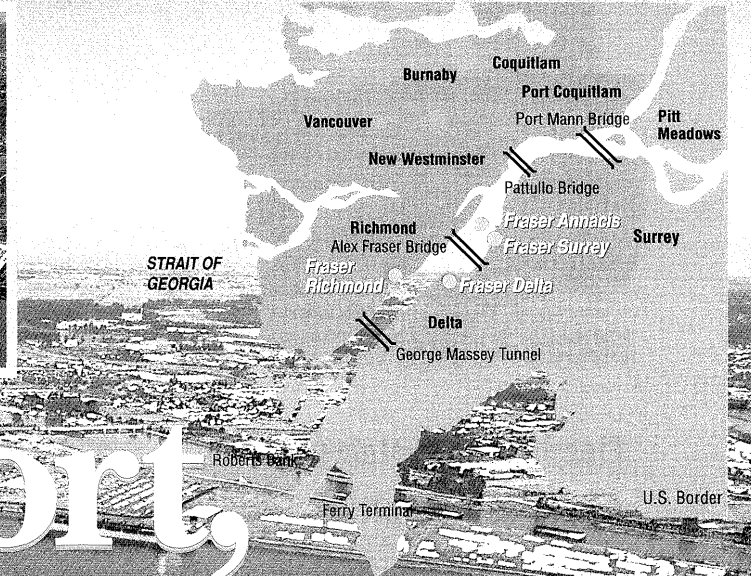
# Ports & Harbors



Fraser Port: Fraser Surrey  
Fraser Annacis

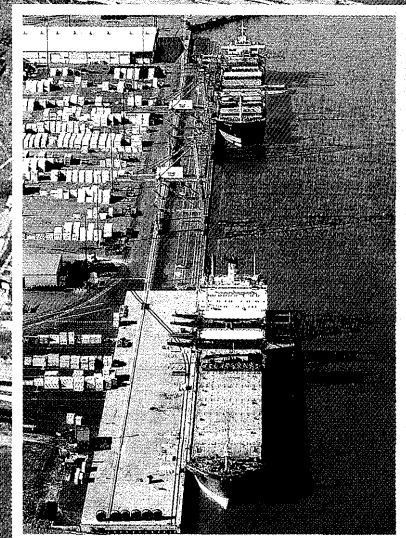


Fraser Port: Fraser Richmond



## Fraser Port, Canada

Fraser Port



Fraser Port: Berth 9 at Fraser Surrey Docks

## Inside:

• IAPH Submits a Follow-up Position Paper on Arrest of Ships to IMO and UNCTAD • 21st IAPH Conference: Programs Updated • Australia's Revised Ballast Water Management Requirements • Canada: Establishment of 3 CPAs Announced • South Carolina State Ports Create Statewide Impact • Oslo: Port-City Efforts Key to Future Success • PLA, University to Offer Postgraduate Course • Oman Opens Major Hub Container Terminal

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Port Klang Authority  
Malaysia



**S**HIPMENTS through Fraser Port in 1998 climbed steadily to 23,811,475 tonnes, an increase of 7% over the previous year's cumulative total of 22,221,573 tonnes. Volumes include a 33% increase in container shipments which totalled 24,911 TEUs. Related article on page 22.

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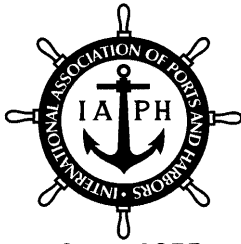
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Drug Trafficking through seaports is a global problem requiring vigilance and the co-operation of the World's Port Communities.

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

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



IAPH will meet in Kuala Lumpur Malaysia  
from 15 to 21 May, 1999.  
at its 21st World Ports Conference

**Conference Theme: Global Trade Through Port Co-operation**  
**Conference Host: Port Klang Authority**

IAPH Head Office  
Kono Building  
1-23-9 Nishi Shinbashi  
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Tokyo 105-0003  
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Web site: <http://www.iaph.or.jp>

# IAPH ANNOUNCEMENTS AND NEWS

## On Arrest of Ships: Follow-up Position Paper Sent to IMO and UNCTAD

**O**N the initiative of Mr. Pieter Struijs (Rotterdam), 3rd Vice-President of IAPH, the following position paper was sent to the Secretaries General of IMO and UNCTAD for presentation to the organizations' Diplomatic Conference on the Arrest of Ships, which was scheduled for 1 to 12 March 1999. From IAPH, Mr. van der Kluit, IAPH Liaison Officer-designate with IMO and Mr. Frans W. van Zoelen of the Legal Department of the Port of Rotterdam were to represent IAPH at the March Conference.

The paper presented is reproduced hereunder for the benefit of all members of IAPH.

15 February 1999

**Mr. Rubens Ricupero**, Secretary General  
United Nations Conference on Trade and  
Development (UNCTAD)  
Palais des Nations, CH-1211, Geneva 10  
Switzerland

**Mr. William O'Neil**, Secretary General  
International Maritime Organization (IMO)  
4 Albert Embankment, London SE1 7SR  
United Kingdom

Dear Sirs:

### Re: Follow-up Submission of IAPH Position Paper on the Arrest of Ships

1. May I take this opportunity to provide you with a follow-up to IAPH's Position Paper on the Arrest of Ships which was submitted to you on September 2, 1998, with a view to the forthcoming UNCTAD/IMO Diplomatic Conference on the Arrest of Ships from 1 to 12 March 1999.
2. The follow-up of the Position Paper goes in the form of a draft addition to

the preamble of the Convention on the Arrest of Ships with the following wording:

Considering that ports are generally forced to become hosts for arrested sea-going ships;

Considering that the said-role of the host has substantial consequences for the operational and commercial management of the ports;

Considering that in a number of countries the consequences are obviated by national legislation;

Considering that the interested parties as well as the pertinent port benefit from a regime which mitigates the consequences of an arrest;

Considering that therefore this Convention does not impede the further regulation of these consequences by specific legislation.

3. It is my sincere hope that this text will be duly accepted and disseminated at the above-said Conference.

Yours very respectfully,

Hiroshi Kusaka  
Secretary General of IAPH

## Regular and Board Members Asked to Submit Credentials

**O**N 10 March, the Secretary General sent a letter to the Regular Members asking them to submit a form of credentials in which each member organization is requested to confirm the name of the delegate who will attend the 21st World Ports Conference of IAPH with a voting right, or a form of proxy specifying the name of the individual who has a voting right on behalf of organizations from which no delegates will be unable to attend in person.

Separately, the IAPH Directors were asked to file with the Secretary General notice of their attendance at the Board meetings which are scheduled for Sunday, 16 May and Friday, 21 May respectively, by a form of credentials. Any Directors who will be unable to attend the Board meetings in person were asked to submit a form of proxy.

The Board of Directors representing each country/economy are requested to

confirm the names of the individuals who currently serve on the Board, or any anticipated changes in the Board, when they return the forms of credentials to the Head Office by 15 April 1999, as the By-Laws require that the results of each election to be held by each group of Regular Members in each country in each period between the Conferences shall be communicated to the Secretary General not later than thirty days before each Conference.

At the Conference in KL, among other issues, some very important recommendations will be presented by the Special Task Force IAPH 2000 affecting nearly all aspects of the current system of IAPH. Therefore, voting by the Board and Regular Members shall be required to process the major items to be proposed by the Task Force. In this connection, we appreciate their submission of the above requested forms (Credentials or Proxy) by the deadline.



## DTF Chairperson: 'Environmental Management Handbook for Ports' to IMO

**D**R. Geraldine Knatz, chairperson of the IAPH Dredging Task Force (DTF), has recently arranged for the 22nd Meeting of the Scientific Group of IMO to be held 10-14 May 1999 in the IMO Headquarters in London, UK, to receive 100 copies of the Executive Summary of the report in the above heading through Mr. Manfred K. Nauke, Chief Officer for the London Convention 1972, Marine Environment Division of IMO.

As already introduced in the December issue of the IAPH journal, the Environmental Handbook was prepared under the direction of AAPA's Harbors, Navigation and Environment Committee, which Dr. Knatz also chairs, with funding provided by the U.S. Environmental Protection Agency. Dr. Knatz states in her letter to IMO dated 2 February 1999,



"This document is designed to assist ports in effectively managing their environmental issues." She continues, "Although the topics covered in the handbook are broader than those considered in the LC, there is a direct relationship between good operational practices in ports and the protection of harbor sediment quality. In that regard, IAPH felt the report would be useful to the other delegates to the LC."

Furthermore, the DTF chair says, "In addition to this submittal, IAPH has in process a scientific study to test the effectiveness of a cell bioassay technique to screen sediments for dioxins for submission to a future LC meeting."

The handbook, as well as other information about the AAPA, can be found on AAPA's Website at [www.aapa-ports.org](http://www.aapa-ports.org).

## President Smagghe, R. Kondoh Visit Conference Host in KL

**E**ARLY in February, Mr. Jean Smagghe, IAPH President, and Mr. R. Kondoh, IAPH Deputy Secretary General, visited Kuala Lumpur to meet with Datin O.C. Phang, our Conference Chairman and General Manager and CEO of the Port Klang Authority, the host of the May Conference. Their visit to KL was arranged as a result of the discussion when Mr. Smagghe and Datin O.C.

Phang were visiting in Japan in October last year for the Officers' meeting.

During their stay in KL, President Smagghe and Mr. Kondoh had a series of meetings with the host port people headed by Datin O.C. Phang to discuss in detail the programs and the related events which the host port is preparing to take place during the Conference week. They were guided through the venues where each function will take place because they thought it necessary for them to familiarize themselves with the conference hotel, the Palace of the Golden Horses and other relevant places.

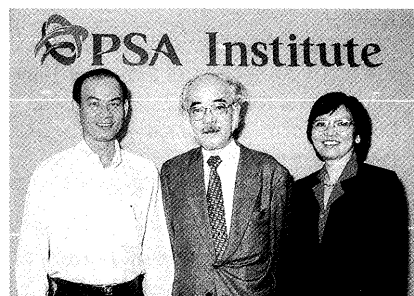
On 9 February, the IAPH officials made a courtesy call on Dr. Ling Liong Sik, Malaysia's Transport Minister. Later in this issue, we introduce a semifinal program as agreed upon at the meeting in KL.



Photo (taken by Mr. Kondoh) shows President Smagghe (second from left) shaking hands with Minister Ling, while Datin O.C. Phang (extreme right) and Dato' Michael Chen, Chairman of the Port Klang Authority, look on.

## Mr. Kondoh Meets IAPH Members in Singapore

**O**N 12 February, Mr. R. Kondoh was received by Capt. **Khong Shen Ping**, Director, Port Division, **Maritime and Port Authority of Singapore (PMA)**. He received a briefing on the recent work and later met with **Mr. Chen Tze Penn**, Director-General, and **Mr. Tham Heng Mun**, Deputy Director, Port Division. In the afternoon, Mr. Kondoh was received by **Mrs. Tan Soh Hoon**, Training Manager, **PSA Institute**, and **Mr. Chan Boon Huat**, Deputy Managing (Operations Training), at the PSA Institute's new premises at PSA Vista. On 13 February, he visited **Mr. Goon Kok Loon**, President-International Business Division, **PSA Corporation**, and Chairman of the IAPH Committee on Human Resources. With **Mr. Tan Hong Chuan**, Secretary to Mr. Goon, he then visited the Tanjung Pasir Terminal. On 15 February, Mr. Kondoh visited **Mr. Fong Yue-Kwong**, Director (Port), **Jurong Town Corporation**, to hear a lecture on and carry out a field visit to Jurong and the industrial complex of the JTC.



(L to R): Mr. Chan Boon Huat, R. Kondoh and Mrs. Tan Soh Hoon at the PSI Institute's front entrance.



(L to R): Mr. Alex Yeong, Assistant Manager, Business Development, Capt. Fong Yue Kwong, Port Director, R. Kondoh, and the secretary in the JTC's presentation room.

## IPD Fund: Status Report

**44% collected against the targeted amount of \$70,000**

**T**he fund-raising campaign is still in progress, although the pace of donations has been rather slow. By 10 March, a total of 40 organizations and one individual had made contributions, with the amounts listed below. Secretary General Kusaka thanks all those generous donors and at the same time appeals to our members for fresh donations so that we can raise the projected US\$70,000.

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

| 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      | 250           |
| Port Services Corporation                            | Oman           | 985           |
| Associated British Ports                             | UK             | 1,000         |
| Nanaimo Harbour Commission                           | Canada         | 250           |
| Japan Cargo Handling Mechanization Association       | Japan          | 240           |
| South Carolina State Ports Authority                 | USA            | 750           |
| Mauritius Ports Authority                            | Mauritius      | 1,000         |
| Overseas Coastal Area Development Institute of Japan | Japan          | 1,000         |
| Port of Rotterdam                                    | Netherlands    | 1,000         |
| Port Authority of the Cayman Islands                 | Cayman Islands | 500           |
| Kuwait Oil Company (KSC)                             | Kuwait         | 750           |
| Port of Copenhagen                                   | Denmark        | 1,000         |
| Saeki Kensetsu Kogyo Co. Ltd.                        | Japan          | 235           |
| Marine Department, Hong Kong                         | China          | 500           |
| Port of Montreal                                     | Canada         | 1,000         |
| Port Authority of Thailand                           | Thailand       | 100           |
| Tanzania Harbours Authority                          | Tanzania       | 1,000         |
| Port of Kobe   | Japan          | 3,000         |
| Japan Academic Society for Port Affairs              | Japan          | 237           |
| Sydney Ports Corporation                             | Australia      | 500           |
| World Cargo News                                     | UK             | 100           |
| Nagoya Port Authority                                | Japan          | 3,000         |
| Administracao do Porto de Sines                      | Portugal       | 500           |
| Maldives Ports Authority                             | Maldives       | 100           |
| Port Autonome du Havre                               | France         | 1,000         |
| Indonesia Port Corporation II                        | Indonesia      | 500           |
| Fraser River Harbour Commission                      | Canada         | 250           |
| Kobe Port Terminal Corporation                       | Japan          | 500           |
| Canaveral Port Authority                             | USA            | 500           |
| Sabah Ports Authority                                | Malaysia       | 261           |
| Irish Ports Association                              | Ireland        | 500           |
| Portnet  | South Africa   | 1,000         |
| Port of Amsterdam                                    | Netherlands    | 500           |
| Port Authority of New York & New Jersey              | USA            | 1,000         |
| Port of Kawasaki                                     | Japan          | 983           |
| Port of Houston Authority                            | USA            | 1,500         |
| Empresa Nacional de Administracao dos Ports          | Cabo Verde     | 983           |
| Dr. Susumu Maeda                                     | Japan          | 100           |
| <b>Total in US\$:</b>                                |                | <b>30,841</b> |

As of 10 March 1999

## Visitors

**O**N 18 February, Mr. R.C. "Rick" Pearce, Port Manager and

Chief Executive Officer, **Fraser River Harbour Commission**, Canada, who serves on the IAPH Trade Facilitation Committee, visited the Head

Office, where he was welcomed by Mr. R. Kondoh and other Secretariat staff members in the absence of Secretary General Hiroshi Kusaka. Mr. Pearce was visiting Tokyo as a member of the Trade Development Mission to Japan and Korea. Later in the same month (on 26 February), Mr. Michael Jones, Chairman of the **Fraser River Harbour Commission**, visited the Head Office and was welcomed by Secretary General Hiroshi Kusaka. Mr. Jones, escorted by Mr. R. Kondoh of the Head Office, visited to the Ports of Tokyo and Yokohama.



## Membership Notes:

### New Members

#### Associate Members

**Bourgas Marine Association (BMA)** [Class B]

(Bulgaria)

Address: 1, Kniaz Al. Batenberg Str.  
8000 Bourgas

Postal Address: POB 335, 8000 Bourgas

Mailing Addressee: Capt. Atanas Dernev  
Chairman

Tel: +359 56 42348

Fax: +359 56 42348

E-mail: bma@bse.bg

Internet: <http://www.bourgas.net/business/bma>



### Brief Introduction

The Association was founded 1995 as a non-government organization. The main aim is to create Bourgas as largest national international business center, to develop and support the marine activities in the region of Bourgas. Our members are over 100: Port of Bourgas, Municipality of the town, Airport of Bourgas, Bourgas Free Zone, Refinery - the biggest on Balkan Peninsula, SOMAT - Sofia, Bourgas Chamber of Commerce and Industry and many other private and state companies. Bourgas is the most important point on the crossways between Europe and Asia, so BMA can save time if you decide to come to the right place to do business in Bourgas and Bulgaria. We can offer and nautical education in high schools and university, training in GMDSS training centers, certification after an examination by Bulgarian Marine Administration, recognized all over the world. We can organize complete recruitment for almost all kind of cargo vessels, tankers with high-qualified officers seamen.

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Mailing Addressee: Ms. Naomi Kogan-Steinberg, Partner

Tel: (703) 821-0906

Fax: (703) 821-9170

E-mail: [nkogan@aol.com](mailto:nkogan@aol.com)

### Changes

**Superintendencia de Portos e Hidrovias** [Class D] (Brazil)

(Departamento Estadual de Portos, Rios e Canais has been changed to the above mentioned name recently.)

Mailing Addressee: Ms. Maria da Graca Coimbra Pascual  
Librarian

**LLP Limited** [Class D] (U.K.)

Mailing Addressee: Miss Kim Marks

Editor, Lloyd's Ports of the World

Tel: +44 (0)171 553 1258

Fax: +44 (0)171 553 1106

E-mail: [kmarks@llplimited.com](mailto:kmarks@llplimited.com)

# IAPH Trade Policy Committee: Minutes of Meeting

**Date** 22 February 1999  
**Venue** Offices of the Port Authority of New York & New Jersey  
**Present** Ms. Lillian Borrone, PA NY & NJ  
 Mr. Matthew Baratz, PA NY & NJ  
 Mr. Hugh Welsh, PA NY & NJ  
 Ms. Doris Bautch, Marad  
 Mr. Frank Martini, Port de Montreal  
 Mr. Godfried van den Heuvel, Port of Amsterdam  
 Mr. Roy Jaeger, Port of Amsterdam  
 Mr. Fer van de Laar, Port of Amsterdam  
 Mr. Mark van der Veen, University of Amsterdam  
 Mr. Balakrishnan, Port Klang  
 Mr. Henk Stevens, Zealand Ports

**M**S. Borrone opened the meeting by apologizing for her not having been able to be present at the November 4, 1998 Barcelona meeting. She put in a special word of thank for Mr. Baratz who had provided invaluable support for her in her function as a chairperson.

She reminded the Committee that it should be responsive to the needs of the members of IAPH. The committee agreed that thanks to the efforts of Ms. Borrone results had been achieved which might be beneficial to the membership of IAPH.

Ms. Borrone identified some critical issues that should remain in the attention of the members such as initiatives regarding deregulation of trade policies and consequences for ports of the financial crises in SE Asia.

She suggested that we record our accomplishments of last year and together with our plans for the future, report them in the form of (strong) recommendations to IAPH headquarters and possibly to some other key figures.

Mr. Borrone handed over the chair to co-chair Mr. van den Heuvel. Mr. van den Heuvel thanked Mr. Jaeger and Mr. Baratz for the fine preparation of this meeting. In his opening remarks he stressed the importance of the work of the Committee and noticed that we

should not shy away from subjects which might seem contentious at first glance. He further noticed that any organization that stood in the middle of commercial pressures would inevitably be exposed to change. Consequently not only would there have to be changes in committee work, but changes to IAPH as a whole were inevitable.

Mr. Balakrishnan reported on the progress of the preparations of the May 99 biennial IAPH conference. He was pleased to inform the meeting that everything went according to plan; the final turnout in participants may, however, be somewhat smaller than expected.

The minutes of the November 4, 1998 meeting were approved by a first motion of Ms. Borrone seconded by Mr. van de Laar. Mr. van den Heuvel reminded members that in the joint meeting of this committee and the Trade Facilitation Committee, the responsibilities and the work program of this committee in relation to the Trade Facilitation Committee had been clearly laid down and agreed upon by members of both committees. However, it seemed that, somehow, this message had not reached IAPH headquarters in Tokyo. In supporting this vision Mr. Jaeger added that in his perception members of both committees had expressed a clear desire for another joint meeting in May in Kuala Lumpur during the biennial conference. He suggested that a letter expressing this view and clarifying this committee's position should be sent to the IAPH 2000 SPWG (Mr. Bellefontaine) and ask SPWG for their advice on how to proceed. It was agreed that this letter would be jointly drafted by Ms. Borrone, Mr. Jaeger and Mr. Baratz and be sent to Mr. van den Heuvel for final review. It was also suggested to copy this letter to Mr. Arbos, chairman of the Trade Facilitation Committee.

Mr. van der Veen presented the view point on a study on Short Sea Shipping undertaken by his department at the University of Amsterdam. Mr. Balakrishnan presented the view point on this subject in the ASEAN area. Mr. Baratz presented an innovative container carrying barge concept operating on

restricted routes out of Newark, NJ.

It was agreed that a summary of these presentations would be prepared for the upcoming Kuala Lumpur conference. Mr. van der Veen and Mr. van de Laar would prepare the European section, Mr. Baratz and Ms. Bautch would take care of the US point of view, while Mr. Jaeger and Mr. Baratz would combine all of this and the ASEAN part into a short consultative document. (In a post-conference message, Mr. Stevens offered his support to assist in this matter; consequently he will draw up the first draft of this summary).

The chairman indicated that such a summary should identify the factors of Short Sea Shipping (SSS) common to the three areas described and formulated such as to be of general use for IAPH members. The summary would also serve as proof of the value of the TPC and should attract officials of other Ports to join the Committee.

Some points of interest were noted such as

- how will SSS reflect on the layout of sea ports;
- what influence might SSS have with regard to the setting up of producing plants;
- what effect might SSS have on infrastructure for sea ports (or the other way round: should infrastructure be established to promote SSS);
- should (and if so how strong) environmental issues be presented to enhance SSS.

Mr. Hugh Welsh reported on the work of the IAPH SPWG and highlighted some of the more important aspects such as the reshuffling of regions, executive committee, committees and working groups. He, however, stressed the fact that as yet no decision had been taken.

The decision making would take place after review of the recommendations of the SPWG during the Kuala Lumpur conference in May of this year. Final and formal decisions could only be taken at the 2001 Montreal biennial conference.

At 02:15 p.m. the chairman adjourned the meeting. In doing so he thanked everybody for their work done before the meeting and participation in the discussions. He especially mentioned Mr. Balakrishnan who had come such a long way to participate.

(By Fer van de Laar)





# 21st World Ports Conference of IAPH

15-21 May 1999, Kuala Lumpur, Malaysia

Hosted by the Port Klang Authority

Theme: Global Trade Through Port Co-operation

Venue: Palace of the Golden Horses, Kuala Lumpur, Malaysia

Conference Chairman: Datin O.C. Phang, General Manager/Chief Executive, Port Klang Authority

## PROVISIONAL DAY-TO-DAY PROGRAMMES

### Saturday 15 May 1999

08:00 - 17:00 Registration for attendees of the IAPH Statutory Committee Meetings  
Registration for delegates

Conference II

#### IAPH COMMITTEE MEETINGS

##### Meeting room

|               |   |                |
|---------------|---|----------------|
| 09:00 - 11:00 | Ship Trends                                 | Boardroom II   |
| 09:00 - 11:00 | Port Planning and Construction              | Congress I     |
| 09:00 - 11:00 | Dredging Task Force                         | Conference VI  |
| 09:00 - 11:00 | Cargo Operations                            | Conference V   |
| 09:00 - 13:45 | Port Safety & Environment/Marine Operations | Conference I   |
| 10:30 - 11:30 | Constitution and By Laws                    | Conference III |
| 11:30 - 12:00 | Nominating Committee                        | Conference VI  |
| 14:00 - 17:00 | IAPH 2000 Task Force                        | Congress I     |
| 14:00 - 17:00 | Combined Transport & Distribution           | Majestic III   |

#### SOCIAL PROGRAMME

13:00 - 17:00 Kuala Lumpur city tour  
19:30 - 21:30 Welcome Cocktails for early arrivals at the Mines Beach Resort

### Sunday 16 May 1999

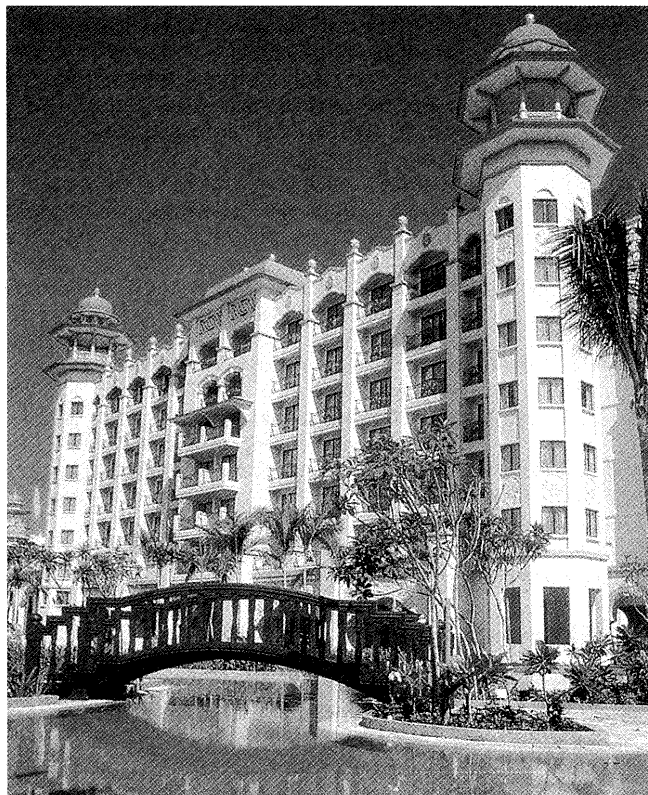
08:00 - 18:30 Registration for attendees of the IAPH Statutory Committee Meetings  
Registration for delegates

Conference II

#### IAPH COMMITTEE MEETINGS

##### Meeting Room

|               |  |                |
|---------------|--|----------------|
| 08:00 - 08:30 | Resolutions and Bills  | Boardroom II   |
| 08:30 - 09:30 | Credentials  | Conference VI  |
| 09:00 - 11:00 | Finance/Budget /Membership Joint Meeting   | Conference III |
| 09:00 - 11:00 | Trade Facilitation/Trade Policy Joint Meeting  | Congress I     |
| 09:00 - 11:00 | Human Resources  | Conference IV  |
| 09:00 - 11:00 | Legal Protection   | Conference I   |
| 09:00 - 11:00 | IAPH/IMO Interface Group   | Majestic II    |
| 09:30 - 11:00 | Port Communications  | Boardroom II   |
| 11:00 - 12:00 | Co-ordinating Vice President and Technical Committee Chairman meeting (Port Affairs Group)             | Conference VI  |
| 11:00 - 12:00 | Co-ordinating Vice President and Technical Committee Chairman meeting (Trade Affairs Group)            | Conference V   |
| 11:00 - 12:00 | Co-ordinating Vice President and Technical Committee Chairman meeting (Human & External Affairs Group) | Committee III  |



The Palace of the Golden Horses

|               |   |                    |
|---------------|---|--------------------|
| 12:15 - 13:30 | Lunch for IAPH Board and Executive Committee Members  | Mines Beach Resort |
| 13:30 - 17:30 | <b>Pre-Conference Joint Meeting of the IAPH Board and Executive Committee</b><br>Photograph Session | Mines Beach Resort |

#### SOCIAL PROGRAMME

09:00 - 12:30 Kuala Lumpur city tour  
19:00 - 23:00 Opening ceremony and welcome reception at Taman Lake Titiwangsa

### Monday 17 May 1999

|               |                                 |               |
|---------------|---------------------------------|---------------|
| 08:00 - 18:00 | Registration                    | Conference II |
| 08:00 - 08:30 | Resolutions and Bills Committee | Conference V  |

# 21ST IAPH WORLD PORTS CONFERENCE

## BUSINESS PROGRAMME

### OPENING SESSION

- 09:00 - 09:15 Conference Introduction:  
**Datin O.C. Phang**  
 Conference Chairman and  
 General Manager/Chief Executive  
 Port Klang Authority
- 09:15 - 09:30 Address by IAPH President  
**Jean Smagghe**  
 Vice President, UPACCIM
- 09:30 - 10:00 Keynote address  
**The Hon. Dato Seri Dr. Mahathir  
 Mohamad** (invited)  
 Prime Minister, Malaysia (invited)
- 10:00 - 10:30 Official Opening of Trade Exhibition and Tour of  
 Exhibition by The Hon. Dato Seri Dr. Mahathir  
 Mohamad
- 10:30 - 10:50 Coffee break

### SPECIAL SESSION

- Session chairman: **Senator Dato' Michael Chen**  
 Chairman, Port Klang Authority
- 10:50 - 11:30 Role of the Asian Economies - Creating Prosperity  
 Through Partnership  
 Speaker: **Datuk Dr. Kamal Salih**  
 Chairman of Tenggar Capital Bhd.
- 11:30 - 12:30 Discussion forum on issues raised in the special  
 session
- 12:30 - 14:00 Lunch

### FIRST PLENARY SESSION

- Session chairman: **Jean Smagghe**  
 President, IAPH
- 14:00 - 14:30 Opening remarks by the President  
 Credentials Committee's Report  
 Secretary General's Report  
 Membership Committee's Report  
 Budget Committee's Report
- 14:30 - 15:30 IAPH 2000 Task Force
- 15:30 - 15:50 Coffee break

### Technical Committees

- 15:50 - 16:10 **Port Affairs Group**  
 1st Vice President's Report:-  
 Port Planning & Construction  
 Dredging Task Force  
 Port Safety & Environment/Marine Operations  
 Cargo Operations
- 16:10 - 16:35 **Trade Affairs Group**  
 2nd Vice President's Report :  
 Trade Policy  
 Ship Trends  
 Combined Transport & Distribution  
 Trade Facilitation (including liaison work with WCO)
- Presentation of IT Award winners
- 16:35 - 17:05 **Human & External Affairs Group**  
 3rd Vice President's Report  
 Legal Protection  
 Port Communications  
 Human Resources

- 17:05 - 17:15 IAPH/IMO Interface Group Report  
 17:15 - 17:25 Report and Recommendations by Liaison Officers  
 17:25 - 17:30 Closing Remarks by the President

### ACCOMPANYING PERSONS' PROGRAMME

- 09:30 - 15:00 Countryside tour  
 Free evening

## Tuesday 18 May 1999

- 08:00 - 18:00 Registration Conference II  
 08:00 - 08:30 Honorary Membership Conference V  
 Committee Meeting

## BUSINESS PROGRAMME

### WORKING SESSION 1 CHANGING STRUCTURE WITHIN THE SHIPPING AND PORT INDUSTRIES

- Session chairman: **Jean Smagghe**  
 President, IAPH
- 09:00 - 09:30 *Globalisation in Liner Shipping*  
 Speaker: **Mr. Makoto Ishii**  
 Executive Vice President & CEO, Mitsui  
 OSK Lines
- 09:30 - 10:00 *Consolidation in the Maritime Industry and its Effect  
 on North American Trade: A US East Coast Case  
 Study*  
 Speaker: **Lillian C. Borrone**  
 Director, Port Commerce Department  
 The Port Authority of New York &  
 New Jersey
- 10:00 - 10:30 *Ports Responses and Strategies in Facing New Trends  
 in Shipping*  
 Speaker: **J. E. Meredith**  
 Managing Director, Hutchison  
 Port Holdings (HPH)
- 10:30 - 10:50 Coffee break
- 10:50 - 11:20 *How Will Feeder Operators View the Creation of  
 Secondary Hubs: Will it Give Rise to Co-operation or  
 Competition?*  
 Speaker: **Chan Tuck Hoi**  
 CEO, RCL Feeder Pte. Ltd.
- 11:20 - 12:00 Discussion forum on Working Session 1  
 12:00 - 14:00 Lunch

### WORKING SESSION 2 FORGING AHEAD WITH IT IN THE MARITIME INDUSTRY

- Session chairman: **Dato V. Danapalan**  
 Vice President, MSC Technology Centre, (HECSU),  
 Multimedia Development Corporation
- 14:00 - 14:25 *CEFACT and its Implications to the Transport Industry*  
 Speaker: **Santiago Mila**  
 Vice Chairman, United Nations CEFACT
- 14:25 - 14:50 *Achieving Service Excellence Through the Use of IT  
 to Improve Efficiency and Productivity*  
 Speaker: **George Hsu**  
 Vice Chairman, Evergreen Marine  
 Corporation
- 14:50 - 15:10 Coffee break

# 21ST IAPH WORLD PORTS CONFERENCE

- 15:10 - 15:35 *Y2K - The Ports' Perspective*  
Speaker: **Colin Lewin**  
TT Club
- 15:35 - 16:00 *Nurturing IT Capabilities to Support Container Port Operations*  
Speaker: **Eric Lui**  
Executive Vice President Information Technology, PSA Corporation Ltd. Singapore
- 16:00 - 16:25 *Electronic Data Recognition and the Year 2000*  
Speaker: **Pieter Struijs**, IAPH Representative, Inter-Industry Group
- 16:25 - 17:00 Discussion forum on Working Session 2

## ACCOMPANYING PERSONS' PROGRAMME

- 10:00 - 16:00 Shopping trip

## SOCIAL PROGRAMME

- 20:00 - 23:00 Chinese dinner at the Malaysia International Exhibition & Showroom (M.I.N.E.S)

## Wednesday 19 May 1999

- 08:00 - 18:00 Registration Conference II
- 08:30 - 09:00 IAPH Regional Board Meeting:  
African/European Region Unity Room (LG level)  
American Region Unity Room (LG level)  
Asian Region Unity Room (LG level)

## TECHNICAL VISIT

- 10:30 - 15:30 Technical visit to Port Klang's West Port Terminal
- Free evening

## Thursday 20 May 1999

- 08:00 - 18:00 Registration Conference II
- 08:00 - 08:30 Resolutions and Bills Conference V  
Committee meeting

## BUSINESS PROGRAMME

### WORKING SESSION 3

#### PORT DEVELOPMENT AND MANAGEMENT - CHANGING TRENDS

- Session chairman: **Dominic J. Taddeo**  
1st Vice President, IAPH  
President & Chief Executive, Port of Montreal
- 09:00 - 09:20 *Oman Ports: Development of the Region's Sea Transport Network*  
Speaker: **Jamal T. Aziz**  
Director-General of Ports & Maritime Affairs  
Ministry of Communications  
Sultanate of Oman
- 09:20 - 09:40 *Solidarity of African Ports Through Development and Opportunities in the New Millennium*  
Speaker: **K. D. Boateng**  
Director General, Ghana Ports and Harbours Authority

- 09:40 - 10:00 *Australian Ports: Developing Innovative Solutions to Stay Ahead*  
Speaker: **John Hirst**  
Executive Director, The Association of Australian Ports & Marine Authorities

- 10:00 - 10:20 Coffee break

- 10:20 - 10:40 *Indian Ports Towards the Next Century*  
Speaker: **Dr. Jose Paul**  
Chairman, Mormugao Port Trust

- 10:40 - 11:00 *Keeping Ports in the US West Coast Innovative: A Road Map to Prosperity and Growth*  
Speaker: **George M. Murchison**  
Commissioner, Port of Long Beach

- 11:00 - 11:20 *Ports' Outlook in Meeting the Needs of Dry Bulk Users*  
Speaker: **Datuk G. Gnanalingam**  
Executive Vice Chairman,  
Klang Multi Terminal Sdn. Bhd.

- 11:20 - 11:40 *Re-assessing the Role of Port Authorities in the 21st Century*

**Drs. Theo Notteboom**  
Department of Transport Economics & Policy, University of Antwerp

- 11:40 - 12:00 Discussion forum on Working Session 3

- 12:00 - 14:00 Lunch

### WORKING SESSION 4

#### GLOBAL TREND IN INTERNATIONAL TRADE AND ITS IMPACT ON THE MARITIME INDUSTRY

- Session chairman: **Dr. Akio Someya**  
2nd Vice President, IAPH  
Executive Vice President, Nagoya Port Authority

- 14:00 - 14:30 *ASEAN: Towards Global Competitiveness*  
Speaker: **The Hon. Dato' Seri Rafidah Aziz**  
Minister of International Trade and Industry

- 14:30 - 15:00 *World Trade Development and Its Impact on Global Logistics*  
Speaker: (invited)

- 15:00 - 15:20 Coffee break

- 15:20 - 15:50 *The Course of the EC in Asia-Europe Trade*  
Speaker: **Raffaello Tarroni**, Executive Director  
European Business Information Centre (EBIC)

- 15:50 - 16:20 *Creating an International Customs Environment That Supports Global Trade*  
Speaker: **Dr. Leonid Lozbenko**  
Deputy Secretary General World Customs Organisation

- 16:20 - 17:00 Discussion forum on Working Session 4

## ACCOMPANYING PERSONS' PROGRAMME

- 09:30 - 15:00 Tour of Bukit Cahaya Seri Alam (Agricultural Park) and the Blue Mosque

## SOCIAL PROGRAMME

- 20:00 - 22:30 "Canada Night" - hosted by Port of Montreal

# 21ST IAPH WORLD PORTS CONFERENCE

**Friday 21 May 1999**

08:00 - 18:00 Registration Conference II  
08:00 - 08:30 Resolutions and Bills Conference V  
Committee meeting

## BUSINESS PROGRAMME

### WORKING SESSION 5

#### PROTECTION OF THE MARINE ENVIRONMENT

Session chairman: **Pieter Struijs**

3rd Vice President, IAPH  
Executive Director Shipping, Rotterdam Municipal  
Port Management

09:00 - 09:30 *Developing Eco-Friendly Ports: Steps taken by China Ports*

Speaker: **Prof. Li You Ming**  
Shanghai Maritime University

09.30 - 10.00 *Port Development and the Environment*

Speaker: **Evert Wijdeveld**  
Chairman - Advisory Group on Safety and  
Environmental, Federation of European  
Port Operators (FEPORT)

10:00 - 10:30 *Reducing and Mitigating the Impact of Increasing  
Port and Maritime Activities: IMO's Initiatives in  
East Asia*

Speaker: **S. Adrian Ross**  
Senior Programme Officer, IMO

10:30 - 10:50 Discussion forum on Working Session 6

10:50 - 11:10 Coffee break

### WORKING SESSION 6

#### ADVANCEMENT IN TECHNOLOGY AND ITS IMPLICATIONS ON PORT OPERATIONS

Session chairman: **Leslie Eu**

Board Member  
Port Klang Authority

11:10 - 11:30 *Moving into the Digital Millennium: African Ports as a  
Case Study*

Speaker: **Messan Agbeyome Kodjo**

Chief Executive  
Port Autonome de Lomoe, Togo

11:30 - 11:50 *Container Vessels of the Next Generation: Are  
Seaports Ready to Face the Challenge?*

Speaker: **Alfred J. Baird**

Director, Maritime Transport Research  
Unit, Napier University, UK

11:50 - 12:10 Discussion forum on Working Session 6

12:10 - 14:00 Lunch

## SECOND PLENARY SESSION (CLOSING CEREMONY)

14:00 - 14:40 Opening remarks by President

Report and recommendation by the Chairman of  
the Resolutions and Bills Committee  
Report and recommendations by Chairman of the  
Honorary Membership Committee  
Election of Honorary Members  
Presentation of Honorary Membership Certificates

14:40 - 15:00 Announcement of the Dates and Venue of the 22nd  
IAPH Conference

15:00 - 15:10 Invitation Address and Presentation by the host of  
the 22nd IAPH Conference - Port of Montreal

15:10 - 16:00 Report and Recommendation by the Nominating  
Committee

Election of the President, 1st, 2nd and  
3rd Vice Presidents for new Term  
Presidential Citations for Meritorious Service

16:00 - 16:30 Address by the outgoing President

Address by the incoming President  
Closing remarks by Conference Chairman

16:30 - 17:30 **Post-Conference Joint Meeting of the Board and  
Exco**

## SOCIAL PROGRAMME

20.00 - 23.00 Gala dinner at Sunway Lagoon Resort Hotel



## 21st World Ports Conference

## REGISTRATION FEES

### IAPH Members

|                           |         |
|---------------------------|---------|
| Before 31 March 1999      | RM4,500 |
| On or after 31 March 1999 | RM5,700 |

### Non-IAPH Members

|                           |         |
|---------------------------|---------|
| Before 31 March 1999      | RM5,700 |
| On or after 31 March 1999 | RM7,000 |

### Honorary Members

Free Registration

The above registration fee include one accompanying person, who can take part in the arranged social functions and the spouse programme. For each additional accompanying person the fee is RM1,300.

*Note: Payment can also be made in US dollars at the conversion rate of RM3.80 to US\$1*

## Australia's Revised Ballast Water Management Requirements

(Contributed by John Hirst, Executive Director, AAPMA)

### Why Does Australia Have Ballast Water Management Requirements?

#### Background

Global shipping is essential to world trade and moves about 80 per cent of the world's commodities. In Australia's case, it is close to 98 per cent.

It has been estimated that the world shipping fleet transports approximately 10 billion tonnes of ballast water around the globe each year and, on average, more than 3,000 species of plants and animals are transported daily around the world.

Each year ships visiting Australian ports discharge around 150 million tonnes of ballast water. In addition, about 30 million tonnes of ballast water is moved by coastal shipping each year from one Australian port to another.

Australian scientists have identified over 200 introduced marine species in Australian coastal waters, most of which have been translocated from overseas ports to Australian ports via shipping. A number of these organisms have become harmful to Australia's marine environment, threatening fisheries, aquaculture and tourism industries, and public health.

The shipping industry, through the International Maritime Organization (IMO), recognises the seriousness of this issue and in 1993 adopted Resolution A.774(18) *Guidelines for Preventing the Introduction of Unwanted Aquatic Organisms and Pathogens from Ships' Ballast Water and Sediment Discharges*. These were revised in November 1997 when the IMO adopted Resolution A.868(20). The IMO is now working towards the adoption, expected in the biennial period 2000-2001, of a mandatory regulatory framework for ballast water management.

#### Impacts of harmful marine invaders

Unlike other major pollutants of the oceans like oil, sewage and garbage,

which can eventually be cleaned up, harmful marine organisms and pathogens, once established, are virtually impossible to eradicate and can have serious and permanent consequences for the marine environment, marine productivity and public health. This sets the issue of the introduction of harmful marine organisms and

pathogens apart from the threats posed by other general marine pollution issues.

The impacts from harmful invasive species are often severe and threaten marine environments, and fisheries, aquaculture and tourism industries in Australia and around the world. This is why AQIS looks forward to cooperating with the shipping industry in minimising the risks of introducing these organisms through compliance with effective ballast water management arrangements.

### Advice for Ships Masters Visiting an Australian First Port of Call

**Date of Effect: 1 October 1998**

#### Entry to Australia - Quarantine Clearance

All vessels arriving at their first Australian port of call **must** provide a vessel's agent with the *AQIS Quarantine Declaration for Vessels (Pratique)* form together with the *AQIS Ballast Water Reporting Form* which are to be forwarded to AQIS at least 12 to 24 hours prior to arrival.

These forms must be sent at the same time and **MUST BE FULLY COMPLETED**. They can be sent by FAX where vessels have a fax, or by TELEX. Agents in Australia can supply the telex format. Information supplied by a ship's master must meet AQIS' requirements and be accurate. There are penalties of \$10,000 or 5 years imprisonment, or both, for false reporting.

#### Mandatory Ballast Water Requirements That Must Be Observed

- **Reporting** – Reporting by ships' masters on ballast water management is mandatory and verification tests will be applied to ensure accurate report-

ing. The AQIS Ballast Water Reporting Form must be used.

- **Ballast Water and Sediment Sampling** – Access to a safe on-board ballast water and/or ballast sediment sampling point is mandatory. Ships' Masters are required to advise Australian quarantine inspectors on a suitable sampling point and are to provide assistance in removing ballast tank covers. Ships' Masters are to ensure ship and crew safety in determining sampling access.
- **Sediment Removal** – Sediment resulting from tank and/or hold cleaning must be disposed of in an AQIS approved manner on land.

**Enforcement is authorised under an Australian Act of Parliament**

#### Ballast Water Measures That Masters Are Requested to Observe

Masters are requested to comply with the Australian Ballast Water Management Guidelines, which are based on the IMO



ballast water management guidelines (IMO Resolution A.868(20)), and should adopt the following measures:

- **Undertake precautionary ballast uptake control measures during ballast water uptake** – Where practicable, avoid taking ballast up in shallow water, where there is a known outbreak of cholera, or toxic algal blooms are occurring, or where dredging is occurring.
- **Ballast water exchange in mid-ocean areas using either:**
  - (1) the pump out/pump in method – where tanks are to be drained until pump suction is lost, or
  - (2) the flow through method – where 3 x ballast tank volume of ocean water is to be pumped through the tanks.
- **Procedures in Australia if mid-ocean exchange or an approved control**

**method is not possible** – Minimise discharge where possible or observe any contingency advice provided by Australian Quarantine Inspectors.

**It is recognised that the safety of the crew and ship is paramount in deciding whether to follow any of these procedures. If no ballast water management was undertaken, this must be indicated in the AQIS Ballast Water Reporting Form.**

*NOTE: Australia reserves the right to require a ship that has not undertaken an approved ballast water treatment measure, to comply with any contingency action determined by AQIS if the ship has taken up ballast water in a high risk port where, for instance, toxic algal blooms are occurring or where there is a cholera outbreak. If unable to comply with AQIS requests, discharge of ballast water in a port may be refused.*

modelled on the IMO Guidelines, are intended to assist ships' Masters, operators, owners, agents and authorities, as well as other interested parties, in minimizing the risk of introducing harmful aquatic organisms and pathogens from ships' ballast water and associated sediments while protecting ships' safety.

## 5 Training and education

5.1 In line with the IMO Guidelines, training for ships' Masters and crews, as appropriate, is encouraged. This should include instructions on the application of ballast water and sediment management and treatment procedures, based upon the information contained in these Guidelines and in the IMO Guidelines. Instruction should also be provided on the maintenance of appropriate records and logs.

## 6 Procedures for ships

### 6.1 Ship's Ballast Water Management Plan

6.1.1. Every ship that carries ballast water is encouraged to maintain a ballast water management plan to assist in the minimisation of transfer of harmful aquatic organisms and pathogens. The intent of the plan should be to provide guidance on environmental ballast water management and the safe and effective procedures for achieving this.

6.1.2 The ballast water management plan should be specific to each ship and should be modelled on the IMO Ship Ballast Water Management Plan referred to in the IMO Guidelines that was developed by the International Chamber of Shipping (ICS) and Intertanko for the IMO. This model plan is available from the ICS at: facsimile +44 171 417 8877, or E-Mail: ics@marisec.org

6.1.3 The ballast water management plan should be included in the ship's operational documentation. Such a plan should address, inter alia:

- relevant parts of these Guidelines
- approval documentation relevant to treatment equipment
- an indication of records required and
- the location of possible sampling points.

### 6.2 Precautionary approach

6.2.1 Minimising uptake of harmful aquatic organisms and pathogens and

# Australian Ballast Water Guidelines

## I Purpose

1.1 The purpose of these Guidelines is to inform ships entering Australia from overseas of Australia's requirements in relation to the control of ballast water and sediment discharge to minimise the risks of introduction into Australian coastal waters of harmful aquatic organisms and pathogens. They replace the Australian Guidelines BWAug/98, effective date 1 August 1998 and 1 October 1998, and build on the Australian Guidelines first applied in 1990 and revised in 1992 through AQIS Notice 92/2 issued in July 1992.

## 2 Introduction

2.1 These Australian Ballast Water Management Guidelines (the Australian Guidelines) should be read in conjunction with the International Maritime Organization (IMO) Guidelines for the Control and Management of Ships' Ballast Water to Minimize the Transfer of Harmful Aquatic Organisms and Pathogens (Resolution A.868(20)) (the IMO Guidelines). In particular, ships' Masters are asked to give their attention to the IMO Guidelines, Guidance on Safety Aspects of Ballast Water Exchange at Sea, attached to these Guidelines at Appendix 1.

2.2 The Australian Quarantine and Inspection Service (AQIS) is the lead

Australian Government agency for the management of ballast water issues, and monitors compliance by shipping with the Australian Ballast Water Management Guidelines at each first port of call in Australia. The Guidelines detail Australia's requirements in relation to the control of discharge of ballast water and sediment from ships entering Australian waters from overseas, and now include several requirements that are mandatory under an Act of the Australian Parliament.

2.3 These are mandatory reporting (7.1) and mandatory access to an on-board sampling point (6.4). In addition, the cleaning out of ballast tanks or holds resulting in the discharge of sediment into the Australian marine environment is prohibited (6.2.2.2).

## 3 Application

3.1 Unless otherwise determined by AQIS, these Guidelines apply to all ships visiting Australia from an overseas port.

3.2 The safety of ships is a foremost consideration in the application of these Guidelines.

## 4 Guideline objectives and background

4.1 The objectives of these Guidelines, developed by AQIS under technical and scientific guidance and

sediments

6.2.1.1 When loading ballast for a voyage to Australia, every effort should be made to avoid the uptake of potentially harmful aquatic organisms and pathogens and sediment that may contain such organisms. The uptake of ballast water should be minimized or, where practicable, avoided in areas and situations such as:

- areas identified by the port State in connection with toxic algal blooms ('red tides'), outbreaks of known populations of harmful aquatic organisms and pathogens, sewage outfalls, and dredging activity
- in darkness when bottom-dwelling organisms may rise in the water column
- in very shallow water or
- where propellers may stir up sediment.

## 6.2.2 Removing ballast sediment

6.2.2.1 Where practicable, routine cleaning of a ballast tank to remove sediments should be carried out in mid-ocean or under controlled arrangements in dry dock, in accordance with the provisions of the ship's ballast water management plan. (If sediment removal is undertaken in mid-ocean then the safety of the ship and crew is paramount, refer to Appendix 1).

6.2.2.2 Under no circumstances should sediment resulting from tank or hold cleaning or stripping, be disposed of in Australian waters. This is a mandatory requirement under an Australian Act of Parliament. For instance, sediment should not be shovelled or dropped over the side of the vessel after de-ballasting. Where such disposal is necessary, as a result of tank or hold cleaning in operation or at drydocking, it should be disposed of in a manner which prevents it entering the Australian marine environment. Information on appropriate sediment disposal can be obtained from a local AQIS port office.

6.2.2.3 Where one or more of the recommended approaches for ballast water discharge has been followed, and loose sediment which is likely to be discharged in an initial flush, (e.g. in the bilge well of a hold space), such sediment should be drawn off by a suitable means (e.g. an initial "suck" to flush out any sediment that may have accumulated in hat boxes or suction bays during the voyage), the discharge from this operation should be

placed into a holding tank or by carrying out initial release into an approved discharge area, or at sea outside territorial limits, before full discharge overboard takes place.

## 6.2.3 Avoiding unnecessary discharge of ballast water

6.2.3.1 If it is necessary to take on and discharge ballast water in the same port to facilitate safe cargo operations, care should be taken to avoid unnecessary discharge of ballast water that has been taken up in another port.

## 6.3 Ballast water management options

6.3.1 There are various management or control options approved by AQIS that ship owners, operators or Masters may select to minimise the risk of introduction of harmful aquatic organisms or pathogens into Australian waters.

### 6.3.1 Ballast water exchange

6.3.1.1 In general, near-coastal (including port and estuarine) organisms released in mid-ocean, and oceanic organisms released in coastal waters, do not survive.

6.3.1.2 When exchanging ballast at sea, guidance on safety aspects of ballast water exchange, as set out in Appendix 1, should be taken into account. Furthermore, the following practices are recommended:

- where practicable, ships should conduct ballast exchange in deep water, in open ocean, as far as possible from shore and outside Australian waters (i.e. greater than 200 nautical miles from shore). Where this is not possible, exchange should not occur within Australian coastal waters and AQIS shall be advised that ballast exchange has taken place inside Australian waters. AQIS shall be provided with the exchange location on the AQIS Ballast Water Reporting Form.
- Consistent with safe operations at sea, when using the empty/refill ballast water exchange method, all of the ballast water should be discharged until suction is lost, and stripping pumps or

eductors should be used if possible

- where the flow-through method is employed in open ocean, by pumping ballast water into the tank or hold and allowing the water to overflow, at least three times the tank volume should be pumped through the tank
- where neither form of open ocean exchange is practicable, ballast exchange may be accepted by AQIS in designated areas and
- other ballast exchange options may be approved by AQIS.

## 6.3.2 Non-release or minimal release of ballast water

6.3.2.1 In cases where ballast exchange or other treatment options are not possible, ballast water may be retained in tanks or holds. Should this not be possible, the ship should only discharge the minimum essential amount of ballast water in accordance with AQIS contingency strategies, which will be notified before a vessel's arrival.

6.3.2.2 AQIS reserves the right to require a ship that has not fully exchanged its ballast water in mid-ocean, to undertake any contingency action determined by AQIS, if the ship has taken up ballast water in a high risk overseas port where for instance, toxic algal blooms are occurring or where there is a cholera outbreak.

## 6.4 Mandatory access to sampling points

6.4.1 Where ballast water or sediment sampling for compliance or effectiveness monitoring is being undertaken, AQIS will avoid delays to ships wherever possible when taking such samples. Every regard will be made by the ship's Master to the safety of sampling access.

6.4.2 Sampling will be undertaken by AQIS on a targeted and random basis, and access to an on-board sampling point is mandatory under an Act of the Australian Parliament. The ship's Master shall nominate an appropriate sampling point and ensure it is safe for ship and all personnel engaged in the sampling process.

6.4.3 Where verification of a ship's AQIS Ballast Water Reporting Form has been undertaken and there are indications that the Report is inaccurate, sampling may be used to further verify a Master's report on the ship's ballast water manage-

ment status.

6.4.4 When sampling for research or compliance monitoring, AQIS will give as much notice as possible to the ship's Master that sampling will occur, to assist in appropriate planning for the crew and operational resources.

6.4.5 The ship's Master has a general obligation to provide reasonable assistance for the above monitoring, which may include provision of officers or crew, provision of the ship's plans, records pertaining to ballast arrangements and details concerning the location of safe sampling points.

6.4.6 AQIS will indicate to the Master or responsible officer the purpose for which a sample is taken (i.e. monitoring, research or enforcement). Results of analyses of samples will be made available to ships' operators on request.

6.4.7 AQIS reserves the right under an Act of the Australian Parliament to sample or require samples to analyse ballast water and sediment, before permitting a ship to proceed to discharge its ballast water in environmentally sensitive locations. In the event that harmful aquatic organisms or pathogens are found to be present in the samples, AQIS's contingency strategy may be applied.

6.4.8 Ships are advised that the location and suitable access points for sampling ballast or sediment can be described in the ship's ballast water management plan, and/or other documentation. This will allow crew members to provide maximum assistance when officers of the port State authority require a sample of the ballast water or sediment. Access to points for sampling are a mandatory requirement under an Australian Act of Parliament.

## **7 Recording and reporting procedures**

### **7.1 Mandatory reporting**

7.1.1 All ships travelling in Australian territorial waters and/or visiting an Australian port are required under an Australian Act of Parliament to complete the AQIS Ballast Water Reporting Form, which is part of, and attached to, the AQIS Quarantine Declaration for Vessels (Pratique). All details on the AQIS Ballast Water Reporting Form shall be filled out and returned with the AQIS Quarantine Declaration for Vessels. These Forms together with instructions for their completion are attached to these Guidelines.

7.1.2 Ships not completing the AQIS Ballast Water Reporting Form will not be given formal Quarantine clearance, and on arrival in port will be required to complete the form with an AQIS officer present. This will attract additional fee-for-service inspection charges.

7.1.3 A ship's ballast water report to AQIS may be verified and there are significant penalties for false reporting.

## **7.2 Other reporting procedures for ships**

7.2.1 Where a required specific ballast water procedure cannot be undertaken (i.e. full ballast water exchange), due to safety reasons, such as weather, sea conditions or operational impracticability, the Master should report this fact to AQIS on the AQIS Ballast Water Reporting Form (Section 6 of the Form), as soon as possible and prior to entering Australian waters.

7.2.2 To facilitate the administration of ballast water management and treatment procedures on board each ship, the Master is encouraged to appoint a responsible officer to maintain appropriate records, and to ensure that ballast water management and/or treatment procedures are followed and recorded.

7.2.3 When taking on or discharging ballast water, as a minimum, the dates, geographical locations, ship's tank(s) and cargo holds, as well as the amount of ballast water loaded or discharged should be recorded. These details must be provided to AQIS on the AQIS Quarantine Declaration for Vessels and the AQIS Ballast Water Reporting Form. The record should be made available to AQIS prior to arrival in an Australian port.

## **8 Enforcement and monitoring by AQIS**

8.1 Consistent with the application of precautionary approach to environmental protection, these Guidelines apply to all ships within Australian waters, unless otherwise indicated by AQIS.

8.2 In all cases, AQIS will consider the overall effect of ballast water and sediment discharge procedures on the safety of ships and those on board. These Guidelines will be ineffective if compliance is dependent upon the acceptance of operational measures that put a ship or its crew at risk. Australia does not require any action of the Master which imperils

the lives of seafarers or the safety of the ship.

8.3 AQIS will, on request, provide a visiting ship with any requested information relative to ballast water management and its potential effects with respect to harmful aquatic organisms and pathogens, including:

- details of Australia's requirements concerning ballast water management
- location and terms of use of alternative exchange zones, where and if applicable
- any other port contingency arrangements, where and if applicable and
- the availability, location, capacities of, and applicable fees relevant to, reception facilities that are provided for the environmentally safe disposal of sediment in the event that a ship wishes to dispose of tank or hold sediment.

8.4 Compliance monitoring will be undertaken by AQIS by, for example, taking and analysing ballast water and sediment samples to test for the continued survival of harmful aquatic organisms and pathogens, and by verifying the accuracy of data provided to AQIS on the AQIS Ballast Water Reporting Form using various verification methods.

## **9 New ballast water management technology**

9.1 If new technology is developed and approved by AQIS as an alternative ballast water management option, this may be substituted for, or be used in conjunction with, current options. Such technology could include thermal methods, filtration, disinfection including ultraviolet light, and other such means acceptable to AQIS. Ships' Masters, owners, agents and operators should contact AQIS for further information.

## **10 Future considerations in relation to ballast water exchange**

10.1 Existing control and treatment options may be appropriate in the short term, however, there is a clear need for further research. These Guidelines will be revised and adjusted in the light of results concerning new ballast water management options, and when re-issued the Date of Effect will be amended accordingly.

# WORLD PORT NEWS



## **WMU-Port of Hamburg Course on Port Marketing**



**A** New WMU-Port of Hamburg course on port marketing will be offered at World Maritime University, Malmö, Sweden, 14 – 18 June 1999.

Today, the environment in which ports operate has totally changed. Internally, ports are expected to improve efficiency constantly while becoming financially self-reliant. Externally, the market situation is getting tougher and more competitive. The pressure from customers for better and cheaper services is ever greater. Ports have to learn how to develop or survive in such a market.

Port Marketing is the KEY for ports to meet the challenge and grasp the opportunities. This is mainly because:

- Marketing allows port to know market and the needs of customers.
- Marketing reveals the Strengths, Weaknesses, Opportunities and Threats for the port.
- Marketing enables port clients to know the port better and to understand the many ways of creating value-added at the port.

This new WMU-Port of Hamburg course has been developed to respond to the current and future needs of ports in this changed environment. It focuses specifically on the practical hands-on port marketing knowledge. The course benefits greatly from the extensive marketing experience of the Port of Hamburg.

The course covers the three fundamental elements of port marketing, namely:

### **Research Implementation Control**

The course consists of 5 modules, lasting one day each; with lectures and discussion in the morning and exercises and case studies in the afternoon. The 5 modules are:

- Port marketing principles and environ-

ment

- Port marketing information
- Port marketing strategies
- Port marketing promotion tools and mix
- Port marketing organization and control

Participants receive a comprehensive course folder including a handbook and all case studies.

### **Course objectives:**

The course is designed to enable the participants to:

- appreciate the importance of marketing for ports
- collect and analyze information to improve the competitive position of the port in the market
- define port marketing strategies
- identify appropriate marketing tools
- help build a port that adds value and focuses on the customer.

### **Who should attend the course:**

- General managers of ports and operating companies
- Heads of commercial (marketing) department
- Heads of financial department, operational department, planning department
- Government officials in charge of ports
- Agents and forwarders

### **Instructors and teaching methods:**

The instructors are senior marketing experts from WMU and the Port of Hamburg. Throughout the course, a balance is sought between lectures and exercises, case studies and discussion sessions.

### **Place and contact:**

World Maritime University (WMU)  
Box 500, S-201 24 Malmö, Sweden  
Tel: +46 40 356345,  
Fax: +46 40 128442  
Email: jan.horck@wmu.se

## **Transport and Maritime Management Programme**

**A** total of 12 courses are offered in the Master in Transport and Maritime Management (MTMM) Programme. The 12 courses are:

- 4 Transport Core Courses
  - Advanced Maritime Economics
  - Advanced Port Economics
  - Transport Economics Special Topics
  - Transport Policy Workshop
- 3 Strategic Management Core Courses
  - Integrated Logistics
  - Strategic Management Tools
  - Structural Changes in the World Economy
- Plus 5 Optional Courses (To be chosen from)
  - Airport and Airline Economics
  - Environmental Economics
  - Hinterland Transportation
  - Marine and Transport Insurance
  - Maritime Law Capita Selecta

Maritime Technology Workshop  
Port Informatics  
Shipping (management, operations & environmental safety)  
Techniques of International Trade & Transport  
Terminal Management  
Transport Law Capita Selecta  
• Plus a Dissertation

Interested in this one year world-proof and highly specialized academic postgraduate study programme?

Just write to: ITMMA (University of Antwerp), Middleheimlaan 1, B-2020 Antwerp, Belgium. You can also call us (+32 3 218 0 765 or +32 3 218 0 539), fax us (+32 3 218 0 746), or you can just send us an e-mail [itmma@ruca.ua.ac.be](mailto:itmma@ruca.ua.ac.be)

Also have a look at our website for further information: surf to: <http://www.ruca.ua.ac.be/itmma>.

Note that applications for the Master's programme have to be submitted to the ITMMA secretariat before the 30th of April 1999.

## New Publications

### Lloyd's Ports of the World

**W**HETHER you are a port user, a port authority, supply goods and services to ports or need details of all of the world's ports for your work at sea or on shore, you need to use *Lloyd's Ports of the Worlds 1998*. Price: \$450.00 each incl. delivery. It's full of the essential facts and facilities on the world's ports enabling you to be aware and up-to-date on everything on offer for trading and using.

Bringing together commercial and geographical information in one handy directory *Lloyd's Ports of the World 1998* provides an unrivaled planning and reference aid detailing:

- Over 3,000 ports and their precise geographical locations including names and addresses of Port Authorities, their phone and fax numbers and their key personnel.
- Information on 390 Free Trade Zones (including contract data) giving details of the trade facilities and development plans and information on rail links between major ports and international rail networks.
- World colour maps complete with vital shipping and commercial information fully cross referenced to all the port entries.
- New 'Port Statement Service' offering ports the opportunity to announce major infrastructure and other developments to their customers.

*Lloyd's Ports of the World 1998* is the only guide to world ports to have access to the information gathering capabilities of the international network of Lloyd's Agents. *Lloyd's Ports of the World 1998* therefore contains more up-to-date information and amended, fully-verified entries than any other directory, covering:

- Precise geographical location, latitude, longitude, position relative to other ports ...
- Using the port – approach details, anchorages, pilotage, tides, size of largest vessel, holidays, working hours ...
- Facilities available – berths, storage, bunkers, containers, ro/ro, waste reception, ore and bulk handling, tanker services ...

- International Shipping Information – Time zones, national boundaries, load time zones, oil/gas pipelines, weather hazards at sea, facts on major commercial waterways ...

plus lots more in this hardcover 900 page reference authority.

For further information, please contact:

Arthur Tane, P.O. Box 276, East Maitland, 2323 Australia.

Phone: (02) 49346290

Fax: (02) 49343692

### Model Ballast Water Management Plan

**T**HE International Chamber of Shipping (ICS) and INTERTANKO have jointly produced a *Model Ballast Water Management Plan*. Price: £40.00 per copy inclusive of air-mail postage.

The Model Plan complements resolution A.868(20) "Guidelines for the control and management of ships' ballast water to minimize the transfer of harmful aquatic organisms and pathogens" adopted at the twentieth session of the IMO Assembly in November 1997.

The resolution recommends inter alia, that "every ship that carries ballast water should be provided with a ballast water management plan". The plan should be specific to each ship, and be included in the ship's operational documentation.

The ICS/INTERTANKO Model Plan is accompanied by a PC diskette containing outline data designed to assist shipowners, managers and others who may be responsible for creating individual ballast water management plans for ships. This comprehensive package provides advice and information on:

- the need for ballast water management;
- reporting to port States;
- safety considerations;
- procedures for managing ballast water, including exchange methods;
- crew training and familiarisation;
- quarantine issues;
- record keeping.

Some countries have already established controls on the discharge of ships' ballast water to minimise the potential for colonisation of their rivers and estuaries by non-native species. Summaries of existing national and local quarantine requirements are pro-

vided in the plan.

For further information, please contact:

Marisec Publications, 12 Carthusian Street, London EC1M 6EZ

Tel: +44 171 417 8844

Fax: +44 171 417 8877

### Containerisation International Yearbook

**I**n her opening comments to the recently published 1999 edition of *Containerisation International Yearbook*, editorial director Jane Boyes discusses this and other factors which are likely to influence the liner shipping business in the next few years. She continues, "By providing ocean carriers and their customers with an opportunity to conclude confidential contracts, the expectation is that there could be greater emphasis on service and less on price".

"At the same time, in Europe, carrier/shipper relationships could also receive a fillip in 1999 as a result of a draft document released towards the end of 1998 by the European Commission's competition directorate DGIV". This proposal would end restrictions on individual conference members signing service contracts and abolish inland price fixing by conferences in Europe. However, as in the US, conferences would continue to enjoy anti-trust immunity. She continues: "Any developments that emphasise the service side of container liner shipping and encourage partnerships between carriers and their customers are to be welcomed."

Average gross profit margins deteriorated again in 1998 – a combination of declining rates in many trades, especially those into Asia, where higher container repositioning costs were also incurred as a result of gross imbalances.

Problems in Asia are estimated to have slowed global container trade growth from a yearly average of 7-8% to nearer 5-6%. This had not, however, translated into any slowing in vessel orders towards the end of 1998. According to latest *Yearbook* data, 57% of the 712,000 TEU capacity on order at November 1, 1998 for delivery over the next three years was scheduled for 1999, representing a 7% increase on the current fleet.

Some shipowners took advantage of an opportunity to order new vessels at competitive prices. According to the



*Yearbook's* separate analysis of the current orderbook, this reflected continuing confidence in the charter market, despite the Asia crisis and softening hire rates, which for some vessels in the medium-size range have decreased more than 30% over the past 18 months. There was also considerable interest from mainline operators and specialist feeder companies wanting to upgrade and expand. Maersk Line, Uniglor Marine and Wan Hai Lines all contracted tonnage in this size range for their intra-regional, mainly Asian, service networks.

Chinese container manufacturers, offering very low box prices, lured lessors and liner operators into ordering a record quantity of 1.5 million TEU of new containers during 1998. By the year-end, the ex-works prices for dry freight units built in central/southern China were under US\$1,600 for a 20ft box and US\$2,550 for a 40ft.

Much of the recent expansion in terminal facilities has been concentrated within Asia, but a number of projects have already been cut back, delayed or cancelled in Indonesia, Malaysia, the Philippines and Vietnam, while developments are also beginning to slow in South Korea and Hong Kong, as well as in Japan, China and the Indian Sub-Continent.

The *Yearbook's* most recently compiled "World Container Port Traffic League" shows that ports handled almost 164 million TEU worldwide in 1997, representing 10% growth on 1996. Although the port of Hong Kong led the world with almost 14.6 million TEU handled in 1997, more of the country's trade is now passing directly through other Chinese ports, and 1998 results are expected to show that Singapore overtook Hong Kong as the largest container port.

The *Containerisation International Yearbook* is now in its 30th year. As well as including a series of industry overviews by *Containerisation International* magazine's well-travelled journalists, this 1999 edition also includes major updates to its reference sections which make up the majority of the *Yearbook* pages. The well-received "Container Industry Websites" directory section, which was introduced in the previous edition, has been significantly expanded. In addition, full contact details for the 6,000 companies listed under their separate industry sections now also include e-mail addresses as well as websites.

The annually updated reference sections include details of facilities at 830

ports and terminals worldwide, together with annual container traffic figures and regular lines. The liner operators section, covering more than 770 deepsea and shortsea carriers, alliances and consortia, gives full details of ports-of-call, vessels and boxes operated. Also included is a quick-reference list of those lines which operate on each trade.

The latest "Register of Container-Carrying Vessels" details 6,800 lo-lo and ro-ro containerships and 420 vessels on order, and is followed by sections on shipmanagers and the vessels under their control, and shipbrokers.

Other updated sections cover container leasing, repair and second-hand sales, tank container operations, freight

forwarding and road haulage, as well as manufacturers of containers (with annual output figures), intermodal swapbodies and sources of a wide range of container components, handling equipment and computer software.

*Containerisation International Yearbook 1999*, published by Emap Freight (part of Emap Business Communications) is available now from:-

Readerlink Subscription Services  
Audit House, 260 Field End Road  
Ruislip, Middlesex HA4 9LT, UK.

Tel: +44 (0) 181 956-3511.

Fax: +44 (0) 181 956-3023.

Prices: UK £258; Europe £300; USA/Canada US\$524; rest of the world £330.

A discount of 10% is available on the above prices for credit card orders.

## The Americas

### Canada: Establishment Of 3 CPAs Announced

**T**RANSPORT Minister David Collenette announced the establishment, effective March 1, 1999, of the first Canada Port Authorities (CPAs) at the ports of Vancouver, Montreal and Halifax, under the new Canada Marine Act. "These new Canada Port Authorities will benefit from greater management flexibility, including increased freedom to develop contracts and leases, set tariffs and fees, and borrow money from commercial lenders," said Mr. Collenette. "With greater autonomy, these three ports will now be able to move more quickly on development projects."

The Canada Marine Act – which received Royal Assent June 11, 1998 – provides the legislative framework to improve the effectiveness of Canada's major ports by creating a National Ports System (NPS) made up of independently managed CPAs; streamlining the regulatory regime for the new CPAs and other ports currently administered by Transport Canada; and dissolving the Canada Ports Corporation, thereby significantly reducing overhead costs for major ports.

"The new legislation marks the first comprehensive effort to increase competitiveness and reduce costs in the marine sector," said Mr. Collenette. "By making it easier for ports to operate

according to business principles, it will make them even more competitive than they are now."

CPAs will be established for the remaining 15 ports and harbour commissions that will form the NPS as they complete the letters patent process, leading to the full implementation of the Act. In the meantime, the Canada Ports Corporation will continue to oversee the operations of four local port corporations at St. John's, Saint John, Quebec and Prince Rupert, and to directly administer six divisional ports.

### PORT VANCOUVER

#### Size and Activity

Port Vancouver, which has a natural deepwater harbour, is the largest port in Canada and on the west coast of North America. It covers 150 kilometres of coastline from Roberts Bank at the U.S.-Canada border, through Burrard Inlet to Indian Arm.

A world class port with modern facilities, it is home to 20 major cargo terminals – five bulk, five grain, three container, two cruise, two chemicals, one forest products, and three general cargo – and other marine-related terminals.

Most terminals are centrally located in Vancouver's Burrard Inlet, with the exception of the Deltaport container terminal and Westshore Terminals' coal handling facility, both located at Roberts Bank, 22 kilometres from the city centre.

Port activities include cargo terminals, cruise terminals, industries requiring tidewater access, shipyards, tugboats, railways, trucks, shipping agents, freight forwarders, suppliers, builders, and administrative agencies.

Total traffic in 1998 was 72 million tonnes, including 64.5 million tonnes in foreign exports. Broken down by cargo type, traffic was made up of 85 per cent bulk, eight per cent container and seven per cent general cargo. Port Vancouver handles nearly 45 per cent of Canada's grain exports – 14 million tonnes annually – and 75 per cent Canada's coal exports – more than 25 million tonnes each year.

Port Vancouver is well connected to other modes of transportation. The airport is about 25 minutes from Vancouver's city centre and the port's inner harbour facilities, including its two cruise ship terminals, Canada Place and Ballantyne.

Canadian National and Canadian Pacific Railway provide transcontinental service to key markets in North America. BC Rail and Burlington Northern, a major U.S. railway with links to Mexico, also provide services to the port. All of the port's terminals have on-dock trackage, excellent rail unloading capacity and fast turnaround times to offer customers efficient and cost-effective services.

With direct links to the Trans-Canada Highway and the U.S. interstate highway system, the port also has fast road connections, providing trucking lines to every major city in North America.

## **Economic Impact**

Port Vancouver trades more than \$30 billion in goods with more than 90 nations. As Canada's principal gateway for trade with the countries in the Asia Pacific region, the port is a major generator of jobs and value for the Canadian economy.

It is estimated that, in 1998, port operations added \$1.68 billion to the economy – direct and indirect impacts – and generated some 17,300 jobs, with about 10,700 in direct employment.

## **Benefits of CPA Status**

The Canada Marine Act establishes a new environment and a new way of doing business for Canada's major

ports. As a new Canada Port Authority (CPA), Port Vancouver will have the necessary tools to conduct its business affairs in a more commercial, efficient and timely manner. No longer a part of the Canada Ports Corporation, Port Vancouver has much greater autonomy and flexibility to operate according to business principles and to make investment decisions to the port's overall benefit.

The port sections of the Act modernize and streamline the management systems for these new CPAs, making it easier to reduce overhead costs and allow for faster business decisions, which are critical to remaining competitive in the maritime transportation sector. As a newly created CPA, the Port of Vancouver will now be able to take full advantage of, and benefit from, these changes to the business and operating environment for major Canadian ports.

## **PORT OF MONTREAL**

### **Size and Activity**

The Port of Montreal is one of the busiest inland ports in the world and a key transfer point for transatlantic cargo. The port is also Canada's top container port and a leader in terms of market share for metric tonnes of containerized cargo in the North Atlantic markets of Quebec, Ontario, and the U.S. Midwest and Northeast.

The Port of Montreal is a multifunctional port. Its highly diversified cargo includes containerized and non-containerized general cargo, grain and other dry bulk, and petroleum products and other liquid bulk. It also welcomes thousands of vacationers to its Iberville Passenger Terminal every year.

Stretched out over 25 kilometres of waterfront, it has four modern container terminals covering an area of more than 70 hectares, as well as more than 30 berths, 20 transit sheds – including a temperature-controlled warehouse – and open spaces for non-containerized general cargo.

Traffic in 1998 reached 21 million tonnes, an increase of 1.2 per cent over the previous year. Containerized traffic represented 8.7 million tonnes or 42 per cent of the total traffic, a 5.8 per cent increase over containerized traffic in 1997.

The hub of a seamless intermodal transportation system, Montreal serves as a gateway to the great producing and consuming areas of Central Canada and the U.S. Midwest and Northeast, with excellent rail and road links lead-

ing to all parts of North America.

The port operates its own railway network, serving almost every berth. The network, with more than 100 kilometres of track, interfaces directly with the yards of both transcontinental railways – Canadian Pacific and Canadian National – which have dockside rail access with no intermediate trans-shipment, as is the case at many other ports.

The port's terminals are also located just minutes away from a network of highways leading to major centres throughout North America. Some 50 trucking companies carry about 40 per cent of its containerized cargo in the Quebec, Ontario and U.S. Northeast markets.

### **Economic Impact**

The Port of Montreal's container cargo traffic is the sector that generates the greatest economic spin-offs. Its containerized cargo comprises a wide variety of products reflecting the industrial mix of Central Canada and the U.S. Midwest and Northeast. Of the total container cargo handled at the port in 1998, 95 per cent represented traffic on the North Atlantic route.

A 1997 study on the economic impact of the Port of Montreal on the Canadian and Quebec economies indicates that port activity in Montreal generates business revenues of \$1.7 billion annually and creates some 17,600 jobs, with about 9,450 in direct employment.

### **Benefits of CPA Status**

The Canada Marine Act establishes a new environment and a new way of doing business for Canada's major ports. As a new Canada Port Authority (CPA), the Port of Montreal will have the necessary tools to conduct its business affairs in a more commercial, efficient and timely manner. No longer a part of the Canada Ports Corporation, the Port of Montreal has much greater autonomy and flexibility to operate according to business principles and to make investment decisions to the port's overall benefit.

The port sections of the Act modernize and streamline the management systems for these new CPAs, making it easier to reduce overhead costs and allow for faster business decisions, which are critical to remaining competitive in the maritime transportation sector. As a newly created CPA, the Port of Montreal will now be able to take full advantage of, and benefit from, these changes to the business and operating environment for major Canadian ports.

## PORT OF HALIFAX

### Size and Activity

As the most easterly North American full-service port, the Port of Halifax is closer to Europe than any other East Coast port of call. Many carriers choose Halifax as first inbound and last outbound on transatlantic and Suez routings. It is an ice-free port, offering some of the deepest water on the eastern seaboard.

The port's facilities include two modern and efficient container terminals, with seven gantry cranes. With container berth depths ranging from 13.7 to 15.3 metres, the port easily accommodates the largest container ships. It also boasts of one of the most advanced electronic data interchange systems in North America. The Port of Halifax handled more than 14 million tonnes of cargo in 1997. Container and roll-on/roll-off cargo accounted for about 27 per cent of this traffic.

Halifax also serves as a cruise port with a reputation for the safe and efficient handling of some of the world's largest and most luxurious ships at its principal cruise facility, Ocean Terminals. In 1998, the cruise business brought almost 48,000 passengers to Halifax facilities. This is an increase of almost eight per cent over 1997, when 44,328 cruise passengers arrived at these facilities, setting a record for the most cruise passengers for Halifax in a single season.

The port's on-dock rail service offers daily double-stacked departures to and from Montreal, Toronto and the U.S. Midwest. With excellent land bridge opportunities to the United States, Halifax is an ideal hub for feeder cargo to U.S. ports. It also has excellent highway connections to all inland points in Canada and the U.S., and direct and connecting air freight and passenger services to all domestic and international destinations offered through Halifax International Airport.

### Economic Impact

It is estimated that, in 1997, port operations added a total economic impact of \$520 million to the economy and generated a total of 7,750 jobs, with about 3,000 in direct employment.

### Benefits of CPA Status

The Canada Marine Act establishes a new environment and a new way of doing business for Canada's major ports. As a new Canada Port Authority (CPA), the Port of Halifax will have the necessary tools to conduct its business

affairs in a more commercial, efficient and timely manner. No longer a part of the Canada Ports Corporation, the Port of Halifax has much greater autonomy and flexibility to operate according to business principles and to make investment decisions to the port's overall benefit.

The port sections of the Act modernize and streamline the management systems for these new CPAs, making it easier to reduce overhead costs and allow for faster business decisions, which are critical to remaining competitive in the maritime transportation sector. As a newly created CPA, the Port of Halifax will now be able to take full advantage of, and benefit from, these changes to the business and operating environment for major Canadian ports.

## Port of Halifax Enjoys Another Year of Progress

THE Port of Halifax enjoyed another year of financial and operational progress. In releasing year-end results for the Port of Halifax, Merv Russell, Chairman, Halifax Port Corporation (HPC) stated, "Preliminary unaudited results for 1998 indicate the Halifax Port Corporation had a net income of \$3 million on \$14.1 million in revenue from operations. This is income that we are re-investing in port infrastructure to ensure that the Port of Halifax can compete with the best in the world." In 1998 alone, Halifax Port Corporation invested \$17.6 million in capital expenditures as part of the HPC's 5-year capital investment plan that will see over \$46 million invested in port facilities.

Major projects in 1998 included re-engineering of Pier 9A at Richmond Terminals, renovations to Pier 22, redeveloping the Immigration Annex at Ocean Terminals, and on-going structural improvements to the grain elevator. Investment at the Port's two container terminals included drainage improvements to Pier C and work at Pier B, Halterm Container Terminal, to accommodate larger container ships; and additional rail trackage and creation of additional laydown area at Fairview Cove Container Terminal, for continued growth.

Total Port cargo tonnage declined 6.7% to 13.2 million metric tonnes between 1998 and 1997, but finished the year well above 1996 levels. Container traffic through the Port of Halifax in 1998 reached 425,435 TEUs,

down slightly from 1997's record-setting pace, but again, well ahead of 1996 volumes.

"1997 was an exceptional year with increases of 9.2% in total Port cargo tonnage and 19.9% in containerized tonnage," states David Bellefontaine, President & CEO, Halifax Port Corporation. "Averaged over a two year period, total Port tonnage increased 1.8% while containerized tonnage grew 8.7%, demonstrating the Port is competitive and well-positioned for the future."

Highlighting 1998 was a 10% increase in the Port's volume of U.S. Midwest container traffic, over 1997 levels. This traffic, reaching approximately 65,000 TEUs in 1998, represents a 53% increase since 1996.

Several factors contributed to the containerized cargo increase over the past two years including the introduction of several new lines to the Port of Halifax, as well as impressive individual growth by our existing customers. New services introduced at the Port in 1998 include: the TASCOT I trans-Atlantic service offered by China Ocean Shipping Company (COSCO), Yang Ming, and K-Line; and earlier in the year, Halifax welcomed the return of Orient Overseas Container Line (OOCL) for the first time since 1991, as part of the new "Grand Alliance" shipping line consortium.

Another major development in 1998 was Halifax being one of seven ports, and the only Canadian port, invited to submit a proposal to build the new Maersk/Sea-Land super terminal. The list of finalists competing to serve as eastern base for the carriers has been shortened to include Halifax, New York/New Jersey, and Baltimore. No decision has yet been made as to which port will be awarded the contract. Halifax became the first East Coast port in North America to receive a post-Panamax container ship when Maersk Line's vessel *Regina Maersk*, made its inaugural call at the Port on July 20, 1998.

With respect to cruise business, Halifax Port Corporation berths saw 53 cruise ship calls during 1998, an increase of 15% over 1997. Cruise passenger volumes rose 8% in 1998 over the previous year to 47,798, setting a new passenger record at the Port.

"Although 1998 was an exceptionally good year for cruise ship calls, 1999 is expected to be even better," noted David Bellefontaine. "We are expecting 77 cruise ship calls at Halifax Port Corporation berths between June 2nd and October 30th this year. Passenger volumes are expected to reach 119,000

– an impressive 150% increase over last year's record level."

It is estimated that total Port activity in Halifax accounts for an economic impact to the Province of Nova Scotia, including Halifax Regional Municipality, of 7,750 jobs and \$520 million in income.

Halifax Port Corporation is the profitable federal Crown Corporation responsible for the management of Halifax Port Corporation facilities in Halifax with a mandate to foster and promote trade and transportation in support of local, regional, and national economies.

## 1998 Montreal Review: Record Container Cargo

**T**OTAL traffic handled at the Port of Montreal reached 21 million tonnes in 1998, an increase of about 300,000 tonnes or 1.2 per cent compared with the previous year. It was the highest total traffic figure at the port since 1990 despite a substantial decrease in dry bulk traffic. Growth in the liquid bulk sector, however, more than made up for the dry bulk loss. Furthermore, the port handled a record amount of containerized cargo for a sixth consecutive year. Meanwhile, the Montreal Port Corporation recorded net earnings for a 19th consecutive year and will invest more than \$180 million in the expansion and improvement of its facilities over the next five years.

These were the highlights of the review of port activity for 1998 presented at a media conference by Mr. Dominic J. Taddeo, president and chief executive officer of the Montreal Port Corporation. Mr. Taddeo predicts a bright future for the Port of Montreal as long as all those involved in port activity continue to rigorously control costs, improve services and maintain labor peace.

Containerized cargo traffic at the Port of Montreal reached 8.7 million tonnes in 1998, an increase of about 500,000 tonnes or 5.8 per cent compared with the previous year. The port handled this traffic in a record 932,701 TEUs, compared with 870,368 containers in 1997.

"Growth in the North American and European economies certainly helped push our container traffic to new heights for a sixth consecutive year," Mr. Taddeo said. "But there is no doubt that the advantages our port offers to shippers also contributed to this new record." Mr. Taddeo explained that the shipping lines serving Montreal did

well for themselves despite increased competition brought about the arrival of ships that left the Pacific for the North Atlantic because of the Asian crisis.

Containerized cargo represents 42 per cent of total traffic handled at the Port of Montreal. "It is by far the traffic sector with the greatest amount of cargo and the one that generates the greatest economic spinoffs," Mr. Taddeo said. Over the last five years, the port's container traffic has increased on average a remarkable 7.9 per cent annually.

In the non-containerized general cargo sector, traffic reached approximately 800,000 tonnes in 1998, an increase of some 100,000 tonnes or 15.9 per cent. Imports of steel contributed to the growth.

For the first time in the history of the Port of Montreal, overall general cargo traffic – containerized and non-containerized cargo – broke the nine-million-tonne barrier. It reached 9.5 million tonnes, an increase of some 600,000 tonnes or 6.6 per cent.

Liquid bulk traffic also increased in 1998, reaching 5.3 million tonnes, an increase of about one million tonnes or 23.4 per cent. Within this sector, petroleum products traffic increased by about 1.4 million tonnes or 45.3 per cent to reach 4.4 million tonnes. This growth is attributable to increased in bound movements of fuel oil handled at the Tracy facilities mainly for Hydro-Québec and Ontario Hydro thermal stations. Other liquid bulks (hydrocarbons other than fuel, chemical products and vegetable oils) totalled 900,000 tonnes in 1998, down about 400,000 tonnes or 28.1 per cent following the temporary closure of the Pétrochimie Coastal du Canada paraxylene plant in Montreal-East.

Dry bulk traffic totalled 6.2 million tonnes in 1998, a decrease of about 1.3 million tonnes or 18.1 per cent. In this sector, grain traffic dropped by about 900,000 tonnes or 34.1 per cent to total 1.9 million tonnes following a less abundant harvest of Canadian grain. Nevertheless, the Port of Montreal succeeded in maintaining if not increasing its share of grain traffic on the St. Lawrence River. Meanwhile, other dry bulks totalled 4.3 million tonnes, a decrease of 400,000 tonnes or 8.4 per cent. Mainly inbound movements of nickel, coal, iron, and steel residues decreased.

The Port of Montreal had one of its best cruise ship seasons. Montreal, one of the main attractions for cruise ships on North America's East Coast and the

St. Lawrence River, welcomed 32,600 vacationers to its passenger terminal in 1998, at least 3,000 more than the previous year.

## Forecasts

The Montreal Port Corporation forecasts that containerized general cargo traffic will reach new heights in 1999, increasing by about 3 per cent. It will be a seventh consecutive record year in this sector despite even more fierce competition. Bulk traffic on the whole will decrease substantially because of a weak grain sector, less demand for iron ore and the effects of a fully year of production interruption at the Pétrochimie Coastal du Canada plant in Montreal-East.

According to Mr. Taddeo, 1999 should be a more difficult year for the entire maritime industry. "As the Asian crisis probably will not sort itself out this year, there will be more container transportation companies on the North Atlantic fighting over the same piece of pie," he stated. "The trend towards lower transportation rates will continue and affect shipping line and shipowner earnings."

"Since the last quarter of 1998, all ports on the North American East Coast are showing the signs of softer growth in the North American and European economies. The economic context, therefore, will not favour strong container traffic growth for North American East Coast ports in 1999. Growth certainly will not be as strong as it was both in 1998 and the previous year."

Over the longer term, the European and North American economic blocs will continue to do well, however. "So, too, will the Port of Montreal," Mr. Taddeo remarked. "In five years, by the end of the year 2003, total traffic handled at the port should increase to about 22.6 million tonnes, compared with the 21 million tonnes of 1998."

The net increase of about 1.6 million tonnes will, for the most part, come from the containerized general cargo sector and, to a lesser extent, various dry bulks other than grain.

In its corporate plan covering the period 1999 to 2003, the port corporation has budgeted capital expenditures of more than \$180 million to improve and expand its facilities. More than \$100 million will go to container terminals, which will handle more and more cargo. The port corporation will invest close to \$80 million in its other facilities for non-containerized general cargo and bulk cargo.

## Montreal: Phase I For Dredging Complete

**S**HIPPING lines sailing to Montreal will benefit from an additional 30 centimetres (one foot) of water depth by autumn 1999.

Phase I of the Montreal Port Corporation's project to increase to 11.3 metres (37 feet) the minimal depth of navigable waters in the shipping channel to Montreal is complete. Work began August 27 and concluded in mid-November.

The port corporation has entrusted CJB Environnement Inc. of Quebec City with taking care of the project's environmental monitoring program. The monitoring showed that Phase I was carried out while rigorously following the project's action plan and that the works had short-lived and minor effects on the environment.

The environmental monitoring will continue during and well after the works to be carried out in 1999. The port corporation will make public the results of the environmental monitoring for Phases I and II.

Phase II of the project will begin next July following spawning season and conclude before winter.

The decision to carry out the project in two phases was made in order to reduce environmental impacts and ensure navigational safety. Periods for selective dredging are limited and the port corporation wanted to avoid having too much dredging equipment in the navigation channel at the same time.

The project involves the selective dredging of shoals in well-defined sectors of the navigation channel between Montreal and Cap à la Roche, located downstream from Trois-Rivières.

The sought-after minimal depth already exists almost everywhere in this part of the channel. The project, therefore, is a matter of shaving in certain sectors shoals up to 30 centimetres thick. The sectors to be dredged represent two per cent of the total surface area in this part of the channel.

The Canadian Coast Guard is in charge of the selective dredging works. The Montreal Port Corporation is financing the project.

The project for the selective dredging of shoals is among the many initiatives the port corporation has taken to make the port even more competitive.

At least 14 containerships now calling Montreal on a regular basis, including the brand new 2,800-TEU *Canmar Pride*, *Canmar Honour* and *OOCL*

*Belgium*, will benefit from the extra 30 centimetres of water.

So, too, will new Fednav Ltd. bulk carriers and, among others, vessels regularly carrying shipments of iron ore to Contrecoeur, grain to the port corporation's grain terminal, and raw sugar in bulk to the Lantic Sugar Limited refinery adjacent to the port. (Portinfo)

## Montreal Port, Blue-collar Employees Sign Contract

**T**HE Montreal Port Corporation and the CSN union representing its approximately 130 blue-collar maintenance and grain terminal employees have signed a new and unparalleled collective agreement.

"This contract is beneficial to everyone involved," said Mr. Dominic J. Taddeo, president and chief executive officer of the port corporation, in unison with Mr. Marco Di Francesco, president of the union.

"It will further enhance labor relations efficiency, increase remuneration and workers' confidence in the maintenance of their jobs, and improve quality-of-life on the job as well as productivity and customer service."

### Jobs and remuneration

The new labour contract provides for salary increases totalling 18 per cent over a seven-year period, from January 1, 1998, to December 31, 2004.

Furthermore, effective January 1, 2000, a certain number of employees will be guaranteed a minimum of 35 or 52 work weeks each year. The contract also guarantees that the existing workforce will be maintained until 2001 as long as activities continue at the current pace.

### Flexibility and productivity

The employer will also benefit from the new contract as it has been agreed with the union that working methods will be reviewed in order to achieve greater labour flexibility and increased productivity. Under the guidance of a consultant, unionize workers and management already have begun training sessions on work reorganization.

### A win-win situation

Behind the new contract was a willingness on the part of the Montreal Port Corporation and the union to thoroughly review the existing work organization.

In their efforts, both parties opted for a "win-win" situation, urging manage-

ment and unionized employees to put on the table their difficulties and problems with regard to work organization and to identify common and specific interests in the hopes of finding solutions. This formula required greater participation from workers and broke from the traditional approach based on a line of authority.

In order to increase their chances of success, management and the union agreed in June 1998 to start negotiations well before the collective agreement was to end on December 31, 1999. The parties agreed to renew the agreement and add five years to the initial two-year duration of the contract.

(Portinfo)

## Seaway Management Corporation in brief

**T**HE "not-for-profit" Seaway Management Corporation was created pursuant to the provisions of the 1998 Canada Marine Act as the successor to the St. Lawrence Seaway Authority.

On October 2, it officially assumed operational control of the Canadian Seaway, which consists of the 8-lock Welland Canal and five of the seven locks on the St. Lawrence River between Montreal and Lake Ontario. The Government of Canada continues to own the infrastructure and to act as regulator. The U.S. Saint Lawrence Seaway Development Corporation continues to operate the two locks which comprise the U.S. section.

The Seaway Management Corporation attributes the success of this season to a 41% increase in general cargo movements, including steel slabs and steel products arriving mostly from Europe. As a result, toll revenues are estimated at \$80 million, the highest in the history of the Seaway.

Other contributors were steady flows of iron ore, coal, and other bulks, which increased by approximately 3%. A 28% drop in Canadian grain shipments was partially offset by a 30% increase for grain.

Estimated cargo traffic was 40.4 million tons for the Welland Canal (about the same as last year) and 38.9 million tons on the Montreal/Lake Ontario section (an increase of 5.7% or 2 million tons).

Another highlight of the 1998 navigation season was the number of vessels that passed through the system's locks,



4,138 compared to 4,042 in 1997. These included 1,476 ocean-vessel transits, up 33% over 1997, making 1998 "the best year for ocean vessel transits since 1984." (AAPA Advisory)

## Cargo Volumes Climb Steadily at Fraser Port

**S**HIPMENTS through Fraser Port in 1998 climbed steadily to 23,811,475 tonnes, an increase of 7% over the previous year's cumulative total of 22,221,573 tonnes. Volumes include a 33% increase in container shipments which totalled 24,911 TEUs.

Although all cargo sectors were affected by the global economic downturn known as the Asian flu, the overall impact on Fraser Port was minimal in 1998. Activity remained steady for the port's principal niche cargoes: forest products, automobiles and steel.

Recent infrastructure investments and capital improvements continued to attract new cargo and increased container traffic. The additional berth at Fraser Port's general cargo terminal helped boost deepsea ship arrivals by another 41 ships for a total of 529 calls in 1998.

The automobiles terminals posted a modest increase in the number of units shipped, 259,360 over 258,831 in 1997 which was a significant increase over 1996 levels.

In the forest products sector, pulp shipments remained steady while paper exports increased by 28% to 114,685 tonnes. This increase again proves the wisdom of the port's investments in the new pulp and paper shed at Fraser Surrey Docks.

The steel business continued to be a significant part of Fraser Port's cargo mix with imports posting an increase of 12% to 638,841 tonnes.

The *Fraser Port Economic Impact Study 1998*, indicated that Fraser Port continues to be a key economic engine. In 1997, Fraser Port's cargo volumes

were valued at \$9.2 billion, which translates into a contribution of \$1.4 billion to the country's Gross Domestic Product (GDP) and a sustained level of 24,035 jobs in Canada.

Fraser Port is administered by the Fraser River Harbour Commission and is designated as a Canada Port Authority under the National Ports System.

## US Waterborne Commerce 2.33 Billion Short Tons

**U**.S. waterborne commerce reached a record 2.33 billion short tons in 1997, according to data reported by the U.S. Army Corps of Engineers' Navigation Data Center.

That was an increase of 2.0% from the 1996 total of 2.28 billion tons and includes both domestic and import/export cargo handled through and within the nation's coastal, Great Lakes and inland waterway port systems.

Compared to 1996, foreign trade increased by 2.8%, while domestic

cargo rose by 1.1%. Over the past three decades, by far the fastest growing segment has been import/export cargo, which in 1997 reached a record 1.22 billion tons, or more than two-and-a-half times the 1967 total of 466 million tons.

Analytical comparisons of the 1997 data with reported volumes for 1987 and 1977 are presented below, in Table A.

Within the past decade, however, imports as well as cargo moving lake-wise (i.e., between U.S. Great Lakes ports) have shown the greatest average growth of any industry sectors.

For example, 1997 imports exceeded average import tonnage for the years 1991-96 by 20%, while exports declined by 2%. Growth of 10.7% for lakewise traffic contrasts with a 5% drop in coastwise cargo and a 2.6% gain for freight movements via the nation's inland waterway system. Table B elaborates.

Based on total tonnage (i.e., foreign + domestic cargo), the top ranked U.S. ports in 1997 were South Louisiana, Houston, and New York/New Jersey. South Louisiana was also first in total domestic cargo, while Houston led in foreign trade. (AAPA Advisory)

### A. U.S. WATERBORNE COMMERCE 1976-97 Millions of Short Tons

|                    | 1997<br>Tons | Change 1997 versus |        |       |
|--------------------|--------------|--------------------|--------|-------|
|                    |              | 1996               | 1987   | 1977  |
| TOTAL COMMERCE     | 2,328.7      | 2.0%               | 18.4%  | 22.0% |
| Exports            | 432.7        | -4.0%              | 12.9%  | 56.1% |
| Imports            | 783.4        | 6.9%               | 54.3%  | 19.0% |
| TOTAL FOREIGN      | 1,216.1      | 2.8%               | 36.5%  | 30.0% |
| Internal           | 630.6        | 1.4%               | 10.7%  | 19.3% |
| Coastwise          | 263.1        | -1.6%              | -18.7% | 6.1%  |
| Lakewise           | 123.0        | 7.0%               | 27.5%  | 12.8% |
| TOTAL DOMESTIC (*) | 1,112.6      | 1.1%               | 3.4%   | 14.4% |

(\*) Total domestic also includes "local" and "intraport" movements.

Source: U.S. Army Corps of Engineers, Navigation Data Center

### B. U.S. WATERBORNE COMMERCE 1987-97 Millions of Short Tons

|                    | 1997<br>Tons | Change 1997 versus |              |
|--------------------|--------------|--------------------|--------------|
|                    |              | 1991-96 Avg.       | 1987-96 Avg. |
| TOTAL COMMERCE     | 2,328.7      | 6.7%               | 8.6%         |
| Exports            | 432.7        | -1.7%              | -0.3%        |
| Imports            | 783.4        | 20.0%              | 27.1%        |
| TOTAL FOREIGN      | 1,216.1      | 11.3%              | 15.8%        |
| Internal           | 630.6        | 2.6%               | 3.8%         |
| Coastwise          | 263.1        | -5.0%              | -9.6%        |
| Lakewise           | 123.0        | 10.7%              | 12.6%        |
| TOTAL DOMESTIC (*) | 1,112.6      | 2.2%               | 1.6%         |

(\*) Total domestic also includes "local" and "intraport" movements.

Source: U.S. Army Corps of Engineers, Navigation Data Center



## AAPA Supports Gov't Re Invasive Species

Following the announcement today (February 3) regarding the Administration's Executive Order concerning the introduction of nuisance plant and animal species, U.S. ports weighed in on their concerns and support for action on this issue.

"The introduction of nuisance species to the U.S. as a result of the nation's foreign trade is of economic and environmental concern to the entire country," said American Association of Port Authorities President Kurt J. Nagle. "The nation's public ports are aware that the ships and cargo that enter and leave their facilities are potential sources of nuisance species. We are committed to working with the federal agencies to find feasible, cost-efficient, and effective solutions to prevent the introduction of nuisance species."

The International Maritime Organization has recognized the important role ballast water plays in introducing aquatic nuisance species around the globe and has developed voluntary guidelines for ships to exchange their ballast in mid-ocean. The U.S. Congress has directed the Coast Guard to establish a program for ballast water exchange and reporting. It has also directed agencies to conduct research to determine the extent of the problem and find additional solutions. Any further action to regulate ballast water should wait until the effectiveness of the Coast Guard's program has been determined and the cost and feasibility of other alternatives have been fully investigated.

AAPA also supports U.S. government efforts to control the introduction of non-indigenous pests into the U.S. on cargo shipped through our nation's ports. Port authorities work with U.S. Animal and Plant Health Inspection Service (APHIS) inspectors, shippers and fumigators to maintain adequate control measures for non-indigenous pests on imported cargo. Methyl bromide and other fumigants are critical to the control of nuisance species introductions. AAPA supports pushing back the ban date of the fumigant methyl bromide until a feasible alternative is developed which will protect our ecosystem from non-indigenous pests. Ports will continue to work with federal agencies to ensure that these critical tools are maintained in the future.

The Administration's Executive Order does not recommend any immediate action, but establishes an interagency

group to coordinate the federal agency response to the problems of invasive species. The Executive Order also calls for the establishment of an advisory committee made up of non-federal government agencies and the private sector. AAPA urges the Administration to include representatives of the port industry on this advisory committee.

Public ports generate significant local and regional economic growth, including job creation. In 1994 the port industry, port users and capital expenditures generated: 16 million jobs nationwide; \$154 billion in federal taxes; \$515 billion in income; \$56 billion in state and local taxes; \$1.6 trillion in sales; and \$783 billion to the GDP.

## Deepening and Widening Of Houston Ship Channel

It only took 30 years, but work has finally begun to deepen and widen the nation's top-ranking port of entry for foreign cargo. The five-year \$508 million project will increase the depth of the Houston Ship Channel from 40 to 45 feet and the width from 400 to 530 feet.

"This long-awaited expansion will enable today's larger vessels to go directly to terminal rather than unload part of their cargo in the Gulf of Mexico," stated Tom Kornegay, Executive Director of the Port of Houston Authority. "This will add up to more business for the Port and all the shipping lines using the Port. More importantly, safety will be enhanced by reducing the chances of collisions and oil spills."

Once completed, the project will increase the earning capacity of ships using the Port of Houston. Every inch of draft gained enhances the revenue generated. "This project will allow us to bring in on a regular basis our SL44 class ships, which are much bigger and faster, carry more and can offer better service to commercial entities in this region," explained Rick Couch, Port Manager for Sea-Land Service, Inc.

"Sea-Land just signed a 30-year lease with the Port Authority. Deepening the Channel to 45 feet is what we need now and into the future to keep the Port of Houston competitive with other major ports."

Larry Russell, Marine Superintendent for Equiva Trading Company, a joint venture between Shell, Texaco and Saudi Aramco, agrees but stresses safety over profits. "The deepening and

widening of the Channel has definite economic advantages, but more importantly the project enhances safety.

"The Channel has a tremendous volume of traffic. By gaining more room to operate – even a little more room – it will be a lot safer than what we have now. Also, if deeper draft ships and possibly those with wider beams can use the Channel, it may reduce the number of ships and yet move the same amount of cargo," Mr. Russell reasoned.

What makes the deepening and widening project unique in the industry is the extensive environmental restoration and maintenance project incorporated in the plan. The award-winning design calls for the dredged material to be used in restoring an unprecedented 4,250 acres of marsh and wetlands. An eight-acre bird nesting island will be constructed and the wildlife habitat on Goat Island will be restored. Recreational boat access channels are also planned and maintenance of all of the sites for 45 years is included. Completion is scheduled for 2005.

*(Port of Houston Magazine)*

## Los Angeles: Container Records Renewed

THE Port of Los Angeles' containerized business soared last year, pacing the Southern California gateway to a record-setting 3.4 million TEUs – the most in Port history.

Los Angeles is one of only two U.S. ports to handle as many as 3 million TEUs in a calendar year. Moreover, the Port of Los Angeles has moved 2 million TEUs or more for nine consecutive years.

Larry A. Keller, executive director for the Port of Los Angeles, stated, "Cargo growth was phenomenal last year, and all freight was handled very efficiently. We began the year with some expressing concern for a repeat of the cargo congestion experienced in late 1997, caused predominantly by strong container growth that exceeded all expectations and Union Pacific's equipment and manpower shortages.

"However, these concerns subsided quickly as everyone in the cargo transportation chain, including shipping lines, rail carriers, truckers and long-shore labor, really pulled together to maximize cargo service. The result was a banner year for the Port of Los Angeles."

Import traffic totaled 1.7 million TEUs

in calendar year 1998, a 17% increase over the 1.5 million TEUs handled in 1997. Inbound container volume handled in the months of August (161,601 TEUs), October (161,151 TEUs), May (155,896 TEUs), November (150,339 TEUs) and June (148,826 TEUs) are the greatest in Port history.

Despite the economic turbulence in Asia, which impacted many of the Port of Los Angeles' Pacific Rim trading partners and diminished U.S. exports, the Port completed 1998 with only a moderate 9% decrease in containerized export business that was completely compensated for by record-setting imports.

Overall, the Port of Los Angeles last year handled 250,000 TEUs or more for 10 consecutive months beginning in March. In three of those months (May, August and October), the Port surpassed 300,000 TEUs.

The Port of Los Angeles' container volume is forecast to increase 5% to 6% annually through the year 2020.

## Los Angeles Welcomes One Million Passengers

**T**HE Port of Los Angeles welcomed more than one million cruise passengers at its World Cruise Center in calendar year 1998, marking the first time that the busiest cruiseport on the U.S. West Coast surpassed that threshold.

Larry A. Keller, executive director for the Port, stated, "Unprecedented cruise and cargo business last year is testament to the Port of Los Angeles' tremendous diversification and capability. There is no other seaport in the United States that can match our expertise for attracting and serving the world's cruiseships and cargo vessels."

A total of 1,000,778 passengers sailed on cruiseship voyages last year, a 1.6% increase of 16,165 customers over the previous record set in 1997. The Port's cruise business has increased every year since 1995, when the Port handled 759,509 passengers. In just three years, customer volume rose by 241,269 passengers for a 31.8% increase in business, with strong expectations for continued growth.

Keller cited five major reasons for the Port's record-setting cruise business last year:

- Economic prosperity increases the probability and frequency of cruise travel. He explained, "Our cruise pas-

sengers are people with discretionary income who are embarking on their first vacation at sea, as well as repeat customers who thoroughly enjoy the floating resort hotel experience."

- Exciting Mexico, Alaska, trans-Panama canal and round-the-world travel itineraries offered by cruise lines and recognized by travel agents guarantee cruise passengers a unique vacation travel experience. Keller gave as an example, "Passengers can enjoy a sumptuous supper at sea one moment, then visit the Mexican Riviera in the next. Only cruise travel can make this possible."
- Excellent cruiseships, including those homeported at the Port of Los Angeles by Carnival Cruise Lines Inc. (the *Elation* and the *Holiday*), Princess Cruises (the *Crown Princess*) and Royal Caribbean International (the *Viking Serenade* and the *Song of America*), attract strong interest and business. "Cruise lines are masterful at providing superb vessels with amenities for passengers of all ages," Keller noted.
- The Port's close proximity to major Southern California tourist attractions such as Disneyland, Knott's Berry Farm and Universal Studios enables cruise passengers to combine their voyages with excursions to these amusement parks and other locales. "While most of our cruise business is generated by Southland residents, there are many people living outside the region who take advantage of the opportunity to visit Mexico and Disneyland in the same week," Keller stated. "That is an impressive vacation combination."
- The World Cruise Center at the Port of Los Angeles is designed and dedicated to serving cruise passengers with high efficiency. Its features include two separate passenger terminals, four processing areas to expedite U.S. Customs clearance and baggage handling, and 3,200 secured customer parking spaces. Keller noted, "The World Cruise Center is the staging area and launch point for our cruise passengers. We strive to serve these highly valued customers with outstanding service from the moment they enter our complex, ensuring that their voyages begin and end positively."

With strong expectations for continued growth in its cruise business, the Port last year announced conceptual plans for a \$30 million modernization and expansion of the World Cruise

Center that may include a new cruise terminal building, wharf modifications and expanded parking. In addition, the Port is awaiting proposals from master real estate developers for the design and construction of a new commercial development adjacent to the World Cruise Center.

## Long Beach Plans FTZs In El Monte, Pomona

**T**HE U.S. Department of Commerce has approved changes in the Port of Long Beach's Foreign Trade Zone in Ontario. The 1,800-acre site in Ontario is being reduced so that five-acre duty-free zones can be established in El Monte and Pomona. The new sites include El Monte's San Gabriel Valley International Business Incubator and Pomona's Fairplex.

Within a foreign trade zone, businesses can import foreign-made parts without immediately paying U.S. Customs duties. The parts can be reassembled, repackaged or otherwise manipulated into a finished product, and then re-shipped overseas without being subject to duties. Even if finished products remain in this country, they often are subject to lower duties than they would as individual components. (tie lines)

## 1998 Record Year For Port of Seattle

**C**ONTAINER volumes through the Port of Seattle reached a new record in 1998 thanks to a surge in imports from Asia and new business rerouted from other West Coast ports. Steve Sewell, managing director of the Port's Marine Division announced today (February 4).

Last year, cargo traffic at the Port of Seattle reached 1.54 million TEUs, a 4.6 percent increase from the 1.47 million TEUs in 1997, Sewell said.

"Despite the turmoil in the global economy, demand for the use of the Port's container facilities grew significantly last year and we expect that to continue over the long-term," Sewell said. "That's why the Port is committed to expanding its cargo handling facilities. We remain bullish on Asia and we want to keep our customers on the cutting edge of the shipping industry."

The Port plans to spend at least \$500 million during the next five years to upgrade and enlarge its container facili-

ties, he said.

Sewell said the growth in container traffic last year was a result of a surge in imports from Asia and new cargo that previously was shipped through other West Coast ports. Although exports to Asia declined during the year, imports grew even faster, he said.

The Port of Seattle's new \$275 million Terminal 5 came on line, prompting APL to change its inbound vessel rotation to make Seattle its first port of call. Due to shipping congestion in Southern California and its own efforts to raise productivity, the Port also captured new business from major national retailers, Sewell said.

For all of 1998, imports from the Asia-Pacific region through the Port rose 24 percent to 565,307 TEUs from 457,123 TEUs in 1997. Exports fell 14 percent to 414,140 TEUs from 482,937 TEUs the previous year because of the Asian financial crisis.

Toward the end of 1998, the trade imbalance with Asia eased, he said. During the fourth quarter, imports from Asia rose 11.3 percent to 167,947 TEUs from 150,818 during the same quarter last year. Exports declined but only by 3.2 percent to 136,211 TEUs from last year's 140,680. During the first quarter of 1998, imports from Asia rose 37 percent and exports declined 25 percent.

## Seattle Expands Foreign Trade Zone Facility

**T**HORE Mangor imports rubber work boots from Malaysia. Because he has to pay a duty rate of 37.5 percent on every pair he brings into the country, Mangor uses the Port of Seattle's Foreign Trade Zone warehouse to store what he doesn't need right away. That way, he can avoid paying the hefty import charges all at once.

Now, the convenient, cost-saving service he has used for nearly 15 years just got better.

The Port of Seattle recently opened a brand new 50,000-square-foot Foreign Trade Zone building at Terminal 104 to replace its aging warehouse at Terminal 18. The new facility, located on 5 acres with good access to Interstate 5 and the Port's container terminals, has nearby rail connections and offers on-site handling services. All customers need to do is call the warehouse, say what they need and the order will await them when they come

by to pick it up.

"It's much better than it was," said Mangor, director of operations for Lynnwood-based Neptune Intl. Ltd., whose imported boots, rainwear and work gloves are used by loggers, firefighters, fishermen and workers in other Northwest industries. Each year, Neptune brings in six to 10 containers of imports through the Port.

Because Neptune was purchased recently by Burnaby, B.C., based Alliance Mercantile, the company may expand its import business. Those plans reflect a trend among Foreign Trade Zone customers, said Chuck O'Donnell, general manager of the Port's Warehouse & Distribution Operations.

"Our business has grown significantly since we opened the new building, but we still have room," O'Donnell said. "The Port has 1,400 acres on the waterfront and at Seattle Tacoma International Airport that can be designated as Foreign Trade Zone."

Since moving to its new facility, the

Port's Foreign Trade Zone facility has posted five consecutive months of record-breaking revenues. The value and volume of Foreign Trade Zone business doubled during the same period. The warehouse now serves 17 businesses on a regular basis, O'Donnell said.

"This can be a real convenience and value to importers and exporters," he said. "But a lot of traders don't even know we have this at the Port of Seattle."

Foreign Trade Zones are like a foreign country. Within its boundaries, companies can defer duties, repackage imported goods to lower duty costs or use American labor to increase the product value without raising the duty.

Traditionally, these special trade zones have been associated with developing countries. But since 1934, the United States has had a law allowing state and local agencies to establish them to stimulate trade and keep or recapture some of the business leaving American soil for low-wage countries.

## South Carolina State Ports Create Statewide Impact

*The most recent Economic Impact Study documents the huge positive impact that South Carolina's ports have on jobs, income, taxes, and prosperity in the state.*

**By Jamie McAlister**

**T**O be able to take oneself seriously in any endeavor, you've got to have a mission. To prove you are serious about that mission, you've got to verify your progress toward achieving the mission's goal. Nearly 57 years ago the South Carolina General Assembly approved Act No. 626 creating the South Carolina State Ports Authority whose mission was to contribute to the economic development of South Carolina by fostering and stimulating waterborne commerce and shipment of freight.

Every four years the South Carolina State Ports Authority proves its fulfillment of its mission by conducting an Economic Impact Study (EIS) to measure just how much of a contribution this productive port makes to the state's economic well being. The 1997 study, just released by the South Carolina State Ports Authority, shows an undeniable relationship between the state's eco-

nomics welfare and the investment in a port that continues to set new records and maintain a high level of productivity.

Among the highlights of the study:

- The economic impact of commerce through South Carolina's ports totaled \$10.7 billion in sales volumes.
- The jobs of 83,100 South Carolina residents resulted from commerce through the state's port facilities in Charleston, Georgetown, and Port Royal.
- Port commerce generated \$2.6 billion in personal income and \$314.2 million in state and local taxes.

The 1997 study, painstakingly conducted by Mercer Management Consulting, presents the findings, which once again show that the South Carolina Ports Authority continues to be a leading contributor to the success of South Carolina's economy. Not only does the study provide a measure of the Ports Authority success in its role as a major catalyst for development of the state's economy, but it presents an understanding of the value of growth and serves as an important tool in planning intelligently for South Carolina's future.

Every time a container vessel or bulk

carrier appears on the horizon outside Charleston Harbor, Winyah Bay or Port Royal Sound, the South Carolina economy prepares to receive yet another serving of what has become a healthy daily diet of global commerce. "Continued strong growth in port economic impact attests to the fact that the Authority is fulfilling its mission of contributing to South Carolina's economic development," said Bernard S. Groseclose, president and CEO of the SCPA. "Announcements of new industries and of plant expansions in South Carolina in recent years have been fueled by the growth in international trade. The Authority is proud to play a role in that growth by providing accessible and highly efficient seaport facilities in Charleston, Georgetown and Port Royal."

Mercer's study clearly indicates the immense economic return generated from the Ports Authority investment. In 1997, its impact on the state's economy in terms of sales revenues resulting from commerce through its facilities was \$10.7 billion. Of that total, \$6.6 billion was in direct economic benefits; meaning South Carolina businesses that imported or exported raw materials, component parts, and finished goods, and the businesses that handled and transported that cargo, earned \$6.6 billion in sales revenues directly attributable to commerce through the port. This commerce also generated \$4.2 billion in indirect sales impacts through inter-industry and household spending and re-spending.

Within that sales commerce, taxes are naturally collected. State and local governments received \$314.2 million in tax benefits in 1997. Of that, \$179.1 million was generated directly through port user firms and employees and port industry firms and employees. Tax benefits of \$135.1 million were generated indirectly.

## 83,100 Jobs Created by Ports

The employment front is excellent as well. Of the 83,100 jobs created by port commerce, 37,100 are the direct result of international trade through our ports, and 45,900 jobs were indirectly related. Of the 83,100, more than 73,000 were attributed to firms that use the ports, and 10,000 to port industry firms.

With that kind of employment impact, it is not surprising that 233 international companies made new investments in the state in 1997.

"South Carolina's highly productive labor force has been an attraction for international business. As these compa-

nies have come to our state they have created high-paying jobs which have raised South Carolina's per capita income," said Groseclose.

Perhaps the most telling figure, however, is the stunning personal income impact. In 1997, South Carolina's ports created \$2.6 billion in personal income. Of that figure, \$1.5 billion was directly related to port business and \$1.1 billion was indirectly related. Those figures represent a huge impact on the purchasing power of South Carolina families.

It is significant that these economic impacts have increased 20 percent in sales revenues, 7 percent in employment, 18 percent in personal income, and 22 percent in state and local taxes since the last assessment of economic impact was made just three years earlier in 1994.

The last three years have been the most prosperous period in the state's economic development history. Since the last EIS was conducted, there have been major expansions of existing port user plants which have created thousands of new jobs not only within those companies but throughout the supporting port industry.

"A large percentage of the major economic development projects in South Carolina, whether new plants or plant expansions, are dependent on easy access to world-class port facilities," said Groseclose. "The names of those employers are legendary in the business world - Bridgestone/Firestone, Honda, BMW, Michelin, DuPont, Amoco, Nucor, Corning and Mikasa, just to name a few."

From Upstate areas like Greenville, Spartanburg and Rock Hill to coastal plain cities and towns surrounding the ports of Charleston. Georgetown and Port Royal, there has been a great deal of investment, both foreign and domestic, by companies who ultimately rely to some degree on accessible ocean transport. Ben Cole, president and CEO of the Charleston Regional Development Alliance said that, while there are several other key strengths and attributes that help market the Charleston region, the presence of a strong port undeniably makes a difference. "The fact is that over half of our 77 announced projects over the past three and a half years, and most of our active qualified projects, either directly or indirectly rely on the Port of Charleston for their businesses' success. In addition, nearly one-third of our newly announced businesses have been international companies, which only further highlights the key importance of the port to our economic growth

here in the Charleston region. Our industrial recruiting results since the Alliance was formed have clearly proven that the Port of Charleston is our region's biggest competitive advantage."

## \$10 Billion Worth of Cargo

As the fourth-busiest container cargo port in the United States, the Ports Authority handled international cargo valued at well over \$10 billion in 1997. It continues to hold its lead in an increasingly ambitious global maritime race by increasing operating efficiencies through ongoing reinvestment of earnings into capital improvements to facilities and equipment. For instance, the recent arrival of the new container cranes and the approval of bids for major construction projects to create the infrastructure for a computerized Yard Management System are changing the face of its terminals and assure continued world-class productivity through proactive competitiveness for the future. Ports Authority facilities handle cargoes to and from 140 countries around the world, carried by more than 40 steamship lines. Along with a good trade balance between import and export cargoes and a highly skilled labor force, the Ports Authority continues to create a favorable business climate for South Carolina.

Each day thousands of individuals are involved in making the port industry function. In addition to port employees, there are stevedores, longshoremen, navigational service providers, railroads, motor carriers, brokers, agents, cargo handlers, bankers, insurance underwriters, marine suppliers, and marine surveyors, all working around the clock in an amazing intermodal network linking cargo to land by way of the sea. Besides the 360+ maritime companies presently engaged in ports activities essential to handling and transporting cargo through the SCPA, there are currently over 600 companies spread across South Carolina that ship or receive goods via the Ports Authority facilities. These industries and firms, referred to in the EIS as port user companies, include for instance, pulp mills shipping woodpulp to foreign manufacturers, motor vehicle parts manufacturers receiving components used in production of automotive braking systems, and heavy equipment manufacturers exporting construction machinery to foreign markets.

The economic impacts of the Ports Authority are measured through direct and indirect effects. Direct economic benefits of the ports are defined as the



initial sales revenue, employment, personal income, and state and local tax impacts created from port user and port industry import/export activities through the state's port system. Indirect effects result from off-site businesses providing port user and port industry firms with services, materials, machinery or other resources necessary to support their original direct activity, for example, state business selling office supplies to port user and port industry firms. Also included are the impacts above and beyond the combined direct and initial indirect impact where additional income is generated by successive rounds of spending and re-spending known as the "multiplier" effect.

The Economic Impact Study was prepared by Mercer Management Consulting using the Port Economic Impact Kit (Portkit). Portkit is an interactive micro-computer model available from the Maritime Administration (MARAD) of the U.S. Department of Transportation. It was developed to provide a standardized methodology that would enhance credibility, clarity, and comparability between various port economic impact studies. The 30-sector input/output model serves to quantify a port's importance to its region's economy by producing measures of sales revenue, employment, personal income, and state and local tax impacts. These measures serve to provide a value to the vital commercial link that exists between a port and the businesses it serves.

In producing study results, regional data was collected and input into the model. This data included statistics for personal income, earnings and employment by standard industrial classification, local and state tax revenues, and the percentage of state residents working for companies located within the study area. Next, data was collected and loaded into the model for port user employment, port industry revenue, port capital spending, and cargo volumes.

Port user employment and port industry revenue statistics were developed from survey data collected in accordance with the guidelines accompanying the Portkit model. Once all required inputs were loaded, the model was run to calculate the Ports Authority's statewide economic impact. Portkit previously has been evaluated by researchers at the University of South Carolina's College of Business Administration and found to produce credible results and to be a reliable benchmark of statewide impact.

The bottom line is the impact itself.

The study confirms in detail what is obvious at a glance, the ports of South Carolina have a huge economic impact on the state's citizens and the state's overall business climate.

*(Port News Magazine)*

## **– Training Employees Maintains Sharp Edge –**

*When you hear talk of productivity in the shipping industry, you can all but guarantee that a discussion of technology is not far behind. Automated processes have enabled companies to accomplish more work in less time, and to do it more accurately than ever before.*

**A**S shipping becomes more specialized and information-driven, the need to train employees in the latest technological tools has grown in importance. With each passing year, the velocity of the information flow accelerates as increasingly sophisticated technology is applied to the physical movement of goods. Service providers are integrating computerized custom logistics programs, electronic data interchange and Internet-based billing and documentation programs to conduct business transactions. Employees must be trained to embrace the latest technology, as well as to stay abreast of ever-changing government regulations. The pressure is on businesses to ensure their workers are either ahead of the curve, or at least keeping up with it.

The concept of workshops and seminars is not new. But in a world where applied knowledge often spells the difference between success and failure, the need to build in-house "intellectual capital" is more pressing than ever. As a result, a growing number of companies have created specialized "cross-training" programs aimed at exposing the employee to every face to transportation and logistics. One of the goals is to educate employees on multi-modal industry practices, high-tech applications and in-house policies that govern both. The "trial-by-fire" method of learning is no longer adequate for an industry incapable of slowing down its gait so others can catch up.

The cross-training principles play an important role of companies that have consolidated intermodal services or that provide multiple transportation services. AEI, the global logistics company, offers a fully-integrated menu of logistics ser-

vices ranging from multi-modal transportation and customs brokerage to warehousing and distribution, and value-added, customized business consulting. For most of its 64 years, AEI only provided air freight and limited brokerage services. Since 1993, however, AEI has expanded its reach by acquiring such companies as Votainer, a large NVO; Radix and John V. Carr & Son, two large brokerage companies; and Lusk Shipping Company, an ocean forwarder.

As AEI added these capabilities, it also began to develop its in-house and outside training programs. The mission: To develop an army of consultants trained to understand the customer's logistics needs and to develop solutions leveraging the entire AEI network. Realizing that many long-time AEI employees may have only been trained in air freight, AEI launched on-going seminars to teach them the basics of ocean freight. Today, the topics range from preparing and filing shipping documentation to the proper way of loading containerized freight. Each seminar includes a port tour to familiarize trainees with the port infrastructure.

Ocean training takes place in Charleston; New Jersey; Miami; Chicago; Los Angeles and Houston, all AEI gateways. "Trainees always leave so impressed and pumped up because they now understand the concept. Seeing the port and the vessels really turns a light on for them. It makes a big difference, instead of reading or hearing about it, to actually see the vessels being worked and the port in action," said Cynthia Davis, AEI's divisional ocean director of the company's Southeast region.

AEI trainees are expected to leave the programs with a thorough understanding of the differences between air and ocean services, and how each product can be tailored to meet the specific needs of each customer.

"We are one-stop shop, and that means managing all of the customer's logistics needs," Davis said. "For example, we train our people to know when it's appropriate to design a strategy using air, and when a shipment is best suited for ocean freight. It means understanding customers and their needs, and creating a program to fit each situation."

Davis understands the cross-training concept. She began her career working for a shipper, then moved to John S. James as a freight forwarder and was later promoted to traffic manager of their in-house NVO. From there she managed the John V. Carr brokerage office in

Charleston. She now manages 11 offices for AEI Ocean Services and is the district manager of the Charleston office. Davis is also an ISO auditor for AEI and an ocean trainer for the Southeast region.

Even seasoned professionals find value in AEI's training programs, Davis said. "I've had employees take a letter of credit seminar as well as the intermodal course offered at Trident Technical College (TTC). Sometimes I'll just ask employees if there is certain training they want. We will then search for what is available at TTC that meets their needs.

"I'll even have someone who is new to management go to management courses to learn how to become a good manager. You just don't do that overnight. You need as many tips as you can get," she said.

One of these experienced deckhands was Gary Osterbach, AEI's regional ocean operations manager based in Los Angeles. Osterbach recently became a Certified Ocean Forwarder after passing an intensive home-study program administered by the National Customs Brokers and Freight Forwarders Association (NCBFFA). "No matter how experienced you are, there is always something new to learn," Davis said. "There is no finish line."

Training not only benefits the service providers, it scores points for the manufacturers and for the state. South Carolina foots most of the bill to train manufacturing workers for specific jobs. Under the program, a company considering re-locating to South Carolina may work with the state's technical college system to create worker-training classes. Potential employees take the training courses as if they were typical college classes, usually while they hold other jobs.

The program, funded by the Special Schools branch of South Carolina's Technical College system, has been praised by businesses as a time- and money-saver that yields fully-trained employees ready to hit the ground running.

With factors like the ongoing economic crisis in Asia and the possibility of deregulation hanging in limbo above the shipping industry, major changes will mean major re-thinking of policies and ways of doing business as we've come to know it. Again, the importance of training programs could become even more vital in re-educating companies in order to maintain the pace at which business moves today. In less dramatic terms, training and cross-training programs for employees in the shipping

industry can only produce positive effects through instilling individuals with across-the-board knowledge. After all, education is really an investment in

the infrastructure of a business' ability to move ahead and adapt to changes without falling behind.

(Port News Magazine)

## Africa/Europe

### Port of Tallinn: Cargo Flows Up by 24.7%

**I**N 1998, total cargo throughput of the Port of Tallinn was 21.4 million tonnes, which is 24.7% more than in 1997.

One of the forces behind the increase is the growth of liquid bulk handling - 37%. The share of liquid bulk handling in total throughput reached all-time-high - 52%. Due to that also the share of transit flows in total cargo throughput have risen to almost 73% from 68.6% in 1997.

A drawback is evident in handling of containerised goods and dry bulk cargo. Due to strong growth, the Port of Tallinn ranked second in comparison with neighboring ports (according to throughput per year), after the Port of Ventspils.

### Oslo: Port-City Efforts Key to Future Success

*By working closely with Oslo City Council the Port Authority aims to expand and develop the port infrastructure for the next century.*

**L**IMITED opportunities to develop new facilities at the existing harbour site ensure that close co-operation between the port and Oslo City Council holds the key to the future long-term success of Norway's leading maritime gateway.

Oslo Port Authority, anxious for the port to be equipped to meet the demands of the 21st Century, desperately needs the Municipality to support its land reclamation projects and other capacity enhancing schemes to allow the gateway to accommodate up to 16 million tonnes of cargo annually by 2020.

The City Council's primary concern, however, relates to the wishes of the Municipality's 500,000 inhabitants-up to half of them potential voters-and it has so far proved reluctant to approve any scheme faced with objections by the

port's neighbouring residents.

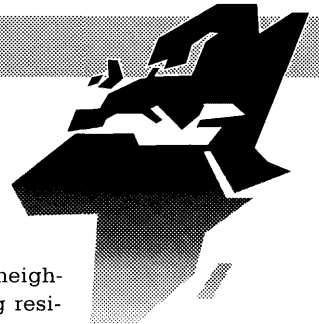
The major desire that both bodies share is for the port to play an integral part in the continued successful development of Oslo as one of northern Europe's leading commercial and economic centres.

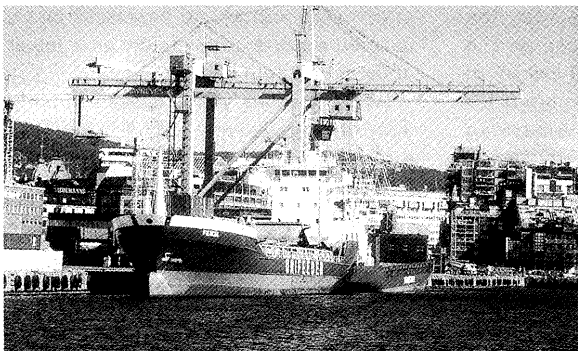
Peter N. Myhre, Chairman of Oslo Port Authority's Harbour Board, believes that this "common ground" gives room for compromise on both sides with the entire Oslo region reaping the benefits.

Said Mr Myhre: "As Chairman of the Harbour board my main objective is to build a bridge between the Port of Oslo and the municipal authority. The port is a municipal activity and it is vitally important that we all work together in a new spirit of co-operation to allow the port and the city of Oslo to grow and flourish.

"We need the Municipality to support and defend our expansion programme as we aim to make the Port of Oslo as efficient as possible. In this respect my background as a former politician helps, as I am aware of the priorities and concerns of both the port and the City Council and can explain the reasons behind certain decisions. I know that the City Council has interests to consider other than the port so it is up to us to be a good neighbour and convince it that our plans are in the best interests of Oslo.

"I am also aware of the need to exploit the Oslo waterfront for all. At the moment the port dominates the waterfront but I do not think this will be the case in 30 years' time. We will have to fight hard to defend our area as we will inevitably lose some land here and there and gain space in other areas. It will be a question of compromise, with the Oslo Port Authority essentially needing to develop harbour business and cargo





throughput despite the loss of some non-core business land."

One such compromise already on the table is Oslo Port Authority's plan to build a new office complex at Filipstad to act as a boundary and "sound wall" between the soon to be expanded quay and the neighbouring Aker Brygge entertainments and shopping centre.

Funding the new developments is no problem for Oslo Port Authority as it is one of the Municipality's most successful businesses with yearly profits of 80 million NOK from an operating income of nearly 225 million NOK.

The port's prime location places at the centre of Norway's commercial and industrial heartland, within easy access of a third of the country's population, ensuring its status as a key distribution centre for the entire country of a centralised road and rail network.

At least 8,600 jobs in the Oslo region depend on the existence of the port, which generates millions of Kroner a day in economic benefit to the municipality in terms of taxes, wages and the consumer goods passing across its quays.

"It is all too easy to underestimate the importance of the port to not only the Municipality and the Oslo region but the entire country. Most people notice the trucks, vessels, cranes and containers at the port but do not associate such traffic with benefits to the economy, jobs and everyday life through the consumer goods on display in shops and on supermarket shelves," warned Mr Myhre.

"We need to strike the right balance between what is aesthetically pleasing and benefits for all. A big, modern port has an environmental impact and may not be everyone's idea of the perfect neighbour but its benefits to all are immense. Without a port all goods coming to Oslo would arrive by road and rail. More trucks mean more pollution and longer traffic jams."

Mr Myhre, former mayor and Progress Party politician, spearheads an 18-member strong Harbour board comprised of former politicians, local county council representatives, port users and Oslo Port

Authority employees.

The Board has to approve all major planning applications drafted by the Oslo Port Authority before they are submitted to Oslo City Council for approval, and it has recently received the green light on the port's amended planning application to expand its Filipstad Quay by 35,000 sq metres.

### **Le Havre: Highest Tonnage Since 1981 Recorded**

**T**HE year 1998 is a vintage year for the port of Le Havre: with an overall trade of 66.9 million tons (MT), an increase of 11.2% on 1997, this was the highest tonnage recorded in Le Havre since 1981.

#### **General cargo**

The general cargo trade, which is particularly sensitive to world competition, as everybody knows, rose to an unequalled figure so far. Passing the 16-MT mark, general cargo was up by 6.6% (+987,000 t). This is mainly due to the excellent results of container trade, which rose by nearly one million tons, with 12.2 MT, compared to the previous year. With 1.32 million TEU containers, that is a 11.4% increase on the year 1997, the port of Le Havre strengthens its front-rank position in France for containerised trades with about 60% of the French market share.

Within this containerised trade, transshipments were up 28.7% and hinterland trades up 5.4%.

Ro-ro trade remained stable while conventional trade slightly decreased (-4.4%) but, in this field, there are new prospects with the steel trades created by the recent setting-up of PUM in the industrial zone.

#### **Bulk fuels**

Bulk fuel trades also recorded particularly favourable results in 1998 as they grew from 41 MT in 1997 to 46.6 MT in 1998, that is a 13.8% rise.

Crude oil, 36.9 MT in 1998, recorded a growth by about 7% while coal, with a tonnage of nearly 4 MT, recorded an outstanding 88.8% rise, which was probably temporary.

#### **Non-fuel bulk trades**

Non-fuel bulk trades with 3.68 MT little changed (+0.8%). On export, the grain growth (+264,000 t), with a trade of

395,000 t, made up for the decrease in cements.

### **Le Havre: New Waste Processing Center OKd**

**T**HE Board of Directors approved the principle of the creation of the new waste processing centre within the scope of the ETARES project ("Ecocentre de Traitement Actif des Residus Solides" – Ecocentre of Active Processing of Solid Waste) whose opening is planned by the year 2000.

Located on a total area of about 26 hectares, along the Estuary Road, in the districts of Gonfreville and Rogerville, the project involves both non-hazardous industrial waste and household refuse and allied waste, a category to which this project would offer a processing capacity providing a reliable alternative solution to incineration.

### **Bremerhaven Completes Outer Weser Deepening**

**B**REMERHAVEN is experiencing an upswing. In 1998 container traffic rose by 7 percent to 1.82 million containers (TEU). By the year 2015 the turnover is expected to grow to more than 3 million units. A major prerequisite for this growth is the deepening of the Outer Weser, which was completed at the end of January.

The deepening to 14 meters is an important project for securing the future of the Ports of Bremen and Bremerhaven. "The nautical accessibility of the terminal for container ships of all sizes – independent of the tide – is absolutely imperative for both present and future competitiveness," assessed BLG's CEO Pöhl the new dimension of the navigation channel.

The water depth of 14 meters under chart datum is not only necessary for mega-carriers with a capacity of 6,000 TEU and more. Panmax carriers, which have been sailing for over 10 years now with capacities between 3,500 and 4,500 TEU, have design drafts of over 13 meters. Thus, the deepening to 14 meters was an urgent requirement.

The ports play a very crucial role for Bremerhaven. The BLG Group alone currently employs around 1,800 persons, and the number is supposed to grow. Within a year more than 400 new port-related jobs will be created at BLG or through BLG's initiative in Bremerhaven.

## Hamburg: Total Turnover Slightly Below '97 Record

**T**HE Port of Hamburg narrowly missed repeating its record turnover of 1997. Sea-borne cargo turnover totalled 75,821,000 t in 1998, a fall of just 1.2%.

The 6.3% rise in container traffic to 3.55 million TEUs, though impressive in itself, was unable to offset the falls in liquid and conventional general cargoes.

The drop in liquid cargo handled had been expected. After all, 1997 had been an unusually strong year since additional quantities of petroleum products were channelled through the Port of Hamburg following the delayed opening of the Leuna Refinery. The fact that these quantities were missing in 1998 led to the slight fall in total liquid-cargo turnover.

### Asian and Russian Crises

In container traffic Hamburg was able to maintain seventh spot in the world container ports' league and second place among Europe's container ports.

Asian routes are the most important trading region in world container traffic and Hamburg has always had extremely good Asian connections. Thus, Asia continues to make up the lion's share of Hamburg terminals' operations accounting for more than 50% of total container throughput.

1998 was the year of the so-called Asian crisis. But thanks to additional sailings from Hamburg to the Far East, the Port further improved its position in comparison with its Northern European competitors. However, the 9.6% increase in Hamburg's Asian traffic is mainly due to movements of empty containers – a trend that also applies to the other Northern European ports.

The initial impact of the Asian crisis was evident by the end of 1997 as German (and European) exports to Asia declined dramatically. Imports from Asia were unaffected. The enormous drop in the value of the currencies of the "Asia tigers" (South Korea, Taiwan, Hong Kong and Singapore) eventually resulted in a significant increase of their exports to Europe – because their products had become so much cheaper.

The dramatic decline in exports and increase in imports led to a marked imbalance in the cargoes of ships sailing Far Eastern routes. Consequently, the demand for empty containers in the Far East rose considerably.

In 1998 the port economy also suffered from the severe decline in Russian

imports. In the middle of the year, the rouble was hit by turbulences on the world's financial markets and lost up to a third of its value, as did the currencies of many Asian and South American countries.

The result was a stagnation in Baltic traffic after it had been booming up to mid-1998. In the first six months of the year, 22% more containers were transported between Hamburg and the Baltic Region. By the end of the year, the total was only slightly higher than the previous year's.

### Conventional Cargoes

The volume of conventional general cargo handled fell by 19.2% in 1998. One of the main reasons for this on-going process of structural change was the trend to containerized cargoes that was given additional impetus by the Asian crisis.

Asia is also an important factor in the Hamburg port operators' conventional cargo-handling business. The slack demand in Asian countries and the resultant fall-off in outgoing cargoes bound for Asia meant that many goods that used to form the basis for conventional cargo shipments were transported in containers.

In incoming traffic, the increase in the volume of conventionally packed bananas handled also tailed off.

The volume of liquid cargo handled in the Port of Hamburg fell by 8.5% to 13.7 million t.

The Port did not profit much from the general increase in the volume of crude oil processed in Germany because much of the oil processed in Hamburg came by pipeline from Wilhelmshaven, where it was landed. Of course, this pipeline does have the ecological advantage that it reduces the risk involved in transporting huge amounts of crude down the Elbe. Still, around 5 million t of crude were landed in Hamburg with about the same amount transported by pipeline from Wilhelmshaven. The volume of incoming petroleum products also fell by around 3 million t because, given the low price of crude, it was cheaper to make these petroleum products at German refineries.

In 1997 Hamburg had profited from additional imports as a result of the delayed opening of the Leuna Refinery. The fact that these quantities were missing in 1998 contributed to the fall in total liquid-cargo turnover.

The considerable growth of suction cargo turnover – up 24.6% to 5.7 million t – is mainly due to an almost 300% increase in grain exports. The EU's

intervention stocks, an important factor in grain exports, rose rapidly as a result of the good grain harvest.

As in previous years, oilseed imports also rose significantly (up 6% in 1998) as a result of the increased production of vegetable oils for the German and export markets. Imports of grain (above all maize) and fodder were also higher than in 1997.

Hamburg's grab cargo turnover fell by 4.3% to 16.4 million t. The lion's share is normally accounted for by imports of iron ore bound for steel mills in Hamburg, Lower Saxony and Brandenburg. After the last quarter of 1997 saw a record total, turnover in 1998 was initially little changed from the year before. However, by the last quarter of the year the European steel industry had become much more cautious with its orders in view of the difficult economic climate.

A huge 56% increase in imports of coal was unable to offset the fall in iron-ore imports and with shipments of scrap metal to South-East Asia declining, there was not a lot going on in exports of grab cargoes, either.

### Growth Potential in Hinterland

The fact that Hamburg almost equalled the previous year's record turnover despite the difficult economic conditions in Asia, Russia and Brazil is seen in a positive light by Hamburg's port economy.

The prospects for the Port's long-term development are still good, particularly in view of the considerable growth potential in Hamburg's hinterland. And the Port is equipping itself for growth. Hamburg's qualities as a hub of traffic and centre of logistics and foreign trade are being enhanced by numerous investment projects, improved transport links, terminal development and extensions, and the work on deepening the Elbe channel due for completion at the end of this year.

## 1998 Another Record Year for Port of Cork

**T**HE Port of Cork enjoyed another record year in 1998 when, compared with 1997, total cargo throughput increased by 760,000 tonnes or 9% to 9.3 million tonnes. Imports increased by 493,000 tonnes or 9.6% to 5.6 million tonnes while exports increased by 267,000 tonnes or 7.9% to 3.7 million tonnes.

Container traffic grew by an impressive 17% from 84,000 TEUs to 98,000 TEUs. This record level of throughput reflects current buoyancy in the Irish economy as well as first class facilities and a particularly high level of service at the Tivoli Container Terminal. During 1998 Lys Line introduced a new container service to Scandinavia while regular operators BG Freight, Continent Ireland Line, Eucon and Seawheel introduced additional sailings on their services to Northern Europe, principally Rotterdam and Antwerp. With the planned opening of the River Lee Tunnel in April, collections and deliveries from and to the Tivoli Container Terminal can be expected to improve still further.

At present the Port of Cork offers as many as eleven sailings per week to Northern European ports with transshipment facilities to deepsea markets, including the United States, Middle East and Far East. As the principle container port on the south coast of Ireland, the Port of Cork now offers exporters the flexibility and frequency which enable Irish exports to be delivered to overseas markets with the fastest possible transit times. Vessel turnaround times will improve still further from next May when the port will commission a new sophisticated gantry type container crane – further evidence of the port's commitment to providing customers with a premium service.

Imports of animal feedstuffs also increased by 17%, a particularly impressive performance in the light of general problems in the agricultural sector. Total imports amounted to 512,000 tonnes and confirmed that the Port of Cork is gaining market share at the expense of other Irish ports. Factors which contributed to this significant growth included the deepwater berthage at Ringaskiddy, which enables merchants to enjoy the economies of scale associated with chartering large Panamax size vessels, fast, high output dockside cranes and the considerable investment in private sector storage. By a strange coincidence imports of fertilisers also increased by 17%, from 204,000 tonnes to 239,000 tonnes. Once more, in 1998, the Port of Cork confirmed its position as Ireland's premier agri port.

In line with the major increase in consumer spending experienced in Ireland last year, imports of new trade vehicles through the Port of Cork showed an unprecedented growth of 57% from 36,000 units to 56,000 units. A particular boost occurred when, following the

introduction of the Grimaldi Euro-Med service, national imports of Fiat vehicles were transferred from Rosslare to Cork. Once again, the first class deepwater port facilities, which permit large vehicle carriers to berth at all stages of the tide, influenced the transfer as did the port's ample vehicle storage space and speedy vessel discharge rates.

Other highlights of a very successful year included the selection of Cork for imports of Canadian newsprint, an 8% increase in oil throughput and a 10% increase in steel exports. On the negative side, coal imports reduced by 20% due to the continuing switch to oil and natural gas while fewer car ferry sailings resulted in reductions in passenger and accompanied car throughput.

Commenting on the figures, Mr. Frank J. Boland, chairman, Port of Cork Company, said that it was most encouraging that increases in throughput occurred across the entire spectrum of port activities. He said that the port authority was particularly pleased at the level of private sector investment which he regarded as a vote of confidence in the port and a response to the port's continuing major capital development programme. During the nineties the Port of Cork invested £52 million in new and improved facilities. This year alone, the port plans to spend £18 million, primarily at Ringaskiddy and Tivoli. Mr. Boland said that the 50% increase in container traffic over the past two years confirmed the increasing market penetration of the port and he also expressed satisfaction at the success of the Grimaldi Euro-Med service, Ireland's only deepsea ro-ro liner service.

Referring to increasing competition between Irish ports, Mr. Boland said that the Port of Cork's excellent facilities and advantageous geographical location would not offset the uncompetitiveness of stevedoring/cargo handling charges for certain cargoes. However, he was encouraged that, after many years of unproductive negotiations, an independent facilitator had been appointed to help broker an agreement between the Cork Cargo Handling Regulatory Company and SIPTU, representing dock labour. In wishing the negotiations every success, Mr. Boland said that a progressive agreement would ensure the competitiveness of the Port of Cork into the new millennium and facilitate further expansion of port traffic.

## **Rotterdam: Containers to Northwest China by Rail**

**F**ROM January 1 on Rotterdam based Multimodal Logistics will offer rail transport for containers from Rotterdam to the northwestern part of China. The name of this land-bridge service is Marco Polo Rail Express.

There will be a fortnightly service departing every Wednesday and Saturday at Rail Service Center Rotterdam.

The new rail connecting in China is a.o. via Alma Ata and Druzba. Transit time is two to three weeks depending on the destination. Destinations in China are Alataw-Shankou, Jinghe, Wusu, Ürümqi, Turpan, Korla, Hami en Yumen.

Multimodal has its own network of agents in northwest China to take care of further transport and paperwork. The company expects to handle the cargo for a number of multinationals that until now use Chinese ports.

## **Another Rotterdam Record: 6 Million TEU Handled**

**T**HE quantity of goods handled in the ports of Rotterdam rose in 1998 to 315.5 million tonnes, 1.5% more than last year. The number of containers in particular showed another sharp rise: from 5.5 to 6 million TEU. Additional growth sectors were other dry bulk (sand, gravel, minerals, +10.6%), coal (+6.4%), other liquid bulk (chemicals, oils and fats, +2.8%) and oil products (+2.5%). Things were less positive for ores and scrap (-6.5%), agribulk (grains and animal feed, -4%) and other general cargo (pallets, sacks, boxes, big bags, -5.2%). According to Chairman Willem Scholten of Rotterdam Municipal Port Management, the construction of a Second Maasvlakte is becoming increasingly urgent. He pointed to the large amount of business land allocated this year, almost 90 hectares. Large-scale sites are now only available in the northwest corner of the current Maasvlakte.

Scholten seemed pleased with the throughput results achieved, but also outlined the consequences of the crises in Asia and Russia. "A sharp increase in Asian steel and containers can be seen here, for instance. More containers are returning empty to that part of the

world than they used to, however. Partly as a result of the large supplies of cheap steel products on the world market from Asia, Russia and South America, ore imports into Rotterdam have fallen. This year, two scheduled container services from Rotterdam to Russia merged."

## Göteborg: Unique Ro/ro Berth Under Construction

**T**HE No.700 berth, in the eastern part of the Port's common-user ro/ro facility, the Älvsborg Harbour, is being built at an angle to an existing berth to make the long ramps avoid a hill.

The weather-deck ramp arrangement will be unique. The unloading will be performed via a ramp running in a soft curve from the stern end of the weather deck to the terminal surface.

For the loading, another ramp will be used. It rests on the terminal surface at a point roughly halfway between the bow and the stern of the vessel and runs along the hull while rising to weather-deck level. Here a platform provides space for the tractor driver to change direction of movement: having towed his load up to the platform he then pushes it into position on the weather deck. The vessels will be able to load at two levels simultaneously, main deck and weather deck. The ramp arrangement was designed by Norent of Göteborg, Sweden.

The new load unit to be used, referred to as the STORA box, will be able to carry 80 tonnes of paper. Add 14 tonnes for the box and as much for a terminal tractor, and you realize that

total loads of more than 100 tonnes will be negotiating the gradient to the weather deck. The measurements of the box will be length 13.8 metres, width 3.6 metres, and height 3.6 metres with an extra 0.7 metres for the sub-structure.

The shifting of STORA boxes from rail to terminal and vice versa will be performed by special 100-tonne, six-metre wide straddle carriers. Two out of a total of three of these machines will be delivered at the end of the year. The machines will be built by Liftec, of Tampere, Finland.

**Background:** The Swedish forest product company STORA has developed a new load unit for its paper export from Sweden to European Continent markets. In principle, the unit is a cassette with a box on top. The cassette – this giant steel pallet used in port-to-port shipments to reduce loading/unloading time – has thus become weather-protected.

Equally important is the fact that STORA has succeeded in making the unit intermodal. It has been built to negotiate Swedish railways with a margin of inches, and certain railways have been upgraded in terms of axle loads allowed. It will now be possible to stuff these boxes at the mill, doing away with the stuffing at dockside, and the boxes will be transferred by rail to ro/ro ships for shipment to the destination port. Today, it is not possible to transfer the boxes freely on rail on the European Continent, but distribution by inland waterways has been discussed.

STORA has chartered three ro/ro vessels, now being built in Germany, to run a schedule of five trips a week in both directions between the ports of Göteborg, Sweden and Zeebrugge,

Belgium. Traffic start is planned for November 1999. The space not taken up by the paper base cargo in the vessels will be marketed for traditional ro/ro use by Cobelfret of Belgium.

## Sea-Land Now Returns To Port of Göteborg

**S**EA-LAND now returns to the Port of Göteborg after using the Port of Wallhamn since the mid-80's. The service out of Göteborg is being handled in operative partnership with Maersk Line.

Sea-Land will load each Wednesday at the Skandia container harbour at Göteborg. The vessels will tranship inter-continental cargo to Sea-Land mother-ships at a Continental port, while Mediterranean-bound cargo will proceed from there on the original vessel. Far East shipments are already using the operative co-operation with Maersk Line to gain direct-shipping possibilities from Sweden.

"We are proud to be given the opportunity to serve Sea-Land at Göteborg," said Gunnar Nygren, president, Port of Göteborg AB.

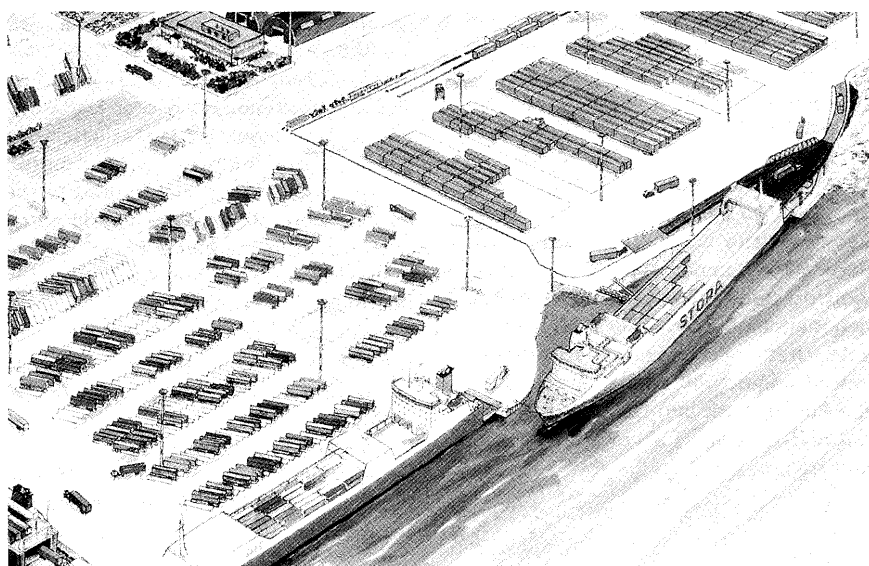
"I am sure we have what it takes to handle this prestigious account, in terms of resources as well as quality, in terms of equipment as well as personnel. We think that the addition of Sea-Land will further strengthen Göteborg's role as a Nordic transport hub. It will increase the range of shipping alternatives for shippers, and it will let the shippers choose between road and rail as mode for hinterland transport."

Sea-Land and Maersk Line will use four 1,500-TEU vessels on the service, which started at Piraeus on February 1 with the first call at Göteborg scheduled for February 17.

## Bo Lerenius Appointed ABP Group Chief Exec

**A**SSOCIATED British Ports Holdings PLC (ABP) announced today (February 15) the appointment of Bo Lerenius as Group Chief Executive. He will join the Board at the end of February and will take up his full role of Group Chief Executive during the spring.

Mr Lerenius, 52, is Vice Chairman of Stena Line AB and Director of New Business Investments at Stena Line's parent company Stena AB, one of the





largest companies in Sweden. At Stena AB he has responsibility for the group's \$250 million portfolio of strategic investments in public and private companies outside its existing business areas, and he sits on the board of several of those companies.

The new role of Group Chief Executive will absorb much of the remit of Andrew Smith, Managing Director of ABP's port operations, and Mr Smith will be leaving the Group shortly.

ABP's Chairman, Sir Keith Stuart, commented:

"I am delighted that we have attracted Bo Lerenius to ABP. He is highly experienced and well respected in our industry, and his expertise and new perspective will prove invaluable as we continue to grow the Group.

"I would like to thank Andrew Smith for his contribution to the development of our ports business over the past two years and we wish him well in his future career."

## PLA, University to Offer Postgraduate Course

A unique partnership has been formed between the Port of London Authority (PLA) and University College London (UCL) to offer a new postgraduate course in Hydrographic Surveying.

This pioneering course will provide not only academic study, but direct student access to sophisticated PLA surveying craft and on-board positioning and sounding equipment for practical surveying and charting activities.

There is increasing demand worldwide for hydrographic surveying courses from port authorities, national charting agencies and the rapidly growing commercial sector supporting the offshore exploration and production industry.

Until now, there have been few postgraduate courses on offer because universities have experienced difficulties in gaining access to survey vessels equipped with the latest equipment.

The innovative year-long course will be based at UCL with graduates receiving an MSc degree or postgraduate diploma. PLA staff will give lectures as well as supervising practical project work on board the authority's survey craft. Students will have use of positioning and sounding equipment, as well as associated computation and charting facilities.

PLA Chief Harbourmaster Rear Admiral Bruce Richardson said: "We are delighted to have formed this unique partnership with UCL to provide what we believe is a much needed course for the hydrographic profession.

"This is a mutually beneficial collaboration which will enable us to share expertise and experience which in turn will, we hope, confirm the Port of London firmly as a centre of excellence in hydrographic surveying".

## Asia/Oceania

### Port of Brisbane Takes On Y2K Problem

W E'd all prefer that the millennium bug was an entertaining piece of science fiction in the best tradition of Isaac Asimov, but as governments and corporations around the world are finding out, the scenario is only too real – and D-day is right around the corner!

#### The problem

The Y2K problem has arisen due to the way in which dates and time measurement are handled within computer hardware, software, process logic controllers and so on.

The basic Y2K problem concerns the use of two digit representation of a year, e.g. 30/06/1998 is represented by 30/06/98. When the new millennium starts, systems may not be clear as to which century it is, as represented by the year "00". Some systems may believe it is 1900 rather than 2000, other systems may not register "00" at all and cease to operate.

The overall Y2K problem encompasses more dates than 01/01/2000, such as 9/9/99 (often representing infinity), 21/08/1999 (Global Positioning System rollover), 29/02/2000 (irregular leap year) etc.

#### What could be affected?

- premises (security, air conditioning, phones, lifts, etc);
- computer hardware;
- software;
- communications;
- plant and equipment;
- utilities;
- anything with an electronic component;
- equipment aboard ships, including navigation equipment, control systems and data loggers.



#### PBC's approach

PBC's Y2K programme has the following key objectives:

- to ensure that efficient port operation is sustained;
- to ensure that standards of port safety are maintained;
- to ensure that the port environment is not compromised.

PBC's compliance measures began in November 1997, and our plan, presently on track to achieve these objectives, includes the following steps:

- establishment of a Y2K steering committee to provide guidance and direction for the project;
- appointment of an experienced project manager to manage the processes required under the project;
- development of a detailed inventory of electronic/date dependent systems and equipment;
- remediation and testing of affected systems;
- development of a contingency plan for the port;
- raising awareness in the port community about possible Y2K impact at all stages of the process.

#### Stakeholder involvement

PBC has been actively seeking the involvement of port stakeholders in the Y2K programme, to coordinate an approach to common issues being addressed. This involvement has been sought by way of correspondence, questionnaires, and individual and group discussions.

Ongoing cooperation will be sought

in order to ensure that the port, as a whole, meets its objectives of ensuring an efficient, safe and environmentally friendly port community well into the next century. *(Portrait)*

### **GPA: First Vessel to Berth At Container Wharf**

**T**HE first vessel has berthed at Gladstone's newest wharf, Auckland Point No. 4, a dedicated container/general cargo wharf.

The Austral Asia Line (AAL) container vessel *Cape York* berthed at the \$8.5 million wharf on 14 August 1998.

The wharf was built directly in front of the Gladstone Container Terminal, providing the Gladstone port with world class container and general cargo handling facilities.

The new wharf is designed to handle vessels up to 70,000 deadweight tonnes and although vessels currently handle all cargo with ship's gear, provision has been made in the design of the wharf for a future container crane.

GPA Chairman, Leo Zussino, said investment in this new wharf has taken GPA's investment in container handling facilities to over \$15.6 million since 1996.

"While GPA's long-term investment in these facilities is aimed at servicing the needs of future large-scale industries proposed for the Gladstone region, the facilities are currently providing existing Central Queensland industries with a competitive export alternative," Mr. Zussino said.

Shipping services have grown consistently in the port since the container trade was established in 1994. Regular direct services from Gladstone to ports in northern Australia, South-East Asia/Papua New Guinea/Thailand, Taiwan, Hong Kong, Korea and the Pacific Islands are now established.

*(Port-Talk)*

### **Sydney Ports Corporation: Mr Field New Chairman**

**T**HE NSW Government will recommend to His Excellency the Governor that Mr David Field be appointed as chairman of Sydney Ports Corporation.

Mr Field was until recently managing director and chief executive officer of Blue Star Line, a major international shipping firm.

Mr Field has over 20 years of experience in the shipping industry.

Mr Field will replace the retiring corporation chairman, Mr Brian Finn.

The Treasurer, Michael Egan, thanked Mr Finn for his distinguished contribution to the development of the Sydney Ports Corporation.

"The management of Sydney ports has been in good hands," he said.

"It will stay in good hands with the appointment of David Field," Mr Egan said.

In responding to the announcement of his pending appointment to the position of Chairman of Sydney Ports Corporation Board, Mr David Field said on December 18:

"I am very much looking forward to the opportunity of working with the Board and Executive of Sydney Ports Corporation, presiding over important aspects of corporate governance and ensuring the continued successful delivery of Sydney Ports' strategic plans into the new millennium.

"In particular, I am looking forward to maintaining the strong focus on improved commercial services and customer relations, bringing into consideration my background in shipping operations and ongoing interest in the industry.

"Through by past associations I have developed the highest respect for Sydney Ports' Chief Executive Officer and Managing Director, Greg Martin, and his executive team, and all they have achieved in the past few years to deliver an efficient and effective organisation.

"I well recognise the important role that Sydney Ports plays in delivering services to its many and varied customers, and the leading role Sydney and its ports play as the 'gateway' to Australia.

"An important responsibility of Sydney Ports will be presiding over the ports and their facilities as Sydney prepares to play host to the world for the Sydney 2000 Olympic Games."

### **Sydney Ports: Increased Profits for 1997/98**

**S**TRONG trade growth allowed Sydney Ports Corporation to announce increased profit for the 1997/98 financial year while maintaining its commitment to reduce prices and improve commercial services when its annual report was tabled in State Parliament today (November 17, 1998).

1997/98 marked the sixth consecutive year of record container trade in the ports of Sydney and Botany, managed by Sydney Ports Corporation. Container trade increased by 9.6% to 800,778 TEU, and total trade by almost 5% to 22.4 million mass tonne.

Profit (after tax) increased by 7.4% to \$25.5 million. At the same time total port pricing was reduced by 5% through direct cuts in charges and through incentives. These cuts came on top of a 5% reduction in the previous reporting year.

One of the most significant initiatives during 1997/98 was the introduction of a 2.5% rebate on wharfage charges where ship manifests were lodged electronically. At the end of the reporting period this incentive had encouraged electronic reporting of around 20% of cargo, with Sydney Ports targeting an 80% take-up rate by the end of June 1999.

A dividend of \$12.7 million has been recommended by Sydney Ports to its shareholders, the NSW Government.

Capital expenditure during the year increased from \$3.8 million in 1996/97 to \$16.6 million in 1997/98, due mainly to two strategic land purchases which will help the ports respond to growth needs in the future. Seven hectares of land were purchased within the existing Port Botany area for port-related leasing, while 4.6 hectares were purchased from State Rail at White Bay for a future new port access.

CEO and Managing Director of Sydney Ports, Greg Martin, said a strong focus of the year had been improving customer services.

"During the year Sydney Ports conducted its second Customer Perception Survey, recording an improvement in each key performance area measured. Sydney Ports also enhanced commercial services for customers during the year including reducing the time taken to produce trade statistics and improving terms of trade," Mr. Martin said.

Sydney Ports has a role in monitoring and protecting the marine environment around the ports. An environmental program carried out by Sydney Ports and Ward Civil Engineering during the year has received state and national recognition in the Case Earth Awards. The restoration of Lady Robinsons Beach at Botany Bay was NSW winner and national runner-up in the \$1 million to \$10 million project category of the awards, given by the Civil Contractors Federation to recognise and promote environmental achievement, responsibility and innovation in the Australian civil contracting industry.



## Kwangyang: Hanjin's Terminal Inaugurated

ON 19 December 1998, Hanjin inaugurated its exclusive Kwangyang Terminal in the southwest coast of Korea. At the ceremony hosted by Hanjin Shipping Company President Sooho Cho, invited guests included Mr. O.H. Kim, Mayor of Kwangyang; Mr. S.K. Kim, minister of Maritime Affairs and Fisheries; customers and HJS executives. The ceremony coincided with the arrival of the first vessel, the 2,700 TEU *Hanjin Bremen*, which currently operates on the China America Express service.

As a bilateral project between Korea's Southeast and Southwest areas to enhance economic development, the two port system will provide customers with considerable savings in logistics costs with the option to choose either Kwangyang or Pusan. And, the United

Alliance partners (Hanjin Shipping, DSR-Senator Line, Cho Yang Line), along with Dongnama Shipping and Pacific International Lines will initially operate a total of 10 vessels weekly at Kwangyang terminal. Annual capacity of the terminal for the first year is projected at 100,000 TEUs.

### Port Service Schedule:

PNB (Eastbound): Hong Kong - Kaohsiung - Kwangyang - Pusan - Seattle - Vancouver - Pusan - Keelung - Hong Kong

CAX (Westbound): Oakland - Tokyo - Osaka - Pusan - Kwangyang - Shanghai - Pusan - Long Beach

The terminal is equipped with advanced container terminal control and management systems to accommodate customers with total logistics service. The terminal occupies a land area of 210,000 m<sup>2</sup> and utilizes four transfer

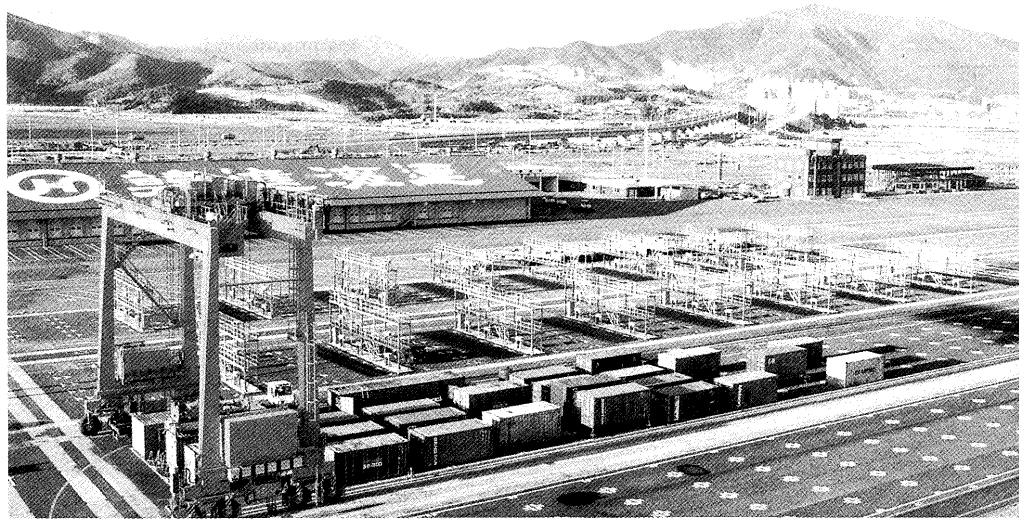
cranes to accommodate the designed handling capacity of 240,000 TEU per year. Furthermore, two post-panamax gantry cranes are alongside a berth measuring 350 m and a depth of 14 m. The terminal's one-time stacking capacity equates to 11,433 TEU (Dry: 11,001 TEU, Reefer: 432 TEU) and equipped with 228 reefer receptacles (220/440V) to properly manage ever increasing refrigerated container volume. Furnished with a six-lane gate entrance, a bar code operation system has been installed to automate gate activity, equipment movement, for efficient terminal operations.

Located within the terminal, the CFS, measuring 5,792 m<sup>2</sup>, is equipped to handle approximately 180,000 R/T (7,200 TEU) per year, by which the range and standard of service quality of LCL cargoes will be enhanced.

In addition to the Kwangyang terminal, Hanjin currently operates dedicated

terminals worldwide in Seattle, Osaka, Tokyo, Kamcheon (Pusan), Kamman (Pusan), Long Beach, Hamburg, and Kaohsiung. Future dedicated terminals include New York, Oakland, and Seattle (new), and scheduled to open in 1999, and two in 2000 respectively.

Hanjin Shipping offers worldwide container transportation and logistics services through an integrated network combining high-quality intermodal services with state-of-the-art information technology. Hanjin Shipping operates approximately 48 container ships with a capacity to handle approximately 150,000 TEU.



Kwangyang Container Terminal, Kwangyang, Korea

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## South Port Scholarship For Bluff Ward Residents

**I**N the decade since it became the port authority in Bluff South Port has assisted the local community in various ways. Most prominent has probably been its support for local sports organisations, notably the Southland First Division NPC rugby team.

To encourage local people whose aspirations are more academic than sporting South Port has now established a scholarship valued at \$2,000 per annum, and available to residents of the Bluff Ward. (*The Bluff Portsider*)

## South Port Workshop Seminar Covers Hazards

**T**O ensure that the present high levels of efficiency and safety are maintained South Port has a continuing programme of staff seminars and training courses. Recently the entire staff was involved in a 'Safety in the Workplace' seminar, which covered hazards ranging from a poorly sited computer to the more obvious dangers of cargo work.

Wearing safety equipment appropriate to the conditions is one of the more obvious precautions to be taken and it was gratifying to note that the equipment provided by South Port was considered more than adequate.

Ensuring it is used correctly continues to be a priority for supervisors. Hazard recognition, vital to safe working, was covered in depth and, despite previous work training, few of those attending left without a deeper recognition of the potential dangers of port operations. Or, for that matter, the risk taken through incorrect posture at a computer.

For those to whom it is applicable the pilots and senior tug crew supervise an ongoing series of training sessions concerning tug operations.

This includes exercises rigging the dispersal booms to deal with oil spills, exercises soon needed in earnest after the *Dong Won 529* was lost off Stewart Island. Many staff were then able to put into practice the lessons learned from their tug training, and the oil spill response courses most have attended.

With Bluff being adjacent to traditional shellfish gathering areas and the upper reaches of the harbour environmentally sensitive as a nesting

area for coastal birds, South Port has an ongoing programme of training to deal with environmental issues, especially oil spills. Such is South Port's dedication to the marine environment.

Bridge Resource Management (BRM) has become the catch phrase when a vessel is in confined waters, particularly under pilotage. To this end all pilots employed in Bluff have now attended BRM courses. Delays in processing and entering Bluff data have put back the anticipated pilotage training on the Launceston simulator. It appears that this training will now begin about the middle of the year.

(*The Bluff Portsider*)

## Tauranga: Container Growth Leads to Profit Increase

**T**HE growth of container traffic is a key contributor to a positive half year result for the Port of Tauranga.

Port of Tauranga Chairman, Mr Fraser McKenzie, today (March 1) reported a net profit of \$8.9 million for the six months ended 31 December 1998. The result includes a \$2.1 million capital gain, largely arising from the sale of surplus land.

Excluding the sale of fixed assets, this represents a 1 percent increase on profit from last year's interim period and was earned on revenue of \$25.9 million, up 9 percent on the previous first half result of \$23.8 million.

"Although cargo volumes were down overall by 5.6%, better utilisation of existing assets and continued growth in container traffic, up 7 percent to 48,000 TEUs, led to an increase in revenue per tonne.

"There was also a significant 16% lift in dairy product volumes to 207,000 tonnes.

"Log volumes were down by 9 percent on the previous interim period, but are nearly 60% higher than budgeted. The recent lift in the performance of Asian economies means log volumes are now back to the levels experienced prior to the economic upheaval of early 1998.

"Costs rose by 6.7% on the previous interim period, some of which is attributed to the establishment of the Tauranga Container Terminal in April 1998."

Mr McKenzie says following a review of the Company's balance sheet, the Board has decided to lower shareholder equity from the current

level of 65.2% to a more appropriate ratio of approximately 60%.

"The low interest rate environment, and the Company's ability to substantially fund its capital expenditure programme from retained earnings means the time is right to pay a special dividend," says Mr McKenzie.

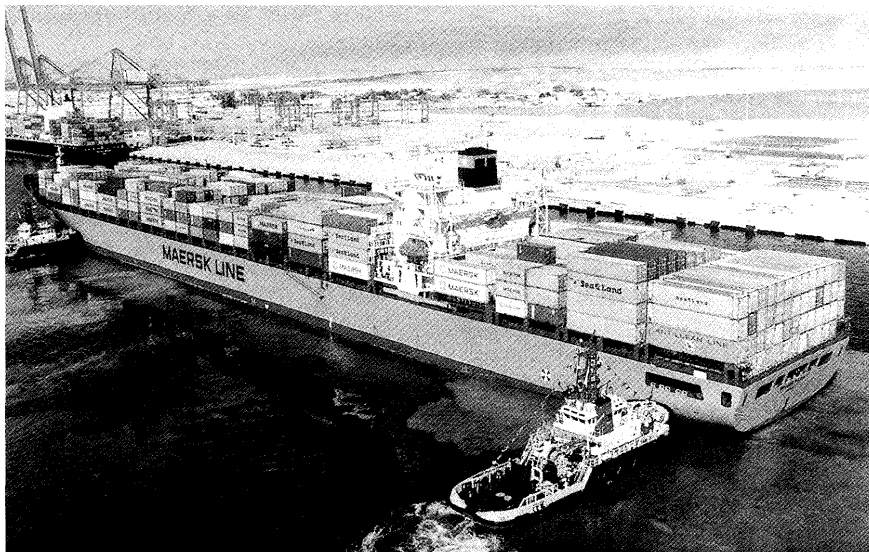
## Oman Opens Major Container Hub Terminal

**W**ITH the arrival of two main-line container ships, *Sealand*, *Lightning* and *Dragge Maersk*, in Salalah, Sultanate of Oman, the first two berths of the new, high-capacity Port Raysut container transshipment terminal commenced operations on schedule on November 1, 1998, less than 18 months after the start of construction. The new facility, also known by its Arabic name *Mina Raysut*, puts Oman among the leading Middle East container ports, linking the fast-growing Europe-Far East trade route directly to the eastern Africa, Indian Ocean, and Gulf services and potentially improving transit times by as much as eight days.

International consultants Han-Padron Associates, LLP (HPA) provided complete planning and engineering design services for the \$270 million project as well as program and construction management for the ultra-fast-track construction effort, which included reclamation of over 54 hectares of land. HPA is also currently completing designs for a 600-meter long quay to serve a breakbulk facility, part of an industrial and free-trade zone now under development onshore adjacent to the new port.

The port has a draft of 16 m (52.2 ft) to accommodate the largest megacontainer vessels now afloat. When completed next year, it will have four berths with a total length of 1,227 m (4,000 ft) and a capacity of over 1 million lifts or 1.5 million TEUs a year. Dockside facilities will include: 12 high-speed, 65-ton-capacity container cranes, designed to load ships up to 22 containers wide at an average rate of 40 moves per hour per crane; 24 rubber-tired gantry cranes; and four toploaders.

The new 54-hectare terminal, one of the largest in the Middle East, was constructed using 4.5 million m<sup>3</sup> of dredged hydraulic fill material and 1.8 million m<sup>3</sup> of rock quarried from near



**Port Raysut, Oman's new high-capacity container transshipment terminal, received its first cargoes on November 1, 1998 and is expected to see a throughput of over 600,000 TEUs in its first year of operation, making it one of the world's 20 busiest ports.**

the project site. The reclamation material was dredged by one of the world's largest suction cutter dredgers to widen and deepen the port approach channel and harbor turning basin. The terminal quay wall is a gravity block wall structure 20 m (66 ft) in height. An extremely dense nonreinforced concrete was used for the wall to

assure durability in the corrosive marine environment, and it was designed with an innovative 3-meter cantilever to safely accommodate bulbous-bowed vessels. Built with locally available materials and techniques, the quay project required over 23 million concrete paving blocks, a near-record for marine facilities.

## **Singapore Achieves Good Growth for 1998**

**T**HE Port of Singapore retained its position as the world's busiest port in 1998 with a total shipping tonnage of 858 million gross tons, up 6 per cent from 808 million gross tons achieved for 1997. Of the total shipping tonnage, container traffic contributed about 38 per cent or 322 million gross tons. This was a 9 per cent increase over the 295 million gross tons registered for 1997. The total shipping tonnage for both tanker and bulk carrier traffic grew by 2 per cent over 1997 to 265 million gross tons and 126 million gross tons respectively.

Vessel calls at the port increased by 8 per cent from 130,333 in 1997 to 140,922 for 1998. Container traffic handled by the port was 15.14 million TEUs, up 7 per cent from 14.14 million TEUs in 1997.

Singapore's development as a cruise hub for Asia received a boost in 1998 when the port attracted a total of

1,688 cruise calls with a shipping tonnage of 22.8 million gross tons. In terms of cruise arrivals, it was a marked increase of 32 per cent from 1,282 arrivals in 1997.

However, the port was not spared by the Asian economic crisis. Preliminary figures reveal a fall of 4.7 per cent for total cargo handled, from 327.5 million tonnes in 1997 to 312.2 million tonnes last year. Aside from non-oil bulk cargo, there was a decline for all other types of cargo handled by the port last year as compared to 1997. Containerised cargo dipped 5.8 per cent to 160.3 million tonnes and conventional cargo fell 18 per cent to 12.6 million tonnes.

The port set a new record by supplying 18 million tonnes of bunkers. This 6 per cent increase over the 1997 volume enabled Singapore to maintain its status as the top bunkering port in the world.

Mr Chen Tze Penn, Director-General, Maritime and Port Authority of Singapore (MPA), said, "These port achievements are significant as they were

accomplished under tough economic conditions. They reflect the strong support given to our port by port users such as container shipping lines. In particular, we are pleased with the fact that 1998 has seen the first significant increase in the volume of bunkers sold since 1994. The record 18 million tonnes of bunkers sold, in spite of the economic crisis, is due in no small measure to the initiatives taken by MPA to assist the bunkering industry such as the removal of the \$3 per tonne outside bunker wharfage."

Singapore is the focal point for some 400 shipping lines with links to more than 700 ports in 130 countries worldwide.

Looking ahead, Mr Chen said, "It is our aim that Singapore remains an important global hub port and a premier international maritime centre. To this end, the MPA will continue to monitor the competitive position of the port and will take steps to reduce port costs as and when appropriate."

Since its formation in February 1996, the MPA has introduced several measures to keep the port competitive. These included the introduction of competition in the tug services industry, the revision of port dues for oil rigs, the 20 per cent port dues concession for container vessels (excluding long-staying ships) and the introduction of a 20 per cent concession in port dues for all harbour craft (excluding pleasure craft) for one year starting from 1 Jan 99.

## **MPA Hosts IMO Seminar On Piracy, Armed Robbery**

**T**HE Maritime and Port Authority of Singapore (MPA) hosted an IMO Regional Seminar and Workshop On Piracy and Armed Robbery Against Ships For The Malacca Strait and South China Sea from 3 to 5 Feb 99. This seminar and workshop was attended by about 70 participants and observers from 19 maritime administrations.

The seminar and workshop was part of the ongoing efforts by the International Maritime Organisation to improve safety at sea and in port areas through assisting Government officials in the countries concerned to enhance their capability for preventing and suppressing piracy and armed robbery against ships in their coastal waters and ports through measures such as



the implementation of IMO guidelines. The vent was intended for those in charge of port and coastal security and for Government officials with responsibility for ports, security-associated legislation or law enforcement.

The seminar and workshop covered topics such as international law, IMO guidelines on prevention and suppression of piracy and robbery, and reports by countries on incidents in their waters and measures taken to address the problem.

The need to tackle effectively piracy and armed robberies against ships has taken on greater urgency in view of the current economic crisis afflicting this region. Recent high-profile incidents involving the suspected murders of entire crews illustrate the menace posed by acts of violence against ships. There is a deplorable trend towards greater violence against ships. The MPA views with great concern all acts of violence against ships and crew. In this regard, the MPA will continue to cooperate with the IMO to curb the scourge of piracy. It will also continue to work with national security agencies to ensure that Singapore waters continue to remain safe for vessels.

## Singapore: Operations At PPT in Full Swing

**P**SA Corporation will be investing over \$7 billion to develop 26 berths at its new container terminal, Pasir Panjang Terminal (PPT), which will be capable of handling over 18m TEUs a year. Four berths are already operational and 2 more berths will be operational in 1999. To date, PPT has handled more than 2,000 vessel calls and over 0.4 million TEUs of containers.

Some of PSA's customers operating at PPT are China Ocean Shipping (Group) Co. (COSCO), Samudera, and Wan Hai Lines. Customers at PPT enjoy the same high quality level of customised services, service reliability, connectivity, berthing of vessels on arrival and fast vessel turnarounds.

PPT has to date achieved outstanding vessel rates of more than 100 moves per vessel hour for several vessels, e.g. on 22 Oct 98, 121 moves per vessel hour for COSCO's *Empress Dragon*, 142 moves per vessel hour for *ZhongHe* of COSCO on 22 Nov 98, 118 moves per vessel hour for *Empress Sea*

of COSCO on 3 Dec 98, and 103 moves per vessel hour for *River Elegan* of COSCO on 13 Dec 98. On 15 Nov 98, 113 moves per vessel hour was achieved on *Khaled IAW* of UASC.

Mr Li Bao Nan, Managing Director, Costar Shipping Pte Ltd, said, "Calling at PSA's Pasir Panjang Terminal has proven to be one of best business decisions for COSCO. We are confident that PPT will continue to deliver excellent service standards, berthing of vessels on arrival and high productivity with vessel rates of more than 100 moves per ship hour. We are pleased with this partnership and will continue to work with PSA to improve on productivity and implementation of cost-saving measures for COSCO."

Mr Saut Hutaaruk, Executive Director, Samudera Shipping Line Ltd, said, "We have been enjoying years of good working relationship with PSA. We are pleased that PSA's latest and most modern terminal gives us equally excellent service of fast turnarounds as with the existing 3 terminals. We will continue to work closely with PSA to maintain the close feeder network and high level of connectivity to support the MLOs calling at all its terminals".

Mr Leo Huang, General Manager, Wan Hai Lines, added, "We are glad that PSA Corporation continues to give even higher efficiency and service reliability at the new terminal. PSA has been a very customer-focused partner and calling at PPT is a significant move for Wan Hai".

Mr Mah Bow Tan, Minister for Communications, Ministry of Communications, was given an update of PPT when he visited the new terminal on December 18 last year. Mr Mah operated the remote-controlled bridge cranes at the terminal's Crane Operations Centre. To date, 44 units of bridge cranes have been installed at PPT. These cranes are designed to maximise yard utilization by stacking containers 9 high. With the remote-controlled operations, the bridge cranes can be operated, in the comfort of the office, by male or female operators. The bridge cranes, together with other automation and IT applications, will result in a 25% increase in berth handling capacity to more than 750,000 TEUs per berth at PPT, as compared to the berths operating at the other container terminals.

## Adding Value, Productivity Main Focus at PSA Council

**P**SA Corporation and the top leaders of the international container shipping lines met from 24 to 26 February 99 to discuss ways of enhancing the competitiveness of the shipping lines during the 2nd Meeting of PSA's International Advisory Council (IAC) at the Ritz-Carlton Millenia Hotel, Singapore. At the two-day annual session chaired by Dr Yeo Ning Hong, Chairman, PSA Corporation, the Council covered a wide range of issues of strategic interests to the shipping and port industry, including the general outlook of the industry over the coming months, as well as the state of the global economy. The council also discussed how to remain competitive through productivity gains, operational efficiency and reductions in costs.

Among the more specific issues raised were:-

### a. How PSA can continue to add value to customers

The Council expressed an imperative for PSA to continue to add value to and reduce cost for customers, especially during this critical period of economic slowdown which has dramatically and negatively affected shipping lines' business volume. PSA concurred by giving examples of its ongoing efforts that help to make its customers more competitive, such as simplifying pricing structure, value-adding through creative IT applications to reduce administration work, and optimising empty depots within PSA terminals to reduce trucking cost.

### b. Co-operation and collaboration between PSA and shipping lines

The meeting also explored possible opportunities for PSA to work in partnership with shipping lines in projects overseas. For example, PSA's vast experience and expertise in container handling will help its overseas terminals offer the same high standards of service efficiency to its customers globally.

### c. E-commerce's impact on shipping lines and PSA

The Council also discussed the impact of the shift towards more knowledge-based services and paperless financial transactions on the shipping industry. As an example of application of Electronic Commerce, PSA highlighted that it has introduced

Financial EDI services to facilitate electronic billing which cuts down administrative workload and improves operational efficiency for its customers.

Dr Yeo Ning Hong, Chairman, PSA Corporation, commented, "This year's IAC Meeting has yielded fresh perspectives on the current issues and problems faced by the shipping industry and PSA. The views of the Council Members on how shipping lines are tackling the economic slowdown are particularly valuable as they come from an international perspective. The IAC has helped PSA to keep abreast of the concerns and priorities in the container shipping industry and has showed us how we can better meet the needs of the industry."

As part of their programme, the Council Members met with Prime Minister Goh Chok Tong at the Istana on 25 Feb 99. They also met up with Dr John Chen, Acting Minister for Communications, and Mr Teo Ming Kian, Permanent Secretary (Communications), during their stay in Singapore.

### ***Mina Zayed: 34% Growth Due to New Improvements***

**C**HAIRMAN of the Abu Dhabi Seaport Authority H.H. Sheikh Saeed bin Zayed Al Nahyan said that the development projects that have been carried out by the Authority in 1998 have resulted a tremendous surge in the handling of containers and general cargo.

This happened at a time when many of the region's ports have been adversely affected by the economic crisis in South and East Asian countries and the changes experienced by international markets as a result, Sheikh Saeed added.

He affirmed that the rapid improvements and upgrading of port services by using latest techniques and technology were inspired by the instructions of President H.H. Sheikh Zayed Bin Sultan Al Nahyan and the support of H.H. Sheikh Khalifa Bin Zayed Al Nahyan, the Crown Prince, for the need to keep abreast with modern developments and be well prepared to meet the challenges of the 21st century.

"The improvements were also dictated by our need to cope with globalisation which will break all barriers

and make world ports open to international competition by implementing the GATT agreement in the first decade of the next century," Sheikh Saeed said.

He added that the most prominent improvement of Mina Zayed in 1998 was the rise of the container volume by 34% and general cargo by 25%.

He said that future plans of the Seaport Authority focus on upgrading the performance and productivity of Abu Dhabi ports as a result of service improvements, noting that the aim is to enable the port to keep pace with trade developments and the huge projects being implemented by various sectors.

The port's new cold store, with a capacity of 15,000 – 20,000 tons, will be completed by the end of 1999. It will accommodate the growing imports of refrigerated and frozen cargo. The number of shipping lines calling Mina Zayed rose to 53 and have greatly contributed to the expansion of trade in the country.

Another development in 1999 will be the starting of operations at the Mussafah port as a complementary port to Mina Zayed. The Mussafah port will ease the pressure on Mina Zayed and will extend more facilities to the growing number of international shipping lines calling Abu Dhabi.

Sheikh Saeed said that the port will purchase six new quay cranes at the dawn of the next millennium, thus increasing the number of quay cranes in the port to 11 by the year 2006.

He affirmed that the port's improved facilities have started to attract more international shipping lines, thus increasing the number of ships calling the port.

### ***Aden Container Terminal Set to Begin Operations***

**A**DEN Container Terminal, PSA Corporation's pioneer project in the Middle East, is set to begin operations in March this year. Located in Aden, Republic of Yemen, ACT's operational readiness was enhanced in recent months by major developments in the areas of Engineering, Human Resource and Infrastructure.

With the delivery of two post-panamax quay cranes on 9 January 99, ACT is equipped to service the world's largest container ships. These new

quay cranes, with an outreach of 18 containers, will enable ACT to provide customers with high levels of service and efficiency. Manufactured by Reggiane S.p.A. in Italy, the two quay cranes are part of a batch of four quay cranes intended for Phase 1 of ACT. They are supported by eight rubber-tyred gantry yard cranes that are already on site and in various stages of installation, testing, commissioning and operations.

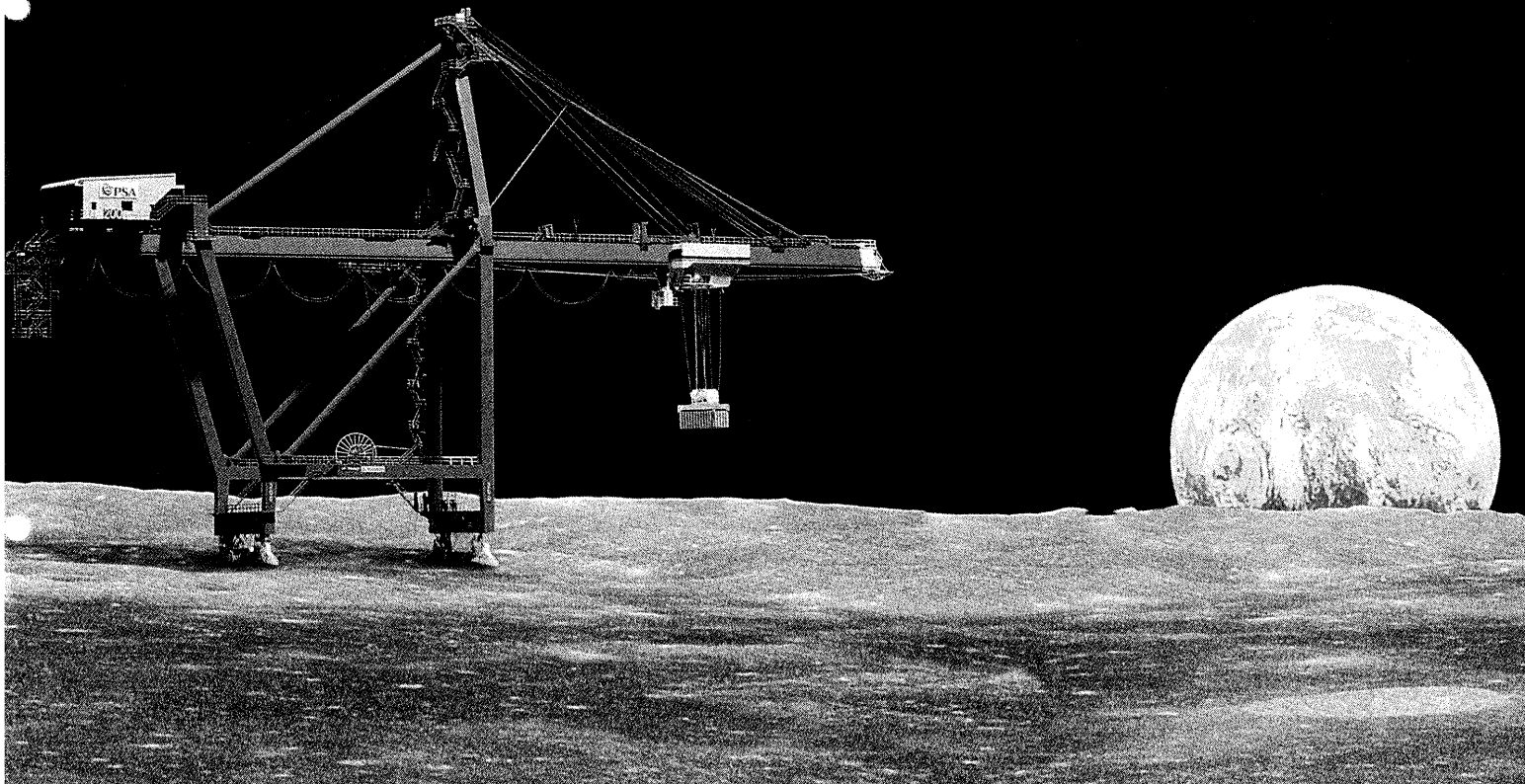
To meet ACT's needs for skilled manpower, PSA recruited several quay crane operators from the local workforce. The pioneer group of quay crane operators is currently undergoing intensive training at PSA Institute, PSA's training school in Singapore, using state-of-the-art quay crane simulators. The operators will also undergo on-the-job training on the quay cranes at PSA's container terminals. The recruitment of staff to handle other types of container-handling equipment is also in progress. These staff will be trained in ACT by a team of its highly experienced instructors from PSA.

Construction works at the terminal's Administration Building, Container Freight Station, and the Workshop are in their final stages and would be completed soon. A power plant with four diesel generators is already in operation and will provide ACT with an independent and reliable power supply.

"The construction works and other preparations are on schedule and we are confident that ACT will be able to start operations in March 1999. Aden is in a very strategic location in the Middle East. Coupled with PSA's expertise in managing transshipment hubs, ACT is on its way to becoming the ideal hub for transshipment between two important trade routes of Europe and Asia", said Mr Goon Kok Loon, Deputy Group President (International)/President (International Business Division), PSA Corporation Limited.

Aden Container Terminal is being developed by Yeminvest – a joint venture between PSA Corporation Ltd and Yemen Holdings Ltd, a wholly owned company of the Bin Mahfouz family. PSA Corporation was awarded the Engineering Contract in June 1997 and the Terminal Management Contract in October 1997 to manage and operate ACT for a period of 20 years.

# We could.



If you can imagine a port, we can build it. And manage it for you. Our expertise has made us one of the world's leading container terminal management and logistics companies. Through strong partnerships in China, Italy, India, Yemen and numerous other countries, we operate a global network of world-class container terminals. Including the world's single largest transshipment hub in Singapore. Having won countless international awards for the Port of Singapore, we are ready to repeat this success with other ports. Wherever they may be.



PSA Corporation invites all participants of the IAPH World Port Conference to a special tour of the world's most advanced, fully automated container terminal at Pasir Panjang, Singapore. For details, please contact Ms. Valerie Mok at (tel) + 65 279 4820, (fax) + 65 274 4261 or via e-mail: [tours@psa.com.sg](mailto:tours@psa.com.sg)

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IAPH '99  
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Journey into the world of magical Malaysia...and discover the splendour of a cultural heritage that lies beneath a nation of many faces, enveloped in the history of a multi-racial background. A Culture which has crystallised into the Malaysian way of life, a tradition which is practised in everything we do.

While serving a global community, we realise the need to understand your business and way of life.

We believe in creating one international community, living in one global synergy. That is why we believe in giving you that personal touch, a touch of the Malaysian culture where your business and interests are our business. A reflection of magical Malaysia and her people - the rhythm of our culture and hospitality.

**Discover The Journey -** IAPH '99  
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