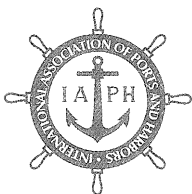


Ports & Harbors



21st IAPH World Ports Conference 15-21 May 1999 in KL, Malaysia



Malaysia's Prime Minister Dr. Mahathir delivering the keynote address to the IAPH participants.



The PKA's chairman Dato' Michael Chen (left) and Malaysia's Transport Minister Dato' Seri Dr. Ling Liong Siik.



Prime Minister Dr. Mahathir (2nd from left) stops at the Exhibition booth of the Port of Montreal, together with IAPH President Smagge (left) and Mr. Dominic J. Taddeo (3rd from left).



Delegates in a Working Session



Conference Chair Datin O.C. Phang welcomes participants at the Opening Session.



The PKA Choir sing the IAPH theme song



Delegates assemble for the Opening Session



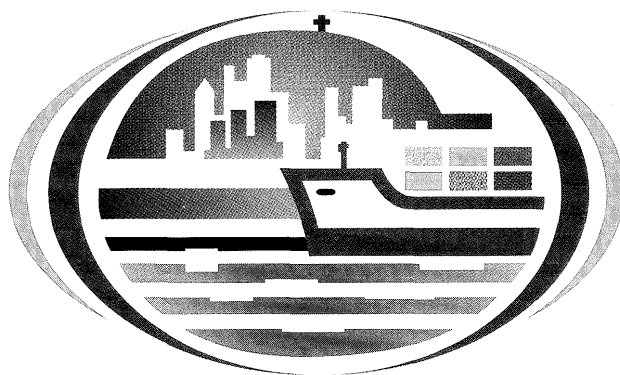
PRE CONFERENCE JOINT MEETING

OF THE

BOARD OF EXECUTIVE COMMITTEE

We've started counting the days to May 19, 2001!

That's when the
Port of Montreal
will have
the honour
and pleasure
to play host
to the
IAPH 22nd
World Ports
Conference.



C'est un rendez-vous in Montreal,
from **May 19-26, 2001.**

We're so eager
to greet you in Montreal,
we've started counting the days.

Montreal is a major
North American
international port city,
but its European flair
and rich and varied
cultural life make it
truly unique.
Clean and safe, Montreal
offers guests a wealth
of attractions. And
Montrealers speak
French and English
fluently.



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Canada 

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(1999 - 2001)

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Jean Smagghe
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Ports (UPACCIM)
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Satoshi Inoue
IAPH Head Office
Tokyo
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IAPH '99 Theme Song

There's sea of friendship sincerity and trust
A harbour of hopes and dreams
Where beacons burn all day and night
For IAPH Teams

Chorus

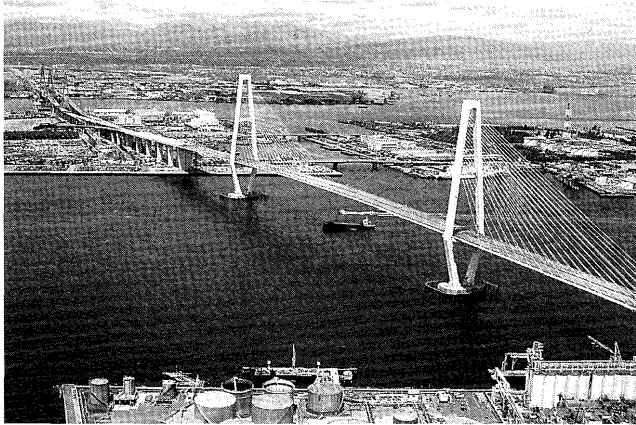
We are IAPH
Together we'll conquer new shores
The world is our port of call
As we open hearts and doors

Let's sing together one and all
We'll weather any storm at sea
United we stand, divided we fall
Towards the 21st Century

(by Prima Muzk Sdn Bhd commissioned by the PKA,
host of the 21st IAPH Conference
held in May 1999 in KL, Malaysia)

The Port of Nagoya Provides the Best!

-Integrated Road Network



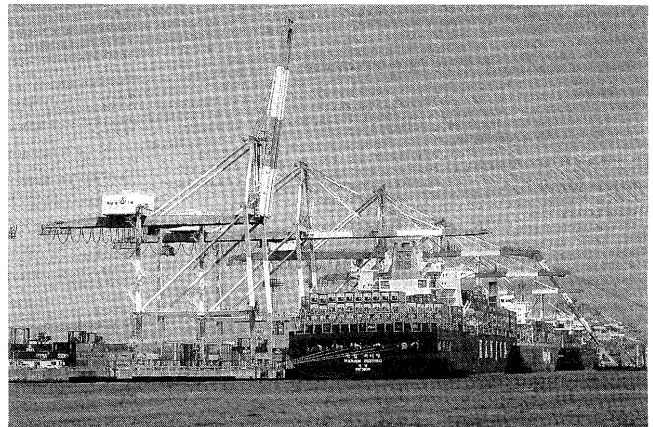
-Taking full advantage of its strategic location, the Port of Nagoya provides you fast access to every part of Japan.

-The three Meiko Bridges enhance the integrated road network around the port by connecting major national highways.

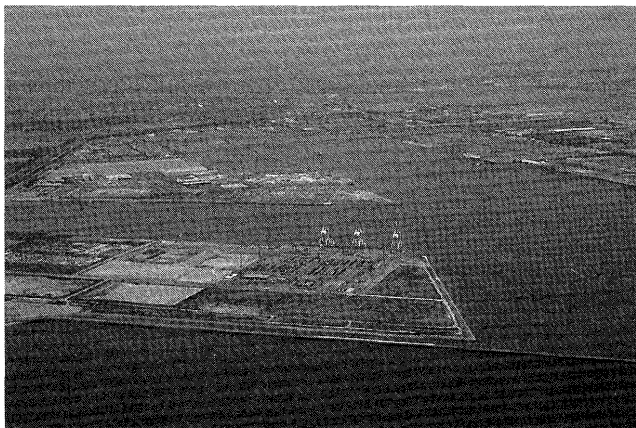
-Efficient Cargo Handling

-With 8 Over-Panamax gantry cranes, our container terminals offer you prompt and efficient service.

-The Port of Nagoya container terminals welcome vessels 24 hours a day.



-Expanding Capacity



-Located on the port's west side is our newest container terminal, Nabeta. In addition to a high-standard container berth, opened in 1997, the adjacent berth incorporating an anti-earthquake design will be completed in FY2000. Furthermore, three more berths are planned which will eventually make this pier a major container terminal at the Port of Nagoya with 5 contiguous berths totaling 1,650 meters.

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TEL: 81-52-654-7840 FAX: 81-52-654-7995

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21st World Ports Conference of IAPH

Hosted by the Port Klang Authority
15-21 May 1999, Kuala Lumpur, Malaysia

IAPH Adopts a New Mission: Re-Gearing its Structures for the Next Millennium

THE 21st World Ports Conference of IAPH, hosted by the Port Klang Authority, was held in Kuala Lumpur, Malaysia from 15 to 21 May 1999. Datin O.C. Phang, General Manager/CEO of the Port Klang Authority (PKA), acted as Chairman of the Conference. She was ably supported by Malaysia's Transport Minister, Dato' Dr. Ling Liong Sik, and the Chairman of the PKA, Y.B. Senator Dato Michael Chen, officials of the PKA, the Organizing Committee, and representatives of other

Malaysian ports. Frequent participants in the Association's biennial conferences held at different world ports are familiar with their distinctive features: the opening ceremony, plenary sessions, working



President Smmaghe (3rd from left) presides over the First Plenary Session

The official number of the participants of the KL Conference (as announced by the host) is as follows:

- **Delegates: 518** from **48** countries and economies
- **Accompanying persons and spouses: 174**
- **Guests (at the Opening Ceremony on 16 May): 800**
- **Guests (at the Opening of Prime Minister's address on 17 May): 400**

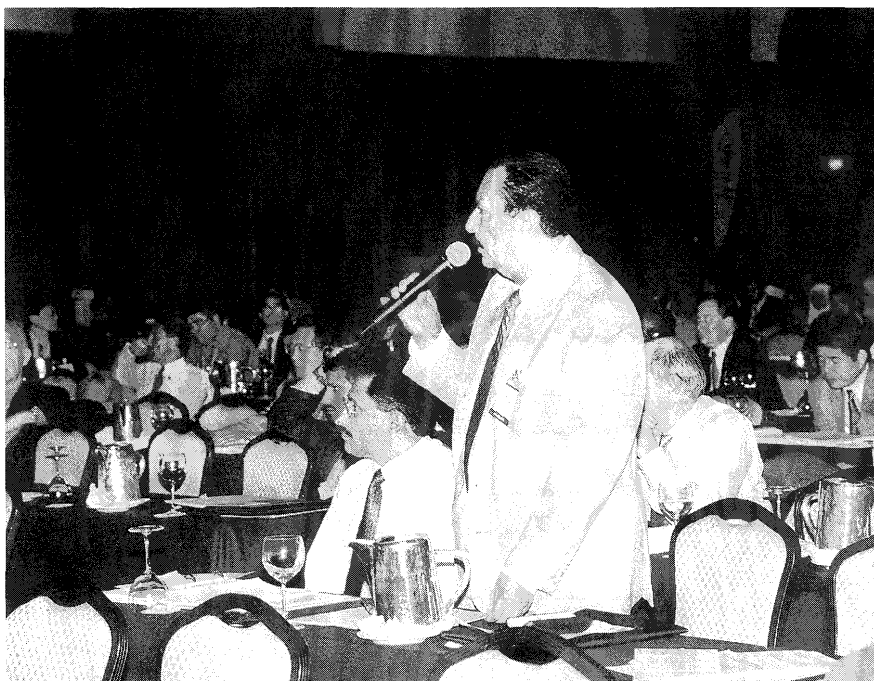


Delegates assemble for the Opening Session

sessions, social functions, accompanying persons' programs and technical visits to port facilities. Above all, they enjoy the warm hospitality offered at all venues.

IAPH has had a long history of debating how to heighten its value to members, the port industry at large and those associated with transport-related businesses. In fact, choosing the subjects and speakers for the respective working sessions is one of the most difficult and daunting tasks for conference hosts. Usually, the final selection, drawn from among the world's maritime leaders, is only made after careful and extensive consultation with the President, Vice Presidents and Secretary General. This painstaking process is designed to ensure that IAPH members obtain the most significant information and current ideas on pressing issues which need to be addressed by port organizations to ensure their continued growth.

Since the 1987 Conference in Seoul held under the theme "Ports looking into the 21st century", the millennium has



A delegate questions from the floor at a Working Session

been a recurrent conference theme. Also it has been featured prominently at regular IAPH committee meetings.

In Malaysia the millennium issue was once again the center of our deliberations. All who gathered in Kuala Lumpur for IAPH's last conference of the twentieth century were naturally eager to discuss relevant issues to determine what strategies their own ports should adopt as they move into the next millennium.

In an attempt to convey the essence of IAPH's broad agenda examined at this Conference, the Tokyo Head Office had arranged for Professor Peter Rimmer from the Australian National University to be present at the Conference and to prepare summaries of the respective sessions. Professor Rimmer's report summarizing the presentations in the respective working sessions of the Conference is introduced later in this issue.

In London two years ago, the Special Task Force IAPH 2000 was commissioned to make recommendations about the Association's future aims and organization at the Malaysian Conference. The Task Force's work involved its appointed members, the President, Vice Presidents, Liaison Officers, Committee Chairmen and the Secretary General and his staff, and a consultant.

At every biennial conference, the new President and Vice-Presidents and Executive Committee members are elected at the final session and this was duly done at the Closing Session of the 21st Conference. The changeover of the Presidency and the addresses by the out-

going President and his successor are among the most emotional moments for delegates and secretariat members. This year's conference had a particularly unforgettable ending for Tokyo Secretariat members because Mr. Hiroshi Kusaka, who has led the staff since 1987, was succeeded by Dr. Satoshi Inoue as Secretary General. Both of them addressed the gathering.

In his retiring address, Mr. Kusaka highlighted the benefits members derive from the Association. He stressed the value IAPH can provide its members and the port community at large by enhancing the overall efficiency of ports. In particular, he highlighted the tangible returns from IAPH's role in helping our colleagues from ports in developing countries.

The newly appointed Secretary General, Dr. Inoue, expressed his deep appreciation for the trust that the IAPH Board members have vested in him by appointing him as Mr. Kusaka's successor. Dr. Inoue assured all those attending the assembly that, together with the experienced Secretariat members, he will do his very best to keep IAPH as an active and efficient organization commensurate with the direction outlined in the final recommendations made by the IAPH

2000 Task Force.

Mr. Kusaka's farewell address and Dr. Inoue's inaugural speech are featured later in this issue. It also contains the speeches by outgoing and incoming Presidents, namely Mr. Jean Smagghe of the French Ports Association (UPACCIM) and Mr. Dominic J. Taddeo of the Port of Montreal Authority (PMA). The PMA is the host of the 22nd IAPH Conference to be held in Montreal, Canada, in 2001.

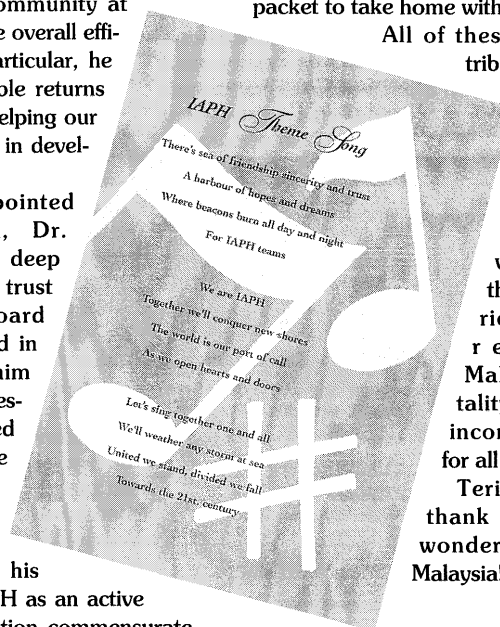
In Malaysia, however, participants were also privileged to experience several 'firsts'. The event was the first in the history of IAPH conferences to have the host country's prime minister make the keynote address at the Opening Session, held on 17 May 1999, and to declare the Trade Exhibition open. Prime Minister Dr. Mahathir's keynote address is featured later, together with the speeches by the Conference Chair, Datin O.C. Phang – again, the first woman to occupy the position. Her obvious polish and competence impressed all participants during the Conference. President Smagghe's opening speech is also featured in this section.

Another first experience for participants in Kuala Lumpur was to hear IAPH's theme song. A local recording company produced it especially for the occasion. The song was introduced by the PKA staff at a reception hosted by the Chairman, Dato' Senator Dr. Michael Chen. Subsequently, the song was heard by delegates when they were transported to and from reception venues on buses guided by traffic police on motor cycles. All delegates received a cassette tape of the song in their conference registration packet to take home with them.

All of these 'firsts' contributed to IAPH's efforts to forge a new direction in a most enjoyable and memorable way. Besides these new experiences, the renowned Malaysian hospitality was another incomparable plus for all participants.

Terima Kasih - thank you, all our wonderful friends in Malaysia!

– By Kimiko Takeda,
IAPH Head Office



OPENING SESSION

MONDAY, 17 MAY

in 'Billroom' of the Palace of Golden Horses

Speech by

Datin O.C. Phang

Chairman of the 21st IAPH
World Ports Conference
General Manager/Chief
Executive Officer
Port Klang Authority



THE Honourable YAB
Dato' Seri Dr. Mahathir
Mohamad, Prime
Minister of Malaysia

Y.B. Dato' Seri Dr. Liong Sik,
Minister of Transport of
Malaysia

Y.B. Senetor Dato' Michael Chen,
Chairman, Port Klang Authority
Distinguished IAPH EXCO Members
Your Excellencies
Distinguished Delegates
Ladies and Gentlemen
Good Morning.

I am indeed honoured to welcome all delegates, participants and guests of the 21st IAPH World Ports Conference and Exhibition of the International Association of the Ports and Harbors.

Malaysia and in particular Port Klang is indeed very proud to host this prestigious event, the last one for the century, before we move into the new millennium. I take this opportunity on behalf of the Organising Committee and Port Klang Authority to thank the IAPH EXCO members for giving us this privilege.

Ladies and Gentlemen: It was only a couple of years ago that we last met in London, where we presented to you a glimpse of what was to come at the 21st World Ports Conference and Exhibition in Kuala Lumpur. Today I extend a very warm welcome to both old friends and new acquaintances who will be joining us in the various activities we have so painstakingly and meticulously prepared during the last two years.

The conference itself will touch on a wide variety of issues that are not only near and dear to our hearts but at the same time relevant issues that need to be addressed in order

for us to face the challenges in the new millennium.

Though times are also the best times to show real leadership, and with IAPH engineering changes to face the new millennium it gives IAPH the opportunity to go the extra mile to help all members ride the roller coast-

er of change.

The panel of speakers for the conference have been carefully selected so that they will present papers on issues which represent a wide cross-section of the transport and logistics industry. I must take this opportunity to thank the IAPH EXCO and the IAPH Secretariat of Japan for their valuable advice and assistance rendered to us in getting these prominent speakers. To the speakers and session chairmen who have taken time off from their busy schedules and demanding tasks in their own businesses to contribute to the success of this Conference, allow me to take this opportunity to thank each one of you here for your presence and valuable insight on the trends that are about to unfold in the new millennium.

Ladies and Gentlemen,

As tradition has it, in conjunction with the IAPH Conference, a Trade Exhibition is also held simultaneously. Today we have amidst us a total of 32 exhibitors covering a broad spectrum of the transport and logistics chain representing both local and foreign entrepreneurship. I wish to thank each of the exhibitors for their response and support and for putting up a very colorful and informative show of the many different port-related products and services. We hope that your presence at our Conference will result in increased business opportunities for you.

Once again thank you for your support.

YAB Dato' Seri this is the first time that IAPH has had a Prime Minister of a country deliver the Keynote Address at its

Conference. The IAPH EXCO members have expressed a specific request to grant their spouses the opportunity to attend the opening session as they have heard so much about you and look forward to hearing you deliver your Keynote Address. Instead of attending the scheduled social outings they have decided to stay back and listen to your eloquence. The presence of so many of the fairer gender speaks for itself. It would appear that Y.A.B. Dato' Seri that you have abundant admirers.

Y.A.B. Dato' Seri, you have created a historic moment for IAPH and an additional milestone for Port Klang as the host. Port Klang is especially honoured and indebted to you for giving us this rare privilege.

Last night at the garden ceremony at Taman Tasik Titiwangsa in Kuala Lumpur, I mentioned that our success also stems from one single facet – a strong commitment towards achieving our Nation's Vision and led by People who can make a difference.

Ladies and Gentlemen may I present to you the man who has made the difference, not only to the Nation and Port Klang but also to IAPH.

Ladies and Gentlemen, let us together give a big round of applause to the Honourable Prime Minister, Dato Seri Dr. Mahathir Mohamad.

Thank you Ladies and Gentlemen.

To our devoted Minister of Transport, the honourable Dato' Seri Dr. Ling Liong Sik I extend my warmest thanks for his continuous and relentless support in making this conference and exhibition a success.

A bouquet of thanks to my team at Port Klang who have helped in making this conference a success. A special mention must be made to the local authorities and the Malaysian Ports for their support and contributions.

To the delegates and guests, I once again invite each of you to join us all in all the activities we have planned, so that you not only go home having acquired new ideas, new friends and new partnerships, but at the same time a memorable "hangover" from our unique Malaysian hospitality.

Finally as Conference Chairman for the 21st IAPH Conference and Exhibition I would like to extend my sincere thanks to Mr. Jean Smaghe and EXCO Members for giving us in Port Klang the opportunity to manage this global event.

Terima Kashi, Thank you.

Address by

Jean Smagghe

President of IAPH
Executive Vice-President,
International Affairs
The Association of French Ports
(UPACCIM)



PRIME Minister, Ministers, Ambassadors, Members of Parliament, Dato'-Dato', Datin - Datin, Distinguished Guests, Colleagues, Friends, Ladies and Gentlemen, mesdames et messieurs, Tuan-Tuan dan Puan Puan.

In opening this Conference, I would first like to express my warmest thanks to the Malaysian authorities for having agreed, four years ago, to take on the very considerable task of organising the 21st IAPH World Ports Conference.

We are opening this Conference under the most favourable auspices, and your presence, Prime Minister Dato' Seri Dr. Mahathir bin Mohamad, provides a clear demonstration of the importance which your country attaches to international trade, maritime transport and ports. We thank you most warmly.

A big thank you to you also, Minister of Transport Dato' Seri Dr. Ling Liong Sik, and an immense thank you to the Port Klang Authority, its chairman of the Board Senator Dato' Michael Chen, and of course, its dynamic general manager and Conference Chairman Datin O.C. Phang, who took up the challenge of preparing this Conference with determination and enthusiasm.

Your welcome was heart-warming, and the magnificent opening ceremony filled us with admiration yesterday evening, providing us with our first introduction to the cultural riches of Malaysia. Thank you, Datin O.C. Phang, for all your efforts, and our thanks also go to the whole Port Klang Conference organisation team. I would like to ask the delegates to join me in expressing our appreciation.

Ladies and Gentlemen, the key word for this 21st IAPH Conference is **change**. Change of millennium, geopolitical change, change in the maritime transport and port industry, and change also in the organisation of our Association.

IAPH is today celebrating 44 years of existence, and, having myself spent about 30 years in ports, I can certainly claim, in the words of Oscar Wilde, that "I am not young enough to know everything".

Nevertheless, I can remind you that ports in the '60s were first and foremost tools for receiving and handling ships. At that time the increase in the size of oil-tankers was a major problem for many of us. The oil crisis of the '70s, and the very fast expansion of container business, produced a complete and devastating reshuffle.

The '80s saw the explosion of container traffic, while fierce competition between ports bred a spirit of enterprise and commercial action. The '90s saw an accentuation of these tendencies, in a world of geopolitical change triggered by the fall of the Berlin Wall. It became more and more evident that competition between ports was also to be won on land, and port activities developed into a veritable port industry.

Returning to the present, I would like to take a closer look at a number of key aspects which reflect the context in which world ports are now undergoing change.

● **Firstly, the uncertainty of the future**

Many of you will no doubt recall the words of Sir Peter Sutherland, speaking at our last IAPH Conference in London in 1997, on which occasion Sir Peter illustrated, with much humour, the unpredictability of certain events, including the return of Napoleon from Elba, and the unexpected reversal of public opinion in France. French people can probably change their minds faster than anyone else!

Many major political, economic and financial changes and crises have occurred over the last few years, affecting entire regions of the world. Asia was hit by a financial thunderbolt in '97, while South America has also suffered, Russia is experiencing a critical situation and the war in Yugoslavia will also affect this part of the world.

The consequences of this type of upheaval on port traffic are obviously felt round the world, reminding us that prediction in this area has always been a somewhat hazardous task.

Fortunately, and as will be seen from the proceedings of this Conference, the overall trends of world maritime trade continue to be favourable.

However, it is obvious that the development of this or that port can be placed in doubt at any time by a momentary fall-off in traffic levels. We are currently witnessing a world wide public-private partnership or PPP boom. Concessions and BOTs are experiencing

rapid expansion on every continent. Consequently, the sharing of financial risks between public and private investors now represents one of the major concerns of all port authorities in a world in a state of perpetual change.

To conclude on that point, I am sure that you will all agree with me that "forecasting is difficult, especially when it refers to the future!"

● **Secondly, the globalisation phenomenon** has become substantially more perceptible over the last five years following the creation of the World Trade Organisation.

The response of the leading container shipowners has been to set up worldwide alliances, producing economies of scale on the major routes and encouraging the creation of hubs, thus limiting the number of ports served directly. The search for enhanced competitiveness is forcing all the leading carriers to generalise the use of more than 6,000 TEU vessels for the East-West routes.

But freight rates remain at a low level and the pressure on ports is consequently very great. Not only must they ensure the permanent enhancement of their competitiveness and quality of service, but they must also be in a position to make the major investments essential for handling the ever larger vessels of the new generations.

Taken together, these constraints raise the question of institutional changes for numerous state-owned ports. An extremely interesting investigation on this subject was recently conducted by IAPH and will be presented to you this afternoon. This investigation shows that institutional reform is in process in a large number of ports throughout the world with a common denominator - the corporatisation or privatisation of the industrial functions of the ports.

We are also witnessing the emergence of multi-port operator companies which operate dozens of port terminals round the world. This is a clear illustration of globalisation in the port domain. It also raises a fundamental question for IAPH, the aim of which is to represent all ports worldwide, whether state-owned or private.

● **Thirdly, the quantum leap progress of communications and information** is doubtless the phenomenon which has produced the greatest impact in these final years of the century.

Satellite communications and the exponential expansion of the Internet

are radically changing our working methods. The process has accelerated even more since our 1997 Conference in London. The consequences of this communication boom are extremely important for ports:

The use of EDI and Internet in a port context leads to more efficient procedures for the port operations and freight transit. In many ports, there is still very substantial scope for greater competitiveness in this domain.

Communications also provide increasingly rapid access to information, an obviously essential element in the decision-making process. As pointed out by the Chinese strategist Sun Tse more than 2000 years ago, true power is based on the control of information.

But we must not forget that information must be sifted and validated, that "too much information destroys itself", and that there are now proven techniques for enhanced utilisation of information. I can therefore do no more than recommend port managers to take a very close look at the techniques of "economic intelligence", an extremely valuable decision-making aid tool in the current volatile context.

● **Fourthly, substantial progress has been achieved in port environment and safety.** However, environmental constraints are ever greater, in response to the justified demand of populations for regular improvement in the quality of life.

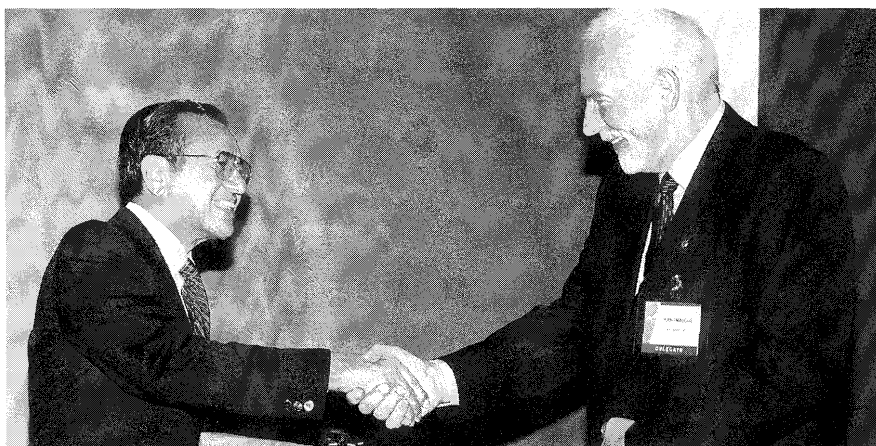
The concept of "sustainable development" is now clearly integrated by the ports in their development projects, insofar as the supporting measures demanded for protection of the environment are justified and do not place the profitability of the project in doubt.

The work of the IAPH core Technical committees in that field has been extremely productive over the last few years. The position of ports in world terms is clearly understood and taken into account by international organisations – and, of course, first and foremost the IMO, with which we work in close collaboration. However, we must continue unremitting joint action with these intergovernmental organisations and our own national governments to make the sea and the ports safer and cleaner.

Ladies and Gentlemen,

It is difficult in so short a time to paint a comprehensive picture of what is occurring around the world in the port industry as we approach the year 2000.

For a more exhaustive appraisal, we have a full week of work ahead of us.



Prime Minister Dr. Mahathir (left) shakes hands with President Smagge at the Opening Session.

However, I would like to stress that I am particularly pleased that the title of our conference, "Global Trade through Port Co-operation", emphasises the importance of co-operation between ports, this being one of the primary missions of our Association.

I would also like to emphasise once more the importance of the contribution made by the IAPH Technical Committees, which have done an immense amount of work over the last two years, and express my hearty thanks to the chairmen and members of these committees.

All my thanks also go today to my friends the three IAPH Vice Presidents, who have done such excellent work, and to the Secretary General and his staff, who work so hard and well and are totally dedicated to IAPH.

The two years since the London Conference have in fact also been devoted extensively to reflection on **the future of the Association**. The work accomplished by the IAPH 2000 Task Force, led by First Vice President Dominic J. Taddeo, has been considerable, involving extremely fruitful – and at times impassioned – exchanges. This has now put us in a position to take the initial decisions to ensure that IAPH continues as the unchallenged voice of all the ports of the world in the years to come.

IAPH will continue to provide a privileged context in which the managers of ports, whether public or private, of all sizes and all countries, can meet, exchange views, obtain information and define a joint political line for the representation and defence of our industry vis-à-vis various international organisations.

We now have one week, with outstanding facilities and organisation of the first order, to work together, gather information and take a number of deci-

sions. May I once more express my deepest thanks to our Malaysian hosts, who have spared no effort. I feel confident that we shall have an extremely successful Conference.

I have one lurking fear, nevertheless. Malaysia is a beautiful, fascinating country, the Malaysians are extremely friendly, the golf course is excellent and the Langkaw islands are not far away.

Anyway, as you have all noticed in my speech today, the most important word for us is certainly **change**. This does not mean that we have to change everything in our organisations, but certainly that we have to revise our ways of thinking dramatically.

Being a West European by origin and having the pleasure of delivering this speech in South East Asia, let me tell you that neither the traditional western or eastern approach, taken alone, appears sufficient to meet the tremendous challenges of the next millennium in a world in perpetual change. We must find a way to reconcile the Newtonian western approach with the holistic eastern approach. Such an attitude will develop creativity and enable us to cope more successfully with uncertainty, the speed of change and interconnected phenomena. An IAPH Conference, bringing together port managers from all parts of the world, is an excellent opportunity for such a vital exercise.

So, ladies and gentlemen, at the opening of this Conference, **let us rethink our thinking**, in an open and constructive manner, proving together that, thanks to IAPH, one plus one equals much more than two.

Terima Kasih, thank you again, Prime Minister, for the great honour which you have accorded us today.

Merci beaucoup, mesdames et messieurs,

Thank you all for your attention.

Keynote Address by the Prime Minister, Malaysia

Y.A.B. Dato' Seri Dr. Mahathir bin Mohamad

I am honored to be given the opportunity to address such a distinguished gathering of experts from ports and harbours around the world here to attend the 21st World Ports Conference of the International Association of Ports and Harbors (IAPH). I understand that this is the second time that such a Conference by IAPH is held in this part of the world over the last 31 years, the first being held in neighboring Singapore in 1975. May I take this opportunity to thank the International Association of Ports and Harbors for giving us this rare privilege.

Malaysia and in particular Malaysian ports are indeed proud to host this prestigious event. The theme of the IAPH 21st World Ports Conference, 'Global Trade through Port Cooperation' is appropriate and timely as we approach the new millennium – an era where new challenges in the political and economic environment are being unfolded in addition to intense business competition and seamless interaction and networking in trade and international relationships. It is imperative that we initiate pro-active strategies and close cooperation between the rich and the poor, the developed and the developing to ensure our survival and hopefully our prosperity. It is expected that international trade will take on new dimensions where trade transactions will be between trading blocs rather than nations and in this respect, I must congratulate the IAPH 2000 Special Task Force in charting a visionary Strategic Work Plan that will foster closer cooperation among ports and harbours worldwide to meet the challenges in the next

At the Opening Session of 21st World Ports Conference of IAPH and Trade Exhibition



millennium.

The port sector has always played a major role in the development of a country's economy and this contribution is expected to increase in the future. A well-developed port infrastructure is a vital part of an efficient trading system and network. The most efficient and cheapest method of moving goods is still by sea transport. In Asia, successful and prosperous economies have actually been built simply by providing first class port services. It is worthwhile noting that a big national hinterland need not be the limiting factor towards the growth and greatness of ports.

There was a time when ports were havens for ships to call to load and unload goods and to replenish their supplies of victuals and water. Today ships can circle the globe without running short of fuel or supplies. If they have to call at ports it is because they have to drop or pick up goods. As such they can pick and

choose which ports they need to call at.

The attractiveness of ports is thus no longer due to strategic locations. They are attractive because they provide efficient and prompt services and their land and sea transportation networks enable them to have the goods delivered to their final destination and of course to receive and store the goods coming from different locations and be ready to load them on ships which call in the shortest possible time.

Ports are now no longer solely for the handling of ships and the freight they carry. Ports have become in themselves great commercial centres where all kinds of products are not only being received, unpacked, sorted and repacked, but actual manufacturing for exports are done. In the quest for greater trade and economic expansion more innovative use of ports and the immediate surrounding areas will no

doubt be found and developed. With the expansion of Information Technology more transaction and activities will be centred around the ports and the role of sea transportation and road connections. Obviously exciting years are ahead for the ports of the world.

Malaysia has always been a trading nation. Prior to the economic downturn Malaysia was the 17th biggest trading nation in the world. Ninety percent of our trade valued at about US\$140 billion a year was handled through seaports. Ports, the operation of ports, their location, etc. are therefore vital to the economic growth of Malaysia. For this reason the Malaysian Government has been developing Port Klang, our principal port, and other ports located at strategic locations, in order to handle our trade and to help us become more competitive.

We have adopted numerous measures in order to attract shipping to Port Klang especially, including the relaxation of the cabotage policy, foreign equity requirement in shipping agencies, providing one-stop administrative facilities and various changes to the total port operating environment. These measures I am happy to say are yielding good results.

We are now moving into the 21st century and the new millennium. Malaysia welcomes the next millennium with excitement and confidence. The Information Age is upon us and we have already seen and experienced numerous changes in the way we do things. There is no doubt there will be many innovations as Information Technology (IT) is applied to the management and

operations of ports and shipping. We expect to keep pace with these developments because we know that our economic well-being depends on our ability to adjust to and apply the new technologies.

In Malaysia we have launched a major project called the Multimedia Super Corridor (MSC). In an area measuring 15 kilometres by 50 kilometres, encompassing the Twin Towers of the KL City Centre, the new administrative capital Putrajaya and the KL International Airport, all the latest in communication and information infrastructure have been installed. Additionally, new cyber laws and administrative practices have been introduced in order to facilitate the setting up of IT-based industries, operations and researches. Already almost 300 companies, including 30 world-class companies have received MSC status and many are already operating.

There is no doubt that the MSC will stimulate rapid growth of the Malaysian economy. It may not generate much by way of freight but indirectly it will result in much greater trade and manufacturing in Malaysia.

Port Klang is just a stone's throw from the MSC and it will certainly benefit from all the new technologies and operations of the MSC. We expect IT practices and innovations in the MSC to contribute to greater efficiency of Port Klang.

Malaysia aspires to develop into a regional hub for transportation and Port Klang will be promoted as a load centre and transshipment hub. We aim to be the regional hub on par with other international ports like Singapore and Hong Kong.

I am aware that last year has been a relatively difficult year for most countries in the region. The economic downturn brought about by the regional currency crisis and stock market collapse has arrested the rapid growth of the Tiger economies. Growth in 1998 actually contracted by six percent in Malaysia. But we have been able to arrest the decline and we are back on the growth path. We expect to grow by one per cent this year and five per cent in 2000. Our recovery must mean better times not only for our ports but also the users of these ports.

Given the resilience of the Asia-Pacific region, I am confi-

dent there are vast opportunities for growth in the port sector. However, to capitalise on the opportunities, we must also be able to deal with challenges. In an increasingly competitive environment, it is incumbent upon port operators to ensure that the needs of users are met. The Government and the private sector have been working very well together to develop the port sector and I am certain if we continue to assist each other, we can create more opportunities and devise ways for stronger cooperation. Let us, therefore, continue to build upon our partnership for greater benefit and prosperity of the sector and for national development.

It is said that the trade in currencies is more than 20 times bigger than world trade. World trade in goods and services have created much wealth which is shared by everyone, from the unskilled worker, to the supplier of goods and services, to the manufacturers, the transporters, the port operators, the shippers and everyone. If world trade in goods and services is as big as the trade in currencies, i.e. 20 times bigger than it is now, the whole world would be prosper-

ous. But the trade in currencies, 20 times bigger though it may be, benefits only a few thousand already rich people. In fact it has destroyed the wealth of many nations. It has destroyed much of the world's trade in goods and services. World trade can do without currency trading but without world trade there can be no currency trading. Even as you discuss ports and their operations, it is worthwhile to remember this.

During the course of the next few days, I note that you will be addressing and deliberating these issues which I believe are crucial to the continued survival of ports and harbours in the next millennium. The Malaysian Government looks forward with keen interest to these deliberations to ensure policies implemented in Malaysian ports are in tandem with the common aspirations of the International Association of Ports and Harbors in meeting the challenges of the next millennium.

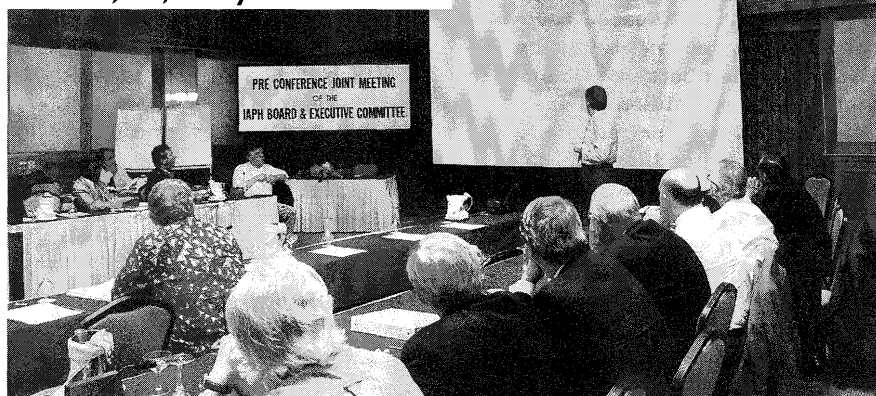
On this note, I take pleasure in wishing you all successful conference and declare the Trade Exhibition open. Terima Kasih, Thank you!

PRE-CONFERENCE BOARD, COMMITTEE MEETINGS SUNDAY 16 MAY 1999

in the Golden Mine Resort Hotel, KL, Malaysia

PRIOR to the formal opening of the Conference, IAPH's Internal and Technical Committees, along with the Conference Committees which are specially attached to each biennial conference, met on Saturday 15 May and on the morning of Sunday 16 June to discuss the numerous issues entrusted to each of them.

On the afternoon of Sunday 16 June, the pre-conference joint meeting of the Board and Executive Committee was



Pre-Conference joint meeting of the Board and Exco held in the Mines Beach Resort Hotel.

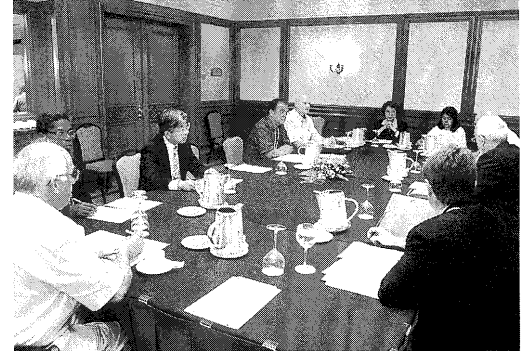
21ST IAPH WORLD PORTS CONFERENCE



held in the Mines Beach Resort Hotel, which is located at the opposite side of the Palace of Golden Horses, the Conference venue, to deliberate on policy matters covering such aspects as membership, financial and legal matters, so as to be able to come up with recommendations to the Board on specific items of the agenda when these matters were put before the Plenary Session for discussion by the delegates at large. The agenda included the appointment of a new Secretary General as Mr. Kusaka had submitted his resignation to the Board through President Smagghe at the close of the 21st Conference. On behalf of the Board, Mr. Smagghe, the Chairman of the Board and President of IAPH, thanked Mr. Kusaka for his hard work and dedication to IAPH. The Board then unanimously appointed Dr. Satoshi Inoue as Secretary General.

Another important item on the agenda was comprised the final recommendations of the Special Task Force IAPH 2000. Chairman Taddeo outlined the Task Force's timetable before detailing the recommendations. Under the item of the Board's proposal for the Honorary Membership Committee, the President proposed that Mr. Kusaka become a candidate for consideration by the Honorary Membership Committee which was scheduled to meet on Tuesday 18 May. Furthermore it was unanimously agreed that Mr. Kusaka should become Secretary General Emeritus, and this proposal was approved by the Board with acclamation.

The Board also heard from Mr. Dominic Taddeo, the host of the next IAPH Conference, that the preparations for the 22nd IAPH Conference were well advanced.



Various Committees met on Saturday 15 May and on Sunday 16 May

OPENING CEREMONY MONDAY 17 MAY 1999

at Taman Lake Titiwangsa, Kuala Lumpur

THE Opening Ceremony and Welcome Reception were held at Taman Lake Titiwangsa, Kuala Lumpur.

Upon arrival of the open-air ceremony site, all participants were welcomed by the Conference Chairman Datin O.C. Phang, Chairman of the PKA, Senator Dato' Michael Chen and the officials from the PKA. They received a beautiful flower lei when they reached the site, which was covered by tents to avoid the occasional showers which are normal in South East Asian countries at this time of year. There were stalls with various kinds of exotic beverages and dishes and shows performed by Malaysian musicians and dancers under the theme "Malaysian Carnival". The Hon. Dato' Seri Dr. Ling Liong Sik, Minister of Transport, Malaysia, who is already familiar with IAPH members as he made the invitation address at the

London Conference two years ago, declared the 21st Conference open. The minister's speech follows.



Dato' Seri Dr. Ling Liong Sik (right), Minister of Transport, Malaysia, chats with Mr. Robert Cooper, the immediate past president of IAPH from Auckland.

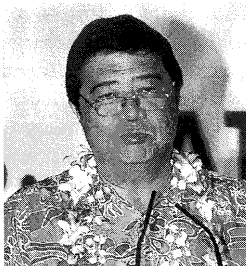


Malaysian dancers perform for IAPH participants

Speech by

YB Dato' Seri Dr. Ling Liong Sik

Minister of Transport at the
Opening Ceremony &
Welcome Reception of IAPH at
Taman Tasik Titivangsa



MR. Jean Smagghe
IAPH President
Y.B. Senator Dato' Michael Chen
Chairman of Port Klang Authority
Y. BHG. Datin O.C. Phang
General Manager of Port Klang Authority,
and 21st IAPH Conference Chairman
Distinguished EXCO Members of IAPH
Your Excellencies,
Distinguished Guests,
Ladies and Gentlemen,

It is indeed a great honour for me tonight to be in the midst of many prominent people from ports and harbours from around the world. I am happy to meet again some of you whom I met at the last Conference in London in 1997.

"Selamat Datang" to all old and new friends.

I would also like to thank IAPH for choosing Port Klang as the host for this prestigious 21st Conference & Exhibition. We are indeed honoured to be chosen and I am told that this event is even more special as it is only the second conference to be held in this part of Asia during the last thirty years. If any of you have attended that conference, you will agree with me that Asia has progressed a lot since then – both materially as well as socially.

The conference will once again provide a unique platform for you all to conduct your business and share information related to the global maritime and port industry. Amongst other trends the next millennium will demand that ports explore mutual avenues for greater cooperation and strategic alliances so that they can meet the challenges ahead triggered by the new trading regimes and developments within the maritime and port industry.

Besides the normal business this conference is an ideal venue for you all to meet old friends and make new ones. I personally look forward to meeting as many of you as possible during the coming week. This is also a good opportunity for you to meet representatives from Port Klang and other Malaysian ports and representatives from all sectors of the industry so that you get a fairly good idea of the Malaysian port industry and especially the premier Malaysian port, Port Klang.

On a lighter tone, more in keeping with the mood of this evening, the organiser has

arranged a typical Malaysian evening complemented by an equally well recognised Malaysian hospitality.

Malaysia has evolved into a nation where people of different cultures live together in harmony. We pride ourselves in having a unique mix of some of the world's oldest civilizations, where the Malays, Chinese, Indians, Ibans, Kadazans, Muruts, Bajaus and other races have helped to make Malaysia a model of multi-ethnic, multi-culture and multi-religious society.

Although, we are a small nation amongst the family of nations in this world, we have in our little ways shown what a multiracial

society like ours can achieve through harmony, discipline and hard work.

Likewise, IAPH is also an association that comprises a number of ports from different nations working as a family in order to bring about better cooperation amongst the port fraternity, improve the services provided by the ports so that the world at large can benefit from the services provided by the ports. I am sure with harmony, hard work and a little bit of luck, you can succeed in this.

I hope all of you will enjoy the traditional Malaysian dinner and evening entertainment and may your stay in Malaysia be both a fruitful and memorable one.

It is my great pleasure to declare the 21st IAPH Conference open.

Thank you, Terima Kasih.

FIRST PLENARY SESSION MONDAY 17 MAY 1999

AT 13:30, President Smagghe opened the session with his words of welcome to all the delegates and presided over the full session agenda.

Quorum: Mr. Ron Snodgrass (Westgate Transport Ltd., New Zealand), Chairman of the Credentials Committee, reported on the status of membership in attendance concerning the Regular and Board members and confirmed that the quorum required in the By-Laws in both categories had been duly met. The number reported were: out of

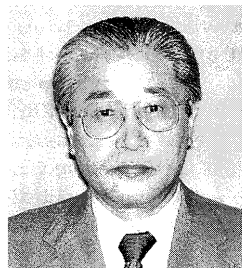
226 Regular Members 97 were present at the Conference and 33 presented by proxies; out of 92 Board Members, 31 were present and there were 18 proxies.



Delegates at the 1st Plenary Session

Secretary General's Report by Hiroshi Kusaka

MR. President and fellow members:
It is my pleasant duty to report on our Association's activities since the London Conference two years ago. I would like to begin this report by expressing the deep appreciation of IAPH to all the officials and staff at the Port Klang Authority for the excellent arrangements they have made for hosting this year's World Ports Conference of IAPH in Kuala Lumpur, Malaysia.



This is the first time for IAPH to meet in this fascinating country, which is rapidly modernizing without losing its traditional values. In fact, last night we gained an impressive insight into Malaysia's fascinating traditions at the Opening Ceremony and Welcome

Reception. Meanwhile, IAPH members from Malaysia - 12 Regular Members and one Associate Member - are making a valuable contribution to the Association. I would like to thank them

all for the strong support they have afforded us in the past and trust that their valuable efforts will continue in the future.

This morning we were impressed by the keynote address by Malaysia's Prime Minister The Hon. Dato Seri Dr. Mahathir at the Opening Session. I deeply appreciate of our host's efforts in making this possible. This Conference has had a great start and I know that all the delegates were deeply impressed by what Dr. Mahathir had to say.

This Conference in Malaysia is highly significant because it is here that our Association will make some very important decisions based on the recommendations to be made by the Special Task Force IAPH 2000, which was established two years ago in London. The work of the Task Force has involved not only the Task Force members themselves but also the President, the Vice Presidents, Members of the Executive Committee and the Head Office staff, as well as the outside expert whom IAPH hired to facilitate the work of the Task Force. Following the discussions made by the Board and Exco members yesterday, this matter will be fully discussed by all the delegates later in this session on the basis of the work carried out by the Special Task Force IAPH 2000. I believe the final recommendations will help ensure that the Association proceeds in a realistic and effective direction in the future.

Membership: As outlined in my written Report, a total of 226 Regular Members with 749 units subscribed and 109 Associate Members (112 units) were with us as of 30 April 1999. The Association has had its ups and downs during the past two years for various reasons, some of them financial. We must admit that some of the members are questioning the tangible benefits they derive from IAPH membership as against the cost involved. It is quite natural for our members to make a 'value for money' assessment when they receive the bills from our office every year.

In an organization like IAPH, which is funded by membership dues for all expenses needed for carrying out the work of the Association, all the activities must be pursued from the viewpoint of such an assessment.

What I would like to stress here is that, besides the benefit which you may expect to derive from belonging to IAPH, the value which IAPH can provide its members and the port community at large should include a value of

enhancing the overall efficiency of ports, in particular through helping our friends from less developed ports by working together through the activities of IAPH.

Another of our activities which I consider highly important for the further development of IAPH is to deepen the ties of communications with our counterparts on an international basis. It is my belief that, the deeper we understand our friends who live in different countries with different cultures and traditions, thus, we should be able to contribute to world peace through getting to know people in different countries better.

As you know well, IAPH is not a commercial body, but is a non-governmental and non-profit-making international organization with members representing ports, big and small, developed and developing, with the prime goal of providing a forum for its members to assist with each other in pursuing their collective interests on a long term basis rather than within a limited period of time. Since the Association's inception, IAPH members have supported this philosophy and accepted a range of roles to further benefit the entire membership in their numerous capacities, including committee activities, hosting conferences or committee meetings and representing IAPH at various international meetings, at considerable cost in terms of time and money. If our members had insisted on equal treatment and payment, it would have been difficult for IAPH to become what it is today.

IAPH Activities: Since the London Conference, ably led by President Smagghe, all our officers and committee members have been extremely active in pressing on with the work programs. I wish to thank all these hard-working activists for their selfless efforts and for the support of the individual port organizations they represent.

I would also like to thank the British Ports Association and our European Representative Mr. Alex Smith, who will be officially succeeded by Mr. van der Kluit of Rotterdam after this Conference as well as those who have served in their capacities as IAPH representatives for their sterling performance in representing our Association at the various meetings of UN agencies or at other international maritime meetings. These officials have all contributed greatly to increasing the world's understanding of ports, the roles they play and how they benefit the citizens of the communities concerned by providing

employment and otherwise boosting the respective regional economies.

International Cooperation: Besides the IAPH aid programs, such as IAPH Bursary Scheme or the Award Scheme, IAPH has co-sponsored, along with PMAWCA and PMAESA, the first African Ports Seminar, which was held in Mombasa in January 1998, hosted by the Kenya Ports Authority and supported by IMO. Subsequently, the first IAPH Seminar on Electronic Commerce, organized by the Trade Facilitation Committee, was held at the World Trade Center in Barcelona in November 1998. Moreover, on the initiative of Mr. Pieter Struijs, 3rd Vice President of IAPH and Vice Chairman/Executive Director, the Port of Rotterdam, an IAPH African/European Seminar was organized by the Port jointly with MarineSafety Rotterdam (MRS) in January 1999 in Rotterdam. Furthermore, IAPH committees have met in various cities on the initiative of the chairmen or other activists supported by the organizations they represent. I would like to express my deep gratitude to the generous hosts of those meetings. My heartfelt thanks also go to Dr. Someya, 2nd Vice-President from the Nagoya Port Authority for his support given to me and my staff as a resident IAPH officer.

Personally, this will be the last report to the Conference, as I am planning to step down from the post after completing 12 years of service since I was appointed at the Seoul Conference in 1987. As some delegates might have to leave before the final day of this Conference, I would like to take this opportunity to express my heartfelt thanks to you all and to the members at large for the support and guidance that I have been afforded in support of the work of IAPH. In connection with my retirement, I am very pleased to inform you that, at the meeting held yesterday, the Board appointed Dr. Satoshi Inoue, as my successor as Secretary General of your Association. Dr. Inoue is already known to you as an Exco member representing Japan's Ministry of Transport, which he left in March this year. In this connection, I am grateful to President Smagghe for backing my recommendation of Dr. Inoue as my successor. The newly-appointed Secretary General and the Tokyo Secretariat staff will be constantly striving to expand the Association's services to meet the requirements of IAPH and other ports throughout the world as well as preparing to face the challenges of the 21st century. Your continued guidance and

support will be highly appreciated.

Conclusion: Finally, I would like to express my thanks for the support and cooperation that you have afforded me and my staff throughout my tenure as

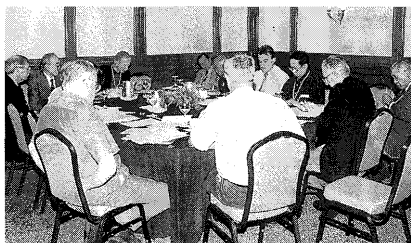
Secretary General. It was an invaluable experience for me to serve your Association.

That said, you have not seen the last of me yet! I am your Secretary General

until the end of this Conference and will work hard to make it a success – with your generous assistance and guidance, of course. Thank you.

Finance/Budget/ Membership

IN Malaysia, due to the vacancy in the post of the Membership Committee and because the issues to be handled by the Membership Committee are closely connected with those which are to be reviewed and considered by the Budget/Finance Committee, the joint Membership/Budget/Finance Committee meeting was held on the morning of Sunday 16 May, chaired by Mr. George Murchison (Long Beach) and attended by members of the Committees concerned, the officers and the Secretary General and his staff. After an extensive examination of the financial and membership reports, which had been submitted by the Secretary General, the joint meeting agreed to recommend to the Board that the Settlement of Accounts for 1997/1998 and the Budget for 1999/2000 be accepted and, further, that they be presented to the First Plenary Session.



Finance/Budget and Membership Committees jointly met on Sunday morning (16 May)

Special Task Force IAPH 2000

THE President noted that the Task Force had been established in London in 1997. Sincere thanks were extended to the Task Force's Chairman (Mr. Dominic J Taddeo) and the respective members of the Three Working Groups (Messrs. Malcolm Ravenscroft, David Bellefontaine and Geoff Vazey).

Report on Survey of Port Reforms by Mr. Ravenscroft (ABP): Mr.

Ravenscroft summarized the key findings of the Institutional Working Group on privatization in the port sector. Based on information derived from the questionnaire, the survey underlined the rapid but uneven spread of privatization and port operations. Mr. Ravenscroft reported that the opportunity was taken to expand the survey to include the opinions of members on the functioning of IAPH. While there was appreciation of the Association's value for networking, technical information and commercial intelligence, there were some reservations about the cost and value of membership.

Final Report of the Task Force by Chairman Taddeo

A copy of the reports by Mr. Ravenscroft (on the survey results) and by Chairman Taddeo was sent to all IAPH members from the Tokyo Head Office in late June together with the General Report outlining the major decisions taken as a result of the 21st IAPH Conference.

In particular, Mr. Taddeo, who chaired the Special Task Force IAPH 2000, commented on the philosophy and functions exhibited in the final recommendations comments, "This, in my opinion, already exists and has existed for a long time, as otherwise IAPH would not have survived. There is a wealth of knowledge and information at Headquarters, and we will continue to build on this strength".

SUMMARY

- The mission statement updated and modernized.
- The Head Office is to remain in Tokyo and the European Office is to be enhanced.
- The title of Secretary General will



M. Ravenscroft



Dominic J. Taddeo

remain and the Board will continue to appoint him.

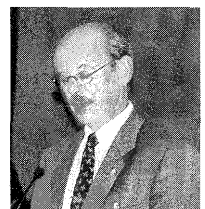
- The Asian Region will now be known as the Asia/Oceania Region.
- The democratic process has been reinforced.
- Official caucuses, by regions, are to be established, chaired by regional Vice-Presidents.
- The Executive Committee has been streamlined from 33 to 22 Directors and members, elected democratically by the Board.
- The Executive Committee will hold a regular meeting every year in mid-October/early November.
- The role of regional Vice-President – Regional Exco has been enhanced.
- Regular of the Board of Directors meetings will be held on a yearly basis, referred to as the Mid-Term Board Meeting - in April/May of each year.
- A new Committee entitled "Long Range Planning/Review Committee" is to be created, which will become a permanent committee.

Technical Committees

I. Port Affairs Group

AT the behest of the First Vice-President, key features of reports of the following reports were highlighted by their respective chairmen: **Dredging Task Force** (Chair: **Geraldine Knatz**, Long Beach); **Port Planning and Construction** (Acting Chair: **V. Barakrishnan** of Port Klang); **Cargo Operations** (Chair: **Don G. Meyer** of Tacoma); and **Port Safety, Environment & Marine Operations** (Chair: **Peter C. van der Kluit** of Rotterdam).

Attention was drawn by the Dredging Task Force Chair to the need for ports to be involved in the deliberations of the London Conference and the Dredged Material Guidelines (Townsville in 2000); the need to



Peter van der Kluit

update the IAPH Port Guidelines to include port finance projects; port productivity and the Y2K problem; and ballast water management and port safety education and training. A full report of the DTF Chair is introduced below.

2. Trade Affairs Group

AT the behest of the Second Vice-President, key features of the following reports were highlighted by the respective chairmen: **Trade Policy** (Acting Chair: **F.M.J. van de Laar**, on behalf of **G.C.G. van den Heuvel**, of Amsterdam); **Ship Trends** (Chair: **Bernard Coloby** of Le Havre); **Combined Transport & Distribution** (Chair: **Hans-Ludwig Beth** of Hamburg) and **Trade Facilitation** (Acting Chair: **Santiago Milla**, on behalf of **Emili Arbós**, of Barcelona)

Attention was drawn to the increasing importance of electronic commerce (technical and legal aspects); the growing size and speed of ships and the size and organization of shipping companies; the likely outcome of a book on Combined Transport and Distribution featuring case studies; and the results of a policy study of short-sea shipping.

IAPH Information Technology (IT) Award 1999

Following the report on the results of the IT Awards 1999 by Mr. Santiago Milla, Acting Chairman of the Trade Facilitation Committee, the presentations of the IAPH IT Awards 1999 were made to the representatives of the

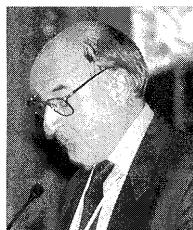
recipients' ports or institutions. The prize winners in both categories were as follows:

First Category (applicants from ports):

- The Gold Award: Port Klang Authority
- The Silver Award: Ports and Railways Authority, Israel
- The Bronze Award: Port of Tallinn, Estonia



F.M.J. van de Laar



Bernard Coloby



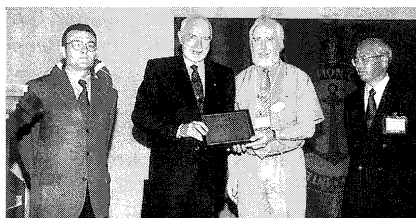
Hans-Ludwig Beth



Santiago Milla



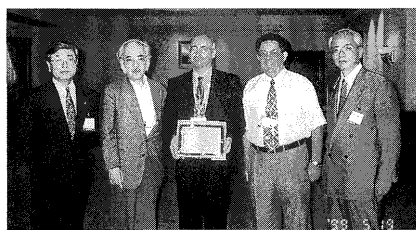
Datin O.C. Phang (2nd from right), representing the **PKA**, receives the gold plaque in the IT Award 1999 from President Smaghe



A bronze plaque in the IT Award is presented to the **Port of Tallinn** (from left): **Milla**, **Smaghe**, **Meister** (Tallinn) and **Someya**

Second Category (applicants from academic institutions)

- The Gold Award: Texas Transportation Institute, USA
- The Silver Award: Napier University of Edinburgh, UK
- The Bronze Award: World Maritime University of Malmö, Sweden



Silver plaque was presented to the **Ports & Railways Authority, Israel**. (from left), **Dr. Inoue**, new Secretary General, **Mr. Kondoh**, **Mr. Y. Bassan**, **Mr. Y. Miron**, both from Israel, and **Dr. Someya**.



Professor A. J. Baird of **Napier University of Edinburgh, UK**, the recipient of the silver plaque (2nd category) in the IAPH IT Award (right) and IAPH Deputy Secretary General **Kondoh**

3. Human & External Affairs Group

AT the behest of the Third Vice-President, key features of the following reports were highlighted by their respective chairmen: **Human Resources** (Chair: **Goon Kok Loon** of Singapore); **Legal Protection** (Chair: **Bruno Vergobbi** of Dunkirk); and **Port Communications** (Acting Chair: **Alex Kabuga** of Kenya) Committees.

Attention was drawn to the need to attract essays of greater depth by raising the value of IAPH prizes; the importance of making greater use of the Legal Committee; and the need to improve awareness of the place of ports in the wider community.



Goon Kok Loon

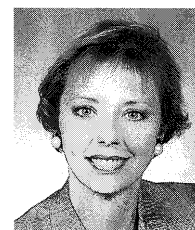


Alex Kabuga

Report by Geraldine Knaz Chairperson IAPH Dredging Task Force

FOR those of you who are unfamiliar with the work of the Dredging Task Force, let me explain that one of the primary jobs of the Task Force is

to represent the interests of IAPH at the London Convention, an international treaty body that deals with ocean dumping. Some of you may be more familiar with the previous name of the treaty organization which was the London Dumping Convention. IAPH is there to ensure that no modifications are made to the Convention to prohibit or limit the disposal of dredged material in the ocean. As we have heard this morning with the ever increasing ship sizes ports continually need to dredge their channels. IAPH's goal is to ensure that ports continue to have the ability to dispose of dredged material at sea as it typically is one of the lower cost options



for disposal of dredged material.

The Task Force is dealing with several issues currently on the agenda at the London Convention.

1. First is the definition of de-minimus level of radioactivity allowed in material to be disposed of at sea. In 1993 the LC was amended to prohibit the disposal of radioactive wastes. But all wastes including dredged material have some levels of radioactivity. Therefore, the Convention recognized the need to define a de-minimus level or background level of radioactivity for materials that are allowed to be disposed at sea. IAPH's position is to ensure that LC does not establish a level that would anyway affect the ability to dispose of dredged materials in the ocean - in fact we want to ensure that radioactivity does not even become an issue in the disposal of dredged material in the ocean.

2. Second major issue is the review of the dredged material assessment guidelines which is scheduled for London Convention meeting in May 2000 in Townsville, Australia. This is one of the most important issues facing IAPH at the London Convention. The U.S. delegation is preparing the first draft of those guidelines. I will be requesting Dredging Task Force members to review this draft when I receive it. Also IAPH will coordinate with the International Port and Dredging Organizations, i.e. PIANC and WODA on the review of these guidelines between now and the meeting in May 2000.

In addition to these two items, the Committee also discussed IAPH's involvement in a conference titled "The Development of Marine Pollution in the Asian Pacific Region" which will be held one week prior to the London Convention meeting in May 2000. This conference, scheduled for May 8-12, will deal with several international Conventions and addresses such issue as dredging, port wastes reception facilities, ballast water management. One day of this Conference will be scheduled as a port day which will focus on port issues.

One final remark, I would like to all IAPH delegates to understand that it is important for each of you to try and influence your national delegations that attend the London Convention. Most national delegations are made up of government staff from environmental agencies. There is little or no port interests represented. So it becomes very important for each of you to talk with

your representatives in your home country, especially before 2000 meeting when the dredging material guidelines are up for review. It will make the work of the IAPH Task Force much easier if we had the support of the national delegations from countries with major port interests.

IAPH/IMO Interface Group: Report and Recommendations

CHAIRMAN
Pieter
Struijs, 3rd

Vice President of IAPH from the Port of Rotterdam, outlined the activities performed by the Group since the London Conference two years ago. The Chairman recalled that Group activities were widely reported in "Ports and Harbors". He then referred to the following matters arising from IMO's Committees:

Facilitation Committee: The Chairman focused on the Group's attention to the need to address the subject of standards of training and qualification of port marine personnel, taking account of the operational differences between ports in developed and developing countries. It was pointed out, that in so far as IMO was becoming ever more insistent on the highest possible standards for shipboard personnel, shipowners might reasonably expect that high standards would also be applicable in ports. The development of these should be carried out jointly by the Port Safety and Environment and Human Resources Committees of IAPH.

Legal Committee: The Group noted the outcome of the Diplomatic Conference on Arrest of Ships, organized jointly by IMO and UNCTAD, from 1 to 12 March 1999. IAPH's Committee on Legal Protection had previously submitted position papers clarifying the unique position of ports in the arresting process, reminding delegations of the need to mitigate adverse consequences for ports.

It remains clear, however, that it will be essential for ports to lobby their respective Governments to ensure that, as and when legislation is being prepared consequent to the results of the



Pieter Struijs

Diplomatic Conference, it will be inclusive of measures to protect ports' interest.

VTS in Ports: Mr. van der Kluit reported on discussions held with IALA VTS Committee participants as to the suitability of the revised IAL VTS Manual in providing guidance on VTS for smaller ports. He felt that it would serve that purpose.

The Millennium Bug: Previously circulated were:

- IMO Circular Letter No. 2121 of 5 March 1999 and attachments
- A draft Memorandum on the background to a proposal for a Year 2000 Safety Protocol
- A draft Year 2000 Safety Protocol
- A draft Statement relating to the proposed Year 2000 Safety Protocol

The Group generally recognized the vulnerability of the maritime transport industry to the consequences of potential Electronic Date Recognition (EDR) failures prior to, on or after 1 January 2000.

The Chairman briefly described the background to discussions with maritime transport industry sectoral organizations culminating in a meeting at IMO Headquarters in March 1999 which led to IMO's decision to issue Circular Letter No. 2121 of 5 March 1999 to all Member States and Organizations with consultative status. The Group agreed that the Code of Good Practice included in IMO's Circular Letter, if implemented, would help reduce the risks of possible EDR failures. It was therefore agreed that an appropriate Resolution be submitted by the Group for general acceptance by the Plenary Session of the 21st IAPH Conference.

Mr. Smith reported on the background to the preparation of related documentation dealing with a proposed Year Safety Protocol designed to remove the fear of possible litigation stemming from the Year 2000 problem, where, for example, ports, terminals and shipowning interests, even when adhering to the prudent safety measures included in the Code of Good Practice, might in some circumstances lay themselves open to claims for delay.

In discussion, it was repeatedly stressed that each port or terminal was responsible for its actions during the critical periods. Whilst the key issue was seen to be reliability, there could not be a 100% guarantee against EDT failures. Checks had to be carried out making the fullest possible use of the questionnaires attached to the Code of

Good Practice.

The most that IAPH could do was to make members aware of the implications of the Year 2000 problems and possible remedial solutions.

The Chairman drew attention following previously circulated reports on the IMO meetings:

MSC70; STW30; DSC4; DE42 and LEG 79 and IMO's following meetings scheduled within 1999;
MSC71; the 81st session of the Council; TECH47; MEPC43; FAL 27; NAV 45; LEG 80; The 21st Assembly; the 83rd session of the Council and the 21st Consultative Meeting of the Parties to the London Convention

Report and Recommendations by the Liaison Officer with IMO

Mr. Alex Smith referred to his written Report and invited attention to the fact that the thrust of the IAPH/BPA Agreement on Representation is to provide IAPH with a presence in Europe from which it would be possible:

- to conduct a continuing review of the proceedings and work programmes of such UN Agencies as may be located in the Region, so as to apprise IAPH members of activities likely to impinge on their operational interests; and
- to make contact and establish networks with other non-governmental international maritime organizations so as to facilitate IAPH's wish to derive benefits from such contacts including jointly co-ordinated action in pursuit of mutual interests.

The extent to which these commitments have met with success may be judged from the many reports on the operation of the Agreement which have been provided to members since its inception. His perception, however, is that the implementation of the Agreement has developed from established and close relationships which have enabled IAPH to stamp its expertise and representational authority on a wide range of subject areas.

Mr. Smith continued to report on the activities involving the UN Agencies including IMO, UNCTAD and UNEP. In particular, in his written Report details of the activities of IMO which are related to the Technical Committees of IAPH are outlined. As this must be the last report for him to the Conference in his capacity as IAPH Liaison Officer with IMO and IAPH's European



Alex Smith (left) acknowledges the deep gratitude of IAPH by President Smagghe for his long time service to IAPH.

Representative, he thanked the officers, chairmen and the staff members both at the BPA and at the Tokyo secretariat. He also thanked Mr. Toru Akiyama, a Secretary General Emertius, who is now 94 years old in his Tokyo home for his foresight which had been shown in earlier years

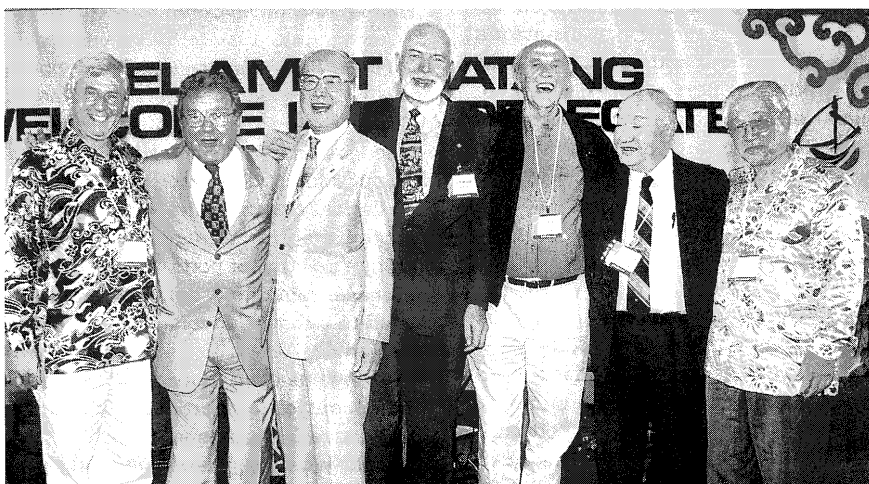
Following the report by Mr. Alex J. Smith, IAPH Liaison Officer with IMO and IAPH European Representative over many years (officially since 1981), President Smagghe thanked Mr. Smith for his long service and dedication. His successor, Mr. Peter van der Kluit had been nominated and officially appointed to this position in Malaysia. Mr. van der Kluit is attached to Marine Safety Rotterdam (MSR).

To make the transition work go smoothly, Mr. Smith will remain at the London Office until the end of June 2000, and during this period, Mr. Smith will keep on serving IAPH on various matters, including attending the regional meetings in Africa.

Technical Visit and Social Functions

The delegates enjoyed Malaysia – the warm hospitality of the people and the colorful arrangements for the evening functions, designed to enable them to see and experience both the traditional and the modern Malaysia. Starting from the Welcome Cocktails for Early Arrivals at the Mines Beach Resort (held on Saturday evening, 15 May), the activities consisted of a Kuala Lumpur City Tour for the participants and accompanying persons and, of course, the **Opening Ceremony and the Welcome Reception** at Taman Lake Titiwangsa (Sunday evening, 16 May), a Countryside Tour for the accompanying persons (Monday, 17 May) and a Chinese Dinner at the Malaysia International Exhibition & Showroom (Tuesday, 18 May).

During the course of the evening, President Smagghe called the attention of the participants to the fact that six Honorary Members of IAPH were present at the Conference, and they were asked to come up to the stage. They were Mr. Howe Yoon Chong from Singapore, a former President of IAPH (1975-1977), Mr. Jacques Dubois from Le Havre, the host of the 1979 Conference of IAPH in Deauville and now Mayor of Sainte Adresse; Mr. Fumio Komura from Nagoya, a former Vice-President and the host of the 1981 Conference in Nagoya; Mr. Robert Cooper, the immediate past President of IAPH (1995-1997) from Auckland; Mr. A.J. Smith, IAPH Liaison Officer with IMO/IAPH European Representative (1981-1999); and Mr. Hiroshi Kusaka, Secretary General (1987-1999), who was retiring after the KL Conference. The Conference partici-



Honorary Members (from left): Messrs. Cooper, Dubois, Komura, Smagghe, Smith, Howe and Kusaka

pants were thus reminded that the status IAPH currently enjoys owes a great deal to these people who led the Association in the '70s, '80s and upto today.

Technical Visit to Westport, Port Klang

(Wednesday 19 May 1999)

IAPH participants upon arrival at Westport, Port Klang, were briefed by Datin O.C. Phang, the Conference Chairman and General Manager/CEO of Port Klang Authority on Port Klang as the premier gateway to the country, its history and growth pattern, the role of the authority after privatisation of port operations and the facilities and services available, while Datuk G. Gnanalingam, the Terminal Executive Chairman of Klang Multi Terminal, Westport, Port Klang made a case study presentation of Westport. The participants were then treated to a lunch at Westport's premises and tour of Westport's facilities and an optional tour to the Vessel Traffic Management System (VTMS) Control Tower of Port Klang.



A warm welcome awaited IAPH participants at the Westport, PKA on their technical visit: Participants are shown a video of the port activity.



At the visit to the Westport, Mrs. and Mr. Cooper and Mr. Kusaka were pictured together.

their friends, with heartfelt thanks to their hosts in Malaysia and in the hope of meeting again at the next Conference in Montreal in 2001. All in all, IAPH's global family confirmed its commitment to keep working together for the further development of the Association's membership.

Canada Evening

On the evening of the same day, all delegates and accompanying persons were guests of the Port of Montreal Authority, the host of the 2001 Conference of IAPH in the Grand Selangor Ballroom of the Sheraton Subang Hotel & Towers in Kuala Lumpur. The evening given the title "Colors and Flavors of Canada", impressed all the participants with its uniquely original shows performed by Canadian dancing groups and a bagpiper together with delicious food and wine, all shipped from Canada. It was one of the most impressive social functions and a good opportunity for our Canadian friends to promote the next



A scene from Canada Evening: Mrs. Miki is pictured with Mountain Police officers (picture by courtesy of Mr. S. Miki, Osaka Port Corporation)

biennial IAPH Conference in Montreal in two years' time.

Gala Dinner

The gala dinner and dance hosted by the Port Klang on the evening of Friday, 21 May turned out to be another memorable night. It was attended by all the officers, old and new, and the other Conference participants who had spent hectic but very rewarding days in Malaysia. Some presentations and the recognition of certain individuals by President Smagghe and of the host port's top officials, including Conference Chairman Datin O. C. Phang, took place on that occasion. It was the time for people to bid farewell to



At the gala dinner President Smagghe commended three ladies; Ms. Chong Choon Yin and Datin O.C. Phang of the KPA, and Ms. Kimiko Takeda of the Tokyo Head Office.



Mr. and Mrs. Smagghe with Japanese delegates at the gala dinner

Summary of the Working Sessions

of the 21st IAPH World Ports Conference, 15-21 May 1999 Kuala Lumpur, Malaysia

Global Trade Through Port Cooperation

Peter J. Rimmer

In an attempt to convey the essence of IAPH's broad agenda examined at this Conference, the Tokyo Head Office had arranged for Dr. Peter Rimmer from the Australian National University to be present at the Conference and to prepare summaries of the respective sessions. Dr. Rimmer's report summarizing the presentations in the respective Working Sessions of the Conference is introduced hereunder.



K EY words: alliance, IT (Information Technology), Y2K millennium computer bug, ICM (Integrated Coastal Management), offshore transshipment hub.

The theme of the 21st World Ports Conference of the International Association of Ports and Harbors (IAPH) held in KL, Malaysia, 15-21 May 1999 was *Global Trade through Port Cooperation*. In addressing this broad theme the business programme comprised a keynote address by The Hon. Dato Seri Dr Mahathir Mohamad, Prime Minister of Malaysia; a special session

featuring Dato' Haji Othman Rijal, Secretary-General, Ministry of Transport Malaysia; and six working sessions. Panels of speakers in the working sessions were drawn from a cross-section of the transport and logistics industry. The speakers pinpointed trends likely to evolve in the new millennium and their effects on ports. These trends ranged from changes in the structure of the shipping industry through a quantum leap in information technology (IT) to progress in safeguarding the port environment.

Covering 15 km by 50 km in area, this major project encompasses the twin Petronas Towers of the KL City Centre, the new administrative capital of Putra Jaya and the KL International Airport and possesses cyber laws and the latest in IT. Already, almost 300 IT companies — 30 world-class — have received MSC status and will undoubtedly stimulate the Malaysian economy. As Port Klang is in close proximity to the MSC it is expected that IT innovations will contribute to its greater efficiency. Indeed, Port Klang is to be promoted by the Government as a load centre and transshipment hub — part of Malaysia's overall thrust to become a regional transport hub. This strategy is integral to Malaysia's national recovery plan from the economic downturn in 1998 brought about by the currency crisis that reduced the country's growth by 6%. As 1% growth in GDP is expected in 1999 and 5% in 2000, Malaysian ports will enjoy better times. A crucial role in

the port sector's growth will be played by government-private partnerships. Although world currency trading outstrips global trade 20 times over, there would be no currency trading without global trade through port cooperation.

SPECIAL SESSION

Challenges in the Current Economic Environment

Dato' Haji Othman bin Mohd Rijal

Secretary-General, Ministry of Transport, Malaysia

IN 1998 Malaysia felt the full effects of the East Asian economic downturn. By August 1998 the *ringgit* had depreciated by 40% and the stock exchange had declined by 72% on pre-crisis levels. On 1 September 1998 selective monetary exchange controls were introduced. These have had a positive effect on consumer and investor sentiment. As the continued recovery of Malaysia's economy is dependent on an export-led strategy, the port sector plays a critical role in the National Economic Recovery Plan. Much emphasis in the Seventh Malaysia Plan (1996-2000) has been given to developing Port Klang, Penang, Johor, Kuantan, Kemaman and Tanjung Pelapas (opposite Singapore) in West Malaysia and Sandakan, Lahad Datu, Bintulu, Rajang and Kuching in East Malaysia. Anticipating general trends in international shipping towards larger container vessels, the Malaysian Government has consciously sought to position Port Klang as a hub port in the region by providing infrastructure ahead of demand. This strategy is supported by: (a) Malaysia's strong cargo base (3 million TEUs); (b) cost-efficient terminal operation (tariffs last revised 1963); (c) excellent intermodal inland connections (all parts of Malaysia can be reached by rail, road and sea in 24 hours); (d) apposite geographical location to attract transshipments from north of the Straits of Malacca to the Bay of Bengal; (e) viable and conducive commercial environment through paperless transactions and establishment of Free Commercial Zones to encourage transshipments; and (f) abundant business advantages to be a distribution hub (e.g. business-friendly government, world-class IT, strong intra-Asian connections etc.). Government actions to bolster Port Klang's hub port status include: (a) meeting with main line

KEYNOTE ADDRESS

**Y.A.B. Dato' Seri
Dr Mahathir bin Mohamad
Prime Minister of Malaysia**

MALAYSIA has always been a trading nation. Seaports are vital to Malaysia's economic growth because they handle 90% of the country's annual trade flows, valued at US\$140 billion. The Malaysian Government is developing Port Klang as its principal port. Secondary ports are also being established at strategic locations. Numerous measures have been adopted successfully to attract shipping to Port Klang including the relaxation of cabotage policy, foreign equity requirements in shipping agencies, one-stop administrative facilities and various changes to the total port operating environment. Looking ahead, Malaysia is promoting the Multimedia Super Corridor (MSC).

operators to persuade them to increase calls; (b) incentive schemes for feeder ships; (c) a National Feeder Shipping Company; (d) inland ports; (e) aggressive marketing campaigns; (f) appropriated berth schemes; (g) land bank; and (h) a one-stop agency. By 2003 Port Klang should be one of the world's top-ten ports.

WORKING SESSION I

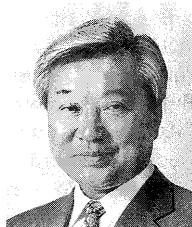
Changing Structure Within the Shipping and Port Industries

Globalization in Liner Shipping

Makoto Ishii

Executive Vice President, Mitsui O.S.K. Lines

LINER shipping has been transformed since the mid-1980s by the globalization of the world economy created by the internationalization of production and its key elements (funds, people, resources and techniques). Asia has increased its production capacity to serve the major consumption centres of Europe and North America. Significant changes in trade structure between the mid-1980s and mid-1990s stemming from the establishment of regional production centres and supply centres within Asia have tripled shipping volumes. The increased volume and expanded trade routes have raised customer requirements for faster, punctual, frequent, reasonably priced services covering a wider range of ports supported by accessible information systems. An added momentum to this process was the U.S. Shipping Act, 1984, which accelerated worldwide deregulation in liner shipping. This globalization of liner shipping has been achieved through larger ships and an associated reduction in the number of carriers, improvements in service quality and the strengthening of competitive capacity, and merger and acquisition and/or strategic alliances. Alliances for the joint deployment of vessels were forged to spread financial risks, create superior services and to forestall an oversupply situation. The original globe-spanning alliances were established by 1996 (e.g. Mitsui joined with APL, Orient Overseas Container



Line and Nedlloyd to form the Global Alliance in 1994). Further merger and acquisition led to a regrouping of alliance membership (e.g. Mitsui joined with APL and Hyundai in the New World Alliance in 1997). Only Evergreen Shipping Corporation and the Mediterranean Shipping Corporation operate outside these arrangements. The alliances, however, are still troubled by erratic variation in freight rates and returns stemming from imbalanced outbound and inbound cargo flows to and from Asia (100:50), and seasonal fluctuation in cargo traffic (25 per cent between peak and slack). The cooperation of shippers is sought to eliminate trade lane and seasonal variations to stabilize freight rates.

Consolidation in the Maritime Industry and its Effect on North American Trade: A US East Coast Study

Desmond Tamaki

Singapore Office

The Port Authority of New York and New Jersey

(On behalf of **Lillian Borrone**, Director, Port Commerce Dept.)

CONSOLIDATION in the ocean shipping industry has affected the distribution of trade volume between carriers and ports. Alliances have centralized capital to build bigger, deeper draft vessels leaving the ports to invest in channel and berth deepening to accommodate them. The bigger the customer the stronger is their clout in obtaining port services. Concentration of volume within alliances and mergers (de facto alliances) has magnified their bargaining power. If one line decides to change terminals or leave a port the effects can be disastrous. This increased bargaining power is seen in inter-port competition: Antwerp versus Zbrugge, Hamburg versus Bremerhaven and between North American East Coast ports from Halifax to Miami. The danger is that immobile ports invest heavy sums while mobile alliances do not invest anything. The quintessential example of alliances wielding power is the Port of New York and New Jersey's (PONYNJ) negotiations with the Maersk/Sea Land Alliance that accounts for 20% of the port's cargoes. Also Charleston has lost cargo to Savannah with a shift in Grand

Alliance services, and new transshipment hubs (e.g. Freeport, Bahamas) threaten South Atlantic ports. Carrier alliances will continue with their volumes increased by the proposed US Ocean Shipping Reform Act. On major routes there will be five or six major shipping lines and alliances are likely to control 75% of cargo. Already alliances have gained too much power over stevedores, terminal operators and port authorities. Ports need to respond through consolidation. Although the Delaware Ports and Los Angeles/Long Beach ports have not consolidated there has been success with PONYNJ, Hampton Roads ports and the proposed Houston/Galveston merger. Assuming they would unhindered by anti-trust legislation and differing priorities, ports can also form alliances (e.g. USEC ports). To facilitate this process IAPH should build a data base on facility leases, develop a program for training port executives in negotiating and establish an ad hoc committee to monitor progress.

Changing Structure within the Shipping and Port Industries

James S. Tsien

Executive Director, Hutchison Port Holdings

FOUR long-term trends in the shipping industry reflect its response to the globalization of the world economy that has brought demands for higher levels of transport efficiency. These are: (a) the emergence of ever larger lines and alliances; (b) the use of ever larger vessels (up to 7,000 TEUs) making fewer calls on mainland routes, with the attendant requirement for more feeder services; (c) the creation of more door-to-door services to offer a complete logistics solution; and (d) the increasing use of computerized systems and information technology. Port organizations have responded with: (a) larger ports and terminal alliances; (b) global port hub and spoke networks; (c) expansion into intermodal and other ancillary services; and (d) the increasing use of information technology. These elements have been incorporated in Hutchison Port Holdings' (HPH) strategy which has involved moving from its Hong Kong beachhead in the 1980s to creating a South China hub which involves a network of feeder ports and a deepwater port at Yantian. As a single hub may not be enough, HPH has invested in 17 ports worldwide ranging from Asia

(Shanghai, Myanmar and Indonesia), Europe (Felixstowe, Harwich and Thamesport) to the Americas (including a transshipment hub in the Bahamas and ports at either end of the Panama Canal). Looking ahead, such global port operators will seek to expand their networks to meet the anticipated changes brought about by increases in the number of multimodal operators, mergers among shipping companies and the appearance of *mega-lines* operating 15,000 TEUs super-container ships and 4,000-5,000 TEUs feeder vessels. The new 'global ports' constructed on existing or new sites (e.g. artificial islands) would guarantee large volumes and have move rates of 500 or even 600 per hour. They would also provide super-tanker-like drafts and advanced technology (including information technology providing details on the location and status of cargo).

How will Feeder Operators View the Creation of Secondary Hubs: Will it Give Rise to Cooperation or Competition

Chan Tuck Hoi

Executive Vice-President, Regional Container Lines Group

AFTER reviewing the Regional Container Lines' profile, Asia's container feeder network is detailed, main and secondary hub ports identified and fifteen Asian feeder operators listed. Main hubs handle more than 50% of their throughput as transshipments, possess terminals accommodating 15 metre draft vessels and handle over 2 million TEUs (e.g. Colombo, Hong Kong, Kaohsiung and Singapore). Secondary hubs have yet to reach these thresholds (e.g. Port Klang and Pusan). As feeder operators have to offer clients reliable schedules, fast connections and economies of scale they expect hub ports to provide: (a) infrastructure giving quick shipping access for vessels up to 1,500 TEUs; (b) guaranteed berthing windows to match the schedules of main line operators; (c) assured productivity standards; (d) fast connections between feeder and mother vessels; (e) electronic data interchange and automation; and (f) low container handling costs. In turn, hub operations are affected by: (a) shifts in feeder patterns from port-to-port shuttles to 'loop' services; (b) the trend towards bigger container vessels which has resulted in medium-size ships being redeployed in

feeders; (c) the prospects for better earnings through 1999; and (d) over capacity in Asian port development as governments seek to develop national hubs. For hub ports to compete effectively they must possess: (a) a strategic position; (b) 24 hour services; (c) IT support; (d) additional hub services (e.g. cargo distriparks, bunkering etc.); (e) customized services; and (f) long-term service contracts. However, main and secondary hubs can cooperate in: (a) information technology and R&D; (b) sharing market information; (c) transferring business between each other according to their capacities; and (d) joint ventures, co-management and mergers between terminal operators. Decisions in selecting shipping lines and ports of call should be based on commercial requirements and on prices determined by supply and demand and not dictated by administrative or political considerations.

WORKING SESSION 2

Forging Ahead with IT in the Maritime Industry

CEFACT and its Implications to the Transport Industry

Santiago Garcia-Mila

Vice-Chairman, United Nations UN/CEFACT and International Co-operation Director, Port Authority of Barcelona

IN 1998 the United Nations Centre for Facilitation of Procedures and Practices for Administration, Commerce and Transport

(UN/CEFACT) was established as a partnership between public and private sectors. Previously, the body had operated within the Economic Commission for Europe but its new guise recognises that trade facilitation is a global not a regional issue. Past accomplishments have included the three-letter currency code (e.g. MYR for Malaysian *ringgit*), the Bill of Lading based on the UN Layout Key for trade documents and the EDIFACT standards for electronic data interchange. Under its new remit UN/CEFACT seeks to facilitate trade by making transactions easier, quicker and more economical. This goal is sought



through three strategies: (a) simplification — the process of eliminating all unnecessary elements and duplications in formalities, processes and procedures (e.g. the European Union's Single Administrative Document or SAD); (b) harmonization — the alignment of national formalities, procedures, operations and documents with international conventions, standards and practices (e.g. the International Maritime Organisation or IMO Convention on the Facilitation of International Maritime Traffic or FAL Convention, 1965); (c) standardization — the process of developing internationally agreed formats for practices and procedures, documents and information (e.g. EDI standard). Many UN/CEFACT recommendations relate to the maritime industry (e.g. Codes for Ship's Names, Measure to Facilitate Maritime Transport Document Procedures, Simpler Shipping Marks and UN/LOCODES, a coding scheme for ports and other locations). Most of UN/CEFACT's work is carried out through six working groups entitled: Business Process Analysis, Code, EDIFACT, International Trade Procedures, Techniques and Methodologies and Steering. To achieve UN/CEFACT's long-term vision of simple, transparent and effective processes in global commerce the organization seeks: (a) to reduce bureaucracy and increase transparency by attacking cumbersome administrative and commercial procedures; (b) create better data flows through electronic commerce by contributing to the EDIFACT standard for electronic data interchange; and (c) develop a network of supporting institutions by coordinating with other international organizations and supporting local bodies.

Achieving Service Excellence through the Use of IT: Capitalizing on IT to Improve Efficiency and Productivity

George Hsu

Vice-Chairman, Evergreen Marine Corporation (Taiwan) Ltd

THE transport of a container from A to B by a shipping line relies on the collective efforts of more than twelve parties. These have been progressively integrated through information systems to provide seamless transport. Initially, Evergreen had developed a container control system to position containers over the world and to keep inventories

at ports and internal container depots at low levels. Over time telexes and faxes have been replaced by computer systems to reduce the reporting time from days to hours. At Evergreen these systems have been replaced, in turn, by a proprietary global communications network that enables information to be exchanged by e-mail and voice line. Evergreen's Intranet System links its worldwide offices and agents — the change from telexes to e-mail saving \$US4 million per year. The Intranet has a file transfer protocol which permits the transmission of both bill-of-lading and container movement data — saving US\$600,000 a year on computer systems. Also the Intranet provides access to a bill-of-lading data exchange control manual, global equipment information, an e-mail address book, instructions on performing specific tasks, the office network, reefer services, routings, schedules and compliance with Y2K. In addition, the Evergreen Internet Homepage offers three interactive applications: cargo tracking, bill-of-lading instructions and printing and on-line bookings.* Evergreen Marine, like other major shipping companies, wants all ports, customs, terminal operators and shipping agents inter-linked through integrated information systems.

*(<http://www.evergreen-marine.com.tw>)

Y2K — The Port's Perspective

Christine Williams

External Affairs Director, TT Club

BOTH high and low level contingency planning are required by ports to cope with the Y2K problem. High level contingency planning needs to be centred on A Code of Good Practice which recognises the obligation to avoid or minimize the effects of Y2K malfunctions such as congested waters or the curtailment of cargo operations. The Code also recognises that such prudence could be discouraged by legal action between shipowner and the charterer on the grounds of deviation or delay as well as by commercial/contractual pressures on port authorities and terminal operators not to delay vessel or cargo movements. Consequently, the Y2K Safety Protocol is required. The



Protocol is designed to protect those following the Code of Good Practice from legal liability and commercial pressures by acquiring the agreement of major transport agencies, obtaining the understanding of the judiciary and creating a protective climate by the consent of the above agencies. Essentially, the *Protocol* encourages pursuance of the Code, provides protection against legal action for deviation and delay, counters commercial pressures, and is a major force in reducing the Y2K threat. The *Protocol* will protect both those who have followed a responsible Y2K remediation program and those who have not. The latter must be encouraged to follow the *Code of Good Practice* as they pose the greatest threat. Insertion of a Y2K *Incorporation Clause* in charterparties and bill-of-lading gives contractual agreement for use of the *Code of Good Practice*. Low-level Y2K *Contingency Planning* recognizes the need for specific actions, before and after the 'Y2K critical period'. Thus Contingency Planning, incorporating the *Code of Good Practice*, the Y2K *Safety Protocol*, the Y2K *Incorporation Clause* and *Specific Y2K Contingency Planning*, is the last — and probably the most important — action to be taken.

Nurturing IT Capabilities to Support Container Port Operations

Eric Lui

Executive Vice-President (Information Technology), PSA Corporation Ltd

THE application of IT is a recent phenomenon in the maritime industry. It was not until the early 1980s that shipping lines exchanged ship stowage profiles and loading instruction with the port authorities. In 1991 the first international EDI for ship stowage occurred. International messages between port and land transport operators are also gaining acceptance in Europe and the USA. Another relatively new development is the application of computers to control container handling processes (previously restricted to keeping inventories and document processing). The advent of the Internet and other IT applications has quickened the pace of



change. Ports with IT are in a fortunate position but those without core competencies will need to move quickly by buying port operating software driven by one computing system. Such software has to permit the addition of basic modules covering the primary needs of a container terminal: electronic documentation, gate operation, terminal planning, terminal operation, equipment maintenance, performance reports and invoicing. PSA Corporation's CITOS 1 meets these requirements and is incorporated in its contracts with ports in China (Dalian and Fuzhou), Brunei (Muara), India (Pipapav and Tuticorin), Yemen (Aden) and Italy (Voltri Terminal Europa and Vecon). Once the port has a software backbone, an IT infrastructure — covering networks, applications and standards — can be added. Also the port must nurture its IT capabilities. This is not an easy task as task-oriented port managers are not necessarily compatible with ambitious IT professionals. One resolution of this problem is for the port to affiliate with a company with strong IT capabilities and second staff for port projects. Once projects are completed staff have the opportunity to return to the parent company or join the port. Given the imminence of the new millennium it is important for ports to set up a taskforces to itemize all computer applications to ensure that they are Y2K compliant and develop contingency plans (including a standby system for major ports). Any failure in computer applications could cause a chain reaction across the whole maritime transport network.

Electronic Date Recognition and the Year 2000

Pieter Struijs

Executive Director Shipping, Rotterdam Municipal Port Management (IAPH Representative Inter Industry Group)

WILL ports still be operational at the turn of the century? Y2K — the millennium problem — will affect data recognition in 2000. This will not only affect IT systems controlling administration, planning and information but also embedded chips controlling systems (e.g. cranes and vessels). 99-date should create no problem in a software environment. 00-date is critical in an IT environment as time does influence embedded systems which, in turn, affect port safety. The average ship has

100 embedded systems of which 70 may be *millennium-ready*. Of the rest 80% can be made *millennium ready*. On average, six functions per ship can fail but it is not known which will fail — nautical operations, cargo handling, or ...? Thus a port handling 150 ships could expect to experience 900 malfunctions. Being *millennium-proof* is not a feasible proposition. All we can talk about is being millennium ready. Shipping companies have done all they can to steer ships through the year 2000. The risk of Y2K is at transfer points. Port authorities have to ensure ports are operational and maintain a responsible level of safety. Port managers have to ensure terminals and intermodal connections are functional. Thus the Y2K situation is full of uncertainty. Any production breakdown associated with the millennium can have global repercussions. There is no guarantee that ships are millennium-ready. Insurers have not provided undertakings or certificates. Clearly, ports need

to do their own 'self check' to decide if a ship is acceptable. The critical 28-hour period will be from 2000 hours on 31 December 1999 until 0200 hours on 2 January 2000 (i.e. includes two hours reserve time at beginning and end). During this time ports have to ensure that their internal communications systems (administrative IT and embedded software), admittance policy and non-port calamity organizations are millennium-ready. If a ship is admitted the port must ensure there is no breakdown of infrastructure, nautical operations or auxiliary land operations. The admittance policy is the port's own responsibility. Interested parties at an IMO meeting in London recently produced a 2000 Code of Good Practice and key elements of Y2K contingency plans for ships, ports and terminals for member governments to adopt. Enforcement is the responsibility of the shipowner/master. If the ship is not millennium-ready it should not be admitted during the critical period.

Solidarity of African Ports Through Development and Opportunities in the New Millennium

K.D. Boateng

Director-General, Ghana Ports and Harbours Authority

MANAGEMENTS of African ports face a host of challenges stemming from advancements in IT, economic globalization, trade liberalization and the trend towards larger ships. If these challenges are to be met there is a need to identify areas in which African ports can work together. Since 1972 there have been three sub-regional port management associations in West and Central Africa, East and Southern Africa, and North Africa respectively. These sub-regional associations have contributed to modest improvements in ports (e.g. port statistics, administrative procedures and computerization). An African Ports' Symposium was established in 1981. Clearly, the next logical step would be to create an African Ports Association, which could develop policy guidelines and strategies to promote both international and intra-regional trade. A suggested agenda for such an African Ports Association would be to: (a) generate policies for enhancing the competitiveness of *port charges* and eliminating areas of waste by computerising port facilities; (b) coordinate *dredging* to reduce siltation at low draft wharves by reducing the cost of mobilization and by sharing dredgers between ports; (c) advance *intermodal transport* by supporting development of an integrated transport network — Trans African Highways, railways, land bridges and inland waterways — to open up the continent; (d) promote *intra-regional trade* which would encourage the development of a coastal shipping industry; (e) share experiences of privatization/increased *private sector participation* among African ports and assess their relative merits; (f) mitigate *marine pollution* by determining the appropriate location of reception facilities and vessel traffic services to clean up spills and through participating in the work of national and international agencies particularly on port state control; and (g) bolster *staff training and development* by using the port training school in Benin and exchanging port personnel.

WORKING SESSION 3

Port Development and Management — Changing Trends —

Oman Ports — Development of the Region's Sea Transport Network

Eng. Jamal T.T. Aziz

Director General of Ports and Maritime Affairs, Ministry of Communications, Sultanate of Oman

OMAN is turning to privatization to develop its ports into a fully integrated sea transport network to sustain a more diversified economy based on industries reliant on natural gas and services (e.g. maritime insurance for Indian Ocean Rim Association for Regional Cooperation). The Oman Government has drafted policies to encourage private sector involvement through long-term concessional agreements and build-operate-transfer schemes. However, a Ports Development Board will be required to ensure a smooth transition of port administration from public to private ownership and to plan and coordinate industrial and free trade zone (FTZ) development. The Board will create an effective intermodal transport network, and evaluate, establish and implement

levels of government participation and funding of port development projects. It will also monitor and review ports and customs regulations, and recruitment and the training of locals. The Board's organizational structure will include port authorities, end-users and the government-subsidized Oman Centre for Investment Promotion and Development. Oman will be relying on international expertise for the operation and management of its ports and related FTZs for optimum usage and upgrading of assets. This policy has led to the commissioning of Salalah as a world-class container port. The port has signed a 30-year concession agreement with the Maersk/Sea Land Alliance, which is expected to yield 600,000 TEUs per year. Currently, the port has a capacity of 2 million TEUs but an additional 18 million TEUs capacity will be added. Other ports include Port Sultan Qaboos located in Muscat, the nearby industrial, multipurpose Sohar Port (intended to replace Muscat's Mina Al Fahal oil terminal), Qalhat Port and Port Khasab destined to serve a new FTZ. Thus Oman seeks to capitalise on its strategic maritime position in the Indian Rim. Coupled with its stable political system and sound financial situation, Oman is in a strong position to attract foreign investment to develop its heavy gas-based industries and tourism.

Australian Ports: Developing Innovative Solutions to Stay Ahead

John Hirst

Executive Director, The Association of Australian Ports and Marine Authorities Inc.

AUSTRALIA is a major trading nation with over sixty significant ports. Newcastle (coal), Dampier and Port Hedland (both iron ore) are major bulk ports, and Melbourne and Sydney are the largest container ports. Loading and unloading rates for bulk commodities (iron ore, coal, sugar and wheat) are equal to the world's best practice. Most ports are State-owned and regulated, corporatized and unsubsidized. Some are privatized. All are represented by the Association of Australian Ports and Marine Authorities (AAPMA) which seeks to provide leadership and proactive representation on a value-for-money basis. As ports are State responsibilities, Australia has no national ports policy. However, the Federal Government does undertake international responsibilities. At IMO, the Australian Maritime Safety Authority represents the Federal Government and is responsible for port state control. Coordination is achieved through a Federal/State Ministerial Council. Key innovative approaches by Australian ports include: (a) a consultative and collaborative relationship with government; (b) active participation in IMO; (c) robust implementation of port state control; (d) positive stance against ballast water pest incursions; (e) development of contingency plans for the Y2K problem; (f) participation in formulating state navigation regulations (e.g. Dynamic Under Keel Clearance system which gives more operating hours and maximises tonnages); and (g) participation in the Federal/State government commissioned report into *Measures to Promote the Effectiveness of Australia's Container Ports* which seeks to resolve conflicts between financial requirements and the trade facilitation role of ports and to end the adversarial nature of labor relations on the waterfront. Australia also has concerns about the increasing amount of legislation and regulation produced by the IMO in a reactive manner. The leadership, consultative and proactive presentation and value-for-money provided by AAPMA should be mirrored in IAPH's activities, particularly in representing the views of ports at IMO to safeguard them against misguided regulations. Such proactive representation would be

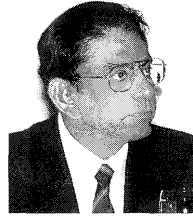
the greatest value that a member can get from IAPH membership.

Indian Ports Towards the 21st Century

Dr. Jose Paul

Chairman, Mormugao Port Trust

INDIAN has twelve major ports controlled by semi-autonomous port trusts that function as partial monopolies and 181 minor/intermediate ports working under ten maritime state jurisdictions. An analysis of port operations and management has revealed ten problem areas: (a) high idle time at berth; (b) frequent breakdown of obsolete cargo handling equipment; (c) inadequate berth and channel dredging; (d) absence of round-the-clock working patterns in three shifts of 8 hours duration; (e) lack of commitment to ensure all 365 days as working days; (f) failure of national Customs Department to adopt a working culture oriented towards the commercial needs of ports as business enterprises; (g) the need to integrate port and trunk railways for better operational efficiency; (h) inadequate financial and administrative autonomy of port trusts; (i) rigid institutional framework of port trusts; and (j) lack of statutory and legislative support to make major ports function as business enterprises. Simultaneously, major ports are experiencing internal competition from 22 commercially significant ports and external competition from Colombo, Singapore, Hong Kong in the east and Dubai, Aden and Salalah (Oman) in the west. This changed market environment, coupled with the above catalogue of shortcomings, raises questions about the continued suitability of India's port organizations. A change from public to private ownership deserves consideration only if it leads to greater efficiency. As minor and intermediate ports are not partial monopolies they can be developed on a build-operate-transfer basis with private sector funding (e.g. Pipavav port in Gujarat). Given the weak competitive environment of India's major ports they would be better kept under public ownership and restructured as corporate enterprises because, like British Rail, there is a danger that privatization would be a political but not an econom-



ic success. Before imaginative public-private partnerships can modernize Indian ports and increase their capacity, a raft of managerial and operational, legislative, statutory, and regulatory reforms are required.

Keeping Ports in the US West Coast Innovative — A Road Map to Prosperity and Growth

George M. Murchison,

Commissioner, Port of Long Beach

THE need to keep US West Coast ports innovative stems from the marked growth in international container traffic stemming from their proximity to



George Murchison (right) receives a memento from the Session Chairman Taddeo, following his presentations.

Asian manufacturing centers and their extensive intermodal connections across the United States which save eight days over the Panama route. West Coast ports have adopted a variety of strategies to meet the escalating demand for container movement and the introduction of larger ships, which require deeper water, more storage and larger terminals. In *Southern California*, Long Beach has opened Hanjin's Pier A, acquired naval land for Pier T, undertaken a landfill project, completed on-dock rail on 5 of its 8 terminals and separated truck/rail traffic. Los Angeles has built APL's Global Gateway South, undertaken a landfill project, completed on-dock rail at its Terminal Island Transfer Facility (1998) and Yang Ming terminal. In *San Francisco Bay*, Oakland has plans to dredge to 15m and, as part of its 2000 Vision, will develop terminals 120 and 125 on ex-navy and railroad land. In the *Pacific Northwest*, Seattle has opened APL's Global Gateway North, expanded Terminal 18 and renovated Terminal 91. Tacoma has expanded Hyundai's terminal, completed Terminal 4 for Evergreen and developed near- and on-dock railyards. Growth in intermodalism is reflected in the Alameda Corridor from LA/Long Beach that consolidates the tracks of three different railways and the FAST Corridor between Seattle, Tacoma and Everett developed as part of the Pacific Northwest railbridge. Gate efficiency

has been increased at all ports and terminal improvements effected (e.g. flex hours, night gates, EDI and container tracking by satellite). Labor relations have been enhanced by coalitions with labor terminals, carriers, railroads and truckers (note Seattle's World Class Port Coalition). Future challenges to US West Coast ports stem from the uncertainty of the Asian economy and its impact on the United States, and the challenge from East Coast ports marketing the alternative Suez Canal route to Asia.

Conventional Cargo — Fastport Standards

Datuk G. Gnanalingam

Executive Chairman, Kelang Multi Terminal Sdn Bhd Westport

THERE is an urgent need for port operators to use new technology and to computerize their conventional facilities. This will ensure fast and efficient discharge of break bulk, liquid bulk and dry bulk cargoes. It will lead to lower waiting time for vessels at the port and more savings for shipowners and ship operators. With the right technology, conventional facilities at a port could be paper-less, people-less and procedure-less. By mechanising conventional facilities, grain carriers, for example, can save US\$10 per tonne due to a faster discharge time. Ships can be chartered for fewer days and can reduce their waiting time at ports. Although most goods are now containerized conventional cargo facilities should not be overlooked, particularly in developing countries where the split between containerized/non-containerized cargoes is 65:35 compared with 80:20 in developed countries. As a *fastport* for conventional facilities, Kelang's Westport, for example, can unload 300 tonnes of break bulk cargo per hour (i.e. on a par with Kobe). For liquid bulk Westport can discharge 600 tonnes per hour using the open and closed tap system whereby liquids are piped directly from ships to importer's tanks on land. Westport can unload 800 tonnes of dry bulk per hour using a sophisticated conveyor belt system and its berth can accommodate post-panamax vessels. *Fastport* standards increase productivity and cargo owners get quick returns from the reduced discharge time. Complementing Westport's *fastport* status is its container throughput which is expected to increase from 480,000

TEUs in 1998 to 840,000 TEUs in 1999 due to an increasing number of shipping lines using its facilities. Nine super-panamax cranes serve Westport's container handling terminal with an outreach to cater for the fifth generation of post-panamax vessels. Mainline operators calling at Westport are increasingly using it as a transshipment base because of its ample container yard area, competitive rates and links to the national road-rail network.

Reassessing the Role of Port Authorities in the 21st Century

Drs Theo Notteboon and Prof. Willy Winkelmans

Department of Transport, Economics & Policy, University of Antwerp

SUCCESSFUL port authorities, like successful actors, must constantly invent new roles (i.e. core competencies) to cope with the changing market environment. Since the 1970s the environment within which ships operate has changed from: (a) an economic system based on economies of scale in production through standardization, and mass consumption of standard products (fordism); to (b) one directed toward economies of scope and flexible organization through cooperation in economic networks (post-fordism). As consumers in the new era demand greater variety, product cycles are shorter and transport flows affected by smaller batch sizes. To meet the changed market environment production companies adopt flexible, multi-firm organizational structures on a global scale. Their logistics strategies involve: (a) outsourcing production of components; (b) value-added logistics (e.g. customising products in distribution centres); and (c) outsourcing transport, warehousing and distribution. Outsourcing encourages logistics service providers to engage in supply chain management leading to: (a) vertical integration by providing global logistics and door-to-door solutions using dedicated terminals, liner-owned agencies and inland transport; and (b) horizontal integration and cost leadership through technological innovation and increased scale of operations reflected in alliances, mergers and acquisitions. Port management strategies have to be reassessed to accommodate large port clients, secure investments and deal with possible drawbacks from load centering stemming from the perverse relationship between

supply and market prices, unfair distribution of costs and benefits of load centering, and diseconomies of scale in load centres. Efficiency-oriented ports can gain a competitive advantage in the post-fordian era through differentiation based on developing durable and inimitable core competencies rather than cost leadership. Port authorities can gain core competencies through: (a) value added logistics and logistics polarization (e.g. flexible labor conditions and smoothing customs); (b) development of powerful information systems; and (c) active participation in planning or implementation of new intermodal transport services. Port networking strategies are feasible with satellite locations and inland terminals, overseas ports and neighbouring ports. Collaboration with neighbouring load centres, however, is difficult.

WORKING SESSION 4

Global Trend in International Trade and Its Impact on the Marine Industry

ASEAN Towards Global Competitiveness

M. Supperamaniam

Deputy Secretary-General (Trade), Ministry of Trade and Industry, Malaysia

SINCE 1985 ASEAN had enjoyed a decade of phenomenal economic growth. Its heavy dependence on export markets, foreign direct investment (FDI) and technology, however, left it vulnerable to changed global economic conditions. The East Asian crisis has compelled ASEAN to rethink its position in dealing with the rest of the world. The turmoil has undermined economic confidence in the region and has pushed ASEAN to strengthen its economic interdependence through greater economic integration. As outlined in the Hanoi Plan of Action adopted at the Sixth ASEAN Summit in 1998, top priority in alleviating the region's current woes is to increase trade and investment within the grouping. Member states have responded by deepening their commitment to the ASEAN Free Trade Association (AFTA) both to promote intra-regional trade and attract FDI. AFTA's main mechanism for producing greater market competition is the Common Effective Preferential Tariff which envisages an across-the-board reduction of tariffs of 0-5% by 2002 in

Brunei, Indonesia, Philippines, Malaysia, Singapore and Thailand, 2006 in Vietnam, 2008 in Laos and Myanmar and 2010 in Cambodia. Other initiatives include agreements on: (a) an ASEAN Investment Area (AIA) designed to encourage FDI by progressively removing all barriers to investment by 2020; and (b) ASEAN Services which provides for a freer flow of services by 2020. Additional trade facilitation measures cover intellectual property, information technology and customs. Sub-regional cooperation has been enhanced through three Growth Triangles straddling national borders. External cooperation has been pursued through dialogues with major trading partners (US, EC, Japan, Australia, Canada, New Zealand, South Korea and China). In the longer term the hope is that trade between ASEAN countries will lead to greater cooperation and efficiency in the production structure of member states and better prepare them for global competition. Then ASEAN products would be internationally competitive and the region more attractive to foreign investors.

World Trade Development and Its Impact on Global Logistics

Bill Loose

Partner, PA Consulting Group, UK

WORLD trade is driven by macro economics. Yet the volumes of specific movements of commodities in world are highly unpredictable. The current situation is aggravated by the 'banana' trade war with Europe, the economic crisis in South America, the likelihood of China's continued growth and the prospects of an ASEAN economic recovery. Also there is a range of millennium issues as few ports have undertaken business continuity planning or fault-tree analysis. Yet the millennium bug could reduce global GDP by 2% and compromise the global logistics chain by increasing movements in late 1999 and depressing them in early 2000. Although the rate of growth in both GDP and trade is declining an increase of 3.5% in trade still equates to an additional 6 million TEUs in 1999. Already the container trade has been growing at an average of 10% per annum. Longer-term developments impacting on global logistics include world population growth, e-commerce growth, an increase in 'fashion goods' and the pursuit of lower manufacturing costs leading to new trades and

increased volumes. Consequently, (a) market globalization will increase; (b) availability of information along the integrated supply line will be the key to success; and (c) intermodal logistics will increase. The major impact on inland transport will be a cost-efficient structure for multimodal delivery through more inland clearance facilities, major transport investments and a revival of the 'Silk Route'. To meet the gap between likely throughput and port expansion, many ports are moving from being an engineering enterprise to an information-based business using e-commerce, 'smart' grounding and scheduling of tugs, cranes etc., data warehousing and data mining, customer care programs and radio data terminals. As there is a need for container lines to become more profitable they will: (a) introduce bigger and faster ships; (b) develop transshipment hubs; (c) participate in port management; (d) eliminate agents and develop one-stop shipping; (f) enter alliances; and (g) engage in 'smarter working'. Further partnerships, mergers and acquisitions are anticipated.

The Course of the European Union in Asia-Europe Trade

Raffaello Tarroni

Executive Director, European Business Information Centre

THE European Union is assisting Asian countries to recover from the effects of the economic crisis. While most Asian economies are recovering much still needs to be done to rebuild the trade balance between Asia and the European Union (EU) affected by the economic turmoil since mid-1997. An examination of merchandise figures shows that the Asian crisis has had a greater negative impact on the region's flows with the EU than those with the US. Nevertheless, the EU's support for Asia through multilateral IMF programmes, multilateral agencies and trust funds has been greater than the US. Imports to the EU from Asia are outstripping exports. However, a fast restart of normal trade flows between Asia and Europe is unlikely. Nevertheless, the EU is maintaining its openness to the least developed countries. Also the EU has been working to remove external barriers to trade by replacing 6,700 national quotas with seven European-wide quotas (footwear, gloves, tableware/kitchenware, glassware, radio broadcast receivers and

toys). Outside suppliers of goods, services and investments have benefited from the EU's Single Market programme as much as member states. As a strong supporter of multilateral trade and the WTO's work programme, the EU has been translating the Uruguay Round agreements into action (e.g. liberalization of tariffs on textiles and reduction of those on agricultural and industrial products). Through the WTO the EU seeks to counteract dumping and subsidizing practices though this protection only covers 0.7% of its imports. Another issue in Asian-European trade is the EU's support for worldwide recognition of a minimum standard of protection for intellectual property rights embodied in the TRIPs (Trade-related aspects of Intellectual Property) Agreement. The Agreement has led to revision and improvement of systems for intellectual property rights protection, particularly with ASEAN, China and South Korea. Full compliance is expected by 1 January 2000.

Creating an International Customs Environment that Supports Global Trade

Dr. Leonid Lozbenko

Deputy Secretary-General, World Customs Organisation

AN independent, inter-governmental body with worldwide membership, the World Customs Organization's (WCO) mission "is to enhance the effectiveness and efficiency of custom administrations in areas of compliance with trade regulations, protection of society and revenue collection, thereby contributing to the economic and social well-being of nations". Areas of effort are: (a) trade rules involving development of a harmonized description coding system for goods, a World Trade Organization (WTO) valuation agreement and WTO rules of origin agreement; (b) institution building through the WCO Customs Reform and Modernization Programme; and (c) best procedural practices through implementation of the 1973 International Convention on the Simplification and Harmonisation of Customs Procedures (Kyoto Convention). Only 61 contracting parties have accepted the Body of the Convention and at least one of its 31 Annexes. Consequently, the 1973 Kyoto Convention is being revised to attract more participation by responding to the increased globalization of trade, new

transport methods, development of EDI and concern at the growth of transnational crime and security incidents. The aims of the revision are to increase the efficiency of customs, update provisions and change the system of entering reservations. Key features include formal consultations with the trade, simplification of customs procedures and introduction of a system of appeals against decisions. The general annex includes the principles modern customs must apply (e.g. maximum use of IT) together with a host of specific provisions. The Transit Annex covers procedures for transit, transhipped and coastwise goods. The revision's benefits are faster cargo handling and less congestion, removal of bureaucratic rules and protection against unreasonable customs action. The revision will be completed in June 1999 and amendments will come into force in 2000/2001. The WCO urges port and shipping administrators to bring the benefits of the revised convention to the notice of policy makers so that existing contracting parties accede to it and all non-contracting parties are aware of its national importance.

WORKING SESSION 5

Protection of the Marine Environment

Developing Eco-Friendly Ports: Steps Taken by China Ports

Prof Li Yu Ming*

Vice Professor, International Shipping Department, Shanghai Maritime University

AN examination is made of the handling, storage and distribution of bulk liquid chemicals by maritime transport in China. Four state-owned companies have 23 vessels for transporting bulk liquid chemicals. Over 23 ports are capable of handling these ships. The established ports at Shekou, Ningbo, Qingdao and Tianjin have been augmented by those on the Yangtze between Nanjing and Nantong. At Shanghai 17 warehouses handle more than 2 million tonnes of bulk liquid chemicals. The network of ports capable of handling bulk liquid cargoes is still growing with Dalian now being added to the list. Foreign vessels also play a prominent role in the transport of bulk liquid chemicals at Chinese ports. Given increases in the volume of movement, China has undertaken a series of

measures for preventing spills of noxious liquid substances moved in bulk. These include: (a) adherence to international conventions or codes (e.g. MARPOL 1973) and existing and planned domestic regulations; (b) the development of 'rubber hoses against static' to facilitate movements between ship and shore; (c) supervision and management of pollution prevention (e.g. the supervisory system at Shanghai); (d) the development of reception facilities at Chinese ports (e.g. tanks for polluted water containing chemicals and ship-sewage treatment plants); (e) provision for collecting volatile organic materials giving out toxic vapours on-board ship; (f) contingency plans for chemical accidents at ports (e.g. Shanghai's computer model for controlling source of danger in ports); (g) liability for compensation against loss caused by hazardous noxious substances (e.g. China has acceded to HNS 96 adopted by the IMO); and (h) the encouragement of scientific research on the safety of bulk chemicals and the technology of pollution prevention (e.g. code for design and construction of terminals handling bulk chemicals and the relationship between temperature and viscosity of substance and the technology of handling and storage).

(*Note: His presentation was not actually made due to his last-minute cancellation.)

Port Development and the Environment

Evert Wijdeveld

Chairman, Advisory Group on Safety & Environment Affairs, Federation of European Port Operators (FEPORT)

HARBOR works in Europe have a diverse history stretching over 4,000 years. Their specific functions can be distilled into three types — harbors of refuge, commercial and naval harbors. Also harbors can be classified by the way they are protected — natural, improved and artificial. The number and size of ports in Europe varies according to the length of coastline, extent of the hinterland and the industries served. Growth is expected in the crude oil, ro-ro and container trades but not in the dry bulk trades (except coal) and conventional general cargo sector. Thus, there is no general model for discussing port expansion and the environment. Given that European economies are expected to grow and there is an

emphasis on substituting short-sea shipping for some road transport (sustainable mobility), more space for port activities is required. There are two basic solutions: expansion in the direction of the sea; and 'inpanion' (inbreiden) involving the use of existing port areas in a more efficient way (e.g. round-the-clock). Both solutions have pros and cons. As there is no single solution to the problems facing ports, the European Commission has developed initiatives to deal with the negative effects of port operations on neighbouring populations and the environment. These include: (a) directives applicable to the port sector (e.g. HAZMAT-directive on reporting of cargoes on board ships before arrival); (b) other initiatives (e.g. Work Programme encompassing specific research, technological development and demonstration programmes in transport research; a Transport Research Programme to improve the efficiency of individual transport modes; and pronouncements in favor of short-sea shipping); and (d) an ECO-information project for European ports entitled Environmental Challenges for European Port Authorities which is designed to reduce environmental cost and competition between ports on environmental issues. Also, the Fifth European Framework Programme for Research and Technological Development (1999-2003) includes a number of key actions covering both sustainable mobility and intermodality.

Reducing and Mitigating the Impact of Increasing Port and Maritime Activities on the Marine Environment: IMO's Initiatives in East Asia

S. Adrian Ross

Senior Programme Officer, GEF/UNDP/IMO, Regional Programme for the Prevention and Management of Marine Pollution in the East Asian Seas

AN analysis of crude oil transport and distribution of resource regions highlights areas in East Asia sensitive and vulnerable to oil pollution (e.g. the number of shipping casualties in the South China Sea). Since 1994 an Integrated Coastal Management (ICM) Programme has been developed to prevent and manage marine pollution at national and sub-regional levels. Initially, an analysis was made of the degree of ratification of international

conventions relating to marine pollution in East Asia (including an assessment of the compliance costs and options of the Philippines domestic merchant fleet). Since 1994 ratification of international conventions/protocols has increased in East Asia from 34 to 63 in 1998, a network of legal professionals has been developed, and a legal information data base established. An ICM programme and development cycle has been created which is related to the agenda of international conventions covering sustainable development of the coastal and marine seas. ICM demonstration projects have been developed for: (a) Batangas Bay in the Philippines featuring public-private partnerships in waste management; (b) a sea-use zoning scheme in Xiamen, China (incorporating the protection of Chinese white dolphins); and (c) the Malacca Straits (environmental information system, environmental risk assess-

ment and tanker traffic accidents assessment). Achievements have been the creation of a shared data base; a process for assessing and managing trans-boundary marine pollution in sub-regional sea areas; and an estimation of the total economic value of coastal and marine resources. Remaining tasks include the need to develop policy and institutional arrangements for environmental management; a marine electronic highway to revolutionize navigational practices; and a sustainable financing system without compromising the Straits' international status. Regional capacity building includes training in ICM, workshops and conferences, equipment, publications, demonstration projects and public-private partnerships. Constraints include the narrow range of government instrumentalities involved and the failure to give ICM training in languages other than English.

ultra-large ships carrying more than 6,000 TEUs were introduced. Ships carrying 10,000-15,000 TEUs are envisaged for global liner alliances in the east-west trades which call at a 'necklace' of deep draft, offshore mega-hubs (e.g. Gioia Tauro, Mina Raysut in Oman, Freeport in the Bahamas and Manzanillo). The pros and cons of the next generation of ships and the required global pivot ports are now being debated. However, there are barriers within traditional liner mainports to increased ship size stemming from: (a) physical and environmental constraints (e.g. draft and land availability); (b) limitations on the number and deployment of cranes; (c) the need for custom-built handling and information systems; and (d) the high capital costs involved for ships and terminals. As it is unclear how large vessels will become, a questionnaire survey of carrier views was undertaken on next generation container ships. The results are based on the responses of 13 of the top-30 carriers. Over half of the respondents agreed that container ships would not exceed 10,000 TEUs but 15% suggested that 14,000 TEUs threshold would be breached by 2020. Almost four-fifths of the carriers agreed bigger ships would make fewer direct calls but less than one-half recorded container handling costs would be reduced. Two-thirds of respondents anticipated terminal productivity problems though less than one-half expected terminal congestion, longer ship time in port, and berth and channel constraint problems. Actions required by ports to handle larger ships focused on the provision of more and faster cranes and increased terminal stacking capacity. Clearly, some traditional liner ports will be unable to accommodate container vessels over 10,000 TEUs and withstand competition from offshore transshipment mega-hubs.

WORKING SESSION 6

Advancement in Technology and its Implications on Port Operations

Moving into the Digital Millennium: African Ports as a Case Study

Alexander Aziabu

General Manager, Port Autonome de Lomé

HARBOR associations in Africa recognize the importance of adopting all facets of the new communications and information technologies in port operations. Specifically, the Association of the Ports of Central and West Africa (l'Association Gestion des Ports de l'Afrique de l'Ouest et du Centre) has sought to develop information systems for electronic business (e-business). These systems will coordinate harbor operations and facilitate administrative, customs and commercial procedures. Already ports in Benin, Côté d'Ivoire, Gabon, Ghana, Nigeria and Togo have integrated computer systems. Also the ports of Abijon (Côté d'Ivoire) and Lomé (Togo) have Web sites. The Association seeks to inform members of new technological developments through its bulletin. Exchanges of experts and trainees are among other initiatives aimed at deepening regional cooperation in information technology across ports. In the

third millennium ('the digital millennium') African ports can be expected to develop comprehensive harbor information systems so that their clients can be engaged in all aspects of electronic business. Managers of African ports appreciate the challenge posed by the 'sixth continent' (cyberspace) and are willing to make use of all aspects of multimedia (text, image and sound) in their quest to build productive and efficient ports. Their resolve was reflected in Africa Ports 2000, the international conference held at the Port of Lomé in January 1999 which recognized ports were the 'lungs' of African economies.

Container Vessels of the Next Generation: Are Seaports Ready to Face the Challenge?

Alfred J. Baird,

Director

Maritime Transport Research Unit
Napier University, Edinburgh

A review of the literature on trends in container shipping since the 1970s highlights progressive increases in ship size. The early container ships could negotiate the Panama Canal. In 1988 vessels were introduced with dimensions too large for the Canal (panamax) but their number did not accelerate until the early 1990s. In 1996



The Palace of Golden Horses - the venue for the IAPH Conference

SECOND PLENARY SESSION

FRIDAY 21 MAY 1999

Closing Ceremony

THE Conference culminated in the Second Plenary Session (Closing Ceremonies) held on the afternoon of Friday, 21 May 1999. Following President Smagghe's opening remarks, **Mr. Hiroshi Kusaka**, who had served IAPH since 1977, delivered his farewell address. **Dr. Satoshi Inoue**, the newly-appointed Secretary General, delivered his inaugural address, which is introduced later in this issue, along with that of Mr. Kusaka.

Following the report and recommendations by **Mr. Anthony Morrison** (General Council, Office of Marine Administration, Sydney), **Acting Chairman of the Resolutions & Bills Committee**, the Second Plenary Session paid tribute to colleagues who had passed away in the preceding two years and observed a one-minute silence prayer in their memory. The Plenary Session expressed wholehearted thanks and appreciation to the host port, Port Klang Authority and their staff who had worked so hard to make the Conference a successful and enjoyable event.

Honorary Members Elected

In accordance with the recommendation by the Honorary Membership Committee chaired by **Mr. Patrick Keenan** (Port of Cork, Ireland), the Conference elected as honorary members

three individuals, namely **Mr. Jean Smagghe**, 22nd IAPH President, **Mr. Jean-Michel Moulod**, a former General Managing Director, Port of Abidjan and now Minister of Economic Infrastructure of Côté d'Ivoire, who served as IAPH Exco Member (1989-1998) and as Chairman of the Ship Trends Committee (1991-1998) and contributed towards the increase in the African members in IAPH; and **Mr. Hiroshi Kusaka**, who served IAPH as Deputy Secretary (1977-1987) and Secretary General (1987-1999). Mr. Kusaka was also accorded the title of Secretary General Emeritus.

New President, VPs Unanimously Elected

The assembly also unanimously elected a new President and three Vice-Presidents for the new term, as reported later (with photos) in this issue.

Presidential Citations

The outgoing President Smagghe, in office since the London Conference, bid farewell and thanked everyone for their support and cooperation, which had contributed to the advancement of IAPH in the international maritime community. In doing so, he presented plaques to the two retiring individuals and one organization, namely **Mr. Li Minggui**, former Secretary General, **The China Ports and**

Harbors Association (Shanghai), who had contributed by helping the Chinese members liaise with IAPH and had made efforts to bring new members to IAPH; **Mr. Philip Ng**, former **PSA** official, who had served as Chairman of the Port Planning and Construction Committee of IAPH and hosted Committee meetings from time to time as well as taking a major part in producing and updating the "IAPH Guidelines for Port Planning and Design"; and **the British Ports Association (BPA)**, headed by **Mr. David Whitehead**, Director, whose office delegated Mr. Alex J. Smith in his activities as IAPH Liaison Officer with IMO and also as our European Representative in London.

Mr. Dominic J. Taddeo, the newly-elected President, who presented the final recommendations in his capacity as **Chairman of the Special Task Force IAPH 2000**, and as **the host of the 22nd IAPH World Ports Conference** to be held in Montreal, Canada, from 19 to 26 May 2001, expressed his commitment to the furtherance of the cause of the Association and asked for members' continued support and cooperation for the increased benefit of all members and the industry at large.

The new President announced the members of the Executive Committee for the next term and Chairmen and Vice Chairmen of the restructured committees and groups, which are also listed later in this issue.

The presentations on the 23rd IAPH World Ports Conference to be held in Durban, South Africa in 2003 was made by **Mr. Mdu Nene**, General Manager (Marine and Technical) **Portnet**, **the host of the 2003 Conference**. **Conference Chairman Datin O.C. Phang** officially closed the week-long 21st Conference with her words of appreciation to the participants for coming to Malaysia and cooperating in making the conference such a successful one, and finally wished all participants a safe journey home.



Newly-elected 3rd Vice President Kornegay (2nd from left) was invited to join the officers at the head table.



Mr. Nene of Portnet, the host of the 2003 IAPH Conference, promotes Durban, South Africa at the Second Plenary Session.

Farewell Address by Hiroshi Kusaka the outgoing Secretary General

Thank you, Mr. President.



I must bid you farewell. As you know, I am stepping down as Secretary General at the end of this Conference and the Board has appointed Dr. Satoshi Inoue, as my successor.

I joined the Association in 1977 after retiring from Japan's Ministry of Transport as Director General of the 4th District Construction Bureau. Initially, I served as Deputy Secretary General under the late Dr. Hajime Sato. In 1987 I succeeded him into the position.

Over the past 22 years it has been a privilege to serve your Association. I have enjoyed outstanding support from successive Presidents, Vice Presidents, Committee Chairmen, Members, Liaison Officers, the Tokyo Secretariat, and many other people, including those who have already departed this life.

I have been fortunate in being involved at the heart of the Association's activities. I have attended biennial Conferences and mid-term Executive Committee meetings and other committees held in various port cities. This has allowed me to make many friends in ports across the world. Consequently, I have been the recipient of much valuable information and knowledge about the latest trends occurring in ports and harbors across the globe. These experiences have fulfilled my life.

My belief is that the Association's most important role is to assist our friends from ports in developing countries with technical information and know-how. In turn, this is part of the Association's greater role of contributing to overall port efficiency. Undoubtedly, this is IAPH's core philosophy. With 86 countries represented, the Association provides an unrivaled opportunity to deepen our understanding of different cultures and traditions. Through this knowledge of other peoples' backgrounds we are in a better position to be more generous towards others not only in the port industry but in society at large. If we can acquire these characteristics through our Association we can make a significant contribution through world trade to world peace.

Malaysia's unity through diversity illustrates my point perfectly. Indeed, I am most grateful to our host the Port Klang Authority headed by Datin O.C. Phang for the opportunity to experience the harmony between different social groups. Please join me in thanking them once more for their organization of the business and social functions and, above all, their warm hospitality.

Once more, let me hope that the Association will continue to progress in accordance with the new guidelines developed by members of the Special

Task Force IAPH 2000.

I wish my successor Dr. Satoshi Inoue well as the new Secretary General of your Association. I have every confidence Dr. Inoue and his Secretariat will be offered the same courtesy and support from Members that I have enjoyed during my term.

In closing, I would like to reiterate my thanks to all Members of the Association for making my term of office such a positive and enjoyable experience. Farewell friends but not good bye.

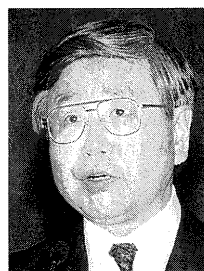
Address by the incoming Secretary General Satoshi Inoue

Thank you, Mr. President.

All the delegates, Ladies and Gentlemen:

I am inspired by the great honor of being appointed by Board members as the new Secretary General of your Association. I am grateful to Mr. Hiroshi Kusaka for kindly recommending me to Mr. President as his successor, after having made his tireless and sincere devotion to the development of the Association for more than two decades since 1977. Although I have been involved in development and management of a number of ports for more than 30 years both in Japan and many other countries, I know this is not an easy task and certainly would be very difficult to carry out without your support and guidance. With my deep appreciation of the trust that you have placed on me, I would like to commit myself to the challenging task and important duties of the Secretary General. Let me assure you that I will do my very best to keep your Association as active and efficient as possible through even closer relations with each of the members.

As fully discussed during this conference, the port industry is now undergoing rapid and drastic changes in its environment, including globalization of the world economy, progress of port privatization, advancement of information technology and rising global environmental problems. This is why IAPH as



the only association of world ports has come to play a more indispensable role than ever in clearly identifying and positively tackling problems faced by ports across the world today. With this critical role of the Association in mind, we, at the London Conference, created the IAPH 2000 Special Task Force with its mission to work out recommendations to further strengthen our Association.

Now that the final report from the Task Force has been approved as the first step of our continuous thrust, I, as your new Secretary General, am determined to make sure that progress shall be made properly based on these recommendations. At the Tokyo Head Office, together with our Deputy Secretary General, Mr. Kondoh and the other experienced staff, I should be able to work effectively to this end. On top of that, however, what I think is vital to the success of this thrust is nothing else but your continuing support and contribution to the activities of the Association.

Before closing my address, I would like to express my deepest appreciation to Dato Michael Chen, Chairman, Port Klang Authority, Datin O. C. Phang, our Conference Chairperson, and her capable staff of the Port Klang Authority for their tremendous efforts to make this Conference such a great success. I am quite sure that every one attending this Conference will go back to home with fruitful results of discussions and marvelous memories of Malaysia as well as that charming theme song of IAPH.

I wish you all yet greater success in business and private activities. Finally, I wish you a safe and comfortable journey home.

Thank you very much. Terima-Kasih.

Address by the outgoing IAPH President **Jean Smagghe**

Chairman Senator Dato' Michael Chen, Conference Chairman Datin O.C. Phang, Dato-Dato, Datin-Datin, Tuan-Tuan dan Puan-Puan, dear colleagues and friends, ladies and gentlemen,

My predecessors as President of IAPH all told me that the two-year term of office would be over in a flash. I can now confirm this fact in the light of personal experience at the end of this exceptional week.

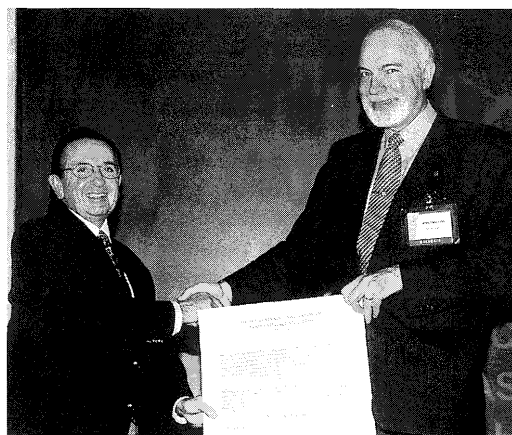
These past two years, during which I have had the benefit and privilege of your trust and your support, have seemed all the shorter from the fact that they have been very full.

I am particularly happy that my term of office as President is concluding with this exceptional Kuala Lumpur Conference, which has been an unquestionable success in professional terms, and has been organised in such a splendid manner by our Malaysian friends. The Prime Minister of Malaysia, the Minister of Transport, the Chairman of the Board of Port Klang, our distinguished colleague Datin O.C. Phang and every member of the Port Klang organisation team deserve our warm congratulations and our heartfelt thanks.

I have no time today to summarise this week of such intensive and enriching work. I would simply like to say that the numerous and outstanding presentations, as well as the following forum discussions we have had this week, have strengthened our conviction that our port industry, one of the driving forces of international commerce, is changing very quickly but that it certainly has a very promising future. The function of ports as hubs and logistic centres can only be strengthened in the years to come, while new forms to cater for the major economic changes in the world will be adopted.

The new technologies, particularly in the field of communications, call for increasingly sophisticated training. My feeling is that our Association has an essential part to play in this domain, in association with intergovernmental organisations, including UNCTAD, in promoting co-operation between ports.

I attended my first IAPH Conference in Amsterdam and Rotterdam in 1973, then representing the port of Bordeaux, a port where I also learnt something about wines. But I really became an active militant in favour of our Association during the 11th IAPH



The outgoing President Smagghe (right) receives an Honorary Membership Certificate from new President Taddeo

Conference in Le Havre, on which occasion I applauded the election to the Presidency of my friend Paul Bastard and became a member of the very active IAPH Dredging Task Force.

During the following years, I was substantially involved in the activities of the technical committees and was for a long time Chairman of COPSEC, before chairing the IAPH/IMO Interface Group. I would like to take this opportunity to thank the Secretary General of the IMO, William O' Neil, who has always encouraged this co-operation. It is with both satisfaction and pride that I am able to observe, as a result of the very hard work which has been performed by our technical committees over the years, that our Association holds today an unchallenged and well-deserved position vis-à-vis the IMO and other inter-governmental organisations.

However, during the past two years, I have also had to initiate reforms for the future of IAPH and I am extremely pleased that we have been able to set IAPH on a new track during this Conference.

The Kuala Lumpur Conference has been noteworthy for the major decisions which we have taken concerning the future of our Association, decisions which had become essential in order to give IAPH the overhaul it required at the dawn of the third millennium. Since the London Conference two years ago, remarkable work has been performed by the IAPH 2000 Task Force, led with conviction and determination by First Vice President Dominic Taddeo. May I thank again all the members of this task force for their unceasing efforts.

It is not easy to achieve a consensus in an international association where more than 80 countries are represented. However, we did it and I am convinced that we have selected the right options

which will enable the Association to implement a first but significant step to enhance its professional approach and respond to the expectations of both state-owned and private ports in the new millennium, while maintaining the spirit of co-operation and friendship between the ports of the world.

I would like to thank the French ports today. They are great supporters of IAPH and have been so for many decades. I salute their numerous representatives here in Kuala Lumpur, with a special word for their leader Claude Gressier, and I thank them all for their support

through the French Ports Association. I would also like to thank particularly the Port of Le Havre for its constant assistance since 1986, in particular in the person of José Perrot who has been assisting me with my IAPH tasks for more than twelve years with great competence and unwavering enthusiasm.

I must then express again my thanks to the Secretary General Hiroshi Kusaka and through him, I wish to thank the entire staff of IAPH, with special mention for; the untiring and quite remarkable Mr. Kondoh, who combines his professional qualities with those of a humanist and a man with a warm heart; the devoted Miss Kimiko Takeda, who has done so much work of great quality for so many years with kindness, devotion and efficiency; the most famous Scotsman in the world after Johnny Walker – I speak, of course, of Alex Smith, whom I congratulate for his long-standing devotion to the Association; and his successor, Peter van der Kluit, who has already done much splendid work as chairman of the technical committees and who has now accepted the weighty task of replacing Alex Smith as IAPH European Representative instead of devoting himself to the cultivation of tulips in his native Netherlands.

Finally, may I thank very sincerely the members of the Board and the EXCO for their assistance and the trust which they have placed in me, and particularly my good friends the three Vice Presidents Dominic Taddeo, Dr. Akio Someya and Pieter Struijs, all of whom are devoted to the cause of IAPH. Their assistance during the last two years has been of inestimable value, and their advice always opportune.

One last word of greeting then, together with my sincere thanks, to my predecessor at the wheel of IAPH, my friend, former President Robert Cooper,

and also to my friend and former European President, John Mather.

My dear Dominic, dear friend, *mon cher ami*, it is now my great pleasure to pass the presidential baton into your hand. There are several reasons for my pleasure:

- firstly, I hold you in great esteem as you are a courteous, warm-hearted man, strong on human relations, and possessing a gift for diplomacy which I greatly admire, something which will surely assist you in presiding over an international association which brings together members from so many different countries, with their different cultures and sensibilities;

- secondly, you are a port expert and manager renowned among your peers. (You have headed one of the largest North American ports with great success for many years, so you definitely know what you are talking about);

- thirdly, you have also had lengthy experience with the Association, for which you have accomplished outstanding work. (What is more, having dissected and analysed the way in which IAPH operates over the last two years, in the context of the IAPH 2000 Special Task Force, you are certainly in a better position than anyone else to succeed with implementing the major reforms which have been decided in Kuala Lumpur); and

- finally, you are an assiduous and efficient worker. This I have been able to gauge by working with you.

But I am also well aware that you have an enormous task ahead of you as, apart from anything else – I mean, simply managing your Port – for the first time in the history of the Association, the President in office will be responsible for organising the next Conference in two years' time. I wish you "bon courage, bonne santé et bonne chance" – the very best of luck – for, my dear friend, you will surely need it!

Ladies and Gentlemen, dear friends,

I have the greatest confidence in the success of your new President and I am happy to place our Association, IAPH, in such safe hands. I feel quite sure that President Dominic Taddeo will steer IAPH carefully round the jagged rocks of the year 2000 bug so fearfully predicted by some and lead our Association triumphantly into the exciting waters of the third millennium.

Please join me in giving the warmest welcome to the IAPH President for the year 2000.

Ladies and Gentlemen, dear friends:

My first words as your president are, as they should be, an expression of profound thanks to my predecessor, Jean Smagghe, for his leadership of our association over the last two years. He's been our intrepid captain, and the rest of us on the executive have been his crew.

Jean has brought us through sometimes uncharted waters to safe harbor here in Kuala Lumpur. Jean, my deep thanks to you, on my own behalf and on behalf of our colleagues from around the world.

Je tiens à exprimer dans la langue de Molière ce que je viens de dire dans la langue de Shakespeare. En tant que président, je voudrais d'abord exprimer devant vous mes sincères remerciements à mon prédécesseur, Jean Smagghe, qui a fait preuve d'un grand leadership dans notre association au cours des deux dernières années. Il a été un capitaine téméraire de nous, et les autres membres de la direction, avons été son équipage.

Même sur des eaux dont on n'a pas dressé la carte, Jean a su nous conduire à bon port, jusqu'ici, à Kuala Lumpur. Jean, je te remercie mille fois, en mon nom personnel et au nom de nos collègues oeuvrant partout dans le monde.

I also want to thank our gracious and generous hosts here in Kuala Lumpur, one of the most beautiful port cities, and one of the most dynamic regional economies anywhere in the world. We all know the challenges the Asia-Pacific economies have faced in the past several years—we've seen it in the re-deployment of seagoing capacity worldwide—but we are also confident that this economy, with its deeply rooted culture of commerce, with the conviction and renewed confidence of your people—we know KL and all of Asia will be back stronger than ever in the new millennium. And then, watch out for the Asian Tigers!

Inaugural Address by Dominic J. Taddeo

New President of IAPH

President and Chief Executive Officer
Port of Montreal Authority, Canada



It's with a deep sense of humility, and a profound sense of opportunity, that I begin this two-year term as president of the International Association of Ports and Harbors. I'm the first Canadian to be so honoured by your confidence, and as the grandson of immigrants to my country, you'll understand this is a proud occasion for

me.

As it happens, Canada will be hosting the next IAPH World Ports Conference, and the first of the new millennium, in Montreal in 2001. We are very excited about the prospect of receiving our colleagues from around the world two years from now. We promise you very constructive sessions, and the warmest hospitality we can possibly provide. We've already reserved an evening with the renowned Montreal Symphony Orchestra and its award-winning conductor, Charles Dutoit, and we've only just begun to work on the program.

I'm particularly privileged to be leading the IAPH into a new century and a new millennium. The twin slogans of our international association "World Peace Through World Trade" and "World Trade Through World Ports", have never been more appropriate or pertinent than now at the dawn of a new century.

World Peace is a fragile commodity, and is threatened by regional conflicts in areas such as the Balkans, which threatens not only the stability but the prosperity of the entire Adriatic and its ports.

If there is a lesson to be drawn from the history of maritime trade, it is that the world's ports have been sources and levers of peace and prosperity. From the Phoenicians to the Venetians, to the present day, world trade brings world peace. And today, more than ever, world trade is growing through world ports.

Today world trade is valued at \$6 tril-

lion a year, nearly a quarter of global output. About \$3.5 trillion of those merchandise goods move through the world's ports. That's 60 percent of global trade that moves through ports, the vast majority of them members of our worldwide association.

The world's ports move some 5 billion tonnes a year, and about 150 million 20 to 40 foot TEU containers.

Maritime shipping and ports have facilitated international trade and commerce since the dawn of civilization. But though our industry is the oldest agent of trade, we have always been agents of technological change.

Consider, for example, the change in our industry worldwide, just since the founding of our association in the mid-1950s.

Consider, each in our own ports and then globally, the impact of technological change, infrastructure improvements, productivity enhancements and communications.

Issues of infrastructure are raised by increased size of shipping capacity and displacements. Some of the big cargo ships of today's ultra modern fleet can carry more than 6,000 containers. These super carriers need enhanced water and land access in ports, they need new cranes to offload cargo, and new access roads to move it.

All of which means new infrastructure, within the context of sustainable development.

There are also lifestyle considerations where cities want to reclaim waterfront for redevelopment and renovation, which have also ushered in major changes in our industry.

In North America, the Inner Harbor of Baltimore, the heritage waterfront of Savannah, Georgia, and, of course, the Old Port of Montreal are good examples. Increasingly, societies are reclaiming space we have occupied, and we have to re-deploy our assets, as Antwerp has done in Europe.

On technological change, today's ships for the most part can be positioned and tracked by a continuous differential global positioning system, or DGPS, using satellite.

We can electronically read water levels in ports—in real time and on-line—to optimize loading of vessels. With integrated identification/recognition systems, we can even identify and match all containers loaded on to specific railcars.

The productivity story is a dramatic one. The modern port is completely changed from the mid-50s, when break-bulk cargo was handled by manual

labour—manually intensive labour. In today's modernized operations, shipping is integrated and intermodal. In my Port of Montreal, which handled 21 million tonnes last year, 42 percent of shipments were in TEUs, and 40 percent of those containers never touched the ground. They went from ship to flatbed to rail, directly to their destinations.

In communications, the electronic world has revolutionized ports, and eliminated middlemen and mountains of paperwork. Where the handwritten or typed manifest used to move from the freight forwarder to customs, the agent, the stevedore and the port authority, who would receive the paperwork two weeks before the shipment, it is now all done at the push of the "enter" button. There may be a world wide wait on the world wide web, but there isn't in worldwide ports.

While we are tracking and leading change in our own industry, we are exceedingly sensitive to macro-economic trends. We see the impact of issues such as the Asian economic re-structuring.

There are two trends we can be sure of — the continuing reliance of world trade on world ports, and the continuing pace of change. Change that even the inventors of change are slow to predict.

Here's what experts said about some revolutionary changes in the century now ending:

In 1943, Thomas Watson of IBM said: "I think there is a world market for about five computers." Of course, he was thinking mainframe. As recently as 1979, 99 percent of all the world's computer power was in mainframe, and today 99 percent is in laptops.

But in 1977, Ken Olson, the president of Digital Corporation, said, "There is no reason for anyone to have a computer in their home." Today, manufacturers are shipping about 70 million PCs a year. And the Internet, which had no commercial applications at the beginning of this decade, will have 400 million end users by the end of it.

In 1981, Bill Gates of Microsoft predicted: "640K of memory ought to be enough for anyone." Today, there is more power in your laptop computers than in the onboard systems that guided Apollo astronauts to the moon.

And in 1985, as AT&T was bringing the first cell phones to market, it predicted there would be one million of them in use worldwide by the year 2000.

In French, we have a saying: "*Méfiez-vous des experts.*" Beware of experts, even the best of experts.

Nevertheless, it's my job to try and

see a way ahead for the next two years. I would hope we can create a consensus on three achievable goals.

First, we want to enhance our communications, both internal and external, to members, stakeholders and the news media worldwide. More people need to know about the importance of ports to the global economy of the new century.

Second, we need to grow our association from our present base of 225 ports/organizations and some 110 port-related businesses in over 80 different maritime countries and economies. We have most of the primary ports on board, and we need to bring more of the secondary ones. In Canada, on the West Coast, Vancouver is a member, but Prince Rupert is not. On the East Coast, Halifax is a member, but St. John's is not.

In Italy, a G-7 country whose external commerce has been the lifeblood of the nation since the days of Marco Polo, we need to recruit members for our Association. There as elsewhere, in Asia, South America and the Middle East, there are new ports, with impressive growth, and innovative technology.

By the time we meet again in Montreal, I hope to report significant growth in our membership. I count on all our members to recruit on our behalf. It is in the enlightened interest of every port to belong to our Association.

Third, our research data base needs to be more adapted and updated to the needs of the members. It needs to be available on-line, all the time, in line with the recommendations of the task force in London in 1997. For example, the Secretariat has produced an excellent paper on the implications of deregulation in the U.S.

Some of the committees should be more involved on a more in-depth basis, with more from Headquarters in Tokyo. We need to regard it not just as a clearing house for information, but as a strategic resource for research.

There are other issues to be considered over the next two years. These discussions will not weaken the Association, rather they will strengthen it. We can create a strengthened alliance for global maritime commerce. And so I leave you with those thoughts. And with my thanks, for your confidence and for the great honor you have bestowed upon me.

Mrerci beaucoup.
Thank you very much.
Terima Kasih.

Closing Address by **Datin O.C. Phang** Conference Chairman



YB Senator Dato' Michael Chen,
Chairman of Port Klang Authority
Mr. Dominic Taddeo – IAPH President
Distinguished IAPH Exco Members
Distinguished Delegates
Ladies and Gentlemen

First allow me to congratulate the successful election of the President Mr. Dominic Taddeo, the 1st Vice President Dr. Akio Someya, and Mr. Pieter Struijs as the 2nd Vice President. Congratulations to Mr. Thomas Kornegay for his election as 3rd Vice President. Congratulations also to the other Exco Members of the various regions who have been elected to serve for the next two years.

Ladies and Gentlemen,

We have finally reached the end of the 21st IAPH Conference.

There is a saying that all good things must come to an end. We have reached the final part of the 21st IAPH Conference. We have reached the final part of the business activities of IAPH for the biennial meeting of IAPH Board deliberations, various meetings of the Committees under the umbrella of IAPH main body, and the Plenary Session. But this is not the end of the good things for IAPH. I like to believe and I am sure you will agree with me that the good work and joy of meeting together, working together for the benefit of the Port Industry and the related industries does not end here.

I am indeed relieved and happy that through the unflinching cooperation and serious effort on the part of IAPH Members gathered here, we have managed to conclude the Conference and the IAPH business successfully.

We have focussed during our deliberations on the direction and challenges facing the port industry in the era of the new millennium, under the theme "Global Trade Through Port Cooperation". I must say that the good things, the benefits that have been

achieved here are only the forerunner to better things that are in store for IAPH. This is because we have always worked together and through mutual cooperation brought about a better environment for the port industry to serve the needs of global trade.

We have learned from these deliberations that although we may not have all the answers we are in a better position to appreciate the implications more clearly now as a result of this Conference and ready to cooperate with one another for the benefit of all concerned.

All these achievements would not have been possible without the able direction and leadership of our immediate past President Mr. Jean Smagghe. I would like to congratulate the outgoing President Mr. Jean Smagghe on his tireless dedication and devotion to the cause of IAPH over the past few years. Mr. Jean Smagghe held office during a time when Ports faced increased competition from their neighbours and also from shipping lines who entered the business.

On the other hand Mr. Dominic Taddeo, the President of IAPH enters the arena during a period of uncertainty as to what the next millenium has in store. But what he lacks in height he makes up for it in energy and enthusiasm so we can be assured of a bright future for IAPH. We have no doubt that the our new President, Mr. Dominic Taddeo will lead us to greater heights through his dynamic approach and style of work which will ensure that IAPH will be capable of meeting the Challenges of the new era – the 21st Century. Under his leadership we can be assured that IAPH will continue its good work and with his relentless enthusiasm and style, IAPH will never be the same again.

Ladies and Gentlemen – this is the long and the short of it all.

I would once again like to express my sincere thanks to IAPH for allowing Port Klang to host this event. The Conference and Exhibition has given us in Port Klang a unique platform from which to show off our facilities and capabilities to a global arena. By being the 21st IAPH Conference Chairman, on a personal level, you have given me the opportunity and honour to be the first lady IAPH Conference Chairperson. Thank you IAPH for the confidence you have in the fairer sex.

We believe we have achieved our Conference Objective through the theme "Global Trade Through Port Cooperation" as the events were organized in a way that Port Klang became, for the short period, the 1999 IAPH Port of Call for the forging of:-

- Partnership
- Friendship
- Relationship and
- Membership (of which I have been

assigned the task to head the Committee)

We endeavored to ensure that your Port stay lived up to our client charter to provide Customer Care and Satisfaction. In organising this Conference we managed it as though we were handling cargo – the only difference is that this cargo talks!

As for my team the event has truly unleashed some hidden talents, increased team spirit and above all they expressed joy at the tasks in hand. We thank you for making this possible.

We must also not forget the silent but ever present foundation of IAPH – the people who work relentlessly and ensure that the IAPH machinery is operating efficiently. Our Japanese colleagues have once again proven their ability to support and ensure that all IAPH business is transacted in the most efficient manner. In this respect I must extend my heartfelt gratitude as organising chairman of this Conference.

This Conference is also sentimental to us for it is at this 21st IAPH Conference that Mr. Hiroshi Kusaka chose to retire and Dr. Satoshi Inoue moves in to begin his new appointment. Having served for more than two decades at IAPH, saying goodbye and letting go of this prestigious post is not easy we believe for Mr. Kusaka and we hope that we have helped, in a small way, to ease it for you during your short stay in Malaysia. As a token of our appreciation we would like to present a souvenir to you Mr. Kusaka and wish you good luck, good health and God Bless you.

I would like to invite the Chairman of Port Klang Authority, Y.B Senator Dato' Michael Chen on behalf of Port Klang to present a souvenir to Mr. Kusaka.

With this, ladies and gentlemen, I conclude my responsibilities as Conference Chairman. As the Malaysians say, if there were any short-comings during the Conference and if we in any way antagonized you in our efforts we apologize for it. We hope that your stay in Malaysia is memorable and we look forward to seeing you again soon.

I look forward to celebrating with you our final serenade tonight at our Gala Dinner – a night of reflection and surprises.

And to Mr. Dominic Taddeo, the President of IAPH and the 22nd IAPH Conference Chairman we wish you all the best and look forward to meeting you again in Montreal in 2001.

With these few words.

Thank you,
Merci beaucoup
Arigato Gozaimas
Shieh-Shieh
Terima kasih.

I have the pleasure to declare the 21st IAPH Conference closed.

Executive Committee Members (1999-2001)



President
Dominic J. Taddeo
Montreal Port Authority
Canada



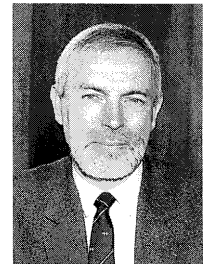
1st Vice-President
Akio Someya
Nagoya Port Authority
Japan



2nd Vice-President
Piter Struijs
Port of Rotterdam
The Netherlands



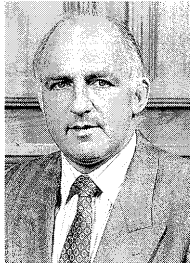
3rd Vice-President
H. Thomas Kornegay
Port of Houston Authority
U.S.A.



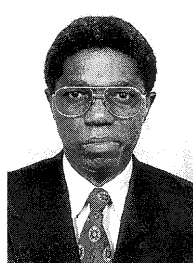
Immediate Past President
Jean Smagghe
French Ports Association
France



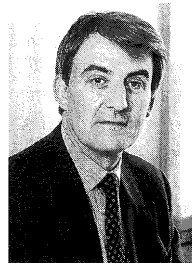
Aliou Diallo
Conakry Port Authority
Guinea



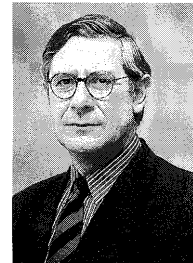
Patrick J. Keenan
Port of Cork Company
Ireland



S.E.M. Luhigo
Tanzania Harbours
Authority
Tanzania



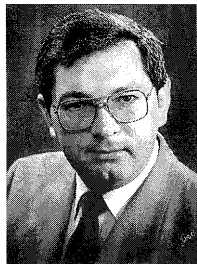
Malcolm F. Ravenscroft
Associated British Ports
U.K.



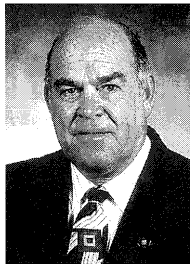
G.C.G. van den Heuvel
Port of Amsterdam
The Netherlands



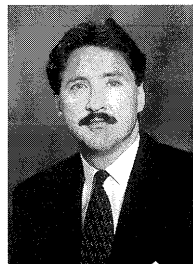
Mihaela Emil Visoianu
Maritime Ports Administration
Constantza S.A.
Romania



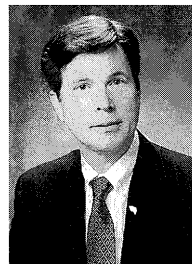
David F. Bellefontaine
Halifax Port Authority
Canada



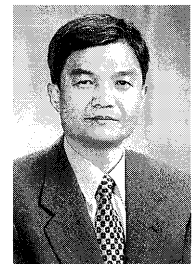
Errol L. Bush
Port Authority
of the Cayman Islands
Cayman Islands



Bernard S. Groseclose, Jr.
South Carolina State Ports
Authority
U.S.A.



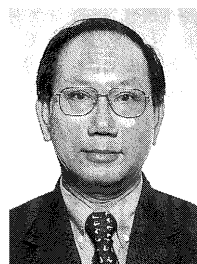
Larry A. Keller
Port of Los Angeles
U.S.A.



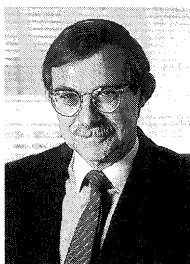
Choi Lark-Jung
Pusan Regional Maritime
Affairs & Fisheries Office
Korea



Garth Cowie
Port of Napier Limited
New Zealand



Goon Kok-Loon
PSA Corporation Ltd.
Singapore



John Hayes
Sydney Ports Corporation
Australia



Lu Haihu
Shanghai Port Authority
China



Datin O.C. Phang
Port Klang Authority
Malaysia



Shieh Ming-Hui
Keelung Harbor Bureau
China



Sumardi
Indonesia Port
Corporation III
Indonesia

21ST IAPH WORLD PORTS CONFERENCE

List of President, Vice Presidents and Exco Members for 1999/2001 Secretary General, Legal Counselors and IAPH Liaison Officer with IMO

Officers	African/European	American	Asia/Oceania
President		Dominic J. Taddeo <i>Port of Montreal Authority Canada</i>	
1st Vice President			Akio Someya <i>Port of Nagoya Japan</i>
2nd Vice President	Pieter Struijs <i>Port of Rotterdam Netherlands</i>		
3rd Vice President		H. Thomas Kornegay <i>Port of Houston USA</i>	
Immediate Past President	Jean Smagghe <i>French Ports Association (UPACCIM), France</i>		
Exco Members	Aliou Diallo <i>Conakry Port Authority Guinea</i> Patrick Keenan <i>Port of Cork Company Ireland</i> S.M.E. Luhigo <i>Tanzania Harbours Auth Tanzania</i> Malcolm Ravenscroft <i>Associated British Ports UK</i> G.C.G. van den Heuvel <i>Port of Amsterdam Netherlands</i> Mihaita Emil Visoianu <i>Port of Constantza Romania</i>	David Bellefontaine <i>Halifax Port Authority Canada</i> Errol Bush <i>P/A of Cayman Islands Cayman Islands</i> Bernard Groseclose, Jr. <i>South Carolina State P/A USA</i> Larry Keller <i>Port of Los Angeles USA</i>	Choi Lark-Jung <i>Pusan Regional Maritime Affairs & Fisheries Office Korea</i> D.G. Cowie <i>Port of Napier New Zealand</i> Goon, Kok-Loon <i>PSA Corporation Ltd Singapore</i> John Hayes <i>Sydney Ports Corporation Australia</i> Lu Haihu <i>Shanghai Port Authority China</i> Datin O.C. Phang <i>Port Klang Authority Malaysia</i> Shieh Ming-Hui <i>Keelung Harbor Bureau China</i> Sumardi <i>Port Corporation III Surabaya, Indonesia</i>
Legal Counselors	R. Rezenchel <i>Port of Dunkirk, France</i> Frans J. W. van Zoelen* <i>Port of Rotterdam Netherlands</i>	Hugh Welsh (in chair) <i>Port Authority of NYNJ USA</i> Patrick J. Falvey <i>Honorary Member, USA</i>	A.P. Morrison <i>Office of Marine Adm. Australia</i> Maimoon Sirat <i>Johor Port Berhad, Malaysia</i>

* Newly appointed by the Board of Directors on May 21, 1999 in Malaysia

IAPH Liaison Officer with IMO and
IAPH Representative in Europe: Peter C. van der Kluit, via MarineSafety Rotterdam (MSR)

IAPH Liaison Officer and Coordinator for African Ports and
African Ports Seminar: Alex J. Smith, via British Ports Association, London (Till June 30, 2000)

Secretary General: Satoshi Inoue*

* Newly appointed by the Board of Directors at its meeting on May 16, 1999

21ST IAPH WORLD PORTS CONFERENCE

List of Chairs and Vice Chairs of Various Committees for 1999/2001

Internal Committees		
	Chair	Vice Chair
• Finance Committee	George Murchison Port of Long Beach, USA	Ron Snodgrass Westgate Transport, New Zealand
• Constitution & By-Laws	Hugh Welsh , PANYNJ, USA	
• Long Rang Planning/ Review Committee	Charles Rowland Canaveral Port Authority, USA	B. S. Groseclose, Jr. South Carolina State P/A, USA
	Members I.D.K. Jangana Gambia Ports Authority, Gambia Jose Luis Estrada Puertos del Estado, Spain David F. Bellefontaine Port of Halifax, Canada Geoff Vazey Ports of Auckland Ltd., New Zealand	Members Bruno Vergobbi Port of Dunkirk, France Errol Bush Cayman Islands P/A, Cayman Islands Hideo Kayahara Japan Port & Harbor Assoc., Japan

Group of Committees for Sustainment & Growth*		
	Chair	Vice Chair
Membership**	Datin O.C. Phang Port Klang Authority, Malaysia	Rick Pearce Fraser River Port Authority, Canada
“Communication and Networking”	Malcolm Ravenscroft Associated British Ports, UK	Jose Perrot Port of Le Havre, France
“Human Resources Development”	Goon, Kok-Loon PSA Corporation Ltd., Singapore	Alex Kabuga Kenya Ports Authority, Kenya

* Under the responsibility of the 1st Vice President ** The 3 Vice Presidents shall be ex officio members of the Membership Committee.

Group of Committees for Technical Affairs*		
	Chair	Vice Chair
• Port Safety, Environment and Marine Operations	Peter. C. van der Kluit MarineSafety Rotterdam, Netherlands	John Hirst The Association of Australian Ports and Marine Authorities Inc., Australia
• Dredging Task Force	Geraldine Knatz Port of Long Beach, USA	~
• Legal Protection	Bruno Vergobbi Port of Dunkirk, France	~
• Trade Facilitation	Emili Arbos Port of Barcelona, Spain	Santiago Mila Port of Barcelona, Spain

* Under the responsibility of the 2nd Vice President

Group of Committees for Port Industry Research and Analysis*		
	Chair	Vice Chair
• Cargo Operations	Yoseph Bassan Ports and Railways Auth., Israel	Wang, En-De Port of Tianjin, China
• Ship Trends	Bernard Coloby Port of Le Havre, France	~
• Combined Transport & Distribution	Hans-Ludwig Beth Port of Hamburg, Germany	~
• Port Planning & Construction	John Hayes Sydney Ports Corporation Australia	Susumu Naruse Bureau of Ports & Harbors, MoT Japan
• Trade Policy	G.C.G. van den Heuvel Port of Amsterdam, Netherlands	V. Balakrishnan Port Klang Authority, Malaysia

* Under the responsibility of the 3rd Vice President

IAPH/IMO Interface Group		
	Chair	Vice Chair
	Dominic J. Taddeo Port of Montreal Authority, Canada Delegated to Mr. Pieter Struijs 2nd Vice President, IAPH	Patrick Keenan Port of Cork Company, Ireland

Liaison work with	Liaison officer	In support and assistance
• IMO	Peter van der Kluit IAPH Representative Office in Europe MarineSafety Rotterdam (MSR)	
• ECOSOC	Lillian Borrone Port Auth of New York & New Jersey USA	
• UNCTAD	Goon, Kok-Loon PSA Corporation Ltd., Singapore	Jose-Luis Estrada Puertos del Estado, Spain
• WCO	Emili Arbos Port of Barcelona, Spain	
• UNEP	L.J. Mwangola Kenya Ports Authority, Kenya	
• PIANC	Paul Scherrer Port of Le Havre, France	

Bills and Resolutions of the 21st Conference (summaries)

Bill No. 1: To amend the Constitution of IAPH. (This is intended to abolish the special treatment whereby a few non-port organizations are entitled to be Regular Members.)

Bill No. 2: To amend Sec 20 of the By-Laws pertaining to the Regions (This is intended to enable the current term "Asian Region" to be replaced by "Asia/Oceania Region".)

Bill No. 3: To amend Section 15 - Composition and Appointment of Executive Committee. (This is intended to enact that (1) the Exco Members shall be elected from among the Directors and/or Alternate Directors and that the category of "appointive members" shall be abolished to ensure the authority of the Board of Directors, and further that (2) the number of Exco members shall be 5* from the African/European Region, 4 from the American Region and 8 from the Asian/Oceania Region respectively so that the regional representation of the number of Members be properly reflected. This is the culmination of the extensive consideration and debates of the IAPH 2000 Special Task Force.)

* Please see Bill No. 5. The figure was changed to six (6).

Bill No. 4: To amend Article VIII Pertaining to Committees. (As a result of extensive consideration given by the IAPH 2000 Special Task Force, a major reconstruction of the Internal & Technical Committees** has taken place. The Constitution & By-Laws Committee, and the Finance Committee were named the Internal Committees. The three groups consisting of (1) "Technical Committees" (comprising Port Safety, Environment and Marine Operations, Dredging Task Force, Legal Protection and

Trade Facilitation), (2) Port Industry Research and Analysis Group of Committees (comprising Cargo Operations, Ship Trends, Combined Transport & Distribution, Port Planning & Construction, and Trade Policy) and Sustainment & Growth Group of Committees (Membership, Communication and Networking, and Human Resources Development*) have been newly formulated.

*Note: Chairman Goon proposed adding the word "Development". **: Please refer to the list of Chairs and Vice-Chairs.

Bill No. 5: To suspend the operation of Article 38 of the By-Laws and to amend Bill No. 3 pertaining to the Composition and

appointment of Executive Committee. (This is a special measure taken to fairly represent the merits of membership to the Exco members from the African/European Region.)

Resolution No. 1 Resolution of Condolence

Resolution No. 2 Pertaining to Y2K Problems (Members are urged to take every precautionary measure to resist the problems associated with the consequences of potential Electronic Date Recognition (EDR) failures prior to, on or after 1 January 2000. Members are invited to utilize the information carried in the May 1999 issue of our journal.)

Resolution No. 3 Resolution Expressing Appreciation to the Host

Board Resolution re-affirming Temporary Membership Status (This is intended to continuously adopt the Temporary Membership status until the next Conference, where the matter would be re-considered.)

POST-CONFERENCE MEETINGS FRIDAY AFTERNOON 21 MAY 1999



Old and new presidents Smaghe and Taddeo are flocked by members at the close of the post-Conference Board meeting (21 May)

THE post-conference joint meeting of the Board of Directors and the Executive Committee for the new term completed yet another step towards solidifying the ground for the future of the Association. The Board agreed to appoint **Mr. Frans G. J.W. van Zoelen, Manager of Legal Affairs, Rotterdam Municipal Port Management**, as an

IAPH Legal Counselor.

Future Conferences and Calendar of Meetings: The following meetings have been confirmed by the Second Plenary Session and the Board meeting.

- 1 Exco Meeting: October 24-28, 1999, in Montreal, Canada
- 2 The Mid-Term Board Meeting: May 15-

6 23rd IAPH World Ports Conference in
2003: Durban, South Africa (Venue is
the International Conference Centre
Durban, and the dates are yet to be
confirmed.)

The gateway to tourism in Africa, Durban has an abundance of international class hotels, entertainment and recreation facilities. It is only two hours away by car from the world famous game reserves of Zululand and the spectacular Drakensberg mountains. Also less than two hours away, and of interest to your delegates, is the port of Richards Bay which handles predominantly bulk cargo. Its sophisticated coal handling facilities helps make South Africa a dominant world player in the export of coal.

An additional attraction to your delegates will be the University of Natal's newly-established school of maritimes studies which aims to develop the maritime-related skills base in the fields of engineering, law, logistics and commerce.

In conclusion, ladies and gentlemen, the Durban Metro Council has a proud track record of hosting events of international significance. Based on the logistical and overall success of the non-aligned movement summit, the prestigious Commonwealth Heads of Government meeting will soon be held in the best managed city in Africa. In providing facilities, organising events, managing security, and ensuring publicity for major conventions and conferences we are highly geared to welcome the International Association of Ports and Harbors to Durban.

You will, in choosing Durban, be making the best choice.

Thank you.

(Also the letters in support of the Portnet's bid have been received from **the then President of South Africa Dr. R. Mandela, Minister of Transport Mac Maharaj and Mr. S. Gama, General Manager of Portnet** respectively, which are reproduced hereunder.)

Speech by
His Worship The Metro Mayor of Durban
Mr. Obed Mlava
in support of the bid to host the 23rd
IAPH World Ports Conference in 2003

A black and white portrait of Mr. Obed Mlava, a Black man with a beard and glasses, wearing a suit and tie. He is smiling slightly and looking towards the camera.

(at a reception held in the Mines Beach Resort Hotel on 15 May 1999)



Ladies and Gentlemen,

May I state at the outset that the Durban Metropolitan Council is indeed grateful for having this opportunity to bid for the 21st World Ports Conference in 2003. We do so confidently because our recent history has proven beyond doubt that Durban has the organisational capacity, the physical infrastructure, and the social and political will to successfully host international gatherings.

Moreover, neither the Continent of Africa, nor its largest and busiest port, Durban, has ever had the opportunity to accommodate this prestigious conference organised by the International Association of Ports and Harbors.

Durban is a key hub in the Indian Ocean Region serving a distribution role to not only southern, east and west African countries,

but also to those in the middle east, Asia and Australasia. The performance of our port impacts significantly on all of South Africa's provinces; with a particular impact being experienced by neighbouring Lesotho and Swaziland. Hence, developments within Durban, and in our port, have far reaching and wide ranging social, economic and political effects. Hosting the conference in Durban provides an opportunity for active participation by SADC countries, eight of whom have one our more ports. It would allow their delegates to showcase new developments such as infrastructure upgrades, concessioned developments and privatisation.

Currently Durban's development projects, at an advanced stage of planning, are valued in excess of R40 billion. A new international

The seal of the International Association of Ports and Harbours (IAPH) is circular. It features a central globe with a compass rose. Around the globe, the words "INTERNATIONAL ASSOCIATION OF PORTS AND HARBOURS" are written in a circular path. Below the globe, the acronym "IAPH" is prominently displayed.

President

Republic of South Africa

Mr Hiroshi Kusaka
Secretary General
International Association of Ports and
Harbours (IAPH)
Kono Building 1-23-9 Nishi-Shimbashi
Minato-ku Tokyo,
JAPAN

Dear Mr Kusaka

IAPH CONFERENCE BID 2003

As President of the Republic of South Africa, I would like to support Portner's bid to host the above Conference in South Africa in 2003.

Portner is South Africa's national Ports Authority. The opportunity to host a prestigious event such as the IAPH Conference is indeed a rare one. Portner's choice of the port city of Durban, Africa's busiest port, has my full support. The International Convention Centre in Durban has been host in the last few months of the Non-Aligned Movement Summit, an event that was attended by many heads of state. The success of this summit lends me to believe that Durban has a world class facility that will be most appropriate to host this event.

I therefore wish to add my unreserved recommendation to the venue and fully support Portner's bid to host the Conference in 2003.

Kind regards

A handwritten signature in dark ink, appearing to read "M. R. Mandela".

DIR I R MANDELA
PRESIDENT

MINISTRY OF MARITIME AFFAIRS
PORTS AND HARBOURS
DEPARTMENT OF PORTS AND HARBOURS

100-11-0100
TEL: (02) 282-2111
FAX: (02) 282-1734

PORTAL BAY 10-01
CLARK HARBOR 10-02
TEL: (02) 282-1734
FAX: (02) 282-1843

8/2

Mr Hirotaki Kusaka
Secretary General
International Association of
Ports and Harbours (IAPH)
Kosco Building
1-23-0 Nishi-Shimbashi
Minato-ku Tokyo
JAPAN

4 May 1999

Dear Sir,

IAPH CONFERENCE BID 2003

As the Minister of Transport, I fully endorse Portmet's bid to host the IAPH Conference in Durban, South Africa, in the year 2003.

Portmet is South Africa's national Port Authority and it is with considerable pride that I am supporting the Company's nomination of Durban as the port city for staging the IAPH Conference. The city of Durban has a substantial infrastructure and recently hosted the Non Aligned Movement with great success at its International Convention Centre. I have every reason to believe that it will emulate this success.

It will be a great honour for us to host the IAPH Conference in South Africa in the year 2003.

Mac Maharaj
MAC MAHARAJ

[illegible]

IAPH ANNOUNCEMENTS AND NEWS

Struijs Urges Members To Be Prepared for Year 2000 Problems

In his letter of 18 June 1999, Mr. Struijs urged IAPH members to pay attention to the final and formal texts of the "Year 2000 Safety Protocol" and "Statement" (which appear later in this issue's "International Maritime Information" section and which are to be exchanged between the parties concerned) and encouraged all IAPH members to take appropriate action. Furthermore, he suggested that the matter should involve every member of the port community. The letter reads:

Dear Members:

Much has already been said about the Year 2000 problem, or simply the Y2K problem – the term used to describe the potential electronic date recognition (EDR) failure of information technology systems prior to, on or after 1 January 2000. With the critical period approaching, most parties are aware of the possible risks and are busy with the implementation of remedial actions.

IAPH has recognised the vulnerability of the maritime transport industry to the consequences of the above-mentioned failures. In co-operation with other marine transport industry organisations IAPH actively participated in the development of the Year 2000 Code of Good Practice, subsequently published by the International Maritime Organisation (IMO) as Circular Letter No. 2121. The letter was circulated by IAPH to all members.

The Code of Good Practice also recognises that, even with the most thorough and conscientious Y2K programmes, failures cannot be totally discounted. It is vital, therefore, for each party to identify, and put in place, operational contingency plans to ensure that safety is not compromised.

As the Second Vice President of IAPH and the Head of the IAPH Representation to the Y2K Inter-Industry group, I hereby take the opportunity, in line with the Assembly Resolution No. 2 of the 21st IAPH Conference, to bring the IMO Circular Letter to your attention and encourage

the implementation of appropriate action.

Next to that, I would like to draw attention to a related document published in this issue: "The Year 2000 Safety Protocol".

Parties in the maritime industry fear that, for example, ports, terminals and shipowners, even when adhering to prudent safety measures as prescribed in the code of practice, might in some circumstances lay themselves open to claims for delay. Such a possibility could present them with a dilemma when their only concern should be that of safety.

To overcome this, parties advocated the adoption of the "The Year 2000 Protocol". By adopting the protocol, an organisation acknowledges that they waive any right to bring claims against any party occasioned solely by compliance with the code.

IAPH considered the adoption of the protocol but after thorough discussion took the position that each port or terminal is responsible for its actions in relation to the critical period. IAPH therefore decided not to endorse the proposed safety protocol but to leave the decision to adopt the protocol open to the individual ports and harbours.

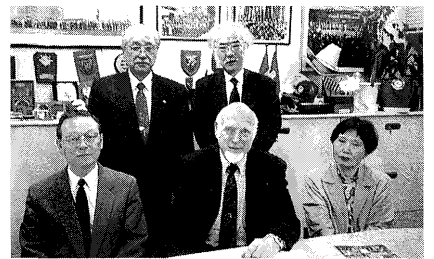
It is clear that IAPH will fully support and promote the spirit of the protocol among the port community.

Best Regards

Pieter Struijs
2nd Vice President, IAPH

Visitors

On Monday, 10 May, Mr. Alexander Krygsman, Port Director, Stockton Port District, who has served IAPH as an Exco member and vice chair of the Membership Committee, and his wife Kyoko visited the Head Office, where they were welcomed by Secretary General Kusaka and his staff. They have been regular participants in the Association's biennial conferences and mid-term Exco meetings and has stopped at Tokyo before flying to Malaysia for the Conference there. The visitors from Stockton, USA, and their friends at the Tokyo Secretariat exchanged information and ideas as to the state of preparations for the Malaysian Conference and on topics covering the ports industry at large.



(Seated from left) Mr. Yoshimura, the Port of Stockton's Representative in Japan, and Mr. and Mrs. Krygsman.

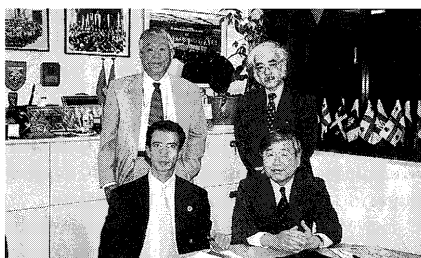
On Tuesday, 11 May, a six-man delegation from the Nanaimo Port Authority visited the Head Office, where they were welcomed by Secretary General Kusaka and his staff. The delegation comprised Messrs. Tone Paterson, Director (Acting Chair), John



(Seated from left) Messrs. Mills, Sedola, Paterson, Rutan and Mathews; (standing from left) Mr. Kusaka, Mr. Kondoh, Ms. Takeda, and Mr. Peterson.

Ruttan, Director, **Gino Sedola**, Commissioner, **Geoff Mathews**, Director, **Bill Mills**, President & CEO and **Douglas Peterson**, Manager of Marketing & Sales. They were on their way to Malaysia to attend the 21st IAPH World Ports Conference.

On Monday, 24 May, **Mr. Eduardo González Villareal** from Escuela Nautica Mercante de **Veracruz** (the Merchant and Nautical College of Veracruz), Mexico, accompanied by **Mr. Shojiro Miyana**, General Manager, Planning Department, the Maritime International Cooperation Center (MICC) of Japan, visited the IAPH Head Office, where they were welcomed by **Dr. Satoshi Inoue**, Secretary General and **Mr. R. Kondoh**, Deputy Secretary General. **Mr. González** was visiting Japan to study the current situation concerning the shipping and ports at the invitation of JAICA.



Seated from left: **Mr. González** and **Dr. Inoue**; standing from left: **Mr. Miyana** and **Mr. Kondoh**.

On Monday, 31 May, **Mr. Torsten Kruise**, Secretary General of the Paris-based **International Association of Marine Aids to Navigation and Lighthouse Authorities (IALA)**, visited the Head Office to meet with **Dr. Satoshi Inoue**, Secretary General, to exchange views on how to enhance mutually beneficial projects and programs. **Mr. Kruise** was in Japan to attend the IALA Council meeting hosted by the Japan Marine Safety Agency (MSA). He also visited the newly opened Kurushima Strait VTS Center located in the Hiroshima area of the Seto Inland Sea.

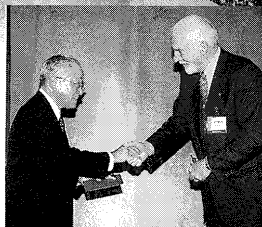


Mr. Kruise and **Dr. Inoue** at the IAPH Head Office.

New Secretary General Inoue presents Mr. Kusaka with a gift from IAPH in Tokyo



AT the Second Plenary Session, following **Mr. Kusaka's** farewell address as Secretary General, President **Smagghe** presented **Mr. Kusaka** with a beautifully wrapped Deed of Gift to the effect that a



Mr. Kusaka (left) and **President Smagghe** at the final session of the KL Conference

suitable arrangement should be made by a member of the Tokyo secretariat staff after **Mr. Kusaka** returned home so that he would be free from carrying a fragile item all the way back to Tokyo.

In accordance with **Mr. Smagghe's** instructions, the presentation of a gift from IAPH to **Mr. Kusaka** took place at the Tokyo Head Office on 24 June. The photo shows **Mr. Kusaka** (fifth from left) receiving a beautiful Venetian crystal flower vase, the promised gift from all IAPH members, from new Secretary General **Dr. Inoue**, as secretariat members were looking on.

Membership Notes

New Members

Regular Member

Port Autonome de Pointe-Noire [Regular] (Congo)

Address: B.P. 711, Pointe-Noire
Mailing Addressee: Port Director
Tel: (242) 94 00 52
Fax: (242) 94 20 42

Associate Member

Japan Port Consultants, Ltd. [Class A-3-1] (Japan)

Address: JT Ebisu Minami Bldg.,
15-1, Ebisu Minami 1-chome, Shibuya-ku, Tokyo 150-0022
Mailing Addressee: Dr. Susumu Maeda, President (CEO)
Tel: 03-3792-1141
Fax: 03-3792-1090

Changes

Port of Tallinn [Regular] (Estonia)

Mailing Addressee: Mr. Jaan Toots, Chairman of the Board

Pusan Regional Maritime Affairs & Fisheries Office [Regular] (Korea)

Address: 116-1, Jwachun 3-Dong, Dong-ku, Pusan 601-053
Mailing Addressee: Mr. Choi Lark-Jung, Administrator
Tel: 82-51-633-1771
Fax: 82-51-645-2556
Internet: <http://www.pusan.momaf.go.kr>

Kuwait Oil Company (KSC) [Class C] (Kuwait)

Mailing Addressee: Mr. Sanad H. Al-Sanad
Manager, Production & Export Operations Group
Fax: 965-3983661

The United Kingdom Major Ports Group Limited [Class B] (U.K.)

Mailing Addressee: Mr. John Dempster, Executive Director

WORLD PORT NEWS

Tokyo Int'l Seminar on Tanker Safety Held

SPONSORED by OCIMF (Oil Companies International Marine Forum, London) and ITOFF (The International Tanker Owners Pollution Federation, London) and in association with PIMA (Petroleum Industry Marine Association of Japan), an international seminar on tanker safety, pollution prevention, spill response and compensation was held on 26 May 1999 at the Hotel Okura, Tokyo. It was attended by 350 representatives from various sectors, public and private, engaged in safe maritime transport and the environment. IAPH was represented by Mr. R. Kondoh. The program was comprised of four sessions:

A: Mr. G. E. Kurz, OCIMF Chairman and President, Mobil Shipping and Transportation, in the chair. Speakers and subject areas: "The Role of OCIMF" by Mr. G. E. Kurz; "The Role and Contribution of OCIMF's Ship Inspection Program (SIRE)" by Capt. J. W. Hughes, Director of ocimf; and "The Role and

Activities of the Tokyo MOU" by Mr. M. Okada, DSG, Tokyo MOU.

B: "Piracy and Armed Robbery Against Ships" by Capt. J. M. Irvine, General Manager, Emergency Response & Shipping Standards, Shell International Trading & Shipping Co., Ltd.; "The STCW Convention - a Tanker Owners' Perspective" by Mr. R. L. Paniguan, Chief Executive, BP Shipping Ltd.; and "Tanker Responsibility for the Year 2000 ("the millennium bug") Compliance" by Mr. T. R. Moore, President, Chevron Shipping Company.

C: Mr. H. Chr. Schmidt, ITOFF Chairman, and Mr. A. P. Møller, Senior Vice-President in the chair. Speakers and subject areas: "The Role of ITOFF with Particular Reference to the SEA EMPRESS Incident" by Dr. I. C. White, Managing Director of ITOFF; "The International Compensation System - Recent Developments and Future Challenges" by Mr. M. Jacobsson, International Oil Pollution Compensation Funds; "The Escalating Costs of Oil Spills in the United States of America" by Mr. E. J. O'Connor, Patner, Freehill, Hogan & Mahar; and "Issues Currently Facing the P&I Clubs" by Mr. M. G. Edmiston, Chairman, A Bilborough & Co., Managers of the London Steamship Owners' Mutual Insurance Association Limited.

D: "Role of the Japanese Oil Industry in National and International Spill Response" by Mr. K. Nishigaki, General Manager, Oil Spill Response Department, Petroleum Association of Japan, and "International Co-operation in Spill Response by the Japanese Government" by Mr. H. Ochi, Director of the Ocean Office, Transport Planning Bureau, Ministry of Transport.

Contact tel/fax numbers for these two leading institutions are:

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OCIMF:
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2 International Events To Be Held in Romania

TO promote the establishment of an economic corridor Across Romania and linking Central Asia to Europe, "Romania at the Crossroads" forum will be organizing this year two significant international events.

Caspian Energy to Europe

The second edition of the international conference "Caspian Energy to Europe" will take place in Bucharest at the World Trade Center, September 18 through 21, 1999.

The conference will be opened by H.E. Emil Constantinescu, President of Romania.

Following the precedent set by its previous edition, this year's conference promises to assemble a numerous attendance including government officials of the countries interested in the exploitation, transit and consumption of Caspian hydrocarbon reserves, representatives of international organizations involved in the supervision and regulation of regional oil and gas transit, CEOs of international corporations doing business in the energy sector, representatives of financial institutions, legal consultants on issues related to oil and gas transportation and environmental protection, as well as representatives of Black Sea port administrations.

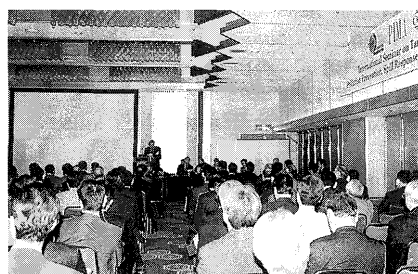
The conference will be jointly chaired by Dan Capatina and Theodore Orasianu, Advisors to the President of Romania.

The topics on the agenda will include: the main hydrocarbon transport routes from the Caspian region to Europe, including their relationship to infrastructure projects to be developed along the Europe-Caucasus-Central Asia (TRACECA) transport corridor; the interconnection of national oil, gas and electric power networks to European networks within the INOGATE Program of the European Union as well as the establishment of an interstate oil and gas transportation system under the umbrella of the European Commission; the related financing and investment strategies; the legislative framework required for the transport, processing and trade of Caspian hydrocarbon resources; the opportunities availed by the Romanian energy sector.

The debates will cover the results of



Mr. G. E. Kurz, OCIMF Chairman, welcoming the audience



Seminar in session
(Pictures: Courtesy of PIMA)

feasibility studies on Caspian oil transit alternatives. As far as Romania is concerned, two such studies are currently under way, performed by ENI (Snamprogetti) and HLP-Parsons respectively.

The conference debates will be held concurrently with an international exhibition (19-21 September) that will afford participating companies an opportunity to present their products, services and technologies.

The conference program will include a field trip to Constantza scheduled for September 18, on the eve of the official opening of the conference and exhibition. The trip will focus on a presentation of the Constantza port facilities and on those of the South-Constantza free zone.

The debates of the international conference and exhibition "Caspian Energy to Europe 99" will be concluded at the same time as the opening of the "Expo Petrogaz" International Exhibition organized by the Romanian Chamber of Commerce and Industry over September 21-24, 1994 within the "Romexpo" Exhibition Hall in the City of Bucharest.

The event will constitute again an important opportunity to establish business contacts between the representatives of national, regional and international companies.

'Transport' Conference

The first edition of the "Transport" international conference and exhibition will focus on multi-modal transport.

In the first half of November 1999, under the patronage of the President of Romania, "Romania at the Crossroads" Forum will organize the "Transport" international conference and exhibition. The event will seek to support the establishment of the multi-modal transport corridor linking Central Asia and Europe across Romania.

The debates will be opened in the presence of H.E. Emil Constantinescu, President of Romania.

The venue of the conference and exhibition will be the "Romexpo" Exhibition Hall, which belongs to the Romanian Chamber of Commerce and Industry.

The debates will be chaired by Dan Capatina, Advisor to the President of Romania and President of "Romania at the Crossroads" Forum.

Invitations will be sent out to Ministers of Transport from TRACECA-Member states and from the Black Sea region, to Representatives of the European Union for the TACIS and PHARE Programs, as well as to other high officials.

The targeted audience includes decision-makers in the field of transport infra-

structure design and construction, transport companies, equipment and tools required to build infrastructures. Representatives of large international financial institutions, of Chambers of Commerce, insurance companies and companies that provide related services.

The topics on the agenda will regard the promotion of the main transport infrastructure projects that are part of the National Program for Infrastructure Development.

The event will take place over four days, the last day being reserved for a trip to the Constantza port and free zone. It will attempt to demonstrate that Romania is an important partner for the restoration of the "Silk Road", and that its existing infrastructures as well as the investment projects under way justify its candidacy for being an interface of trade between Asia and Europe.

1st Int'l Oil Pollution & Exhibition in September

THE First International Oil Pollution and Exhibition (IOPCE '99) will be held 1-3 September 1999 at the Orchard Hotel, Singapore' jointly organized by Maritime and Port Authority of Singapore and IBC Asia Ltd.

IOPCE is the meeting point for the oil and marine industry to find out the total approach to oil pollution planning, prevention and response. Meet the top industry experts at this event to get the latest information on International Conventions, claims, liabilities, legal issues, media management strategies, contingency plants and state-of-the-art technologies. Featuring a distinguished panel of experts from

- Marine Environment Protection Committee, IMO
- International Oil Pollution Compensation Funds
- The International Tanker Owners Pollution Federation Limited
- Oil Companies International Marine Forum
- Mobil Shipping and Transportation Company
- Det Norske Veritas
- OSG Ship Management, Inc.
- Ince & Co.
- Thomas Miller P&I Ltd.
- Maritime and Coastguard Agency
- United States Coast Guard
- The Japan Association of Marine Safety
- Marine Department Malaysia
- Maritime and Port Authority of Singapore

The purpose of the event is to attract potential investors as well as international financial establishments (such as the World Bank, EBRD, EIB) to achieve the existing Romanian projects in the transport sector.

The conference result in new cooperation agreements between the Representatives of international and Romanian transport companies, leading up to the increase of trade across Romanian territory.

For further information, please contact:
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- IPIECA
- East Asia Response Pte Ltd
- BMT Marine Information Systems
- Exxon Company International
- Exxon Research and Engineering Company
- Mobil Business Resources Corporation.

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Y2K Safety Protocol: Joint Work Called For

THE Year 2000 problem is unique and will affect everyone – either directly or indirectly. Although the potential consequences of the malfunctioning of electronic equipment can be predicted, no one can say with certainty what will happen. In the context of shipping there is potential, however thorough and conscientious the remedial action taken by ship and shore operators, for accidents, serious casualties, delays and damage on a substantial scale. There could also be loss of life and damage to the environment. There is no doubt that the most effective way of combating the consequences of the Year 2000 problem will be through the

co-ordinated and co-operative efforts of everyone involved in the shipping industry.

It is therefore the wish of the Parties hereto that all sides of the shipping industry should work together

- (1) to develop contingency plans to deal with the consequences of the Year 2000 problem, and
- (2) to act in accordance with such plans and to create an atmosphere wherein they can do so without fear of litigation, while accepting that they have a continuing and undiminished obligation to exercise due diligence to ensure their own Year 2000 conformity.

The Parties hereto therefore adopt the following Statement:

STATEMENT

Year 2000 conformity shall mean that neither performance nor functionality of computer systems, electronic and electro-mechanical or similar equipment will be affected by dates prior to or during the year 2000.

The Parties to the Protocol intend to continue to encourage the exercise of due diligence in ensuring Year 2000 conformity. However, whether such due diligence is exercised or not, the Parties hereto believe that property or personnel or rights may be or become exposed to the risks arising out of nonconformity. Such nonconformity may originate on premises or in property in the ownership, possession or control of those who have, as well as those who have not, exercised such due diligence. It is therefore considered desirable that all concerned should adopt and implement the practices recommended in paragraphs 5, 6 and 7 of the Code of Good Practice contained in the IMO Circular Letter No. 2121 dated 5th March 1999 (attached hereto as Annex I Please see pages 14-19 of the May 1999 issue of this journal.).

The intention of the Parties hereto is that whenever any such practices are adopted there shall be no claims in respect of any loss or liability caused by the implementation of such practices.

We, the following Parties, support and adopt this Protocol, its Statement, and the IMO Code of Good Practice contained in IMO Circular Letter No. 2121 dated 5th March 1999.

This Protocol is open for adoption by any party. Those wishing to adopt the Protocol should confirm their intention to: International Chamber of Shipping, or BIMCO.

Upon receipt of such confirmation,

the name of the Party will be registered as a Party on the Register of Parties held by [NAME]. The Register of Parties is a public document, the contents of which will be open to public inspection upon application.

Dunkirk Seminar on New Policy of Terminals

An International Seminar under the aegis of Trainmar France will be held 23-24 September 1999 in Dunkirk.

**September 23
Morning**

The European Union Policy, driving force of the evolution of port terminals in Europe

Conference spokesman: Jean-Pierre Trotignon, President of the Port of Dunkirk Authority

- **09.00-10.00 hrs**
Welcome to participants and speakers
- **10.00 hrs**
Introductory speeches by:
 - Mr. Michel Delebarre, former Minister of State, President of the Regional Council, Mayor of Dunkirk, President of the Urban District of Dunkirk
 - Mr. Jean-Pierre Trotignon, President of the

Port of Dunkirk Authority, General Manager, EGIS Project

- Mr. Paul Rivoalen, President of Trainmar France, Transport Manager of Villourec

● 10.30-10.50 hrs

Overview of the organisation of ports in Europe and the role of terminals

- Mr. Jean-Marcel Pietri, President of ESPO

● 10.50-11.20 hrs

How does the organisation of ports into terminals come within the scope of the European Union Policy of ports and transports? (financing, State subsidies, tenders and concessions, R&D, competition)

- Mr. Fernando Aragon Morales, Head of the port policy unit – DG VII, Brussels

● 11.20-11.40 hrs

How does the stevedoring industry in Europe react vis-à-vis the legislative orientations taken by the European Union?

- Mr. Jos M. Dekkers, President of FEPORT

● 11.40-12.00 hrs

Must the port authorities and/or the local and regional authorities be actors, spectators or shareholders of a policy of terminals?

- Mr. Peter Struijs, Executive Director Shipping, Port of Rotterdam

● 12.00-12.40 hrs

Questions and Answers

● 12.40-14.30 hrs

LUNCH

Afternoon

Why and how to integrate the new role of terminals in the French port policy?

Conference spokesman: Paul Rivoalen, President of Trainmar France

● 14.30-15.00 hrs

The French port policy: from the construction to the operation stages!

- Mr. Claude Gressier, Director for maritime transports, ports and coastline of France – French Ministry of Public Works, Transports and Housing

● 15.00-15.30 hrs

What does a client expect from integration of port functions into a terminal?

- Mr. Jean-François Mahe, General Manager Project and Development CMA-CGM

● 15.30-16.00 hrs

What are the demands of private stevedoring operators to involve themselves into a port terminal?

- Mr. Peter Vierstraete, Director, Seaport Terminals NV, Antwerp

● 16.00-16.30 hrs

COFFEE BREAK

● 16.30-17.00 hrs

The stakes and difficulties met by a French "Port Autonome" to organise the port into various terminals?

• Mr. Bruno Vergobbi, General Manager, Port of Dunkirk Authority

● 17.00-17.30 hrs

Questions and Answers

● 17.30 hrs

END OF THE FIRST DAY

● 20.00 hrs

OFFICIAL DINNER

September 24 Morning

The organisation of a port terminal: all sorts of requirements

Conference spokesman: Bruno Vergobbi, General Manager, Port of Dunkirk Authority

● 09.00-09.30 hrs

Welcome to participants

● 09.30-10.15 hrs

The legal structure: what place for the public service, how to avoid monopolies?

• Mr. Michel Bozex, Professor of Economic Public Law at Paris

• Mr. Terry Olson, Member of the French Council of State (to be confirmed)

● 10.15-10.45 hrs

Quality: a demand of the Client; a management approach

• Mr. Jean-Luc Fouquart, Consultant Eurotrans Conseil

● 10.45-11.00 hrs

COFFEE BREAK

Preliminary Presentation before visiting the terminals

● 11.00-11.30 hrs

Presentation of the NORVRAC terminal

• A manager of the future structure

● 11.30-12.00 hrs

Presentation of NFT-I and its associated intermodal transport system

● 11.30-12.00 hrs

• Mr. Marc Dubois, General Manager, Inter Ferry-Boat

● 12.00-12.30 hrs

Questions and Answers

● 12.30-14.30 hrs

Lunch (delegates and the accompanying persons)

Afternoon

● 14.30-16.00 hrs

Technical visits followed by a question and answer session, with the operation, finance and commercial managers of both sites (NORVRAC and NFT-I)

For further information, please contact:

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Port Autonome de Dunkerque

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Information also available on Internet: www.portdedunkerque.fr

New Publications

Environmental Aspects of Dredging

THIS excellent series – a Comprehensive Guide to Environmental Dredging in 7 Books – was conceived by the International Association of Dredging Companies (IADC) and the Central Dredging Association (CEDA) and has been developed by a distinguished Editorial Board comprised of members from both organisations.

The books can be used as a set or as stand-alone guides.

The following guides in the series are now available:

Guide 1, Players, Processes and Perspectives; Guide 2, Conventions, Codes and Conditions, Marine Disposal and Land Disposal; Guide 3, Investigation, Interpretation and Impact; Guide 4, Machines, Methods and Mitigation in July 1998. Guide 5, Resource, Recycle or Relocate, will become available in 1999 and so will be Guide 6 (Project Description) and Guide 7 (General Conclusions and Overview). Each Guide has been written by an expert in a specific area of dredging.

Guide 1, written by Jan W. Bouwman and Hans P. Noppen of AVECO bv, The Netherlands, defines who is involved in the decision to dredge, and how and why a decision to dredge is reached. It is

As Good as it Gets... The Port of Houston Authority



*Houston.
The town that built a port...
that built the city.*

Gateway to world commerce, the Port of Houston is a 25-mile long complex of diverse public and private facilities along the Houston Ship Channel. Just a few hour's sailing time from the Gulf of Mexico, The Port of Houston has been instrumental in the city's development as a center of international trade.

For more information: 713-670-2400
www.portofhouston.com

particularly useful for those involved in starting up remedial dredging programmes.

Guide 2, written by T. Neville Burt, Carolyn A. Fletcher and Eleni Paipai of HR Wallingford, England, discusses the extensive framework of legislation relating to the marine and land disposal of dredged material, which is regulated by governmental agencies at both national and international levels. The book then reviews the standards or best practices for individual countries.

Guide 3, written by Richard K. Peddicord and Thomas M. Dillon of EA Global Inc., USA, evaluates the environmental aspects of dredging operations and describes the process of pre-dredging investigations for materials characterisation of sediments in a series of systematic steps.

Guide 4, written by Jos Smits of IMDC, Belgium, deals with the various types of dredging equipment available, including measures which can mitigate the impact and methods for monitoring the effectiveness of dredging.

Guide 5, written by Anna Csiti of CEDA, The Netherlands, and T. Neville

Burt of HR Wallingford, England, will give a comprehensive literature review of state-of-the-art approaches to the management of dredged material, be it clean or contaminated, originating from navigation or remediation dredging. It describes available alternatives, related environmental considerations and potential control measures to reduce or eliminate unacceptable impacts.

Guide 6 will present a combined overview of effects of dredging and land-fill operations on the natural environment and human activities.

The series will be completed with Guide 7, which, among other things, will deal with various additional environmental aspects of dredging not yet described in the previous Guides.

For further information, please contact:

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www.iadc-dredging.com

Angeles, Oakland, Seattle Pusan and Shekou.

"With virtually every major container line in the North America/Asia trade calling on Vancouver, we want to thank our existing customers for the dramatic increase in Port Vancouver container volumes," said Stark. Container traffic at Port Vancouver year-to-date April 1999, shot up 46% in total TEU figures compared to the same period last year. Container imports were up 42% representing 161,893 TEUs and exports rose 50% representing 172,844 TEUs, over the same time last year.

Long Beach: Imports Edge Up, Exports Fall

WITH only modest gains in imports and a sharp decline in exports, total cargo container volume at the Port of Long Beach rose a slender 0.8 percent in April compared with April 1998 – the smallest year-to-year increase in nearly three years. The total for April was the equivalent of 339,686 20-foot containers.

April marked a second-consecutive month of slowing trade gains for Long Beach – the nation's busiest container port and the leading gateway for Asian trade. Container traffic increased 4.4 percent in March, with a 2.5 percent gain in imports and a 0.2 percent improvement in exports.

In April, the number of inbound containers climbed by 5.4 percent to 181,575 TEUs. Outbound containers fell 11.7 percent to 77,040 TEUs, and empties increased 4.7 percent to 81,071 TEUs. Through the winter, imports had repeatedly jumped with double-digit gains, while exports had been slowly but steadily improving since last fall.

"Our 180,000 TEUs of imports is still a lot stronger than most months last year," said port trade analyst Matt Plezia. "But the growth is not as fast as we had expected. The bottom line in the weak growth in imports is a surprise."

Plezia said retailers may be anticipating slower sales growth after the unexpectedly strong sales of late last year and early this year. The decline in exports is not as surprising because the turnaround in Asia may head up and down for several months before it fully recovers from the slowdown of the last two years, he said.

The Americas

Vancouver: Zim's First Port of Call Service

THE Vancouver Port Authority (VPA) welcomed Zim Israel Navigation Ltd. on May 24th, 1999 with an official ceremony aboard the *Zim Vancouver*. Zim is the first carrier in a number of years to call Vancouver first with a container service and the first to access U.S. markets through Vancouver. Zim's weekly service from Asia will be handled by Canadian Stevedoring Ltd., the operator of Centerm container terminal and Canadian National Railway.

"Zim's decision to use Vancouver recognizes our Port as a viable gateway to North America. We can effectively compete with U.S. West Coast container ports by offering Canadian and U.S. shippers a cost and time efficient route for their goods," said David Stowe, VPA Chairman.

"Canadian Stevedoring, Canadian National Railway, labour and the VPA have worked hard to attract this new business," said Norman Stark. "Before

the year's end, we hope to see

our millionth TEU through Port Vancouver with new business and continued growth by our existing customers. We will be celebrating the arrival of two more 'first port of call' services by Norasia Lines and the China Ocean Shipping Company (COSCO) in the coming weeks."

The Zim cargo on Canadian National Railway arrived ahead of schedule in Chicago, Saturday morning, May 29th.

"Being selected as 'first port of call' is huge milestone for Port Vancouver because it means that cargo from Asia arrives in Vancouver before U.S. West Coast ports," said Stowe. Each container handled by the Port generates \$1,000 into the Canadian economy. Zim's 42-day rotation includes Shekou, Hong Kong, Shanghai, Pusan, Vancouver, Los



Port of Long Beach: The Tallships Are Coming!

SIX great tallships are coming to California in July, square-rigged sailing vessels from half a dozen countries. They will call at San Francisco, Long Beach and San Diego in the biggest such gathering in California this century.

Once planned as signature event of the State's Sesquicentennial, plans for the July visit were thought to be dead, following recent cancellation of the Gold Rush Race by the Sesquicentennial Commission, citing lack of funds.

But the reported death of this historic undertaking has proven to be "greatly exaggerated", in the words of gold Rush historian Mark Twain. Japan, Colombia, Ecuador, Indonesia, Canada and the U.S. Coast Guard had long since accepted California's invitation, and it was just too late to make others plans.

So come July 2, the six invited tallships will enter the Golden Gate to launch the "sail of three cities" activities in San Francisco. After an open house weekend there the vessels will informally race down the coast to Long Beach, arriving July 9 for another round of open houses to the public July 10-11. Departing Long Beach July 12, the flotilla will spend two days at sea en route to San Diego, where they will be on view to the public through July 18.

In Long Beach, the Canadian Class A tallship *Concordia* will berth at Rainbow Harbor in company with a dozen Class B sailing ships from all over California. Japan's tallship *Kaiwo Maru* will berth nearby in Long Beach Harbor. And three foreign tallships, Ecuador's *Guayas*, Colombia's *Gloria* and Indonesia's *Dewa Ruci* will hold open house July 10-11 at the neighboring Naval Weapons Station in Seal Beach.

Among activities planned during their stay is a Captain's Reception aboard the *Queen Mary*, tours of the *Queen Mary* and the Russian submarine, music, dancing, entertainment and other attractions.

The all-volunteer Welcome Ashore Committee is now headquartered at the International Seafarers Center of Long Beach, a nonprofit public service organization dedicated to serving the seamen on ships calling in the Long Beach area. Scope of the festivities is entirely dependent on tax-exempt donations received in coming weeks.

Port of Los Angeles: 2 Books Now Available

A couple of new Port publications are hot off the presses and available. The Shipping Handbook provides a complete overview of Port operations and all facilities, including fantastic photographs and informational updates on Port projects. A new publication, "Port of Los Angeles Environmental Programs: Making A Difference," looks at the green side of the Port and the myriad of environmental programs offered, including everything from infrastructure improvements to biological projects to industrial programs.

Port of Seattle Web Site More User-Friendly

EVER wondered how many containers move through the Port of Seattle each month or when the new parking spaces at Seattle-Tacoma International Airport will be ready? Or, do you want to know about job opportunities at the Port?

The answers are now available at <http://www.portseattle.org>, the redesigned and much more user-friendly Web site of the Port of Seattle.

"The Web site is one more way we're reaching out to the community," said Mic Dinsmore, the Port's executive director. "As a valuable resource for the Port, its customers and the community, the Internet expands our capabilities for community service, education, marketing, business activities and communication. And, it's interactive - people can ask questions and send comments online."

Dinsmore said the Web site's target users range from corporate chief executives to elementary school children. To meet their myriad needs, the new Web site provides everything from basic information about the Port, its history and structure, tours and educational programs to technical information about its trade, air travel and expansion plans. The site also offers the latest news releases about Port activities and lists Commission meetings and community initiatives.

The launch of the new Web site follows months of staff research, including customer focus efforts and functional experimentation. Seattle-based Methodologie Inc. helped the Port with concept development, design and creation of the

site.

The result is a new Port of Seattle Web site that allows users to find and download information quickly and easily. The Port considers maintaining the site as a continuous process, and welcomes constructive input from customers and the public. Users with ideas can use the "Contact Us" form on the new site for questions and comments.

Port of Seattle Container Volume Continues to Rise

THE Port of Seattle announced its container volume climbed in April, with imports and exports both showing significant increases. The results follow a pattern of more stabilized trade flows that began in January and indicates that Northwest exports to Asia may be recovering from last year's slump.

The total trade volume rose 14 percent to 132,969 TEUs from 116,969 TEUs in April 1998. Monthly imports from Asia increased 26 percent to 49,847 full TEUs, while exports to Asia jumped 29 percent to 38,345 TEUs.

For the first four months of 1999, total container trade is up 9 percent to 506,315 TEUs from 466,231 TEUs during the same period last year. Through April, imports from Asia rose 13 percent to 179,629 full TEUs, while exports increased 12 percent to 139,091 full TEUs. Asia represents more than 95 percent of the Port's international container trade.

The Port of Tacoma - Vision, Mission & Goals

Vision

To be a global magnet for commerce that creates success for our customers, enthusiasm for our employees and vitality for our community.

Mission

Create sound economic growth through maritime commerce and related development, for the benefit of all stakeholders.

Goal 1

The Port of Tacoma will be the most efficient and reliable intermodal gateway in North America.

Intermodal capabilities are the key to

the Port of Tacoma's ongoing success. More than 70 percent of the cargo that moves through the Port originates in, or is bound for, markets outside the Pacific Northwest. Imported televisions, cars and clothing headed for Salt Lake, Denver and Chicago, move through Tacoma. Machinery made in Moline and Milwaukee passes through the Port on the way to Tokyo and Tianjin. The Port is a critical link in the transportation network connecting these distant locations, and road and rail connections are every bit as important as waterways, piers and cargo-handling equipment.

That's why improving intermodal transportation links is one of the top priorities in the Port's five-year, \$300 million capital improvement plan. The Port plans to invest \$54 million to expand and improve the road and rail network in the Port area and throughout the Puget Sound region over the next five years. Locally, that means building an overpass that will raise Port of Tacoma Road above State Route 509, improving truck access to the Port. The project will also provide the space for new railroad tracks to handle the growing rail traffic carrying cargo to and from the Port. Investing in the technology that keeps cargo moving is also part of the picture. For example, the Port's new Intermodal Terminal Operating System (ITOS) became operational in 1998. ITOS is a computer program that gives the railroads, steamship lines and the Port direct, up-to-the-minute cargo status information through electronic data interchange (EDI).

On a regional scale, the Port is working with other Puget Sound ports, cities and counties, as well as the state and federal governments and the railroads, to implement a \$400 million package of 15 road and rail projects designed to keep freight moving. Known collectively as FAST Corridor, the projects will help the region maintain its competitive edge and benefit from the tripling of container volume projected for Puget Sound ports over the next 20 years.

An example of things to come – the massive *Regina Maersk* – made its first visit to the Port in September. The vessel carries more than 6,000 standard 20-foot containers – 50 percent more than most container ships now calling Tacoma. It also requires longer piers, deeper waterways, larger cranes, longer trains, more trucks and more backup acreage. The *Regina Maersk* represents the future of the industry and symbolizes the challenges and opportunities facing the Port.

Goal 2

The Port of Tacoma will be a catalyst to generate \$15 billion in countywide investments by 2015 that will create 15,000 jobs at wage rates 15 percent higher than the state average.

At its core, the Port of Tacoma is an economic development agency. The construction and operation of maritime facilities is at the center of the Port's economic development efforts. In 1998, the Port completed the largest maritime development project in its history, a \$54 million, 60-acre terminal for Korea's Hyundai Merchant Marine, Inc. During construction, this project generated about 200 jobs with a total payroll of \$14 million. The terminal will bring close to 300 permanent port industry jobs to Pierce County, with an estimated payroll of \$12.6 million annually. The average wage for jobs related to maritime activity at the terminal is 28 percent higher than the average wage in the state of Washington. The Port plans to invest nearly \$200 million over the next five years to expand and improve existing maritime facilities for customers such as Evergreen Line and Totem Ocean Trailer Express (TOTE), and to build facilities for new customers. Those investments will generate more jobs and more prosperity throughout the community.

Maritime development is not the only tool the Port uses to create jobs and economic opportunity. At Frederickson, 13 miles south of the waterfront, the Port has developed a major industrial center that is bringing jobs and economic diversity to Pierce County. In 1998, Medallion Foods, a subsidiary of Nisshin Flour Milling, opened an \$18 million pasta manufacturing plant there. The facility employs 100 people and wages are 16 percent above the state average. Right next door, James Hardie Building Products, an Australian company, built a \$40 million fiber-cement siding plant. About 100 people work at the plant and wages are 23 percent higher than the state average. These jobs and the payroll they bring generate economic activity throughout the community and help raise the level of prosperity.

The Port is also involved in efforts to bring more jobs and investment to downtown Tacoma through the creation of an International Services Development Zone (ISDZ). The Zone would offer tax incentives and regulatory advantages to attract a wide range of international business services. Tacoma Public Utilities is 'wiring' the city with a

\$96 million fiber-optic communications network to provide Internet service, high-speed data transfer and make Tacoma more attractive to the kinds of businesses the ISDZ would seek.

Goal 3

The Port of Tacoma will be an enthusiastic and diverse team that is customer focused, innovative and proud of its accomplishments.

The Port of Tacoma is a collection of 212 people who bring to their work a broad range of experiences, viewpoints and talents. Those people, and the characteristics that distinguish them as individuals, are vital to the Port's efforts to realize its vision, accomplish its mission and achieve its goals. A cross-section of employees from throughout the Port participated in all aspects of the strategic planning process along with Port executives, commissioners, representatives of the local longshore labor force, customers and local business people.

Capitalizing on the knowledge and skills of Port employees generates enthusiasm by providing opportunities for personal and professional growth. And enthusiastic employees are more likely to contribute to the Port's success by providing exceptional service to customers.

One of the new tools for improving customer focus that arose from the strategic planning process, was the establishment of seven distinct lines of Port business. Those lines of business are: steamship lines that lease terminals from the Port; steamship lines that call at Port-operated terminals; steamship lines serving Alaska; intermodal transportation; specialty cargo customers; industrial and commercial real estate; and community economic development. Interdisciplinary teams from a cross-section of Port departments have been formed to serve customers within each line of business. This approach is designed to give staff members a better understanding of the industries served by Port customers and to raise the level of accountability for each line of business.

Goal 4

The Port of Tacoma and its labor partners will jointly pursue mutually beneficial goals based on a shared vision of the Port's future.

Longshore labor is the muscle that moves the Port. Over the years, the Port of Tacoma and International Longshore

and Warehouse Union (ILWU) Local 23 have shown how far and how fast a port can move when labor and management share a vision. Sharing a vision means that labor's perspective is taken into account when the Port makes plans for the future. It means seeking and achieving consensus on the big issues. It means understanding the interdependent nature of labor and management in the port setting, and understanding that success can be attained only by working together to take care of customers.

The members of Local 23 know that

productivity and competitiveness are essential to the Port's future. Local 23's well-known commitment to productivity, flexibility and fairness played a vital role in bringing Totem Ocean Trailer Express (TOTE), Sea-Land, Maersk Line, "K" Line, Evergreen Line and Hyundai Merchant Marine to Tacoma.

The solid reputation of Tacoma's longshore workers, and the way they work with the Port to satisfy customers, will continue to play a central role in making Tacoma a global magnet for commerce.

(Port of Tacoma Annual Report)

route.

At the same time, the Port Authority and LHS are going to look for a partnership agreement with the Compagnie Nouvelle de Conteneurs (CNC) Company aiming at developing rail services, especially the shuttle to Strasbourg, which is the first constituent part of a weekly shuttle service to Munich.

Le Havre: 3 Container Gantry Cranes on Order

THE Port of Le Havre Authority is going to proceed to the purchase of an overpanamax gantry crane able to handle in twin-lift 18 containers in width, that is with spreaders able to handle two 20 containers at the same time. This gantry crane will be set up at the Atlantic terminal and will have a distance between the running rails of 15 metres likely to be increased to 21.50 metres.

As for CNMP, the Atlantic terminal operator, it confirmed its intention to proceed to the purchase of two additional gantry cranes under certain conditions of guarantee of financial balance.

Hamburg: Partnership With Korea Dynamic

IN 1998 the Port of Hamburg handled nearly 1.4 million tonnes of cargo for Korea. Export traffic from Hamburg accounted for 707,300 tonnes, while imports constituted 690,300 tonnes.

Hamburg is important, not just as the largest German port for German-Korean trade, but also as a bridgehead for Korea's foreign trade with Scandinavia, Austria and the countries of Middle and Eastern Europe. Big SE Asia vessels unload their cargoes onto feeder or inland waterway vessels, block trains and trucks. 97,000 tonnes passed through the Port of Hamburg destined for Poland, Hungary, Russia and the Czech and Slovenia Republic in 1997 (latest figure), a growth of 50 percent the volume of only two years ago. Further substantial growth is expected for 1998 and 1999.

All told, 1997 transit traffic destined for Korea reached 121,000 tonnes, while that coming from Korea totalled 184,000 tonnes.

Africa/Europe

Labour Productivity at Antwerp Above Average

EVERY year the National Bank of Belgium publishes a report called the "Economic Significance of the Port of Antwerp". This report details the contribution the Port of Antwerp makes to Belgium's economy. The information is based on data collected from over 1,000 companies and organisations active in the port, and includes figures from both the private and public sectors. The results are presented in terms of added value, investment and turnover.

The report on activities in 1997 was published recently. During that year the Port of Antwerp generated BEF 251.5 billion of added value (€6,235 million), setting a new record and representing an improvement of 3.9% over 1996. Average added value per employee, the measure of labour productivity, is 80% above the national average. Half of all added value (BEF 128 billion or €3,173 million) went back to the government in the form of direct and indirect taxation and social security contributions.

For the first time since 1990 there was no further decline in employment, which remained steady at 55,010 persons. At least half of the jobs lost during previous years can be accounted for by a shift of activities to locations outside the port area and to the outsourcing of non-core activities. The other half of the decline in employment is due to the steady climb in productivity. Investment in 1997 remained at the same

modest levels seen in 1994 and

1995. Current programmes, however, involving the construction of the Verrebroek Dock and a further two tidal container terminals (nos. 3 and 4) represent a healthy revival in port investment. The gross volume of business turned over by port-based companies rose by 7.3% in 1997 to BEF 909.5 billion (€22,546 million). Similar powerful growth was recorded for maritime goods traffic. In fact 1997 was a record year with 112 million tonnes of traffic passing through the port. This record has now been superseded by a new record set in 1998 (120 million tonnes). Six of the eleven major industries based in the port saw their turnover grow, led by chemicals and petrochemicals (up 17.1%) and import and export (up 14.9%).

Le Havre: Development Of Rail Services Seen

WITH the setting-up of the Le Havre to Sopron rail corridor, the Le Havre Shuttles Company (LHS) is set to play a significant part to cope with the increase in popularity of the trades generated on this



Final Approval for New Ceres Paragon Terminal

THE Amsterdam Port Authority and Ceres Terminals Inc. received on May 19th the final approval from Amsterdam's city council for the construction of a new innovative container terminal with a capacity of 610,000 moves per year. Ceres Paragon will be the first container terminal in the world with an 'indented berth' allowing cranes to work on both sides of the vessel to provide a productivity of up to 300 container moves per hour for the latest generation of mega-container-ships. This will result in a considerable reduction of port time for the container vessels.

The construction works will commence in the fall of this year and the terminal will be opened in the course of 2001. The total investment amounts to Dfl 378 million of which Amsterdam will provide Dfl 282 million and Ceres will provide Dfl 96 million.

The Amsterdam Port Authority and Ceres have jointly developed the plans for the new terminal since 1996. The project has become definitive now that Amsterdam's city council has approved the investment of the city's share in the terminal. Amsterdam, through the Port Authority, will invest in the infrastructure and will provide two-thirds of the cranes. Ceres Terminals has signed lease contracts with the port authority for the facility and for the cranes and will invest themselves Dfl 96 million in buildings and in one-third of all the cranes.

The terminal surface will measure 50 hectares and the planned capacity of the terminal is 610,000 moves (950,000 TEU) per annum.

The 'indented berth' will measure 350 by 55 meters (1,150 by 180 ft.) and the terminal will also have 650 m. (2,100 ft.) of conventional, straight berth.

The maximum allowable vessel draught in the port and at the terminal is 13.7 m. (45 ft.). Ceres Paragon will have its own on-terminal rail connection as well as berthing space for inland barges and feeders.

Initially the terminal will be equipped with nine ship-to-shore cranes that will be capable of handling 20-wide stows. Three more units are planned for a later phase. The yard operation will be performed by straddle carriers.

Godfried van den Heuvel, executive director of the Amsterdam Port Authority, is very pleased that the construction of the new container terminal has now become final. "With more than

55 million tons of goods handled per year, the Amsterdam Ports are amongst the 10 largest ports in Europe. Only the container sector has not developed in our port over the last decade," explains Mr. Van den Heuvel. "That will change with this new terminal. "The contract with Ceres is not only an attractive commercial deal for the Port Authority, the project is also of great strategic importance for the port as a whole and thus for our whole regional economy."

Mr. Van den Heuvel is convinced that the Ceres Paragon terminal will prove to be a successful project. "The container market in Europe will show a continuing growth in the coming decades and Amsterdam is an excellent location for a container terminal. The largest container vessels currently in service can reach the terminal in 2.30 hours from the sea and the port has excellent road-, rail- and river connections with the hinterland.

"Last but not least, the high productivity of the new terminal will give real advantages to containerlines and our partner Ceres is a very reliable and experienced terminal operator."

Store-Ship Opens New Center in Rotterdam

STOR-Ship has opened a large new distribution centre in Rotterdam's Europoort area. Including office space, the centre covers 66,000 m² and contains sixteen warehouses. Store-Ship specialises in the handling, storage and distribution of packaged environmentally critical and hazardous substances. This location was chosen as it offered a direct connection to the international rail network and was close to the ECT Delta terminals.

Rail

Store-Ship has some sixty regular clients: prominent chemical producers from Asia, the United States, Germany and Switzerland. The largest client (accounting for some 50% of the volume) is the Swiss company Novartis. In order to be able to serve this company, which is very much oriented towards rail, better and more efficiently, a rail connection was a prerequisite. The old Store-Ship premises in Spilkenisse could not provide this. Cargo was transported there by truck from a yard within the port area. In offering the Europoort location, the Municipal Port Management acted in line with both its transport and commercial policy: encouraging rail

transport and attracting a significant cargo flow and appealing clients to the port. The point was that an extra branch of the Port Railway could be realised at this new location. As some seventy percent of Store-Ship's cargo is brought in via the port, the proximity of the ECT Delta terminals is also an important factor.

Requirements

The sixteen warehouses, 2,500 m² in size, all have two dock shelters and meet the most stringent (CPR 15.2) safety and environmental requirements. Depending on the substances involved, the warehouses can be refrigerated or heated. Four warehouses are fitted with an Inside Air light foam installation, specially designed for products in classes K1 and K2.

Store-Ship is a family firm, founded in 1960. The second generation of Blankensteins is already at the helm. The company expects a continued increase in the demand for environmentally safe means of storage and distribution. The centre can be expanded further by over 20,000 m². About 45 people work for the company.

Port of London Authority Reports Another Good Year

MAJOR investment by terminal operators and a growth in trade marked another good year for the Port of London, the 1998 Annual Report and Accounts of the Port of London Authority show.

Trade grew from 55.7 million tonnes in 1997 to 56.4 million tonnes last year. Excluding 'sludge' traffic (waste material dumped at sea) which was phased out during the year, the underlying growth in cargo was 2.6 million tonnes, an increase of five per cent on 1997.

Port terminal operators made huge capital investments in 1998, including a £20 million development by Port of Tilbury London Ltd in a new, purpose-built terminal for Finnish forest products.

Purfleet Thames Terminal and Thames Europort also invested heavily in facilities to accommodate larger Ro/Ro vessels, while Tate & Lyle continued with a £200 million improvement to its riverside site and jetty.

The PLA also invested heavily in capital projects. Foremost was the replacement of the Vessel Traffic System at the Port Control Centre, Gravesend. A com-

plementary system is being installed at the PLA Thames Barrier Navigation Control Centre, funded by the Environment Agency, as owner of the Flood Barrier.

The PLA also initiated the new £3.3 million Charing Cross Pier (now renamed Embankment Pier) and is lead partner in the design and building of a new, larger £4.4 million Tower Pier. These two piers along with Westminster, Festival, Temple and Greenwich piers have passed, with the PLA's full support, to London River Services (LRS), as part of the Government's integrated transport strategy. PLA's investment in Embankment and Tower Piers will be reimbursed by LRS.

In his Chairman's statement, Sir Brian Shaw refers to the "severe blow" of Shell's decision to close its Thameside refinery but states that the PLA has already taken steps to offset the loss of trade and revenue.

These include having to take the difficult and "unpalatable" decision to increase port conservancy and pilotage charges for the first time since 1994 and

1991, respectively, and not to make a cost of living pay award to employees in 1999.

"These two decisions, taken promptly, will go a long way to mitigating the loss of Shell revenue. Other cost-cutting measures, in progress or planned, will make up the balance," says Sir Brian.

He adds that the Shell site, with its deep water and excellent road and rail links, presents "an exciting opportunity for alternative port development and there is much interest in it. The PLA is keeping in close touch with Shell Oil (UK) and interested parties to achieve the earliest possible redevelopment of this strategically important site."

He concludes that until this happens, the Port of London might lose its top UK port position but is confident that it will be regained and consolidated early in the new Millennium.

Sir Brian also uses his statement to pay tribute to David Jeffery, PLA chief executive since 1993, who is retiring in 1999, for his "13 years of distinguished and dedicated service to the PLA, to the Port of London and to the UK and European ports industries."

mates, so today the industry is worth around \$300 million per annum.

"The move to introduce full cost recovery of border charges is at odds with the Government's stated intention to boost New Zealand's export earnings by promoting tourism," says Mr Vazey.

"There is a mistaken view that cruise passengers are wealthy and can afford to pay more, but it will be cruise lines who incur the costs and they are very sensitive to Government-imposed taxes and charges. The small amount that the Government would recover for passenger processing would put hundreds of millions of tourism dollars at risk."

Vessel and passenger clearance services are provided at the border to protect New Zealanders from illegal immigrants, and from pests and diseases. They are currently funded from general taxation.

"These services are for the benefit of society in general and it is inequitable for the Government to pass the costs onto ports or shipping lines. The issue is of major concern to tourism operators," says Mr Vazey.

Following lobbying by the travel industry and tourism operators last year, the Government has decided to delay the introduction of full cost recovery until mid-2000.

A review team has been set up to consider whether a single border control agency should cover customs, agricultural and immigration.

Mr Vazey says that the port companies believe a single border control agency could create efficiencies provided the agency is established in a way that promotes operational efficiency, fosters business growth and is based on best practice standards.

"Current border control arrangements by some agencies are inflexible and inefficient, and add to port operational costs. Allowing existing Government departments to pass on their costs would simply lead to inefficiency and higher costs.

"Effective border control activities protect New Zealand and its economy, but they must be balanced against the need for free flow of trade and avoid adding unnecessary costs to the import and export sector," he says.

Ports believe that the New Zealand Customs service currently provides the best model for a new agency. In a submission to the review team, they have also argued that the cruise ship industry needs to receive specific consideration.

(Port Report)

Asia/Oceania

Auckland: Against Border Control Cost Recovery

NEW ZEALAND'S 13 port companies have joined forces to persuade the Government against introducing cost recovery for border control activities. Ports are worried the move will set back the country's growing cruise ship business.

Details of how much cost recovery would add to the cost of cruise ship visits are unclear. If a processing charge is imposed per passenger, ports estimate that over \$10,000 could be added to the cost of each call. Cruise lines could drop New Zealand from their itineraries in favour of other countries that subsidise or reduce port charges in order to encourage cruise ship calls.

Thirty cruise ships called at Auckland between October last year and April this year, bringing 27,000 passengers and 10,000 crew. The 1999-2000 season is expected to be even busier. Ports of Auckland already has bookings for 34 cruise ships for 1999-2000.

"Most cruise ships that call at

Auckland go on to call at other New Zealand ports, so they contribute significantly to regional economies," says Ports of Auckland Chief Executive, Geoff Vazey.

Passengers take part in a wide variety of tourist activities and many return on individual visits. Vessels use local provisioning and other ship services, while airlines benefit from passenger and crew exchanges, when they fly in from abroad to join cruises, while others fly out.

A New Zealand Tourism Board study showed 17 cruise ships visiting in 1996-97 injected \$47 million into the New Zealand economy through direct spending. Associated economic activity contributed \$150 million, creating 743 full-time equivalent jobs or more. These figures were based on conservative esti-



Port Taranaki: Containers Tracked by Computers

AT Westgate Port Taranaki's new Blyde Terminal, hundreds of containers are being constantly gathered, sorted, cleaned and dispatched.

It is a major operation, and in the interests of cargo handling efficiency it is imperative that a close watch is kept on the whereabouts of every container that enters the terminal.

While this can be "by hand" using pen and paper, Westgate Transport has opted to use new technology, and has introduced a computer-based Navis Sparcs container tracking system.

Two Westgate employees have been recruited to operate the system. Trevor Wylie, formerly Engineering Services Supervisor, is now Blyde Terminal Co-ordinator. He is assisted by Peter Wales who has been seconded from Security for a few months to help commission the tracking system.

The pair are based in Blyde Terminal's new dry store, and their office is a highly efficient operational headquarters which

keeps tabs on the whereabouts and current status of every container in the port area.

All containers have their own four-letter, seven-digit registration code. When they arrive at Blyde Terminal either by land transport or by sea, these registrations are entered into the Navis Sparcs computer.

From that point they become part of a highly-organised container handling system. They are stored at pre-planned locations, moved by employees who are in constant radio communication with the office, and in conjunction with shipping management and stevedores the system can also be used to help pre-plan and oversee ship loading.

Westgate Transport Ltd's Cargo Services Manager Robin Aitken says the computer-based container tracking system offers massive potential for the future.

"Right now there is no problem doing this same job using paper and pencil," he says.

"But as we get busier and shipping volumes increase, the benefits will be immeasurable."

electronic submission of such declarations through MARINET is faster and convenient as port users can do so round-the-clock from the comfort of their homes or offices. They only need to have Internet access before they tap into MARINET anywhere and at anytime.

Second, the system offers a one-stop facility for shipping agents to order pilotage and towage services from the pilot and tug service providers. This service supports MPA's tug liberalisation programme and allows port users to place tug orders with their preferred tug operators via the Internet. Shipping agents can thus be kept informed of the status of their tug service orders via MARINET. All six licensed tug operators servicing the Singapore port are linked to the system. The linkages allow for better coordination of information and in turn raise the overall service levels of the operators.

Third, MARINET provides value-added, real-time information on vessel arrivals and departures, and up-to-date vessel location in port. Port users are also able to check on the status of their vessel declarations, and receive port clearances electronically upon approval.

Besides the interactive transaction services, MARINET also provides Electronic Data Inter-change (EDI) facility for the bunker suppliers to submit monthly bunker operations information to MPA. Bunker suppliers are expected to find this paperless method more convenient and efficient.

Currently, MARINET has 1,500 accounts from over 370 companies in the maritime industry. These include shipping lines, shipping agencies, bunker suppliers, freight forwarders, ferry operators, tug operators and marina clubs.

Welcome address by Dr Yaacob Ibrahim, Parliamentary Secretary, Ministry of Communications, at the launch of the Maritime and Port Authority's MARINET system, 16 April 1999, 0930HRS, PSA Building Auditorium.

Distinguished Guests
Ladies and Gentlemen

Let me warmly welcome you to the launch of the Maritime and Port Authority of Singapore's MARINET system. It is the first Internet-based system of the MPA to facilitate the shipping community's transactions with the port authority.

In an increasingly globalised and inter-connected economy, Singapore is very committed to tapping the vast potential

2nd APA Conference 30 Nov. - 3 Dec. in Bali

THE 2nd ASEAN Ports Association Conference and Maritime Exhibition will be held 30 November - 3 December 1999 in Bali, Indonesia.

This event will be the major forum for ASEAN ports & maritime society and other parties interested in port industry development in ASEAN to exchange experience, knowledge, sharing the information on ports technology and even as the attractive event to market and search the business opportunity in port industry.

The 2nd APA Conference & Maritime Exhibition'99 is hosted by Pelabuhan Indonesia (Indonesian Port Corporations) I, II, III and IV and also the Indonesian Dredging Company.

For further information, please contact the official organizer:

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S'pore: Internet-based E-Commerce System

THE Maritime and Port Authority of Singapore (MPA) recently launched its first Internet-based e-commerce system, MARINET, for shipping transactions. The system, which offers a host of maritime services that the shipping community can access on-line, was officially launched by Dr Yaacob Ibrahim, Parliamentary Secretary for Communications, at a ceremony held at PSA Auditorium. More than 110 maritime representatives attended the event.

MARINET is the MPA's latest initiative to ensure that the Port of Singapore stays highly efficient and cost-competitive.

In his opening address, Dr Ibrahim reiterated MPA's commitment as port authority to continually leverage on the use of Information Technology to better serve the shipping community. He urged port users to consider adopting e-commerce systems as the new and faster way of doing business to increase their competitive edge.

MARINET provides four main services. First, the web-based system allows the shipping community to submit statutory declarations such as declaration of vessel arrivals and departures, dangerous goods, and information on bunker operations to MPA through the Internet. The

that Internet-based services offer. As part of this commitment, Singapore passed an Electronic Transactions Bill in July last year providing a comprehensive legal environment for electronic transactions to be processed safely and securely. We are the first in Southeast Asia to formally define the rights and responsibilities of all parties involved in electronic-commerce.

The MPA has, on its part, strived to position Singapore as a centre of international electronic commerce activity. In this regard, the MPA is to be commended for its effective and innovative use of information technology in developing the MARINET system. As one of Singapore's pioneer e-commerce services, it will further herald the Singapore Port as an international hub port.

The MARINET system provides convenience and benefits to its users. The system is Windows-based and it is fully Y2K compliant, as it should be without saying! More importantly, the MARINET system heralds the start of a new era of convenience, efficiency and responsiveness for the MPA's clients and customers. Shipping agents will now be able to submit their statutory declarations electronically, 24 hours a day, from anywhere in the world, instead of having to visit the MPA's One-Stop Document Centre for this purpose. Port users will be able to check on the status of their vessel declarations, and receive port clearances electronically upon approval. MARINET also provides value-added, real-time information on vessel arrivals and departures, and up-to-date location of vessels in port. The ordering of pilot and tug services will also be possible using the MARINET system.

I am told that there are now 1,500 MARINET accounts from more than 370 companies in the maritime industry. I am sure this figure will steadily increase as the benefits of the system become apparent. The MPA will continue to tap the potential of the MARINET. Plans are already underway to introduce more Internet-based services. For example, the MPA is currently studying the possibility of introducing e-commerce services to the bunker industry to enhance Singapore's status as a top bunkering port in the world. The vision is for shipowners and bunker suppliers to buy and sell bunker fuel electronically. I am confident that the MPA will continue to exploit the use of information technology in innovative ways to better serve the maritime and shipping community.

It is estimated that by the year 2002, electronic trade worldwide would be worth US\$400 billion. This means a 30-

fold increase in five years or a doubling of the market every year. In closing, I encourage all of you in the industry to actively explore and embrace the use of the Internet as a platform for business transactions. We should ride the e-commerce wave and seize this opportunity to widen our competitive edge, especially during the current economic slowdown. We will then emerge stronger and more competitive when the economy recovers.

Thank you.

PSA Group Earns Profits Despite Asian Crisis

IN spite of the severe Asian economic crisis in 1997 and 1998, the PSA Group of Companies contained its costs and expenses, and maintained its profit level. Group Net Profit After Tax in its first 15 months of operation since its corporatisation on 1 October 1997 was \$931 million.

PSA Corporation Ltd, the main company in the PSA Group, and the world's number one container terminal operator, handled a record-breaking 15.1 million TEUs in 1998. This represented a 7% growth in container traffic over 1997's throughput of 14.1 million TEUs, and made Singapore the world's number one container port.

PSA Corp's operational performance in 1998 was recognised by the international shipping community; and PSA received the 'Best Container Terminal Operator (Asia)' Award for the 10th time at the Asian Freight Industry Awards.

In its international business, the PSA Group entered into six more overseas joint ventures with equity participation in 1998: Tuticorin Container Terminal and Pipavav Port in South and Northwest India respectively; Fuzhou Container Terminal in Fuzhou, China; a waterfront re-development project in Dalian, China; Voltri Terminal Europa in Genoa, and Venice Container Terminal in Venice, Italy.

Today, PSA operates a chain of 8 overseas ports.

Also in 1998, together with local and foreign partners, PSA ventured into the management of container depots and automotive logistics, respectively. These joint ventures will provide for our customers additional integrated value-added services. At the Singapore Cruise Centre, PSA handled a new record of more than 1.05 million passengers, and Singapore was voted 'Best Turnaround Port' and 'Most Improved Port Facilities'

by Dream World Cruise Destinations, United Kingdom.

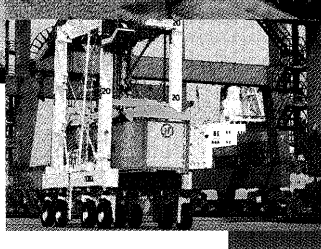
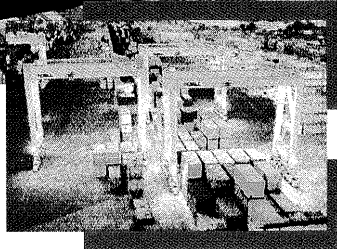
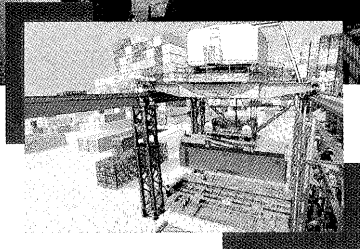
PSA's good 15-month performance (1 October 1997 to 31 December 1998), in spite of the severity of the Asian economic crisis, can be attributed to the strong support from our customers and our staff. In spite of the additional volumes and passengers, we have kept our expenses down. Our corporate Waste Buster Programme yielded \$14 million in savings. Our staff's contributions through our Quality Circles and Suggestion Schemes saved PSA \$4.4 million. Joint QCs, formed between PSA and customers to solve customers' problems, reaped \$4.1 million in savings for customers.

Dr Yeo Ning Hong, Chairman, PSA Corporation, said, "1998 was an extremely challenging year for PSA and our customers alike. PSA was able to surmount the challenges posed by the economic crisis because of the strong support and confidence shown by our customers. They continued to value the high quality services that we provide to the shipping community and gave us their strongest patronage. In appreciation, PSA continues to seek out new ways of serving our customers, putting our total resources at the disposal of our customers, customising procedures and processes to meet all the requirements of individual customers, and helping them maintain their competitive edge in their different market segments. For example, PSA has worked closely with individual customers to help them use PSA's resources more effectively, and to lower their operating costs in Singapore.

On our own corporate front, we were relentless in our pursuit of operational and service excellence, elimination of wastage, and enhancement of productivity. Our in-house Unions – the Singapore Port Workers Union and the Port Offices' Union – gave PSA their unflinching support and helped to maintain enthusiastic support for innovations to meet customer requirements. Staff members, individually and collectively, gave of their best, with 100% staff participation in our productivity movement. The strong bonds forged in these difficult times will enable all of us to pull together to face the challenges ahead as we enter into the new millennium.

PSA will continue to be very customer-focused. We will provide fast, flexible and reliable world-class service of the highest values to all our customers, at the lowest possible prices."

The face-the-future transport system



Now and in the future, wherever containers are used for transportation, you'll come across three key terms: bigger, better, faster and all this at decreasing prices. So just-in-time container handling will be the biggest influence in your success. Working with Noell means taking that challenge seriously. Whether ship-to-shore cranes, straddle carriers or stacking cranes, we can give you the port support

your clients expect: 24-hour availability, superior design and features supported by the most advanced diagnostic system as well as low operating and maintenance costs. With Noell, top quality planning, consulting and financing services are what you can expect. When it comes to international container handling from ship to shore and to the backland and vice versa, we optimize your transport system, give you a competitive edge and improve your profitability.

For further information on the face-the-future transport system call your Noell representative.

Noell Stahl- und Maschinenbau GmbH

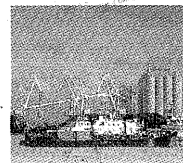
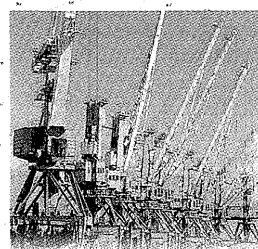
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PREUSSAG

NOELL

PORT OF TALLINN



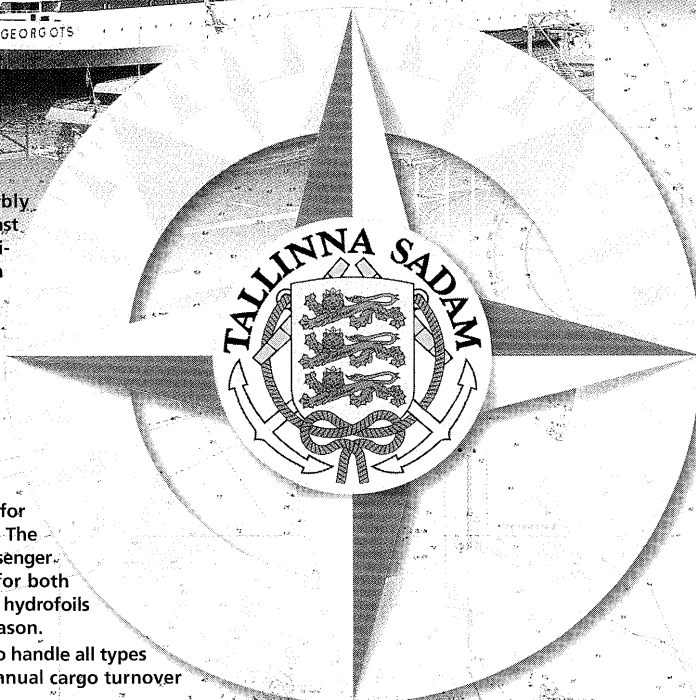
PORT OF TALLINN – favourably located on the tradeway between East and West, a harbour complex navigable throughout the year with depths down to 17.4 m, able to handle all vessels that can sail to the Baltic Sea through the Straits of Denmark.

PORT OF TALLINN – administers **Old City Harbour**, **Muuga Harbour**, **Paldjassaare Harbour** and **Paldiski South Harbour**.

PORT OF TALLINN – a gateway for over 5.4 million passengers in 1998. The **Old City Harbour** with its four passenger terminals is an excellent harbour for both passenger ferry-boats, as well as for hydrofoils and catamarans during summer season.

PORT OF TALLINN – equipped to handle all types of cargo and commodities. Total annual cargo turnover in 1998 was 21.4 million tonnes.

Muuga Harbour – the largest and deepest port in Estonia. Excellent inland, rail and road connections. The harbour has six oil terminals, dry bulk and general cargo terminals with RO-RO facilities, a container terminal, reefer terminal, grain terminal and storage areas for vehicles and timber.



WHEN EFFICIENCY COUNTS



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