

October
1999 Vol.44 No.8

Ports & Harbors



IAPH
May 19 - 26
by 19 au 26 mai
AIPH



Baytank, Inc. and Petro United Terminals, Inc. operate liquid terminals at Bayport. Although privately owned, both terminals are available for public use. In addition, the Port of Houston Authority has land available for lease - to be used for the development of private liquid terminals.

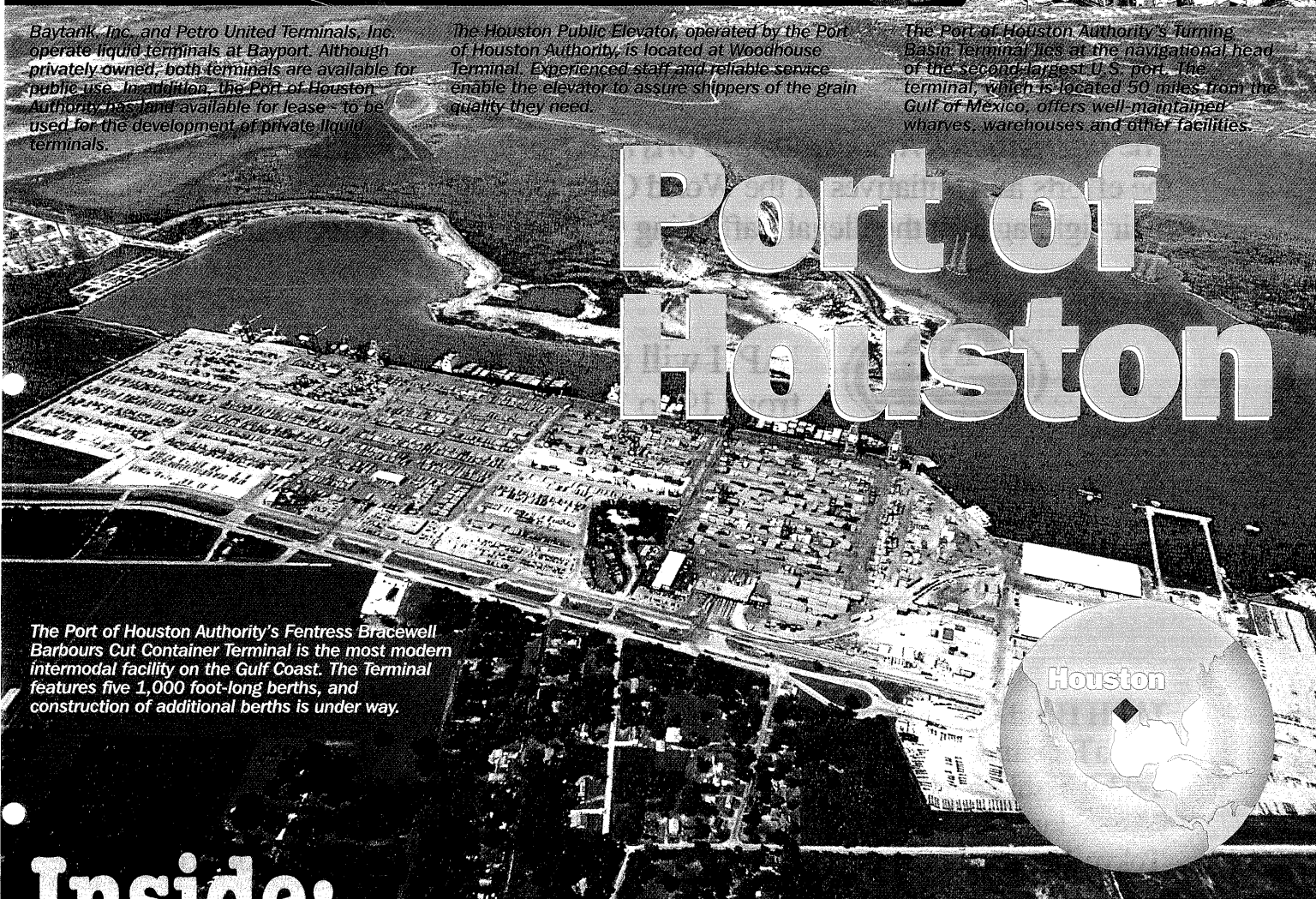


The Houston Public Elevator, operated by the Port of Houston Authority, is located at Woodhouse Terminal. Experienced staff and reliable service enable the elevator to assure shippers of the grain quality they need.



The Port of Houston Authority's Turning Basin Terminal lies at the navigational head of the second largest U.S. port. The terminal, which is located 50 miles from the Gulf of Mexico, offers well-maintained wharves, warehouses and other facilities.

Port of Houston



The Port of Houston Authority's Fentress Bracewell Barbour's Cut Container Terminal is the most modern intermodal facility on the Gulf Coast. The Terminal features five 1,000 foot-long berths, and construction of additional berths is under way.



Inside:

- A Report on the Turkish Earthquake: IAPH Reacts to Emergency Call from Turkish Ports
- Free Commercial Zone - EDI System, Port Klang, Malaysia
- Oman Ports: Development of the Region's Sea Transport Network
- Panama Tolls Revenue More Than Estimated
- The Port of Houston - America's Gateway to The Rest of the World
- New Passengers Terminal Amsterdam a Lively Centre
- Tarragona: Mediterranean Gateway To Europe
- Port of Mumbai At a Glance
- Throughput Continues to Rise at Chinese Ports
- Kobe Facilities Enhanced, Port Use Charges Cut



Join us in IAPH's endeavours to pursue

World Peace Through World Trade World Trade Through World Ports

IAPH supports all efforts to prevent the illegal trafficking of drugs!

Drug trafficking through seaports is a global problem requiring vigilance and the co-operation of the world's ports community.

The world's ports must accept their responsibility to enhance security measures and improve communications with the parties concerned by working closely together so as to prevent the illegal movement of drugs through ports.

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



IAPH will meet in Montreal, Canada
from 19 to 26 May 2001
at its 22nd World Ports Conference

Conference Theme: **"2001, A Maritime Odyssey - 2001, Une odyssée maritime"**

Conference Host: **Montreal Port Authority**

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(1999 - 2001)

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THE Port of Houston Authority owns and operates the public facilities located on the Houston Ship Channel and is the ship channel's official sponsor. The Port Authority owns a diverse group of facilities designed for handling general cargo, containers, grain, other dry bulk materials, project and heavy-lift cargo and virtually any other kind of cargo. Related article on page 21.

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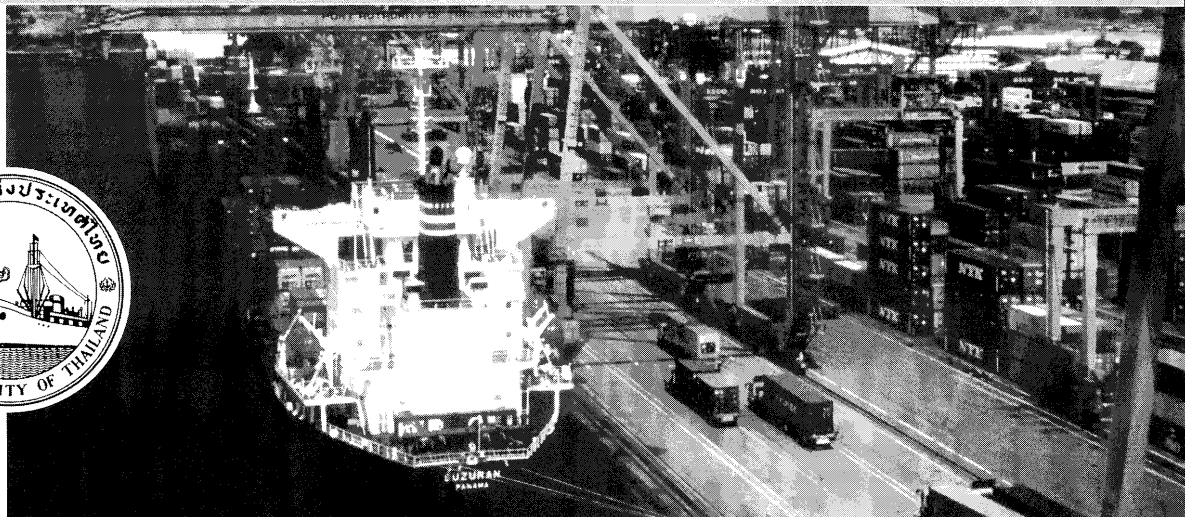
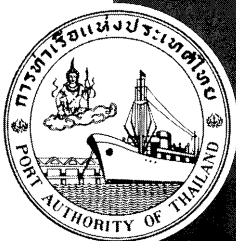
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IAPH ANNOUNCEMENTS AND NEWS

Executive Committee To Meet in Montreal

From 25 to 28 October 1999

UNDER the date of 24 August 1999, Secretary General Inoue circulated a letter to members of the Executive Committee, the chairs of the other committees, the Legal Counselors and the Liaison Officers asking them to inform the office of President Taddeo, Montreal Port Authority, with a copy to the Tokyo Head Office, whether they would be able to attend the forthcoming Exco meetings, which are scheduled for 25 -

28 October 1999 at the Queen Elizabeth Hotel, Montreal, Canada. In his circular calling the meeting the Secretary General indicated the Presidential recommendation to the effect that the following committees and groups should organize their meetings in Montreal prior to the Exco meetings.

Internal Committees

- Finance
- Constitution & By-Laws/Legal

Counselors

- Long Range Planning/Review

Sustainment and Growth Group

- Communication and Networking
- Membership
- Human Resources Development Committee

IAPH/IMO Interface Group

As for the committees in the Technical Affairs Group and those in the Port Industry Research and Analysis Group, the President has invited the chairs of the respective committees to come to Montreal and submit their reports on the current situation of each committee.

The schedules for the various meetings as announced in the Secretary General's circular are as follows:

Provisional Agenda and Program of Various Committee Meetings and Executive Committee Meeting

in Montreal, October 23-28, 1999

Main Venue: The Queen Elizabeth Hotel, Montreal

Saturday, October 23, 1999

Delegates arrive

Sunday, October 24, 1999

1000	Registration
1130	Officers' Meeting (President, Vice Presidents, Immediate Past President, Secretary General) and the Secretariat (Lunch served)
1730	Departure from the hotel to the Montreal Port Building
1800	Reception at the Montreal Port Building

Monday, October 25, 1999

Meetings of Various Committees

0830/1000	Constitution & By-Laws, and Legal Counselors
1000/1030	Coffee Break
1030/1200	Joint Meeting of the Finance and Membership Committees
1200/1400	Lunch
1400/1500	Long Range Planning/Review Committee
1500/1530	Coffee Break

1530/1700	Communication & Networking Committee
1530/1730	IAPH/IMO Interface Group
1900	Dinner hosted by the Montreal Port Authority

Tuesday, October 26, 1999: Exco Meeting Day 1

0830/0900	Reports by the chair of the Constitution & By-Laws Committee and Legal Counselors
0900/0930	Reports by the Finance Committee
0930/1000	Report by the Membership Committee
1000/1030	Coffee Break
1030/1100	Report by the Long Range Planning/Review Committee
1100/1130	Report by the Communication & Networking Committee
1130/1200	Discussions
1200/1400	Lunch
1400/1430	Report by the IAPH/IMO Interface Group
1430/1700	Meeting of the Coordinating Vice Presidents and the attending Chairmen of <ul style="list-style-type: none"> • Technical Committees • Port Industry Research and Analysis Group of Committees • Sustainment & Growth Group of Committees
1500/1530	Coffee Break
1730/1830	Regional Exco Meetings Free Evening

Wednesday, October 27, 1999: Exco Meeting Day 2

- 0830/0900 Report from Thomas Kornegay, 3rd Vice President, on the current status of the Port Industry Research and Analysis Group of Committees: ①Cargo Operations Committee, ②Ship Trends Committee, ③Combined Transport & Distribution Committee, ④Port Planning & Construction Committee, and ⑤Trade Policy Committee
- 0900/0930 Report from Pieter Struijs, 2nd Vice President on the current status of the Technical Committees: ①Port Safety, Environment and Marine Operations Committee, ②Dredging Task Force, ③Legal Protection Committee, and Trade Facilitation Committee
- 1000/1030 Coffee Break
- 1030/1100 Report from Akio Someya, 1st Vice President, on the current status of the Group of Committees for Sustainment and Growth: ①Membership Committee, ②Communication and Networking Committee, and ③Human Resources Development Committee
- 1100/1200 Discussions
- 1200/1400 Lunch

Technical Visit

- 1430 Departure by bus to board the "MV Maisonneuve" for a visit to the Port of

Montreal Installations

Dinner on board

- 2100 Return to hotel by bus

Thursday, October 28, 1999: Exco Meeting Day 3 - Final Session

- 0830/0900 Outstanding issues from previous sessions
- 0900/1000 Reports by the Liaison Officers
IMO & IAPH Representative in Europe:
P. van der Kluit
ECOSOC: Lillian Borone
UNCTAD: Goon Kok-Loon
WCO: Emil Arbos
UNEP: L.J. Mwangola
PIANC: Scherrer
African Affairs: Alex Smith
- 1000/1030 Coffee Break
- 1030/1130 Status Report on:
• The Mid-term Board Meeting, Marseilles, May 15-20, 2000
• The 22nd World Ports Conference, Montreal, May 19-26, 2001
• The 23rd World Ports Conference, Durban, South Africa (dates yet to be known)
• Other matters, if any
- 1130 Closing Remarks by the President

IAPH Membership Directory 2000

Revised entry form circulated to members

AT the initiative of Secretary General Inoue, the IAPH Secretariat members have had a series of meetings to consider how to make the new edition of the Membership Directory more informative and easier to use for all the Association's members and their business partners. By the end of August, a new entry form had been completed, which was sent out to all members of IAPH from the Head Office on 1st September.

In the previous years publishing schedule for the Membership Directory has required members to return the updated information on their organizations to the Tokyo secretariat by the end of July for completion of the publication by early November. However, the production process and the entire format of the 2000 Directory have been thoroughly reviewed, and as a result the work schedule has now been changed.

The deadline for the receipt of completed entries from each member at the Head Office is 15 October 1999, for completion of the 2000 Directory in early February 2000.

The revised entry form for Regular Members is designed to collect information on the following items.

1. Name of the Organization
 - 1.1 Address
 - 1.2 P. O. Box
 - 1.3 Tel
 - 1.4 Fax
 - 1.5 E-mail
 - 1.6 Homepage
2. Overall tonnage, major commodities, container traffic
 - 2.1 Figures for general, bulk and total cargo volumes as well as inbound, outbound and total figures.

- 2.2 Container Traffic with description of TEUs and tons as well as inbound, outbound and total figures

3. Names of ports, if multiple ports are administered by the member organization
4. Members of the Port Commission/Board of Directors (individual names, titles)
5. President/CEO and key departmental officials (individual names, titles)
 - 5.1 Regional/overseas Representatives (country, city, individual name/address/electronic address)

6. A brief profile of the Port (such as the date established, promotional policy, historical developments, future plans, the name/s of sister port/trade partner port affiliation, etc., within a maximum of 150 words)

In accordance with the newly developed entry form, all members are requested to return the completed entries to the Head Office in Tokyo by **15 October 1999**. Furthermore, the Secretary General urges all members to make the best use of the

space allocated to each member for presenting a profile of the member, which will give added value to the IAPH Directory, one of the most comprehensive publication of its type containing a who's who of the major ports throughout the world and their contacts.

The Secretary General also appeals to all members to run their advertisements in the Directory 2000 as such support will contribute to a considerable reduction in production costs, thus helping the Association to minimize its overall annual expenses.

IAPH IT Award '99 Gold Prize Winning Paper

IN this issue, we introduce the paper entitled "Free Commercial Zone - EDI System" by the Port Klang Authority, which won the Gold Prize in the First Category of the IAPH Information Technology Award 1999 organized by the IAPH Trade Facilitation Committee.

The presentations of the gold, silver and bronze plaques took place during the 1st Plenary Session of the 21st World Ports Conference held in Kuala Lumpur, Malaysia on 17 May 1999. The gold plaque was presented to Datin OC Phang, General Manager/CEO of PKA, who was the chairperson of the KL Conference. (See page 9)

Tonnage Survey '99: Status Report

TO the biennial tonnage survey, in which IAPH Regular Members were asked to report the latest annual figures for the tonnage handled as well as the number of dues units to be subscribed by them, 70 out of 228 members or 30% of the members had responded to the Secretary General by the end of August - one month before the deadline, which is 30 September 1999. Those members who have not yet returned this entry form to the Tokyo Head Office are requested to kindly do so as soon as possible, and by the deadline at the latest.

Montreal announces the theme for the 22nd Conference 2001

THE IAPH Head Office has recently learned from the office of President Taddeo, Montreal Port Authority, the host for the 2001 Conference of IAPH that the theme chosen for the Montreal Conference is: "2001, A Maritime Odyssey - 2001, Une odyssée maritime".

Starting with the September issue, the logo of the Montreal Conference is appearing on the front cover page of "Ports and Harbors" to remind IAPH members that the next World Ports Conference of IAPH will be held in Montreal from 19 to 26 May 2001.

Our host, the Port of Montreal, has recently supplied the background explanation of the logo and theme both in English and French, which we reproduce below for the benefit of our readers.

Conference Theme:

2001, A Maritime Odyssey

The 2001 conference in Montreal will be the first of the new millennium. Symbolically, it represents a new departure, the beginning of a new era for the maritime industry as it does for the world in general. As well, the term odyssey is defined as the pursuit of extraordinary adventures. Together in the theme we've chosen, these ideas communicate our vision of a renewed and revitalized maritime industry, a future filled with promise and rich in innovation, modernization and progress.

The logo:

Our logo represents the Port of Montreal as seen from the St. Lawrence River, the marine highway between the North American heartland and the rest of the world.

In the foreground: the river and a container ship, a symbol of our industry and its international character. The ship is arriving at Montreal to reflect the welcome by this city and its openness to the world. In the background, downtown Montreal, the focal point of life in this city and Mount Royal which remains an icon for Montreal. The entire logo offers a message of welcome to our visitors - the delegates to the conference.

Thème de la conférence:

2001, Une odyssée maritime

La conférence de 2001 à Montréal sera la première du nouveau millénaire. Symboliquement, elle constitue un point de départ, elle marque le début d'une ère nouvelle pour le monde maritime, comme pour l'ensemble du monde. D'autre part, le terme odyssée est défini comme une suite d'aventures extraordinaires. Réunies dans le thème choisi, ces idées communiquent notre vision d'un avenir renouvelé et prometteur pour le secteur maritime, riche de multiples développements, moderne, en progression.

Le logo:

Notre logo représente le Montréal portuaire, vu du fleuve Saint-Laurent, la grande voie maritime entre l'intérieur du continent nord-américain et le monde.

Au premier plan: l'eau du fleuve et un porte-conteneurs, icône de notre industrie et de sa dimension internationale. Le navire arrive à

Montréal, pour refléter l'accueil de la ville et son ouverture au monde. Au second plan: le centre-ville, cœur de la vie montréalaise, se découpe sur le Mont-Royal, la montagne qui depuis toujours distingue et symbolise notre ville. L'ensemble représente un message de bienvenue adressé à nos visiteurs, les participants de la conférence.



IAPH
MONTRÉAL 2001
AIPH
May 19 - 26
Du 19 au 26 mai

Turkish Earthquake: IAPH Reacts to Emergency Call from Turkish Ports

On 17 August 1999, Izmit, the industrial and commercial center of Turkey, located on the coast of the Black Sea and Marmara Bay, was hit by an earthquake of unprecedented severity, which killed more than 13,000 people and destroyed a huge number of houses, factories and lifeline systems, leaving hundreds of thousands of people homeless.

On 23 August 1999, IAPH Head Office received an urgent request from Mr. Igor Reshetnikov, Director General of the Black and Azov Seas Ports Association (BASPA, Istanbul), to see if IAPH could assist in tackling the oil spills from the Tüpraş oil refinery by supplying equipment and apparatus for an oil-skimming operation to be conducted by a multipurpose environmental work vessel named "BSEC MARMARA I".

On the same day, though no exact information was available, the IAPH Head Office passed this urgent message to nine local institutions, including governmental offices such as the International Emergency Rescue Office, the Ministry of Foreign Affairs, the Turkish Embassy in Japan and the International Business Office, Bureau of Ports & Harbours, Ministry of Transport, as well as the Oil Spill Response Department, Petroleum Association of Japan, and other institutions involved in international technical assistance programs. On the same day, the situation was reported to the IAPH President, the Vice Presidents, the IAPH European Representative Office in Rotterdam and the Port of Kobe, which had experienced an earthquake in 1995. The responses given to the Head Office from these institutions were reported back to BASPA almost on a daily basis.

On 27 August 1999, BASPA, expressing thanks for the prompt response from IAPH and also acknowledging a few contacts made from the Turkish offices of the recipients of the letter from IAPH, announced that a large-scale skimming operation with technical support from Japan seemed to be feasible.

The IAPH Head Office is prepared to continue liaising with BASPA through Mr. Igor Reshetnikov and to report on the situation to the IAPH officers and member ports involved.

In this connection, the IAPH Head Office received a report on the damage caused by the recent earthquake in

Turkey from officials who were dispatched there by JAICA via the MOT, Japan. Part of the report is carried below.

A Report on the Damage at some of the Turkish Ports Caused by the Earthquake

A report dated September 7, 1999 prepared by Dr. Kazuo Murakami and Mr. Susumu Iai, short term expert, Port Hydraulic Research Center Project, JICA (Japan International Cooperation Agency), Port and Harbour Research

Institute, Ministry of Transport, Japan, on the damage to the transport infrastructure caused by the huge earthquake of 7.8 magnitude which hit the western part of Turkey on August 17, 1999, has been sent to the IAPH Head Office via the MOT, Japan. An outline of the report follows:

The Izmit area, the epicenter of the earthquake, is an important commercial and industrial area of Turkey. More than 31 wharves and related port facilities are located there, handling some 28 million tons of various cargoes, which accounts for as much as 55% of the overall tonnage of the country (1995 figures quoted). The reporters also visited such affected ports as Tuzla, Derince, Adapazari and Izmit. At Tuzla Port, the overhang portion of the quay walls (15-40 cm width) had dropped into the sea, and pavement



At Golcuk collapsed building and sinking of the road (in front of the building)



No. 6 Berth at Derince: Collapsed crane, derailed crane, signs of liquefaction, cracks and sinking of concrete slabs

Pictures (taken by the experts and contributed by courtesy of JICA via the MOT, Japan)

cracks and uneven sinking of the yards were observed. At Derince Port, the quay wall had dropped off, quay walls had sunk, cranes were tilting, back-up yard areas had sunk and there was evidence of liquefaction. Ferry terminals at Izmit had suffered heavy damage and there had been severe land sinking at Golcuk. At the fishery port of Eregle, some land sinking and cracks in the ground were observed. Oil spillage from the oil refinery at Derince would be a major concern. The two experts also reported on the sinking of the quay wall at Yalova Ferry Terminal.

The superstructure of Topel Airport, a local airport near Izmit, had suffered some cracks in the terminal building and some electric and water supply systems, but the runway was intact. Railways as well as truck road systems had been repaired and restored.

Furthermore, President Taddeo has sent a letter of sympathy to Mr. Igor Reshetnikov of BASPA, which is reproduced hereunder.

August 31, 1999

Mr. Igor Reshetnikov, BASPA
Black Sea Economic Cooperation, BSEC
Degirmen Sokak 15, 34460
Eminonu, Istanbul
Turkey

Dear Mr. Reshetnikov:

I am indeed very saddened and disturbed by the earthquake in Turkey and the devastation that it has caused.

We at IAPH wish you all the strength and courage necessary to get through this terrible tragedy and we sincerely hope that things return to normal as soon as possible. We hope the information provided to you by Dr. Inoue, Secretary General of IAPH, will be helpful to you and please do not hesitate to advise us if there is anything more we can do.

Please accept our sympathy and concern to all your colleagues and rest assured that you are all in our thoughts.

Yours truly,

Dominic J. Taddeo
President of IAPH
President & Chief Executive Officer
Montreal Port Authority, Canada

Frans J. W. van Zoelen Appointed Legal Counselor

AS announced through the July-August issue of this journal, Mr. Frans J. W. van Zoelen, Manager of Legal Affairs, Rotterdam Municipal Port Management, was appointed to serve as an IAPH Legal Counselor by the Board of Directors at its meeting held on 21 May 1999 in Kuala Lumpur, Malaysia. The IAPH Legal Counselors are composed of:



American Region:

Hugh H. Welsh, Deputy General Council, Port of New York and New Jersey, USA (in chair)

Patrick J. Falvey, IAPH Honorary Member (former General Council, Port of New York and New Jersey), USA

Africa/Europe Region:

Robert Rezenthel, Chief Executive, Port of Dunkirk, France

Frans J.W. van Zoelen, Manager of Legal Affairs, Port of Rotterdam, the Netherlands

Asia/Oceania:

Anthony Morrison, General Counsel, Waterways Authority Maritime Assets Division, (former Office of Marine Administration), Sydney, Australia

Maimoon Sirat, Company Secretary, Johor Port Berhad, Malaysia

"Guidelines on Business Continuity Planning for Year 2000 Risks" was sent to all IAPH members in the middle of August 1999. Should you have any further questions, please contact Philip Hooley or Anthony Brown on
Tel: (44) 171-623-1244 or
Fax: (44) 171-623-5427, or
via e-mail at:

**<anthony.brown@clyde.co.uk> or
<philip.hooley@clyde.co.uk>**

For further information, the TT Club invites readers to visit the following homepage: www.ttclub.com

TT Club Seeks Info On Y2K Preparedness

THE Through Transport Mutual Insurance Association Limited (TT Club) invites IAPH member ports to post information on their homepage which is linked to the global insurance and shipping fields. Please do not hesitate to get in touch with Roger Nixon via e-mail at:

<roger.nixon@thomasmiller.com>

Moreover, please see how other ports are responding to this issue by visiting the unified homepage for the global insurance and shipping fields at:

<www.ship2000.com>

The TT Club/IAPH booklet

About TT Club

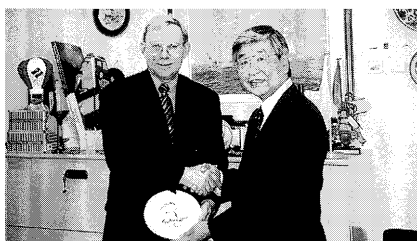
The TT Club is the world's leading specialist insurer of multi-modal transport risks.

We offer tailor-made solutions to the different problems faced by all the different kinds of companies involved in multi-modal and through transport operations. With operational centres in strategic locations backed by a network of correspondents across the globe, the Club is uniquely placed to respond to calls for help at any time and in any place.

These pages will tell you more about what we have to offer.

Visitors

On 6 August, **Mr. John Hayes**, Executive Officer, Policy & Planning, **Sydney Ports Corporation**, who is an IAPH Exco member, visited the Head Office, where he was welcomed by Dr. Satoshi Inoue, Secretary General, and his staff. Mr. Hayes was visiting Japan as a guest of the Port of Yokkaichi to attend the ceremony commemorating the 30th anniversary of the sister port affiliation with Sydney Ports. While in Japan, Mr. Hayes took the time to visit the Nagoya Port Authority, where he met Dr. Akio



Mr. Hayes (left) presents a specially designed Wedgwood plate symbolizing the Sydney Olympics 2000 to Dr. Inoue.

Someya, the NPA's Executive Vice President and First Vice President of IAPH representing the Asia/Oceania region, to exchange views and information on the affairs of IAPH as well as the latest situation concerning their ports.

On 26 August, **Mr. André Graillet**, Executive Director of the **Port of Le Havre Authority**, with **Mr. Jean A. Monnin**, who has recently retired as the Port's Far East Representative, and **Mr. Yves Gasqueres**, Mr. Monnin's successor, visited the Head Office where they were welcomed by Mr. R. Kondoh, Deputy Secretary General, and Ms. K. Takeda in the absence of Secretary General Inoue.

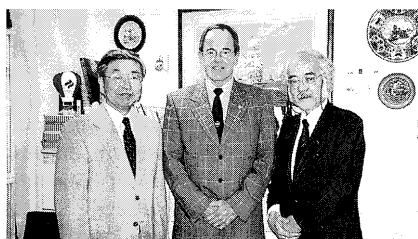
Mr. Graillet was visiting Tokyo and Osaka to hold receptions to introduce Mr. Gasqueres, the newly-appointed Japan representative and to bid farewell to Mr. Monnin, who has served as the Far East representative since the early 1970s. Throughout his years in this post Mr. Monnin has consistently assisted his friends at the IAPH secretariat in Tokyo. In particular, he has always been available to give wise advice and support whenever the Head Office needed his expertise in meeting the demands of our members from the French speaking countries. On behalf of the Secretary General, Mr. Kondoh took the occasion to express the deep appreciation of the Head Office members for the generous cooperation and support which Mr. Monnin has afforded the Tokyo secretariat team. Meanwhile Mr. Gasqueres has



(Seated from left): Messrs Gasqueres, Graillet and Monnin; (standing): R. Kondoh and K. Takeda

assured Mr. Kondoh that Le Havre's Tokyo office will continue to support the work of IAPH in liaising between the Port of Le Havre and the Tokyo Head Office.

On 6 September, **Mr. Louis Van Schel**, Secretary-General, the Brussels-based **International Navigation Association (PIANC)**, visited the IAPH Head Office, where he was welcomed by Dr. Satoshi Inoue, Secretary General of IAPH. The two Secretaries General, together with IAPH senior staff members, engaged in an exchange of information and views concerning the areas in which IAPH and PIANC can work closely together for the increased benefits of their respective



Mr. Schel (center), Dr. Inoue (left) and Mr. Kondoh

memberships and other relevant international bodies. Mr. Schel, who also serves as Managing Director of the Flanders International Technical Agent (FITA), was visiting Japan as a member of a 10-member Flemish Economic Mission. On the occasion of Mr. Schel's visit to Tokyo, a welcome reception was held on the evening of 7 September in a Tokyo restaurant, hosted by the PIANC's Japan section. From IAPH, Secretary General Inoue attended the gathering.

On 6 September, **Mr. Shigeo Aoki**, Director General of the **Port & Harbor Bureau, City of Kawasaki**, visited the IAPH Head Office to meet Dr. Satoshi Inoue, Secretary General of IAPH. Mr. Aoki and Dr. Inoue exchanged information and views on the current issues faced by IAPH member ports focusing on the current situation of the Port of Kawasaki, which is one of the longest-standing IAPH Regular Members (since 1956). Mr. Aoki expressed the willingness of the Port to receive visitors from any IAPH member ports if and when they visit the IAPH Head Office in Tokyo.



Mr. Aoki (left) and Dr. Inoue

Membership Notes:

Changes (the changes involved are underlined)

Waterways Authority - Maritime Assets Division [Regular] (Australia)

(The name of the organization has been changed from Office of Marine Administration.)

Contact Person: Mr. Anthony Morrison, General Counsel

Tokyo Metropolitan Government [Regular] (Japan)

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IAPH AWARD FOR INFORMATION TECHNOLOGY 1999

Free Commercial Zone - EDI System

PORT KLANG, MALAYSIA

SUBMITTED BY
Port Klang Authority
PORT KLANG, MALAYSIA

Summary

The Free Commercial Zone* was established under the regulatory control of the Port Klang Authority, PKA in 1993 in order to facilitate efficient port services. Previously the port operated under Customs regulations, which was inhibiting efficient and speedy cargo turnaround.

Major initiatives, namely the implementation of an EDI-based community system, the Port Klang Community System (PKCS**) which facilitates cargo movement by simplifying trade documentation procedures, and the establishment of Free Commercial Zones, (FCZ) were initiated.

The implementation of the Free Commercial Zone - EDI system (FCZ-EDI) transformed the documentation system at the port from a manual to a paperless system enhancing efficiency and productivity through faster clearance of documentation and cargo. It also reduced costs for all parties involved and, indirectly, contributed to higher revenue.

The FCZ-EDI system enables declarants to submit Free Zone declarations and manifests electronically to PKA via PKCS from the convenience of their offices. PKCS routes the declarations to PKA and the port/warehouse operator. Upon approval by PKA, the approval with the registration number is sent via PKCS to the declarant and the port/warehouse operator.

The FCZ-EDI system was developed



The efficiency of handling transshipment containers is further enhanced by the FCZ system. Cumbersome procedures and restrictive practices have been removed.

over ten months by the leading electronic business facilitator, Electronic Data Interchange (M) Sdn. Bhd. (EDIM) in consultation with PKA and port users. The system was developed in March 1998 - December 1998 and went live in January 1999. The FCZ-EDI system incorporates UN/EDIFACT standard messages.

The back-end system runs on a SUN server running Solaris using Informix Relational Database. The front-end system runs on a personal computer.

The implementation of the FCZ-EDI system has improved the processing time for Free Zone declarations by almost 85% with declarations being processed within 25 minutes. Manpower requirement has been reduced at the FCZA and the Department of Statistics. Operating

costs have been reduced by RM 1.5 million per annum (inclusive of the potential saving of about RM 400,000.00 in paper and printing costs).

This has led to a more efficient trade monitoring system at the FCZ with the added benefits of reduced costs, improved safety and environmental benefits.

The FCZ-EDI system has been *LIVE* since January 1999 and is Malaysia's first 'Paper-less' system.

Results

The implementation of the FCZ-EDI system has produced the following positive results:

i. Faster processing time

Processing time for declarations reduced from about three hours to 25 minutes. This translates to an 86% improvement. (See item 1 of table below)

ii. Reduced manpower requirement

FCZ-EDI system's manifest balancing module will enable PKA to take over the tedious task from Customs without increasing manpower.

Customs deploys 50 staff to manually undertake manifest balancing.

Declarants need only deploy data entry staff to input data directly into the computer.

The Department of Statistics benefited from reduced manpower needs as data re-entry is eliminated. (See item 2 of table below)

iii. Lower operating costs

The FCZ-EDI system's automatic multi-tasking ability is saving the Government at least RM 1,800,000 per annum in staff salary and allowances.

The Department of Statistics also enjoys savings of RM 180,000 per annum in staff salary and allowances. (See item 2 of table below).

There are potential savings of about RM 400,000 yearly in paper and printing

related-costs. (See item 3 & 4 of table below).

iv. Higher revenue

The faster turnaround time in document submission and processing will improve cargo clearance. Faster turnaround times gives port users crucial competitive edge that can attract higher volume of business.

v. More efficient trade monitoring

The FCZ-EDI system allows PKA to obtain accurate and timely information on cargo movement at the port.

vi. Improved safety

Under the previous manual system, nearly 350 despatch clerks were deployed for documentation clearance at the various locations. The FCZ-EDI system has reduced this travelling and has indirectly contributed to better safety for these personnel.

vii. Assessment of Results arising from the implementation of the FCZ-EDI system.

Item	Manual	FCZ-EDI	% Improvement
1. Processing time per transaction (minutes)	180	25	86%
2. Manpower required:			
PKA	50	8	86%
Department of Statistic	10	1	90%
Customs Department	50	1	98%
Declaring Agents	3	1	66%
3. Operating Cost (~RM1500/man/mth)			
PKA	900,000	144,000	85%
Department of Statistics	180,000	18,000	90%
Customs Department	900,000	18,000	98%
Declaring Agents	54,000	18,000	66%
4. Potential paper & printing savings (RM)	NA	(400,000)	
5. Cost of EDI transmission (~6000 forms/mth @ RM 10/form)	NA	720,000	
TOTAL COSTS (RM)	2,034,000	518,000	1,516,000

Technology

The Free Commercial Zone - EDI system comprises of two levels: the back-end system at Port Klang Authority (PKA) and the front-end system at the declarants. These two systems communicate via PKCS. UN/EDIFACT standard messages used by FCZ-EDI system enable a community-wide system.

The FCZ-EDI system enables declarants to submit Free Zone declarations

and manifests electronically to PKA via PKCS directly from their offices.

PKA's approval and registration number is routed via PKCS to the declarant and port/warehouse operator.

The hardware and software configurations are as follows:

Back-end system

1. Hardware:

- 2 SUN ULTRA servers with 2 x 167 MHz processors each - FZ

and Communications server

- 6 Pentium 166 MHz workstations
- System printer

2. Software:

- Solaris System V Release 4 Version 2.3
- ADS-Unix Version 1.1
- Informix On-line Database Engine Version 7.01
- Informix 4GL Runtime Version 5.1
- Informix SQL Runtime Version 5.0

Front-end systems

1. Hardware:

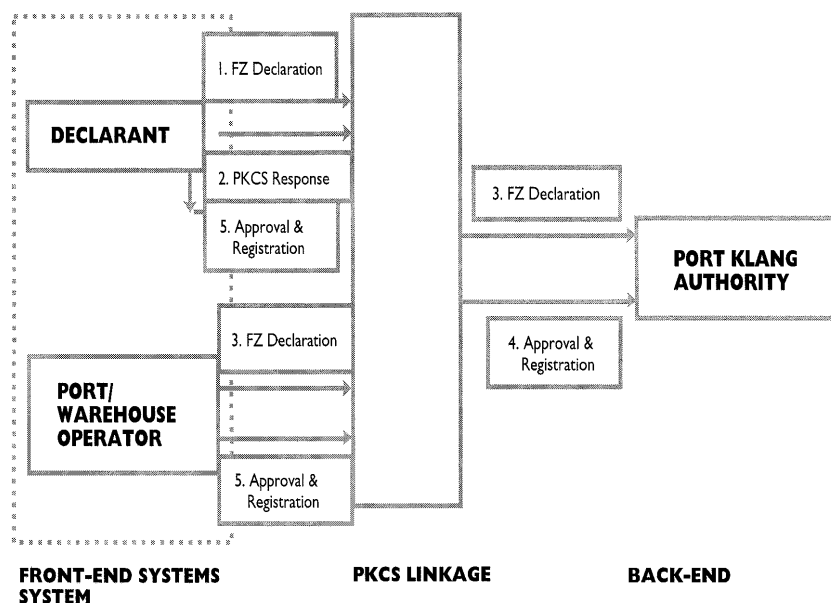
- IBM compatible PC
- Communications modem

2. Software:

- MS-DOS
- ADS-Plus Communication software
- Free Zone Declaration System (developed using Clipper tools)

Obstacles

In implementing this system, a number of procedures and processes relating to Customs, Port Operators and Other Government Agencies need to be changed or streamlined. Close consulta-





Free Commercial Zone System uses 'ZBDEC' a subset of the UN EDIFACT 'CUSDEC' message. The users submit 'ZBDEC' which is then processed at the FCZ department and routed to the sender and other relevant parties electronically. Unlike in the past the sender's physical presence is not necessary. The complete transaction is done in a 'paperless' environment.



Activities such as value adding, repackaging, relabelling, minor assembly and light manufacturing are carried out within the vicinity of the Port, which is declared as the Free Commercial Zone. Electronic submission and approval has considerably simplified these activities.

tion and co-operation between the various parties brought about this change.

As in the case of PKCS and most multi-organisational environments, the main obstacles faced by PKA were resistance to change and how to facilitate inter-organisational co-operation. This problem was addressed by having consultative meetings with port users before and during the development stage. Regular review meetings with users also helped avoid any potential setbacks from user resistance.

One of the teething problem encountered in the initial stages were rejection of messages due to multitude of errors. This problem was resolved by modification to the front-end software, whereby incorrect data or codes were filtered at the sender's end. Training was another area that was given top priority.

High turnover of staffs in the forwarding and shipping industry has resulted in the need to constantly educate users on the new procedures and practices.

Technology Base

Previously a supermini computer system was used by PKA primarily for Financial Applications such as Payroll, General Ledger, Accounts Payable, Accounts Receivable and Fixed Assets. Standalone personal computers were used for other applications such as Statistics, Bank Reconciliation, Rental Management etc.

The FCZ-EDI system was developed over ten months. The system was developed in March 1998 - December 1998 and went live in January 1999 after a three-month parallel run. The FCZ-EDI system incorporates UN/EDIFACT standard messages.

Explanatory Notes

* Free Commercial Zone

Port Klang was designated a Free Commercial Zone in April 1993, with the Port Klang Authority as the Free Zone Administrator.

In line with the Free Zones Act 1990 and within the context of a FCZ, commercial activity such as trading, breaking bulk, grading, re-packing, re-labelling and transit are allowed in Port Klang

** PKCS (Brief Overview)

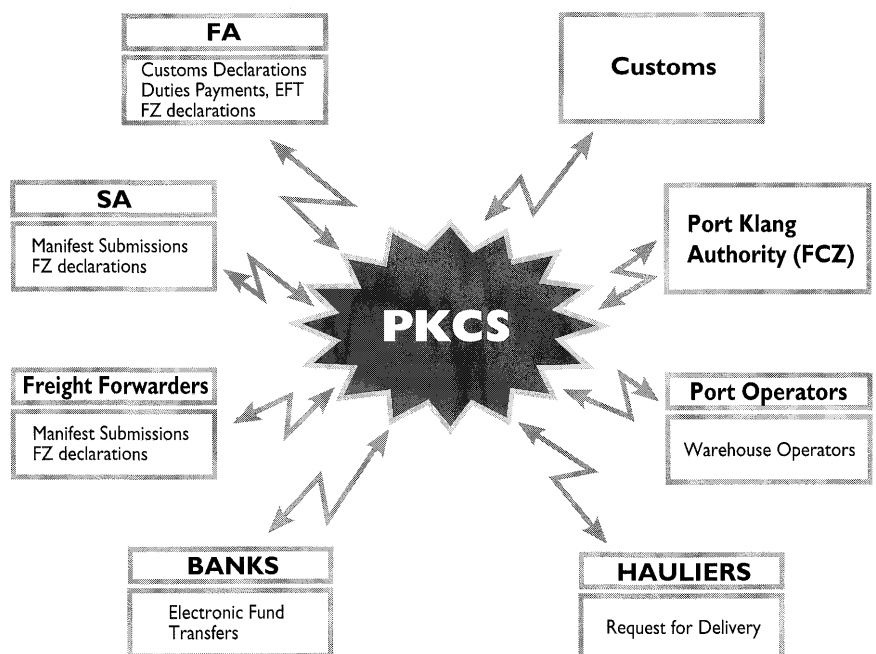
The launch of PKCS in 1993 was the first step in transforming Port Klang into a world class port.

Today, PKCS has succeeded in elec-

tronically linking freight forwarders and shipping agents, Customs, port authorities, terminal operators and banks by interfacing Custom's Information System or known as 'Sistem Maklumat Kastam' (SMK) and EDI Malaysia's Dagang*Net network.

Since coming on line, PKCS has facilitated electronic submission of declarations and payment of duties to Customs. It has provided uniformity in declaration preparations and submission.

Customs processing, which used to take three to four days, now takes only a fraction of the time. More importantly, PKCS has given Port Klang a crucial competitive edge necessary to realize its objective of becoming a regional cargo hub center.



OMAN PORTS

Development of the Region's Sea Transport Network

By Eng. Jamal T. Aziz

Director-General of Ports & Maritime Affairs, Ministry of Communications
Saltanate of Oman

(Presentation made at Working Session 3, the 21st IAPH World Ports Conference in KL, Malaysia, 20 May 1999)

MR. Chairman, ladies and gentlemen, good morning. Oman has been renowned through the ages to be a sea-faring nation. As far back as the tenth century, its trade routes have stretched as far as China and Mozambique, while its diplomatic efforts have reached the American shores back in the early nineteenth century. Oman's port development today is still influenced by its enthusiasm to be an integral part of global trade, but to a larger extent, it is affected by the internal industrial development and the developing process of the shipping industry as a whole. These have prompted the need to develop ports not just as service providers, but also as trade and industrial zones within themselves, serving global, rather than captive markets. Ports have therefore become a main source of employment and a key player in raising the country's Gross Domestic Product.

Oman's ports and harbours system, today consists of:

- **Common-user ports:** These are ports catering to various industries and commercial shipping lines under one management and can therefore be classified as multi-purpose and hub ports.
- **Industrial-specific ports:** These are ports constructed for a specific industrial use and usually serve captive market, markets under long-term purchase agreements.
- **Fisheries harbours:** Oman has developed a number of fisheries harbours along its coastal line to handle approximately 120,000 tons of fish landed annually. These are still small public-owned harbours catering to small fishing boats. However, plans are underway to build two new fish ports for a more industrialized fishing where large trawlers can be docked and at least 100,000 extra tons of fish can be processed for export.
- **Recreational marinas:** These are either as stand alone privately-owned facilities or part of hotel and resort ventures. Today, two such marinas exist and at least 10 more are planned which would be part of the development of two large hotel resorts in Muscat and Salalah.

Naval Bases: These are developed and looked after by the military departments and

only issues of coastal engineering, navigation and maritime safety are coordinated.

The key factors influencing Oman Port development are summarized as follows:

Trade and Industry:

Until the early, '90s Oman's economy has largely been dominated by its production and export of oil. However, owing to the huge fluctuations in oil prices, it was imperative to look into the diversification of its economy in non-oil sectors. As a result Oman has adapted in 1990 what it termed Vision 2020 which calls for higher exports and re-exports, encouragement of foreign investment in various fields, the utilization of its indigenous workforce wherever possible and more private sector participation.

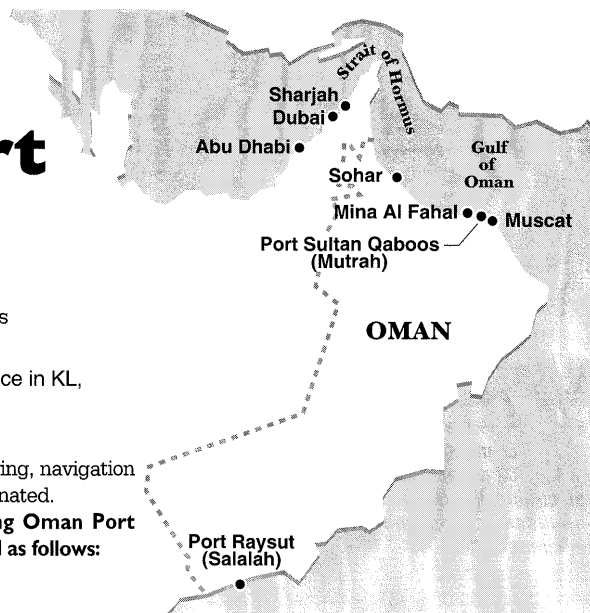
Oman, in recent years has therefore encouraged the establishment of industries by optimising the use of its non-oil natural resources and by importing raw materials largely for domestic consumption or for export to neighbouring countries. Oman's geological formation prompted the need to establish industries for the extraction and manufacture of minerals such as limestone, gypsum, marble, copper and other minerals. In addition, fish, lime, bananas, coconuts, dates, frankensence and other agricultural produce make up approximately 48% of Oman's total non-oil natural resources. Today, there are approximately a hundred industrial establishments which, aside from oil products include food products, vegetable oils and fats, cement, non-ferrous metal manufacturing and clothes manufacturing.

Although oil and gas still constitutes about 70% of Oman's total merchandise exports, the expectancy to extract and produce at least 30 trillion cubic feet of natural gas annually prompted the need to utilize this natural resource in creating marketable heavy industries that rely on gas as its source of energy.

The diversification process has led to a sharp rise in Oman's levels of imports, exports and re-exports, which have placed a heavier burden on sea transportation and, thus, the need to develop and improve Oman's main ports.

Globalisation:

The globalisation trend is leading to an



increased tendency to enter into tightly-knit regional integration agreements and towards global arrangements aimed at liberalization of trade in goods and services. At the same time, important technological developments particularly in the container liner shipping industry have created the precondition for the expansion of world trade. Oman will therefore join the countries forming the World Trade Organization soon. As a result, in 1996, Oman has become a founding member of the Indian Ocean Rim Association for Regional Cooperation (IORARC), which addresses economic cooperation between the member states. Intra-government, business and academic forums have been established to implement pre-agreed projects, of which, maritime transport development and marine insurance and re-insurance are projects spear-headed by Oman on behalf of the IORARC. Furthermore, Oman will soon join the countries forming the World Trade Organization. These initiatives should result in sustained growth of international trade and thus a growing demand for transport services.

Shipping Trends:

The next factor affecting development, port development is shipping trends. Shipping trends to and from Omani ports are governed by the type of merchandise, origins and destinations of imports and exports and the location attributes for transshipment and re-exports. Two-thirds of Oman's current imports are from Asia and the Middle East and about 25% West Europe. As for exports, most of the exported merchandise is to Asian and Middle Eastern countries. Oman's sea ports handle approximately 55% of the total volume of exports and imports. Sea trade is relying more today on containers for the transport of goods due to improved technological development which has created the pre-condition for the expansion of all trade. This has resulted in building bigger container

ships which in turn, has led to reduction in shipping costs based on the exploitation of economies of scale. This again has helped in the growth in the number and size of ports that serve geographically distant markets, but has created a greater demand to develop ports near the main sea trade routes or where hinterland for the development of export-oriented industries can be made available at extremely competitive tariff rates, reduced port charges and speedier turnaround time for the shipping lines.

To meet those demands, Oman's ports development strategy has considered the following parameters:

Location:

Now, to meet those demands, Oman's ports development strategy has identified the main parameters for such development. First is location. Oman has a coastal line stretching some 3000 kilometers along the Indian Ocean. Its southern region - the Dhofar Region - is only 150 nautical miles from the main sea trade route linking North America and Europe with Asia and can therefore be used as a transshipment and exporting hub for traffic to the Arabian Gulf, Middle East, Pakistan, south-west coast of India, Red Sea and East Africa. The northern part of the country is close to the markets of the Upper Gulf, Iran, India and Pakistan whereby raw materials and manufactured products can be traded at minimum costs. The Musandam Region in the most northern tip of the country oversees and controls the movement and the safe passage of ships through the Strait of Hormuz, being one of the most crucial sea passages in the world.

Demographic Distribution:

The second parameter is demographic distribution. Oman's population is made up of 1,650,000 Omani inhabitants of which, at least 40% are between the ages of 16 to 40 who make up the backbone of its labour force. The Batinah coast including the capital city of Muscat, contains the highest concentration of inhabitants - about 51% - and links up with the rest of the coast with a network, followed by Salalah in the Southern Region of Dhofar (8.5%). The Central Region, being mostly desert, has the least inhabitants, but the highest amount of oil and gas reserves. As a result, manpower availability and employment opportunities are best served by establishing industrial centers, including ports in these highly populated regions.

Ports Infrastructure & Superstructure:

The next development parameter is ports infrastructure and superstructure. For the reasons given earlier, it was essential to ensure our ports had sufficient depth, adequate quay lengths and ship maneuvering space inside the harbour, together with the latest generation of ship-to-shore handling equipment and the most reliable operating systems. In addition, there was a greater

focus on providing total integrated transport logistics where land and air transport had to be evaluated. Such studies are being prepared for a sea-air link in the southern region, as well as improved road network in the Batinah region which links Oman with the Gulf markets and the rest of the Middle East. Concerns of adequate water and power supplies, hinterland availability and costs of acquisition and reclamation had to be addressed. Environmental issues such as littoral drift, impact on mangroves, suitability of dredge material for reclamation, impact on underground water quality, seawater pollution, social impact and others were part of the evaluation process. It was further established that our ports should be equipped with EDI links Internet and other easily accessible information systems to allow shippers and freight forwarders to offer superior services to their customers.

Investment Policies:

The next parameter is investment policies. It was recognized that successful ports must offer its users a number of incentives concurrent with its development plans. Oman's Basic Law, established in 1996, assures freedom of the individual in religion and expression of opinion, including physical and intellectual protection of human rights and property and independent judiciary system.

A number of incentives were created by the Ministry of Commerce and Industry which include corporate and income tax exemptions, no custom duty on imported machinery and raw materials, no foreign exchange controls plus a flexible foreign ownership structure, which ranges between 49% to 100% depending on the type and level of investment.

The concept of creating Free Trade Zones was carefully evaluated and it was concluded that such zones would accelerate the development process by encouraging credible international manufacturing and service-oriented companies and shipping lines to use these zones. Such investments would open various commercial and job opportunities to the indigenous population and help achieve maximum utilization of ports. Such opportunities include freight forwarding, maritime agencies, cold, dry and liquid storage, repair workshops, dry docks, bunkering, marine insurance, etc. Furthermore, the conscious efforts to accelerate port development would ultimately lead to the establishment of local marine transport companies whereby Omani-flagged vessels would participate in the movement of bulk and containerized cargo to neighboring nations as well as to other international destinations.

Institutional Policies:

The next development parameter is institutional policies. In order to effectively and efficiently develop and manage our ports system and free zones, a greater private sector involvement was essential. The Government of Oman has therefore established a policy to

privatize the management and operation of its ports and related free zones and to encourage private funding of infrastructure development. These would take the form of privatized port/free zone authorities under long-term concession agreements and BOT schemes with certain negotiated terms and incentives. However, two elements were recognized:

First: The need to establish a Ports Development Board to ensure, the smooth transition of port administration from public to private to plan and coordinate industrial and free zone development, help plan and achieve an effective intermodal transportation network, evaluate, establish and implement levels of Government participation and funding of port development projects and to help the ports in capturing value-added private investments. In order to answer to market and user demands and to ensure Government objectives are achieved, this Board would also be responsible to constantly monitor and review ports and customs regulations, recruitment and training of locals and other policy and legislative matters. Furthermore, the Board would discuss with port authorities ways and means to reduce operating costs and to continue to provide distinct services. The ministerial council has already been setup as a first step in this respect. The organizational structure of this Board would include participation of port authorities, end users as well as Government-subsidized Oman Center for Investment Promotion and Export Development (OCIPED) which was established in 1996 to bridge the gap between the investor and the local authorities as well as in marketing Oman as a service center to the world.

Second: The second element was to rely on international expertise for the operation and management of ports and related free zones for optimum utilization and upgrading of assets.

In addition, the increasing number of vessels using Oman's ports and waters would dictate the efficient management of its Exclusive Economic Zone over Oman's waters, which would, in turn, improve and expand the capacities of the ports system. Regulations governing port state control, ship navigation, pollution control and other relevant matters are being revised and updated.

Marketing Policies:

The next parameter is marketing policies. The development of ports requires intensive marketing both regionally and internationally. Tariffs must be set at levels where the port's salient features could be promoted while attempting to avoid tariff wars with competing ports. Productivity must remain at high levels and support services must be available at competitive prices. Furthermore, Oman's stable and sound financial and political infrastructures are effective marketing tools which are used to promote and encourage foreign investment. Bilateral and multi-

lateral agreements with neighbouring and other friendly nations in maritime transport are encouraged. Such cooperation now exists with GCC countries, the IOR countries and other friendly nations as seen earlier. Oman also received great assistance from Japan in planning and developing its ports. In order to ensure effective marketing of our ports, it was established that such functions should be carried out by the privatized port authorities. The Government, however, has given the responsibility of port marketing to the local port authorities while the government maintains and supporting role.

The following port milestones have so far been achieved in implementing Oman's ports developing strategy:

Now, let me briefly show you the milestones Oman has achieved so far in developing its ports.

Salalah Port:

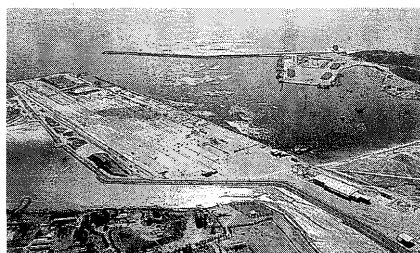
This port is located in Oman's southern region and has recently been developed and commissioned last November as a world-class container transshipment hub as well as a hub for consolidation and distribution. It is also intended to cater to the increasing demand of cruise ships as well as to light manufacturing industries primarily for export purposes. At 16 meters deep Salalah Port can accommodate the largest container carriers ever built, as well as for future generations of super post-panamax vessels. This port also contains dry and liquid bulk berths for the current cement, flour, marble, cattle feed, oil and other industries, as well as a fisheries harbour.

In addition, the port has been equipped with the most sophisticated operational systems as well as the most modern ship-to-shore cranes reaching up to 22 containers wide.

The main users of this port are Sealand and Maersk line, two of the largest container carriers in the European-Asian trades, who have signed a 30-year concession agreement to use this port and yield at least 600,000 TEUs per year. The port is now handling more than 50,000 TEUs per month and is expected to grow to more than 60,000 TEUs per month before the end of this year.

It is planned that this port will shortly be converted as a Free Trade Zone, which would encompass an area of approximately 5,000 hectares that would ultimately include Salalah Airport.

The current Port capacity is 2 million TEUs and the Port's masterplan shows additional



Salalah (Source: SAOG publication)

18 million TEU terminals that can be added in the future. The future masterplan also identifies an area for the docking and handling of the increasing number of dhows, recreational boats and yachts as well as dedicated facilities for cruise ships.

Aside from container repair and medical services, the port is set to offer a number of other strategic services such as ship repair, bunkering, waste removal and other ship services as well as a container freight station and sea-air services.

Port Sultan Qaboos:

Port Sultan Qaboos is a commercial multi-user bulk, break bulk and container port located in the capital city of Muscat catering to the goods of domestic consumption as well as the imports and exports of Oman's major industrial estates (Rusail and Nizwa). The ports expansion capabilities, however, are constrained by the surrounding mountains.

Sohar Port:

This port will be under construction and it's a industrial multi-purpose port in the northern part of Oman. The construction is expected to commence in June 1999. The construction phase is planned for completion in March in the year 2001. Once completed, Sohar Port will be capable to handle the raw imports and the produced exports of planned gas-based industries such as Aluminum Smelter producing 480,000 tons of Aluminum a year, a petrochemical plant producing 500,000 tons of polyethylene, a direct reduction iron mill producing about 1.8 million tons of steel in various shapes, a residual fluid catalytic cracking plant producing approximately 75,000 barrels per day of refined oil. The port, in its first phase of development, will also include 700 meters of general cargo and container berths which can also be used to support the activities of Port Sultan Qaboos. The Port's hinterland area measures 1,400 hectares including 2,500 hectares that can be used to develop a free zone next to the port.



Port Sultan Qaboos (Photo by courtesy of the Overseas Coastal Area Development Institute of Japan -OCDI)



Port Sultan Qaboos (Source: Port Services Corporation SAOG publication)

Qalhat Port:

This port in the Eastern Region is intended for the export of 8.4 trillion cubic feet of liquefied natural gas, annually, to mainly Korea and Japan. In addition, there are plans to construct a chemical fertilizer plant at this port which would produce approximately 1.5 million tons of urea per year and 300,000 tons of ammonia for export to India and other markets. Potential market for the fertilizer products is India.

Mina Al Fahal:

This is the main oil terminal in Oman, located in the capital city of Muscat. It also contains an oil refinery. However, for environmental considerations, it is expected that Port Sohar will eventually replace this installation.

Port Khasab:

This port is used as a main source of goods delivery into the Musandam Region. It is also a trading port between Oman and the neighbouring countries as well as the main fisheries harbour in that region. Consideration is given to transfer this port into a free trade zone.

In conclusion,

- Oman's strategic location in the center of a very active Indian Ocean Rim lends it to play a key role in sea transport, and is therefore upgrading its port system to meet the economic demands of the 21st century.
- Oman's stable political system and strong banking system together with attractive foreign investment policies, enables it to create and successfully market Free Export Processing and Trade Zones.
- Oman's natural gas reserves encourages the establishment of heavy gas-based industries.
- Oman's landscape, history and culture are attractive recipes for tourism.
- Oman is keen to join the international community in developing the maritime transport sector in a manner consistent with WTO and IMO regulations by offering greater integration of world economies and by complementing similar endeavours elsewhere in the region or the world.

Thank you very much.

Jamal T.T. Aziz

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

Mr. Aziz received his Master of Science degree in Civil Engineering (Transportation) from Georgia Institute of Technology in 1984. Upon graduation, he worked as the Head of Projects and Airport Development at the Civil Aviation Authority from 1984 to 1985.

He has been in his current position since 1996. Some of his major achievements include the development and privatisation of Salalah Port (container transshipment hub) in the southern Dhofar Province of the Sultanate.

His professional affiliations include being a Member of the American Society of Civil Engineers, USA, and Institute of Civil Engineers, UK.

WORLD PORT NEWS

One-Day Piracy Seminar

On October 22, Singapore

THE Piracy Seminar is organised by Singapore Shipping Association in association with the Society of International Law, Singapore on 22 October 1999 at Orchard Hotel, Singapore. Featuring distinguished and prominent speakers who will share their views, knowledge, experiences and practices on piracy related topics, the seminar will be supported by Federation of ASEAN Shipowners' Associations, International Chamber of Shipping, International Shipping Federation, and International Association of Independent Tanker Owners.

We hope the 1-day Seminar will provide an excellent opportunity for an exchange of ideas and discussions on pertinent issues relating to piracy, armed robberies and hijack of ships as well as for networking and business development.

Who Should Attend

Officials and personnels from:

- Port Authorities
- Maritime Safety Administrations, Agencies
- Shipping Companies
- Shipping Lines
- Shipowners
- Navies, Coast Guards and Enforcement Agencies
- Legal Institutions and Firms
- Academic Institutions
- Terminal Operators

Venues of Seminar

Orchard Hotel
442 Orchard Road
Singapore 238879
Tel: 7347766
Fax: 7335482
Email: orcharde@singnet.com.sg

Dress Code

Business Attire

Language

All presentations and discussions

will be conducted in English.

Seminar Registration Fee

The Seminar fee is S\$550 per person. Fee does not include Hotel Accommodation.

All personal and travelling expenses, if any, will be borne by participants themselves.

Group Discount

You will enjoy the special discounted rate of S\$450 per person if you register in a group of 3 persons or more. Please note that the discount is only applicable once.

Goods & Services Tax

All Fees quoted are inclusive of 3% Goods & Services Tax in accordance with local tax laws.

Substitutions & Cancellations

Substitutions will be accepted and can be made at any time. However, reg-

istered participants who do not attend, or who cancel 14 calendar days or less before the event will be charged the full seminar fee.

Cancellations must be made in writing, either by e-mail or fax by 1 October 1999.

Please register early to avoid disappointment and to enjoy special discounts. Bookings will be accepted on a first-come-first-served basis.

Seminar Package

The Seminar package includes:

- Seminar proceedings and papers
- Lunch and coffee breaks for Delegates
- Cocktail Reception

Further Information

For further information on the conference please contact:

Singapore Shipping Association

456 Alexandra Road
#09-02 NOL Building
Singapore 119962
Tel: 278 3464
Fax: 274 5079
Email: ssa.admin@ssa.org.sg

PIRACY SEMINAR

Friday, 22 October 1999, Orchard Hotel, Singapore

Provisional Programme Agenda

8.30-9.00 am	Registration/Pre-seminar coffee & tea
9.00-9.15 am	Welcome Address: Mr Chan Tuck Hoi, 1st Vice President, Singapore Shipping Association
9.15-9.45 am	Keynote Address: The dangers and impact of Piracy and Ship Hijacks on Shipping and Trade by Mr Alan Chan, Chairman, Petroships Pte Ltd.
SESSION I	
Developing an international legal framework to enable governments to more effectively combat piracy and armed robbery against ships	
Session Chairman: Prof Tommy Koh, President, Society of International Law, Singapore	
9.45-10.00 am	Overview on Piracy Problems – A Global Update by Capt J Abhyankar, Deputy Director, International Maritime Bureau
10.00-10.15 am	Issues of public international law relating to piracy and armed robbery against ships in the Malacca and Singapore Straits by Prof Robert Beckman, Executive Chairman, Society of International Law, Singapore

INTERNATIONAL MARITIME INFORMATION

- 10.15-10.30 am **Issues of public international law relating to the serious incidents involving the hijacking of cargoes and ships in the South China Sea by organised syndicates** by Dr Zou Keyuan, Research Fellow, East Asian Institute, National University of Singapore
- 10.30-11.00 am Coffee Break
- 11.00-11.15 am **IMO's proposal for the development of an international code for investigating piracy incidents** by Dr Giuliano Pattofatto, Chairman, IMO Maritime Safety Committee & Deputy Director General and Technical Director, Registro Italiano Navale.
- 11.15-11.30 am **Adding bite to existing conventions by developing effective national laws concerned with the investigation and prosecution of ship hijackers in national waters** by Prof Samuel P Menefee, Senior Associate, CNSL, Regent University School of Law.
- 11.30-1.00 pm **Panel Discussion: Prospects for enhancing co-operation among governments of South East Asian countries to more effectively combat piracy and armed robbery against ships**
Chairman: Prof Tommy Koh
Panelists: Capt J Abhyankar, Prof Rebert Beckman, Dr Zou Keyuan, Dr Giuliano Pattofatto, Prof Samuel P Menefee
- 1.00-2.00 pm Lunch Break

SESSION 2

Role of non-governmental organisations and private sector in combating piracy and armed robbery against ships

Session Chairman: Mr Teh Kong Leong Executive Vice President (Technical Div), Neptune Orient Lines Limited

- 2.00-2.15 pm **Use of Modern Technology as part of an operational matrix in combating piracy and armed robbery against ships** by Mr Miles Glanville, Managing Director, Systems Integrity International Pte Ltd
- 2.15-2.30 pm **The Role of Non-Governmental Organisation in combating piracy and armed robbery against ships** by Mr Hiroshi Terashima, Executive Director, The Nippon Foundation, Japan
- 2.30-2.45 pm **The Involvement of International/transnational organised crime in maritime piracy** by Lt Colonel Tim Spicer, OBE, Chief Executive, Sandline International
- 2.45-3.00 pm **Modest proposal for the establishment of a private international organisation to vigorously pursue private legal remedies in various countries against persons or syndicates engaged in piracy and armed robbery against ships** by Mr Julian Gray, Office Manager, M/S Clyde & Co
- 3.00-3.15 pm **Issues of maritime law arising from incidents of piracy and armed robbery against ships** by Mr Neale Gregson, Partner, & Mr Jon Ray, Marine Manager, M/S Watson, Farley & Williams
- 3.15-3.45 pm Coffee Break
- 3.45-5.15 pm **Panel Discussion: Role of non-governmental organisations and private organisations in combating piracy and armed robbery against ships**
Chairman: Mr Teh Kong Leong
Panelists: Mr Alan Chan, Mr Miles Glanville, Mr Hiroshi Terashima, Lt Col Tim Spicer, Mr Julian Gray, Mr Neale Gregson

6.30-9.00 pm SSA Cocktail reception

NB: The SSA reserves the right to change the themes, speakers and title of presentation whenever necessary.

OAS Ports Commission To Meet in Guatemala

ACCORDING to the letter recently addressed to the IAPH Secretary General by Mr. Lic Jorge F. Franco S., Vice-Minister of Communication, Infrastructure and Housing, the Republic of Guatemala, C.A., the first meeting of the Inter-American Ports Commission of the Organization of American States (OAS) is scheduled to take place from 12 to 14 October 1999 in the city of Guatemala.

More information will be available by contacting:

Lic Jorge F. Franco S.
Vice-Minister of Communications,
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The Americas

Panama Tolls Revenue More Than Estimated

PANAMA Canal Administrator Alberto Aleman Zubieta told Canal board of directors during a meeting in Miami on July 16 that Canal traffic and tolls revenue performed above budget estimates for the first nine months of fiscal year 1999. The fiscal year runs from October 1, 1998, to September 30, 1999.

Tolls revenue totaled \$433.9 million, \$16.5 million more than estimated, and oceangoing transits increased 1.5 percent. An average 36.6 vessels transited the waterway each day.

"The growth in tolls revenue observed during the period resulted in part from an increase in average vessel size, coupled with the 7.5 percent toll rate increase effective on January 1, 1998," Aleman told the board.

Sitting on the binational Panama Canal Commission's Board of Directors are U.S. members Louis Caldera, chairman, Markos Marinakis, Albert Nahmad, Clifford B. O'Hara and Vince Ryan and Panamanian members Jorge E. Ritter, vice chairman, Emanuel Gonzales-Revilla, Fernando Cardoze, and Moises Mizrachi. Members of the board of the Panama Canal Authority – successor entity to the Commission upon the turnover – attended the meeting as observers.

Aleman Zubieta reported that the accelerated Gaillard Cut widening program continues ahead of schedule and at this pace will be completed before the end of 2002.

He said dry excavation work is 91 percent completed, which represents 20.3 million cubic meters of excavated material of the total dry excavation. Dredging of Bas Obispo Reach and las Cascadas Reach is 100 percent complete, representing 40 percent completion along the length of the Gaillard Cut. Wet excavation is 56% completed, representing 6.1 million cubic meters of material of the

total 11 million scheduled for removal.

Aleman reported that testing began on May 3 at

Bas Obispo Reach with Panama vessels meeting a variety of other vessels, and that the size and draft of the tested vessels have been increased each week. Testing ended on June 9, and a final report is expected before the end of July to determine the best way to take advantage, on a daily basis, of the widened reaches. (Spillway)

Anniversary Message

EIGHTY-FIVE years ago, on August 15, 1914, a centuries-old dream of an all-water route between the Atlantic and Pacific Oceans was fulfilled with the opening of the Panama Canal. That opening established a new crossroads of the world, linking east with west and north with south and in the process, revolutionized maritime commerce. Since then, over 825,000 ships have transited the Canal, and it continues to stand as one of the most important engineering achievements of mankind.

Less than five months from today, at noon on December 31, 1999, another dream will be fulfilled when the United States transfers ownership of the Canal to the people of Panama pursuant to the Carter-Torrijos Treaty of 1977. As we commemorate a new anniversary of the Canal, we are deeply gratified to see the process of transition to full Panamanian stewardship advancing successfully to its conclusion.

The Commission and the Canal Authority have been working in close coordination to achieve the common goal of a smooth transition. Most of the detailed, specific tasks of the Transition Milestone Plan have been completed.

Among the outstanding accomplishments of the transition process are the approval of the regulations of the Panama Canal Authority, including the labor relations regulation, essential to a healthy personnel administration at the Canal, and the distribution of job offer letters to Canal employees.

After our success in handling so many changes, we are certain that the transition will be truly unnoticeable to Canal customers and that workers will begin this new stage in Canal history with enthusiasm. The Canal's workforce is highly qualified and specialized. You are our best letters of introduction, and we are relying on each of you to accomplish our mission.

However, let it be stressed that work will not stop with the Canal transfer. After this historic event, we must continue our efforts to maintain the levels of efficiency and quality that have made the Canal a world-class organization. In addition, we have set new goals for ourselves, so there will be many challenges to face.

With so little time remaining until the historic transfer, receive, Canal colleagues and friends all, our most sincere thanks for your support in accomplishing not only another successful year, but also the smooth transfer of the waterway. We urge you to continue working with the same dedication and commitment, in the certainty that this great organization, which belongs to all Panamanians, will continue serving humanity for many years to come.

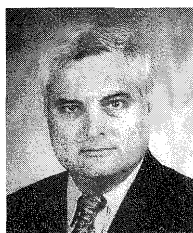
Alberto Aleman Zubieta
Administrator

Joseph W. Cornelison
Deputy Administrator

New PCA Chairman

PANAMA President-elect Mireya Moscoso recently announced the appointment of Ricardo A. Martinelli Berrocal as the new Minister for Canal Affairs starting September 1. As minister, Martinelli will be the chairman of the board of the Panama Canal Authority, the independent Panamanian agency that will assume the waterway's management and operation as of noon, December 31 this year.

Martinelli is a well-known businessman in Panama. He also served as general director of the Social Security Institute from October 1994 through July



**Ricardo A.
Martinelli Berrocal**

1996. Martinelli holds a bachelor's degree in marketing and a master's in finance. He is the president of the Democratic Change Political Party and a member of various professional organizations.

LA Sister Port/City Ties With Nagoya Feted

OFFICIALS from Los Angeles and Nagoya, Japan on August 13 celebrated the 40th anniversary of their Sister City/Sister Port relationship, which is the first such affiliation for the City of L.A. The association was established in 1959 as part of an international program to promote a mutually-beneficial exchange of ideas, technologies and experiences, providing insight into the respective business and social cultures as a means of improving relations.

"Our special relationship with our friends in the city of Nagoya spans more than four decades," said Los Angeles Mayor Richard J. Riordan. "During this time, that friendship has grown and become more deeply rooted. We now have a better understanding and appreciation of each other on both business and cultural levels."

Takehisa Matsubara, Mayor of Nagoya and President of the Nagoya Port Authority, said, "It is my sincere hope that our visit to Los Angeles will serve to affirm the lasting friendship between our two cities and will enhance relations and the economic exchange between Japan and the United States."

Earlier, officials from Nagoya visited the Port of Los Angeles to commemorate the 40th anniversary of the long-running Sister Port relationship.

In 1959, the ports of Nagoya and Los Angeles developed similar ship and cargo facilities with the construction and



Mr. Takehisa Matsubara, President of Nagoya Port Authority and Mayor of Nagoya, receives a commemorative gift from Ms. Carol Rowen, Commissioner of the Board, Port of Los Angeles. (Photo: By courtesy of the Nagoya Port Authority)

use of finger piers and cargo transit sheds. Today, both are considered world-class containerports with reputations as economic and cargo distribution hubs for their respective regions and facilities that can handle vessels from around the world.

The 17-member Nagoya delegation included Nagoya City Assembly Chairman Yoshiyuki Hayakawa and assemblymen Hideo Asai, Moriyuki Noda and Kimio Takekoshi. Dr. Akio Someya, executive vice president of the Nagoya Port Authority, was also a member of this delegation.

Los Angeles: Imports Soar 20% in July

THE Port of Los Angeles in July handled 330,245 units of 20-foot-long cargo containers, establishing the second-highest one-month total in Port history and an unprecedented third consecutive month that the Port has handled 300,000 or more TEUs.

Al Fierstine, director of business development for the Port, stated, "Economic prosperity and consumer confidence in the United States continue to propel import demand and growth. Economic stability in Asia, though still somewhat fragile, has ignited a sudden and welcome recovery in export shipments after a predominantly downward trend."

The Port moved 176,445 inbound loaded TEUs last month, a soaring 20% rise of 29,116 TEUs compared to July 1998. The inbound loaded total for July 1999 also surpassed the previous monthly record of 175,535 TEUs set just two months ago.

In the first seven months of this year, the Port handled 1,060,276 TEUs of loaded import containers, a 10% increase of 97,585 TEUs compared to the year-earlier period. Moreover, in a month-to-month comparison, loaded import volume has been higher this year in six out of the seven months.

On the export side, 66,948 outbound loaded TEUs were handled by the Port in July, an 8% rise of 4,983 TEUs compared to July 1998.

In May through July, the Port handled 204,536 TEUs of loaded export containers, a 5.3% increase over a similar period in 1998. In contrast, February through April 1999 lagged 9.8% behind February through April 1998.

In terms of total container volume, including inbound and outbound empty cargo containers, the Port has handled

2,074,724 TEUs so far this calendar year. That figure represents a 9.9% increase of 186,938 TEUs compared to the year-earlier period.

Fiscal Year Container Record in Los Angeles

THE Port of Los Angeles hit an all-time fiscal year high, with more than 3.5 million TEUs moving through the Port in 1999, an 11.7% increase over 1998.

"It's been a great fiscal year at the Port of Los Angeles," said Port Executive Director Larry A. Keller. "The new record reflects a robust domestic economy and a recovering Asian economy. We're extremely pleased that the Port is well positioned and ready to accommodate the demands of both economies."

The fiscal year figures include a 9.3% increase in total imports (1.89 million TEUs vs. 1.73 million TEUs) and a 6.3% decrease in loaded exports (775,449 TEUs vs. 824,388 TEUs).

For the first six months of this calendar year, the Port seems poised to set a new calendar record as well, with 1.7 million containers already handled, an 8.47% increase over last year's halfway mark. Last calendar year, 3.4 million TEUs moved through the Port.

For June, a total of 317,167 TEUs were handled, an 11.4% increase of 32,519 TEUs over the prior June. Loaded export container traffic in June accounted for 67,377 TEUs, or a 5.3% increase, and loaded imports included 161,751 TEUs, representing an 8.7% increase.

July Imports, Exports Decline at Long Beach

CARGO container volume at the Port of Long Beach fell to 347,963 TEUs in July, an 8.1 percent decrease from the same period a year ago. July 1998, however, was the best month for all of last year. Long Beach remains the nation's busiest container port.

"A shipping rate increase in May and the longshore union's negotiations, which extended in July - have impacted our numbers and resulted in some changes to our normal trade patterns," said Down Wylie, Long Beach's managing director of maritime services.

Traditionally, the port's peak months

have been in the late summer or fall, when Christmas holiday cargoes are shipped. Last year, the peak month was July. This year, May's total of 394,467 TEUs was the highest ever.

In July, the number of imported containers shipped through Long Beach was 188,588 TEUs, a decline of 5.3 per-

cent. The number of exported containers fell 8.3 percent to 74,156 TEUs. The number of empty containers, most of them headed to Asia, dropped 13.6 percent to 85,220 TEUs.

In the first seven months of 1999, Long Beach's container trade rose 6.4 percent, led by a more than 10.4 percent gain in

Port of Long Beach

Container Traffic (TEUs*)					
	Loaded		Total	Empties	Total Containers
	Inbound	Outbound	Loaded		
July-99	188,586	74,155	262,741	85,220	347,961
July-98	199,138	80,950	280,088	98,626	378,714
% change	-5.3%	-8.4%	-6.2%	-13.6%	-8.1%
Jan.-99	169,397	77,676	247,073	72,239	319,312
Feb.-99	172,482	80,000	252,482	71,647	324,129
Mar.-99	171,913	88,699	260,612	87,362	347,974
Apr.-99	181,575	77,040	258,615	81,071	339,686
May-99	205,640	87,553	293,193	101,274	394,467
June-99	194,410	78,962	273,372	100,603	373,975
July-99	188,586	74,155	262,741	85,220	347,961
Year-to-date	1,284,003	564,085	1,848,088	599,416	2,447,504
98-to-date	1,162,631	573,458	1,736,089	563,988	2,300,077
% change	10.4%	-1.6%	6.5%	6.3%	6.4%

*TEUs: 20-foot equipment units or 20-foot-long cargo containers

Long Beach City Council Appoints Commissioner

THE Long Beach City Council on Tuesday, Aug. 3, 1999, unanimously approved the appointment of retired City Attorney John Calhoun to the Board of Harbor Commissioners.

Calhoun will begin his six-year term with the Port of Long Beach on Monday, Aug. 9. He is filling the commission seat being vacated by George Murchison whose term expired in June.

"John is a welcome addition," said Commission President Roy E. Hearrean. "He brings extensive knowledge and experience in both city and port matters to the board."

Calhoun is no stranger to the port. He served 13 years as an elected city attorney before retiring last year. The longtime Long Beach resident began his career with the city in 1962 as an assistant city prosecutor. In 1985, he won the first of three elections as city attorney.

Calhoun will serve as one of five harbor commissioners who set policy for

the nation's busiest seaport. Harbor Commissioners are appointed by the mayor and confirmed by the Long Beach City Council.

Seattle: Royal Caribbean To Create 120 New Jobs

ROYAL Caribbean International's homeport season next spring at the Port of Seattle's Bell Street Pier will generate significant economic benefits likely to be felt throughout the region, Port Commission President Patricia Davis said on August 17.

Davis said the cruise line's six vessel calls and 24,000 passenger movements* at the Port's new cruise ship terminal beginning on May 14, 2000, will generate 127 new jobs, \$5.6 million in business revenues and \$622,500 in state and local taxes. And because Royal Caribbean's short cruises leave passengers with the balance of a week to visit other tourism destinations in the Pacific Northwest, the economic impact will be

felt far beyond the Seattle waterfront, she said.

"In just a short cruise, travelers will be able to see some of the most spectacular natural beauty the Northwest has to offer," Davis said during a Bell Street Pier breakfast welcoming Royal Caribbean President Jack Williams. "Then, they'll still have enough time to travel to other sites in Washington state where communities will benefit from their visits."

Earlier this year, Royal Caribbean International announced it will test the waters of the Northwest with the launch of cruises from the Port of Seattle to Victoria and Vancouver in British Columbia. The cruise line will offer two, three and four-night itineraries from Bell Street Pier aboard the *Vision of the Seas*, a 2,000-passenger cruise ship.

Royal Caribbean is the second major cruise line to use the Port's new terminal as a homeport for summer cruises. Last year, Norwegian Cruise Line decided it will offer 7-day cruises to Alaska from Bell Street Pier beginning next year. NCL's commitment is for four years. It will make 21 vessel calls during its first season with the *Norwegian Sky*.

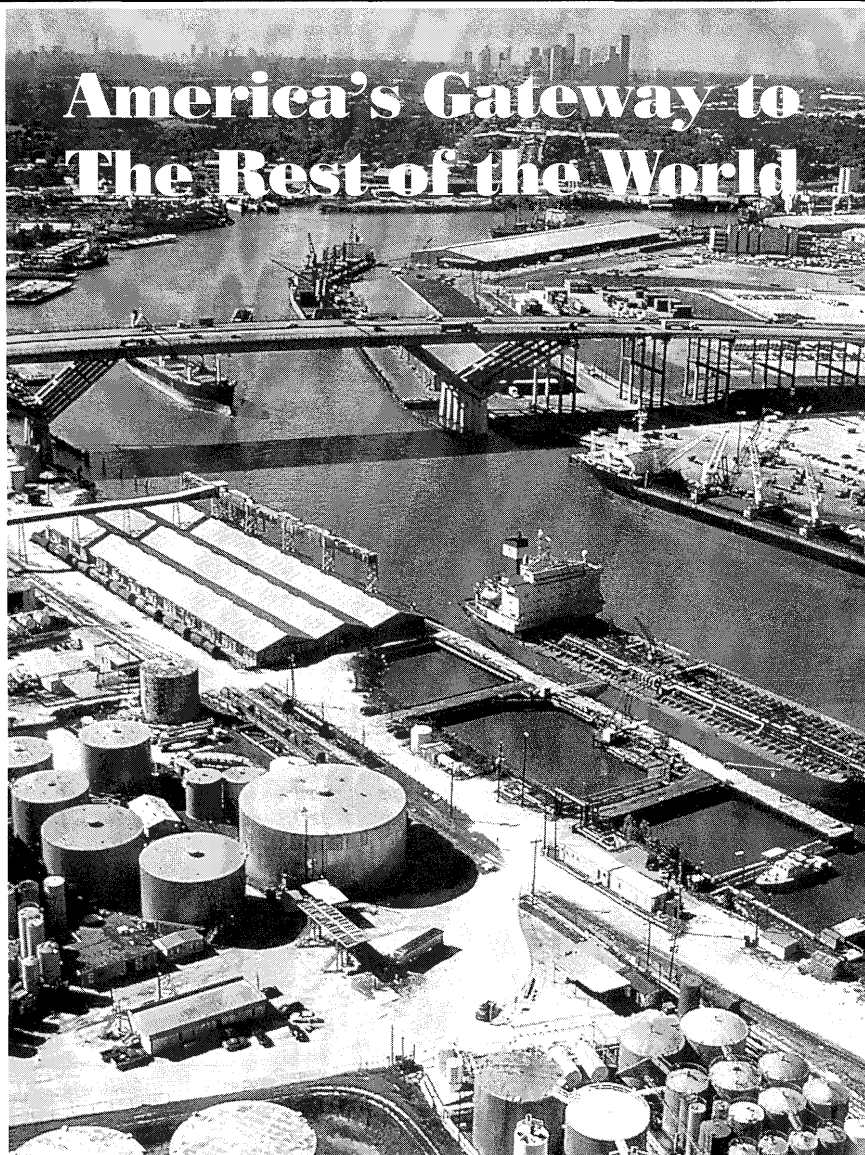
Together, Royal Caribbean and NCL are expected to create 570 new jobs, \$25.4 million in business revenues and \$2.8 million in state and local taxes during their first homeport season at Bell Street Pier. The two big cruise lines will generate 108,000 passenger movements. Repositioning calls from other cruise lines included, Bell Street Pier will handle 36 vessel calls that will generate more than 120,000 passenger movements next year.

The Port is designing a premier cruise ship terminal. The building at Bell Street Pier already exists, but in October the Port will begin construction of the two-story terminal facility inside. It will include such features as a mechanical, covered passenger bridge, ticketing centers, escalators, a large and efficient baggage claim area; customs and immigration inspection areas, and a weather canopy for the ground transportation area.

"We're looking forward to a very busy and exciting first homeport season," Davis said. "When May 2000 rolls around, the Port of Seattle will be ready."

* Cruise passengers on homeport calls are counted twice by the industry – once at embarkation and once at disembarkation.

THE PORT OF HOUSTON



THE Port of Houston is a 25-mile-long complex of diversified public and private facilities located just a few hours sailing time from the Gulf of Mexico. The Port of Houston Authority has eight public facilities on the banks of the channel.

- The turning Basing Terminal, located six miles from the city's downtown business district, is lined with wharves, transit sheds and warehouses. This general-purpose terminal can handle containerized, breakbulk, RO/RO, heavy-lift and project cargo.

- Barbours Cut Container Terminal, located at the head of Galveston Bay, is the most modern intermodal facility on the Gulf of Mexico. This complex is the focus of continuing expansion and improvement.

- The Bulk Materials Handling Plant, located on the channel between the

Barbours Cut Terminal and the Turning Basin, is equipped to handle all types of bulk commodities.

- Woodhouse Terminal, located on the Houston Ship Channel just east of the Turning Basin, is well-suited for breakbulk and project cargo operations. It has generous support acreage, warehouse space and RO/RO ramps.

- The Houston Public Elevator is located at Woodhouse Terminal. It has a capacity of approximately 6 million bushels and can load about 120,000 bushels of grain per hour.

- The Jacintoport Terminal is located on the north side of the ship channel near Channelview, Texas. This terminal also features a cold storage warehouse and an automated facility for handling packaged goods – both operated by private companies.

- Care Terminal is located on a 34-

acre site near Jacintoport Terminal. This facility has a 500-by-70-foot wharf that can accommodate loads of up to 1,000 pounds per square foot. Other features include approximately 45,900 square feet of warehouse space, 3,000 feet of rail trackage and 9.6 acres of paved marshaling area.

- Bayport is a bulk liquids terminal. Three tenants operate terminals that are available for public use. Bayport is also slated to be a new post-panamax container terminal for Houston.



Modern facilities, sophisticated equipment and a computerized container inventory system allow Barbours Cut to provide fast turnaround time for vessels and trucks.

BARBOURS Cut Container Terminal represents the Port of Houston's continuing emphasis on modernization and improvement of its facilities and services. Barbours Cut features six berths for container ships, and plans call for one general purpose berth to be added by the year 1999. First-class equipment and a high level of service have made this facility a load center in the U.S. Gulf.

AS operator of the public docks, the Port of Houston Authority supports one of the city's most important industries. The public and private entities that make up the Houston transportation community contributes \$5.5 billion a year to the Texas economy, hires more than 53,000 people, and positively affect another 143,000 jobs.

PHA Container Terminal-Galveston, the Port Authority's newest intermodal alternative is located in Galveston, 9.3 miles from the open sea, less than forty minutes sailing time from the Gulf of Mexico. The channel

has a minimum depth of 40 feet and 1,200 feet wide at its narrowest point.

Terminal facilities include 1,350 foot container berth with a water depth alongside of 40 feet, 40 acres of paved storage area and one CFS. Available equipment include three rail-mounted container wharf cranes, one rubber-tired gantry crane, thirty terminal tractors, nine port packers (container top-hadlers) and yard chassis.

THE Port of Houston offers handling facilities for almost every type of cargo. In addition, private firms provide a full range of inland transportation, storage and other services.



export elevators in the country.

THE Port of Houston Authority strives for policies and programs that allow nature and industry to successfully coexist. The Port Authority is committed to ensuring that PHA facilities are in compliance with environmental regulations. Moreover, PHA staff have been involved in a number of environmental activities, helping to develop programs for using dredge materials

in beneficial ways and for better management of dredge material disposal sites.

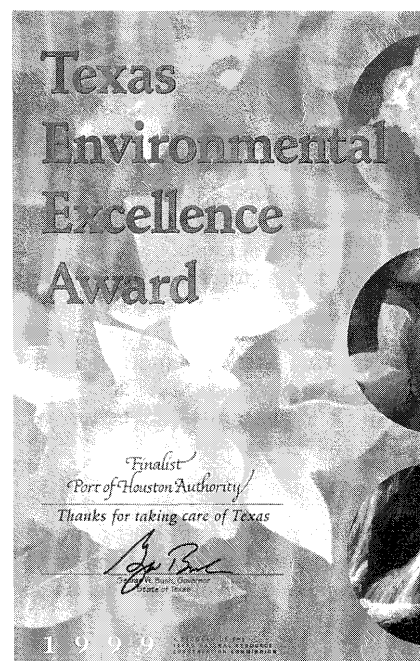
Concern for the Environment Recognized

THE Port of Houston Authority has been named a Finalist for a 1999 Texas Environmental Excellence Award by the Texas Natural Resource Conservation Commission. The award is given for outstanding recycling and reduction of pollution activities. The Port Authority was singled out for its recycling of dredge material to restore lost and create new marsh and wildlife habitat as a part of the widening and deepening of the Houston Ship Channel. The award was presented during the annual awards banquet in May. Laura Fiffick is the Port Authority's Environmental Affairs manager.

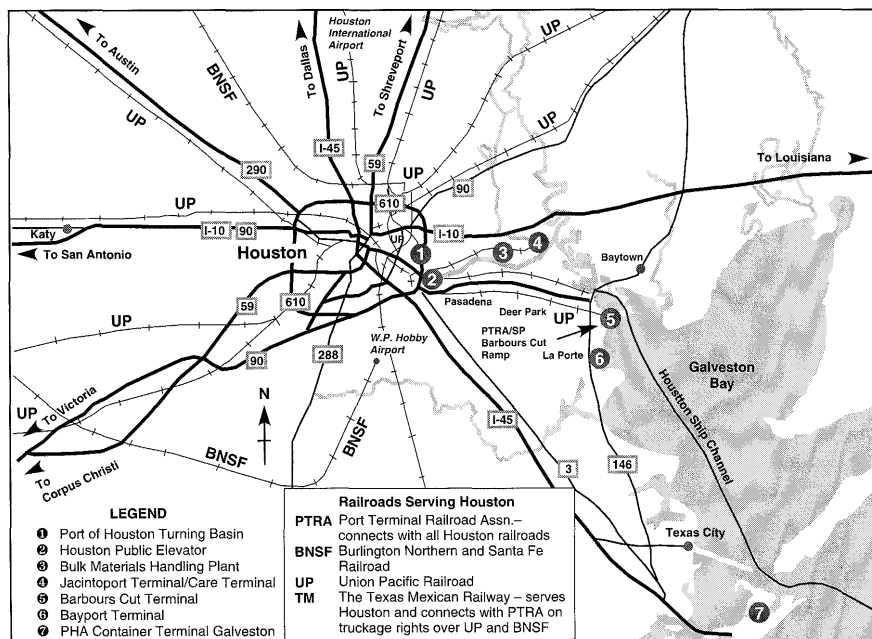


Woodhouse Terminal is situated on a 100-acre tract on the north side of the Houston Ship Channel near the Sims Bayou juncture. The property includes approximately 350,000 square feet of warehouse space, RO/RO ramps and three general cargo wharves.

WOODHOUSE Terminal is well suited for the handling of break-bulk, RO/RO and project cargo. Woodhouse has approximately 350,000 square feet of warehouse space, RO/RO ramps and three general cargo wharves. The Houston Public Elevator has a grain storage capacity of more than 6 million bushels and a rated loading capacity of 120,000 bushels per hour. This is one of the more modern



The Houston Connection



THE Port of Houston plays an important role in continuing to make Houston a center of international business. The city is headquarters for many of the world's largest companies. Virtually every major U.S. energy company is represented in the city, and most foreign oil companies make Houston their U.S. base. More than 250 import/export companies operate in the area, and scores of foreign governments

are represented here.

Houston's strategic location on the U.S. Gulf makes it an ideal gateway to inland points. Three major railroads and one terminal switching railroad serve Houston. In addition, about 130 trucking companies serve the Houston area, and modern highways link the port with the continental United States, Canada and Mexico.

FACTS ABOUT THE PORT OF HOUSTON

PORT OF HOUSTON AUTHORITY

HISTORY: The Port of Houston is an autonomous governmental entity authorized by a 1927 act of the Texas Legislature. In 1971 the Texas Legislature changed the name to the Port of Houston Authority and gave it expanded powers for fire and safety protection along the 50-mile Houston Ship Channel. The Port Authority serves as the local sponsor of the Houston Ship Channel.

GOVERNING BODY: The Port of Houston Authority is governed by a board of seven commissioners appointed by the officials of local governments located along the Houston Ship Channel. The commissioners serve without pay and are appointed for two-year terms, which are staggered so that three or four commissioners are up for reappointment each year.

FACILITIES: The Port of Houston Authority owns 43 general cargo

wharves, six container wharves, five liquid bulk wharves and five dry bulk wharves available for public hire. The Port Authority facilities include the Turning Basin, the Houston Public Grain Elevator, Woodhouse Terminal, the Bulk Materials Handling Plant, Fentress Bracewell Barbours Cut Container Terminal, Jacintoport Terminal, Care Terminal, Ned S. Holmes Bayport Terminal, PHA Container Terminal-Galveston, and the PHA Cruise Terminal. The Port Authority operates the Malcolm Baldrige Foreign Trade Zone. The authority facilities handle approximately 15 percent of the cargo moving through the port.

PORT COMMISSIONERS: Ned Holmes (Chairman), Robert Gillette, Dr. John Q.A. Webb, Vidal Martinez, James T. Edmonds, Steve Phelps and Jim Fonteno.

PORT OF HOUSTON

PORT RANKING:

1st in the United States in foreign tonnage and 2nd in total tonnage.

TONNAGE HANDLED DURING 1998:

170.0 million tons (estimate)

TONNAGE HANDLED DURING 1997:

165.5 million tons

NUMBER OF SHIPS CALLING AT PORT DURING 1998:

7,093 ships called

CONTAINERS HANDLED DURING 1998:

968,169 TEUs for a total of 8.1 millions tons

GOODS MOVED IN FOREIGN TRADE DURING 1998:

107.8 million tons valued at \$36.3 billion

TOP 5 TRADING PARTNERS

[TONNAGE]:

Mexico; Venezuela; Algeria; Iraq; Saudi Arabia

TOP IMPORT COMMODITIES

[TONNAGE]:

Petroleum & Petroleum Products; Iron & Steel; Crude Fertilizers & Minerals; Organic Chemicals; Sugars

TOP EXPORT COMMODITIES

[TONNAGE]:

Petroleum & Petroleum Products; Organic Chemicals; Cereals and Cereal Products; Plastics; Animal or Vegetables

TOP IMPORT COUNTRIES [TONNAGE]:

Mexico; Venezuela; Algeria; Saudi Arabia; Iraq

TOP IMPORT COUNTRIES [DOLLARS]:

Federal Republic of Germany; Mexico; United Kingdom; Italy; Venezuela

TOP EXPORT COUNTRIES [TONNAGE]:

Mexico; Egypt; Brazil; Netherlands; Belgium

TOP EXPORT COUNTRIES [DOLLARS]:

Venezuela; Mexico; Brazil; Belgium; Netherlands



Deepening and Widening THE HOUSTON SHIP CHANNEL

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

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

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

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

Larry Russell, Marine Superintendent for Equiva Trading Company, a joint venture between Shell, Texaco and Saudi Aramco, agrees but stresses safety over profits. "The deepening and widening of the Channel has definite economic advantages, but more importantly the project enhances safety."

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

What makes the deepening and widening project unique in the industry is the extensive environmental restoration and maintenance project incorporated in the plan. The award-winning design calls for the dredged material to be used in restoring an unprecedented 4,250 acres of marsh and wetlands. An eight-acre bird nesting island will be constructed and the wildlife habitat on

Goat Island will be restored. Recreational boat access channels are also planned and maintenance of all of the sites for 45 years is included. Completion is scheduled for 2005.

Contracts Let and Work Begins

As work begins, the great challenge is to keep regular Channel traffic moving and uninterrupted. With some 6,400 ship and 100,000 barge movements annually, this will be no easy task.

"There is a very fine line between economics and safety," points out Tom Phelps, Presiding Officer of the Houston pilots. "We have an excellent safety record and the Port is still growing and making money. The widening and deepening project will not make our job any easier, but it will allow us to move larger and deeper vessels safely and help keep the Port's competitive edge with other ports in the U.S."

There are nine dredging contracts for the widening and deepening project. The cost of the deepening and widening project is being shared by the federal government and the local sponsors, the Port of Houston Authority and the Port of Galveston.

"Our greatest task is finding ways to ensure that the deepening and widening work continues smoothly with minimal disruptions," said Mr. Komegay. "We have spent countless hours with our partners at the U.S. Army Corps of Engineers, the Houston Pilots, and the Coast Guard carefully planning for this project."

"It is almost like choreographing a complex dance that is filled with many characters who must all move simultaneously and without impeding each other's progress. However, it is a challenge we relish and are grateful to finally have before us," Mr. Komegay concluded.

An unusual feature of the overall work in the Houston Ship Channel is the removal of the Baytown Tunnel. It is a Texas Department of Transportation effort that is going on in the midst of the deepening and widening project. Awarded to Williams Brothers in July 1998, such a project has never been undertaken.

The first section of tunnel which was removed in November 1998 was 15 feet in length, 38 feet in diameter and weighed 125 tons. The Houston Ship Channel was not closed, and there was no impact to vessel traffic as the section was hoisted ashore. The second section was 264 feet in length and weighed 6,800 tons. In December 1998 it was

made partially buoyant and tied alongside the staging area for demolition.

A good way to keep up with the deepening and widening project is to visit the U.S. Army Corps of Engineers, Galveston District homepage at www.swg.usace.army.mil on the internet.

Uniquely Capable

THE Houston Ship Channel is home to America's largest petrochemical complex. As a result, every conceivable type of business serving the energy industry including construction engineering is either headquartered or has a presence here and regularly uses the Port's facilities. Oil rigs, refinery materials, and supplies for oil field projects routinely move in and out of the wharves.

"One of the reasons we have grown to become a leader in the movement of project cargo is by servicing the oil and gas industry," stated Mr. Lilienthal. "The Port of Houston is unique from other ports in that we are able to easily handle a wide range of cargo and customer needs."

For example, ABB Lummus is refurbishing a Russian oil refinery west of Moscow in Tartistan. Over a six-month period, 20,000 tons of materials and equipment will move through Port Authority facilities. About 20 percent of the cargo is containerized and is being handled through Barbours Cut.

The remainder is breakbulk and is assigned to Jacintoport Terminal. Jacintoport features approximately seven and a half acres of concreted staging land and is capable of accommodating loads weighing up to 1,000 pounds per square foot.

Also at Jacintoport Terminal, Seaboard Marine recently loaded the first shipment of Enron's 20,000-ton Bolivian Pipeline upgrade project. Over a one-year period, various pipes, compressors and pumps will be transported to the Bolivian segment of the 1,300-mile pipeline connecting the Bolivian gas fields to Brazilian power plants.

The mining industry in Latin America also relies heavily on the Port Authority's heavy lift capabilities to move various transformers, generators, earthmoving equipment and trucks. "We've handled it all and haven't turned away a single project that I can recall," reports Mr. Kleczkowski.

"In Houston, shippers and consignees can find the equipment and experienced personnel to move any cargo safely and efficiently. We also have outstanding

flexibility which is built into the facilities," Mr. Kleczkowski added.

He points out that Wharf 32 in the Turning Basin is a favorite site for heavy lift projects due to its unique features. Built in 1983, the \$10.8 million handling facility's 806 linear feet of berthing space and 20 acres of paved marshaling area is at the heart of the port's project cargo traffic. Loads of up to 1,000 pounds per square foot are easily moved at Wharf 32 and throughout the Turning Basin.

"We never say no. We're always looking for new and different cargoes, and safety is paramount in everything we do," emphasized Mr. Kleczkowski. "We can handle the cargo that people are moving in today's world."

For instance, eight locomotives, each weighing 150 tons, arrived in March from Australia for the National Railway Company of Dixmoor, Illinois. They were

discharged directly to shipside rail for delivery in the Houston area.

Project cargo also moves through the Port Authority's Care Terminal, a 32-acre facility with about \$14 million in recent improvements including a new state-of-the-art wharf and dock designed for handling heavy lift cargo. The facility offers more than 1,100 feet of berthing space directly adjacent to 15 acres of paved open storage area and 45,900 square feet of warehouse space.

No matter how difficult the transit or how large the shipment may be, the Port of Houston Authority makes sure the cargo is handled with care. "We offer the finest service anywhere, because we continuously invest in our facilities, we look ahead and plan for future growth, and we listen to our customers and work hard to meet their needs," concluded Mr. Lilienthal.

is to be a 7,800 m² warehouse, capable of being extended to 12,000 m².

Extension of back-up space at the Terminal de Normandie: The Port Autonome du Havre has approved a request by the operating company at the Terminal de Normandie, allowing it to extend its back-up area by 5 hectares, in order to reduce the congestion currently experienced at the terminal.

Hamburg Gains Market Share in 1999 First Half

THE Port of Hamburg handled seaborne cargoes totalling 39.7 million tonnes during the first half of 1999. On a year-year comparison with the first half of 1998 that represents strong growth of 6.5%. Of all the major universal ports in Northern Europe – Rotterdam, Antwerp, Bremen – Hamburg is this year the only one to report a volume increases. So in 1999 Hamburg has gained market share.

In the 1999 second quarter throughput of seaborne cargoes set a fresh record of 20.6 million tonnes. Both general cargoes and container traffic were at a fresh all-time high, the figure for bulk cargo throughput was the second best for the 1990s. In 1999 total throughput is within striking distance of the 80 m t mark for the first time.

Powering this excellent result were all three sectors of bulk cargo throughput, namely suction cargo (cereals/agricultural products), grab cargo (ore, coal, etc.) and liquid cargo, and after the first six months of the year overall growth here was running at 9.9%. As with last year, both grain exports and oil-bearing fruit imports grew substantially. As the most important source of cereal exports, EU intervention stocks have been considerably boosted by two successive good harvests. Steep growth in coal imports (up 47.6%) is attributable to the growing use of imported coal caused by the gradual phasing out of coal subsidies. Still declining in the first quarter, in the second ore throughput advanced again considerably on account of improved sales prospects in the steel industry.

General cargo throughput (containers, other general cargoes) at almost eleven million tonnes in the second quarter set a new record. Following three relatively weak quarters, this put the port back on the same growth course which had been the norm before

Africa/Europe

Le Havre: Decisions on Bulk Terminals Made

THE Board of Trustees at the Port Autonome du Havre (independent port of Le Havre) met in July, examining and approving the major port policy resolutions which are to be implemented on a gradual basis: in addition to the ongoing Port 2000 project, traffic of bulk products and miscellaneous goods is to be increased, supply conditions for industry are to be improved and there is to be a rapid development of the port's logistics activity.

Increased capacity for the Multibulk Centre: The Port Autonome du Havre and SHGT (Société Havraise de Gestion et de Transport) are to increase capacity at Multibulk unit No. 1, which is to receive the raw materials (titanic iron ore & slag) bound for the Millenium du Havre factory.

To this end the Port Autonome is to build an intermediate tower and a connecting conveyor running from the existing distribution tower in the year 2000, at a cost of 2 MF (million francs).

For its part, SHGT is to invest 9 MF in storage equipment costing 9 MF. In time, the obsolete equipment at the Moselle docks, which would require full renovation, is to be shut down.

New chemicals wharf: The Port Autonome du Havre is to build a new wharf for chemical carriers in Le Havre's Grand Canal, at a cost of 13 MF.

These facilities, to be located on the south bank of the Grand Canal, east of the Multibulk unit, will be designed for ships of 5,000 to 40,000 DWT. The waterfront is to consist of four dolphins.

Reception on paper shipments at the Pointe de Floride: In response to increasing demand, the Port Autonome du Havre is to commission work to bring dock sheds Nos. 1, 2, 12 & 13 into compliance with the official standards applicable to the reception of paper shipments.

The cost of this operation is estimated at 9 MF.

New Logistics Hub for Buffard: The Port Autonome du Havre has granted the freight carrier Transports Buffard permission to build a logistics hub at the Pont de Normandie Logistics Centre; the first phase in this program



the upheavals caused by the crises in Asia and Russia. On general cargo throughput, last year's second quarter total was exceeded by 5.3%. Container traffic – by weight – was up 7.4% on the first six months of last year, while first-half general cargo throughput was ahead by 3.7%.

Container traffic for the second quarter was notable for reaching the highest-ever volume (by weight) in the history of the port. On a year-year comparison with the 1998 first half, containerized cargoes handled (excluding empty boxes) were up by 5.9%. Despatches (loaded containers) were up by 6.5%, whilst import containers were just 1% ahead. Powering growth on exports were the Asia trades. Exports (loaded containers) by sea to East Asia were 27.7% higher, and to Asia generally by 26.3%.

Expressed on a basis of TEU, the upswing was less noticeable, with a 14.5% decline in empty container traffic depressing the growth rate. In the previous year extreme imbalance in Asia traffic had caused a leap in movements, while this time traffic here was back to normal. Asia's share in Hamburg's container throughput exceeds 50%. Disregarding the fall in empty box movements, the first half actually produced slight growth (0.6%).

Since the collapse of Russian demand for imports in the third quarter of 1998, traffic with the Baltic region had been declining. While in excess of the level of 1998 second half, it is currently still way below the level reached in the first half of 1998. This applies to both container traffic and conventional general cargo traffic, which – like container traffic – had in 1998 been considerably weaker in the second half than the first half. Conventional cargo throughput here was down by 9.8%. The main cause was a fall in deliveries of conventional cargoes and especially of project cargoes – machinery, equipment – overseas, and especially to South-East-Asia.

As the gradual disappearance of special adverse factors – the downturn in empty container movements – is accompanied by a gradual recovery in crisis areas, container traffic should be back on course for 'normal' growth rates. On Baltic traffic, indeed, growth is already expected in the 1999 second half. It seems fair to anticipate an annual total here of well over 3.6 million TEU.

Expansions of capacity essential for catering for the anticipated growth have been provided or are proceeding on schedule. The deepening of the Elbe navigation channel to provide a draft of

12.8 metres irrespective of the tide – and to 13.8 metres during the 'tidal window' – will be completed in November this year. Work on expansion of capacity at Hamburg container terminals has been completed in some cases (e.g., Berth One at Burchardkai), and in others is proceeding according to plan (e.g., expansion of Eurokai terminal). Building work on the new Terminal Altenwerder commenced last spring. Inauguration of the first 800-metre berth with seven container gantry cranes is scheduled for end-2001 while the final stage including 14 post-Panamax gantry cranes and four berths for the largest containerships in operation is due to come into service in 2003.

New Passengers Terminal Amsterdam a Lively Centre

CONSTRUCTION of the new Passengers Terminal Amsterdam (PTA) proceeds apace and the Amsterdam Port Authority (APA) is at an advanced stage of negotiation with a partner on the exploitation of the multifunctional complex.

For the time being arriving passengers have to make do with a small kitchen, pantry, toilets and a sitting area in the East Shed, but this too will be demolished at the end of the year to make room for a new office block. Both the terminal and the office block will incorporate a lot of glass so that it will be possible to look through the complex from the city over the water and from the water into the city. The architect Larry Malcic of the well known

Artist's impression of the interior of the new passenger terminal

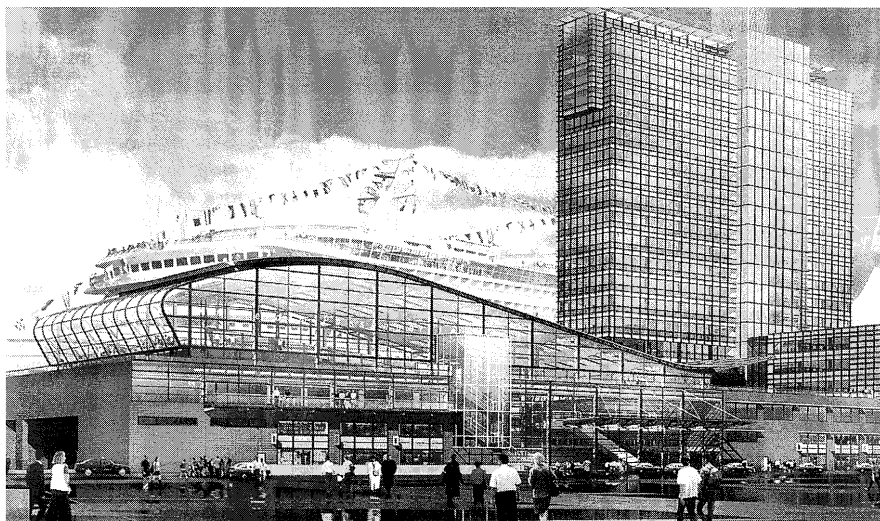
American architectural bureau H.O.K. took as his theme the meeting of land and water.

The river IJ will be dredged in front of the terminal quays so that the large cruiseships will be able to manoeuvre more easily. There will be a two storey carpark for 550 cars under the terminal as well as a bicycle storage apace.

Facilities

At ground level there is room for coaches and taxis to make their pickups, although they will actually park elsewhere. The front of the terminal will have an eye-catching entrance and inside shops for souvenirs, magazines, books and flowers. The first floor of the terminal, seven metres up, will accommodate the waiting rooms, baggage handling areas, a self service restaurant and a 'grand cafe' and discussions are ongoing with possible operators of these facilities.

These areas have a fine view of the city over the adjacent railway embankment and they can be used for exhibitions, receptions and other events all year round although of course the cruiseships always have priority. The third and fourth floors will house an exclusive restaurant and another grand cafe, with access to the roof terrace between the terminal and the office tower. Here people will be able to wave to cruise passengers.



Building work

During the next two years there will be a lot of traffic due to the construction work. "We will try to minimise disruption for the cruise passengers during this time", the project leader Willem de Boer assures us. The traffic will be even more intense since there is a plan for a new Centre for Modern Music to be built at the same time next to the PTA. The whole complex will cost 70 million guilders. The music centre should open its doors in 2001 and will contain The Icebreaker (De IJsbreker) specialising in contemporary music, the Bim House for jazz and improvised music, about twenty choirs and chamber orchestras as well as various cafes and restaurants open to the general public.

The PTA will also have plenty of facilities for eating out. De Boer: "The higher you go in the building, the more exclusive will be the eating establishments. Thus for example on the ground floor you'll have a croissanterie, on the middle floor there'll be a self service cafeteria and at the top an exclusive restaurant. We want to make the whole complex including the hotel and the music centre a lively focus for many activities not just for cruise passengers and tourists from the coaches and canal boats but also for your ordinary Amsterdammer."

Growing market

"The plan is that river cruises will be able to make use of facilities on the Oostelijke Handelskade which is one of the reasons that we are trying to make it as attractive as possible. River cruises are a growing market for people who like to take a trip on the Rhine and we want to hold on to that market. An attractive centre will improve the quality of the trip."

New Transaction Seen On Rotterdam's ECT

THE Rotterdam Municipal Port Management (RMPM) and Hutchison have withdrawn their notification of their proposed acquisition of Europe Combined Terminals (ECT) on a 50/50% basis. They have done so, because of the objections put forward by the Merger Task Force of the European Commission.

Although RMPM does not agree with the approach and the conclusions of the Commission with respect to a possible dominant position of Hutchison/ECT as

a consequence of this acquisition, RMPM did not want to continue a long discussion with the European authorities and has decided to enter into a new transaction with Hutchison and the other financial investors that will not fall under the jurisdiction of the Commission's Merger Task Force.

The shareholdings under the new transaction will be on the following basis: 35% RMPM, 35% Hutchison, 28% financial institutions and 2% for the benefit of employees. Completion of the acquisition is expected by September 30, 1999. RMPM does not expect to make any further announcements regarding this transaction until completion.

Mediterranean Gateway To Europe - Tarragona

THE Port of Tarragona has an enviable capacity to offer added value through all its services, both in transport and in production, the efficiency of which is based on an extremely wide network of domestic and international infrastructures which improve the profitability of each and every one of its various maritime services.

* * *

In recent years the Port of Tarragona has been devoting considerable efforts to meet the needs of the new millennium. This effort involves an investment of over 45,000 million pesetas in this decade, destined mostly for the construction of new infrastructure; the immediate results of this are already evident in the form of significant improvements installations and services. Thus, the Port of Tarragona has in the last few years become a major distribution centre for the Southern Mediterranean, with excellent prospects for the future due to its enormous competitive advantages.

The Port of Tarragona is strategically situated in one of the best-equipped industrial areas in the Mediterranean, including the most important petrochemical complex in Spain. The country's main communication routes converge on this area.

The Port of Tarragona has an enviable capacity to offer added value on all its services, both in transport and in production, the efficiency of which is based on an extremely wide network of domestic and international infrastructures which improve the



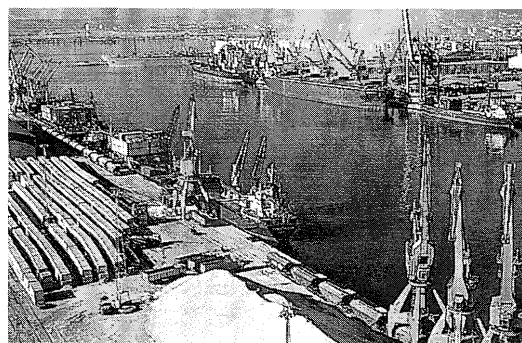
profitability of each and every one of its various maritime services.

Its infrastructures also include European-gauge rail links to all docks, allowing connection to the domestic and international networks as well as their own access to the most important motorways and main roads in Spain and southern Europe.

With the new transport centres in mind, the Port of Tarragona has developed as an excellent intermodal transport centre, with wide and interlinked transport facilities of all types.

Due to the large increase in international trade, the globalisation of the economy and the adoption of the principle of a total service, the Port of Tarragona has opted for a modern conception, far from the traditional framework of a mere service provider, attaching more importance to logistics and transport. This modern conception, based on management, complementarity and distribution centres, makes the Port of Tarragona the port of the future, contributing to the competitiveness of its clients with the provision of efficient services related to their needs in maritime transport, land distribution and logistic services.

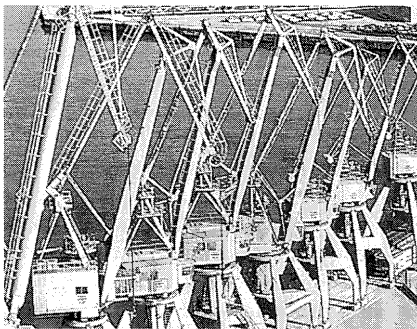
All these features place the Port of Tarragona in a position of leadership. At present, with a total throughput of 31.28 million tonnes of goods it has surpassed its own historical record and has become the top port in Catalonia, the second in Spain in total traffic and first in Spain by volume of cereals and bulk liquids. The Port of Tarragona is



increasing and improving its traffic annually because of its competitiveness and efficiency.

In this context, the Port of Tarragona is carrying out a new policy of acquiring land, creating new spaces and port terminals. In this way, and with the aim of meeting any and all demand, the Port of Tarragona is preparing itself to play an important role as a logistic platform where intermediate processes can be carried out to add value to goods on their way from point of origin to destination.

In the same way, it is preparing to deal with new traffic. Thus, among dif-



ferent new projects is the New Vehicle Terminal with 73 hectares of space, specialising exclusively in vehicles and whose accesses and modern layout make it one of the most important in the Mediterranean, with forecasts of over 400,000 vehicles annually. This complements an existing facility with a throughput of 140,000 vehicles a year.

Additionally, the construction of the new 30 hectares dock will start next January. This dock, located within the recently built breakwater is expected to accommodate the New Container Terminal.

All these investments and projects combine to boost the competitiveness of the Port of Tarragona, with an optimal range of services making it the best port option in the whole Mediterranean.

There can no longer be any doubt – the Port of Tarragona is the true Mediterranean Gateway to Europe.



Management Changes At Hutchison Ports UK

HUTCHISON Ports UK (HPUK), owner of Felixstowe, Thamesport, Harwich and Maritime Haulage, has announced a new senior management structure. The appointments reflect the Group's ongoing port integration programme, with some operational functions being centralised. All business units will remain autonomous and the respective Managing Directors will remain accountable for performance and management.

The most senior management change takes Chris Gray, Managing Director, Port of Felixstowe, to the new post of Chief Executive for HPUK. His promotion to CEO brings with it overall responsibility for the management and commercial direction of the Group's three UK ports and transport company. The other changes are as follows:

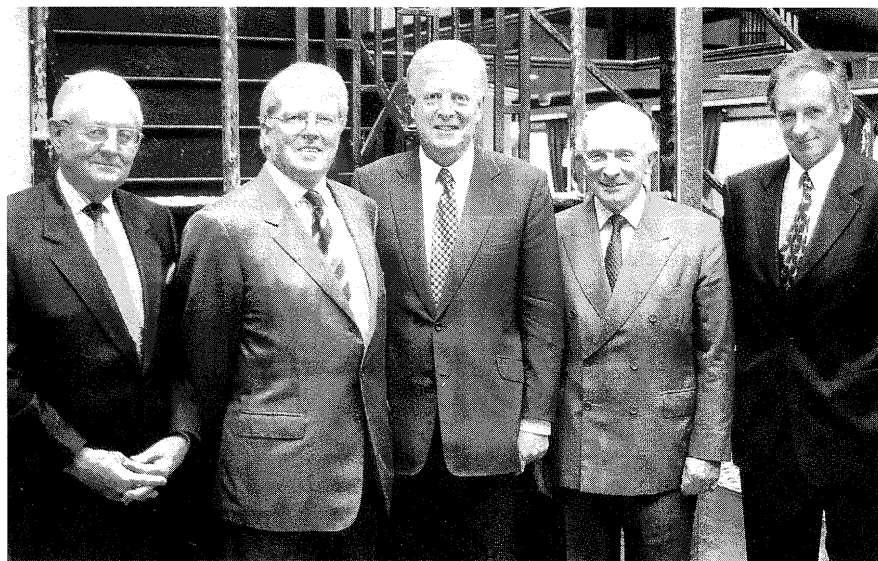
- Douglas Barr, Operations Director, HPUK, will now take on group-wide

responsibility for operational activities. Felixstowe Operations and Engineering General Managers will continue to report to him.

- Chris Lewis, previously the Port of Felixstowe's Head of Information Systems, has been promoted to Director of Information Systems, HPUK.
- Charles Rowett, who joined the Group earlier this year from Gist Brocades, is appointed Director of Human Resources, HPUK.

* * *

Hutchison Ports UK (HPUK) is a subsidiary of Hutchison Westports Limited, a member of the Hutchison Port Holdings Limited (HPH) Group of Hong Kong. HPH is the world's largest independent port operator, with operations in 17 ports in Asia, Europe and the Americas. HPH operates a total number of 79 berths and handles approximately 10% of global container traffic. In 1997, the ports under the HPH group handled a total of more than 13.1 million TEU.



PLA's David Jeffery Says Farewell

PLA's retiring chief executive, David Jeffery, second from the left, with guests at his farewell lunch on board the *Silver Sturgeon*. On the left is Bill O'Neil, secretary general of the International Maritime Organization (IMO), with Steve Cuthbert, Mr Jeffery's successor, Sir Brian Shaw, chairman of the PLA with Mike Gray, of Purfleet Thames Terminal on the right.

There were tributes from Sir Brian, on behalf of the PLA, and Mr Gray, who spoke for the Port of London community, to Mr Jeffery's 13 years at the helm of the PLA during which there had been significant changes including the abolition of the Dock Labour Scheme, PLA taking over responsibility for pilotage and the divisionalisation of the PLA which paved the way for the privatisation of the Port of Tilbury.

In reply, Mr Jeffery thanked everyone in the Port for their support and added that he had thoroughly enjoyed every minute of his time with PLA. (Port of London)

Steve Cuthbert PLA's New Chief Executive

THE Port of London Authority on 6 July appointed Steve Cuthbert BSc (Eng), FCA, FCIM to be its new Chief Executive from 1 August 1999. He will take over from David Jeffery who retires from the PLA at the end of July.



Mr Cuthbert (56) was until recently Director General of The Chartered Institute of Marketing, the world's largest marketing association. Under his management, the CIM grew substantially and achieved individual Chartered Marketer status for its members.

Prior to his five years at CIM he was with Brent International PLC, the spe-

ciality chemicals and industrial products group, where he was Chief Executive from 1980 to 1993. His early career was with Price Waterhouse.

His career has taken Mr. Cuthbert to work in Europe, North America and South East Asia. He has been active in the CBI where he was a member of the President's Committee, Chairman of the Southern Region, and a member of the Education and Training Committee. He is also on the Advisory Board of Loughborough Business School.

Steve Cuthbert is married, has six children and his home is in Beaconsfield, Buckinghamshire. He lists his interests as sailing, gardening, theatre, opera and family pursuits.

Announcing the appointment, PLA Chairman Sir Brian Shaw said, "We are delighted to have Steve Cuthbert joining us. He brings wide commercial and industrial marketing experience which will be of immense value to the Port of London." (Port of London)

control of the Chairman and the Dy. Chairman.

Port Facilities

Mumbai Port is a fully integrated multipurpose port handling container, ro-ro, dry bulk, liquid bulk and break bulk cargo. The Port has extensive wet and dry dock accommodation to meet the normal needs of ships using the port.

Berths:

There are three enclosed wet docks namely, Prince's, Victoria and Indira Dock, having a total area of 46.30 hectares and quayage of 7,776 metres inside the wet basin and 853 metres along the harbour wall.

Oldest of the three is Prince's Dock, a semi-tidal dock, commissioned in 1880. It has 8 berths, each with a designed draft of 6.4 metres.

The Victoria Dock, commissioned in 1888, is also a semi-tidal dock. It has 14 berths, each with a designed draft of 6.7 metres.

Indira Dock was commissioned in 1914. It has an entrance lock, 228.6 metres long and 30.5 metres wide, through which vessels can enter or leave the dock at any state of tide. There are 21 berths inside the basin and 5 berths along the harbour wall. The draft inside the basin is around 9.1 metres. The depth of water inside the basin can be increased by 1.20 metres by impounding water. The draft at the harbour wall berths is around 7.0 metres.

To the south of Indira Dock, along the extended arm, there are two open berths, Ballard Pier and Ballard Pier Extension, each of 244 meters length with a draft of 9.1 metres and 9.7 metres, respectively. Ballard Pier Extension berth handles passenger vessels and is equipped with a modern passenger terminal building.

There are 4 jetties at Jawahar Dweep, to handle crude and POL tankers and an offshore berth at Pier Pau to handle liquid chemicals and some of the POL traffic. One of the 4 jetties at Jawahar Dweep which was commissioned in 1984, can handle tankers with a maximum loaded draft of 12.7 metres and up to 1,50,000 displacement tonnes. Two jetties can receive tankers up to 70,000 displacement tonnes. The New Pir Pau jetty commissioned in December 1996 can handle tankers of 35,000 dwt with a maximum loaded draft of 11.1 metres.

Container Facilities:

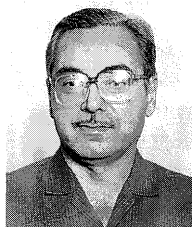
A full-fledged container terminal has

Asia/Oceania

Port of Mumbai At a Glance

MUMBAI Port has carved a unique niche for itself in the Indian commercial geography. The port has completed more than 125 years of dedicated service to the nation. For decades, Mumbai Port remained India's premier port. Even today, with the development of other ports in the neighbourhood, it caters to about 12.3% of the total seaborne trade of the country in terms of volume. It is the leading general cargo port handling about 18% of the country's general cargo traffic, the leading container port accounting for about 30% of the country's trade in the containerised cargo and the leading POL port handling about 16% of country's POL trade.

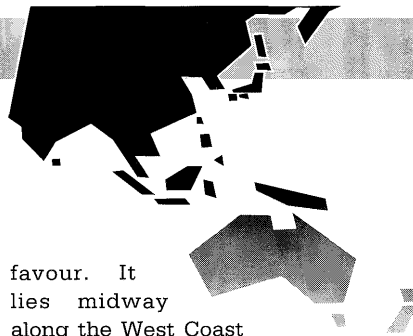
The POL of Mumbai has long been the principal gateway of India. Strategic location is one factor in its special



Shir A.K. Mago
Chairman

favour. It lies midway along the West Coast of India and is gifted with a natural deep-water harbour of 400 sq. Kms. protected by mainland of Konkan on its east and island of Mumbai on its west. The deep waters in the harbour provide secure and ample shelter for shipping throughout the year. This gift of nature has been developed by the enterprise of men with vision and purpose, with the result that in the matter of natural facilities for shipping, Mumbai Port is one of the most fortunate amongst the world ports.

The Port of Mumbai is administered by a statutory autonomous corporation known as the Mumbai Port Trust. The Chairman, Dy. Chairman and 19 other Trustees, representing various interests connected with the Port activities such as shippers, labour, state government etc., constitute the Board which looks after the administration of the port. The day-to-day administration, however, is carried out by the Heads of Departments under the supervision and



been set up at BPS in Indira Dock which is equipped with two Gantry cranes for ship to shore handling of containers and three Rubber Tyred Gantry cranes for yard operations. 516 ground slots are available for temporary stacking of containers prior to their shipment or removal to CFS. Berth Nos. 1 to 5 in India Dock have been earmarked for handling container vessels and stack-yard with over 1,600 slots in the backup space behind these berths have been developed for temporary stacking of containers. Container Freight Stations have been set up at Manganese Ore Depot, Timber Pond, Wadala Incinerator Plot and Frere Basin. 208 reefer points at selected berths/CFS have been provided for refrigerated cargo. Rail Container Depot has been developed at Cotton Depot to facilitate smooth movement of ICD traffic.

Ferry Wharf:

The Ferry Wharf, near Prince's Dock, comprises four berths for handling ferry ships carrying coastal passengers. It can also accommodate launches plying across the harbour.

Cargo Handling Equipment:

The docks are equipped with electric wharfside cranes, container handling cranes, floating cranes and mobile cargo handling equipment:

Electric Quay Cranes:	49 (3 and 6 tonnes)
	4 (13 tonnes each)
Floating Crane:	1 of 60 tonnes
Mobile Cranes:	25 (14 tonnes each)
Tower Cranes:	2 Nos. (20 tonnes each)
Crawler Cranes (Tata P&H):	2 (30 tonnes each)
Forklifts I) Diesel:	40 (3 tonnes each)
	4 (16 tonnes each)
II) Electrical	4 (1.5 tonnes each)
	6 (1 tonne each)
Tractors:	32 of 6,000 lbs draw pull
Yard Gantry Cranes (RTG):	3 (35.5 tonnes each)
Quayside Gantry Cranes:	2 (35.5 tonnes each)
Reach Stackers:	2 (42 tonnes each)
	2 (45 tonnes each)

Port Trust Railway:

The Port owns and operates its own railway which is connected to the broad gauge main lines of Central and Western Railways at its Interchange Railway Yard at Wadala. The railway runs for about 11 kms. of straight route between Ballard Pier and Wadala and has an extensive network of track of about 130 kms. It serves the docks as well as the vital installations and factories in the Port Estates. It has its own fleet of 11 diesel locomotives.

Dry Dock:

There are two dry docks, namely Merewether Dry Dock of 152.40 metres and Hughes Dry Dock of 304.04 metres in length respectively.

Storage Accommodation:

Mumbai Port has approx. 7 lakh square metres of open and covered storage accommodation for storing uncleared, confiscated goods and hazardous cargo. Pre-shipment storage facilities are also available for export cargo at the port.

Fish Harbour:

Fish handling facilities are provided at Sassoon Dock and near Malet Basin.

Throughput Continues to Rise at Chinese Ports

IN the first half of this year, ports' throughput has increased rapidly in China. Up to the end of July this year, according to preliminary statistics from the Port Management Division of the Water Transportation Department of the Ministry of Communications, the top ten seaports in this regard were Shanghai, Guangzhou, Ningbo, Dalian,

Qinhuangdao, Qindao, Tianjin, Shenzhen, Lianyungang and Yingkou ports respectively. They achieved a freight throughput of 441.37 million tons – a 13.3% cumulative increase over the same period of last year.

The top ten river ports were Nanjing, Nantong, Hangzhou, Zhengjian, Wuhan, Zhangjiagang, Xuzhou, Jiujiang, Chenglinji and Jiangyin ports. They recorded a freight throughput of 95.17 million tons – a 14.3% cumulative increase over the same period of last year.

The top ten ports in the field of container transportation were Shanghai, Shenzhen, Qingdao, Tianjin, Guangzhou, Xiamen, Dalian, Ningbo, Zhongshan and Fuzhou ports. They handled 7.58 million TEUs – a 38.0% cumulative increase over the same period of last year.

Entering the second half of the year, in spite of the impact of floods along the Yangze valley, the productivity of ports has continued to improve. This reflects a series of measures taken by the government to stimulate consumption, boost market vitality, enlarge the scale of investment in capital construction, increase the efficiency of medium- and large-scale enterprises and expand exports. (by Wang Jian, Nanjina Port Authority)



Kobe Facilities Enhanced, Port Use Charges Cut

THE Port of Kobe has been working on the enhancement of various facilities and the reduction of port use charges for the greater benefit of its users.

1. The Minatojima Tunnel of the Port of Kobe opens.

On July 30, 1999, the Minatojima Tunnel of the Port of Kobe started operation between the artificial island, Port Island, and the city center of Kobe. Construction of the tunnel was begun in November 1992 by the Port and Harbor Bureau to cope with the increased traffic from the expansion of Port Island. Although construction was interrupted by the Great Hanshin-Awaji Earthquake that hit the area on January 17, 1995, the tunnel was completed in June 1999 after six years and eight months.

The tunnel measures 1.6 km in length and has four traffic lanes. It employs a host of the latest technologies – the world's first full-sandwich-structured immersed tube and the V-block construction method applied on the final connection. The total cost of construction came to 98 billion yen.

The Minatojima Tunnel, coupled with the Kobe Bridge, is helping to greatly enhance the physical distribution capabilities of Port Island, and is expected to accelerate the restoration from the earthquake and promote the further development of the Port of Kobe.

2. Exemption from wharfage applied to ships entering the Port of Kobe the day before cargo handling.

As of July 20, 1999, certain ocean-going ships which engage in early morning cargo handling are exempt from wharfage. This privilege is applied to the ocean-going ships which enter the Port of Kobe after 8:00 a.m. on the day before cargo handling. Such ships may stay at the berth till 8:00 a.m. on the day of cargo handling at no charge.

This arrangement will help to

- (1) mitigate the congestion caused by ships entering the port in the early morning,
- (2) decrease the need for pilots and tug boats in the early morning, and,
- (3) enhance cargo handling efficiency and improve the working conditions of seamen.

In addition to the revision of the compulsory pilot system, this will offer

greater cost advantage to ocean-going ships.

Tauranga's Impact on Local Economy Positive

ACTIVITY associated with the Port of Tauranga had a total economic impact on the Bay of Plenty of \$3,987.6 million in 1998.

An economic impact report prepared by Dr Warren Hughes of the University of Waikato also found that a total of 23,074 full-time equivalent jobs in the Bay of Plenty were dependent upon the Port of Tauranga.

Port Chief Executive Jon Mayson says the findings underscore the Port's pivotal role within its wider community.

"The Port Company was a direct employer of 128 people in 1998. But if the jobs in related industries are taken into account, such as road freight, marshalling and stevedoring, and the import and export sectors, the Port touches on the lives of thousands of people throughout the Bay.

"Taking an even wider view, the report shows that the Port's total impact on the New Zealand economy in 1998 was more than \$9,000 million. Across the nation, 62,951 full-time equivalent jobs were related in some way to the presence of the Port," says Mr Mayson.

The Bay of Plenty region now accounts for six percent of New Zealand's economic activity, while the Port itself is associated with four percent of New Zealand-wide production.

Dr Hughes' report also examines the benefits associated with the Port's sponsorship of the Half Ironman event held each January in Mount Maunganui.

In 1998, 1,069 people competed – and 75 percent were from outside the region. Direct expenditure by out-of-town competitors and their supporters has been estimated at \$2.27 million per event. The total annual economic impact for the region is \$4.12 million.

The cruise ship industry too is adding value to the local economy. The report findings show that each of the 20 cruise ships that docked at the Port of Tauranga last year carried 1,000 passengers. Surveys indicate each of them spent \$120 per day, excluding any accommodation.

Total direct expenditure by these passengers totaled \$2.4 million, spread across the wholesale and retail trades; restaurants and cafes; and road passen-

ger services.

Taking a wider view, Dr Hughes estimated the flow-on effect upon other sectors. The total impact of cruise ship expenditure on the Bay of Plenty in 1998 was in the order of \$4.24 million. In terms of employment, he estimated it created 44 equivalent full-time positions in the region.

His report noted that as the demographic age group associated with cruise ship activity was projected to grow significantly into the new millennium, the economic impact would also continue to increase.

A similar economic impacts report was prepared for the Port in 1993. Since that time, cargo throughput has increased 19 percent, while revenue in constant dollars has increased 25 percent from \$37 million to \$46.2 million in 1998. The report attributes these results to increased demand for the Port's cost-effective services.

PSA China Takes Equity Stake in Dalian Firm

CHINA Shipping (Group) Company and PSA China Pte Ltd, the subsidiary of PSA Corporation that manages PSA's businesses in China, have taken an equity stake in the Dalian Dagang Container Terminal Co Ltd (DDCT) through the signing of an Equity Joint Venture Contract on 5 Aug 99.

DDCT was formed on 7 Jul 99 as a Joint Venture Company between PSA's Dalian Container Terminal (DCT) and the Port of Dalian Authority (PDA) to manage and operate a domestic container terminal to cater to the needs of Dalian and the North Eastern region of China. With the partnership of PSA China and China Shipping, DDCT will also be renamed shortly to symbolise the new partnership among China Shipping, PDA, DCT and PSA China. Equity in the new company is divided among the four partners in the following proportion: China Shipping (35%), DCT (35%), PDA (22%), and PSA China (8%). DDCT currently operates 3 berths, 2 quay cranes, 2 yard cranes, and a fleet of port equipment in an area spanning 100,000 square metres.

Domestic container shipping is a new business with ample opportunities in view of the strong growth potential in China. Previously, domestic cargo was transported in loose form via rail, road and sea. DDCT recognises that there is

huge potential and advantage for such cargo to be carried and transported by containers. This foresight is indeed well-placed as market forecasts have indicated that China is poised to handle more than 1 million TEUs of domestic containers by the Year 2000.

"The fruitful cooperation between China Shipping, DCT, PDA and PSA China to promote the development of container transportation in Dalian signifies a very good beginning. China Shipping will provide its utmost support to the joint-venture terminal to increase the growth of the domestic container business in Northern China," said Mr Li Ke Ling, President of China Shipping (Group) Company.

Mr Wong Seng Chee, Director, PSA China Pte Ltd, and Senior Vice-President (Asia-Pacific), International Business Division, PSA Corporation, said, "We are very pleased and excited that, after a series of successful negotiations, PSA China is able to invest and help in the promotion of containeriza-

tion in the North Eastern region of China. This is also PSA China's fourth investment project in Dalian in three years. We are very grateful that PSA has enjoyed many years of sound and rewarding relationship with our Chinese partners and business associates. This investment underlines the PSA Group's confidence in the Dalian Government's leadership and commitment to the economic development of Dalian."

Said Mr Ho Yap Kuan, General Manager of DDCT, "We are very pleased to enter into partnership with PSA China and China Shipping (Group). Given China Shipping's strong foundation in China's domestic container business and with PSA's expertise in container terminal management, we are confident that DDCT will realise its goal to be a successful domestic hub port for North China. We believe DDCT will further encourage trade and enjoy increased container traffic within the North Eastern region of China."

tainer vessels, and operates about 30 main haul and feeders services around the world. Mr Li Ke Lin, President, China Shipping (Group) Co, said, "We are pleased that China Shipping is able to launch its second Far-East Europe service at DCT, which has all the necessary, favourable requirements for a main haul service. We are confident that DCT will serve as an excellent foundation for the expansion of China Shipping's container shipping business."

Said Mr Ho Yap Kuan, General Manager, Dalian Container Terminal, "We thank OOCL, Wan Hai Lines, and China Shipping for their support and vote of confidence in and for making DCT their port of call. The two new main haul services will further increase the shipping network in Northern China, allowing cargo owners to have more efficient, direct access to the European and Middle-Eastern markets. The impetus of growth at DCT must also be attributed to the strong support of the authorities at Dalian."

2 New Haul Services At PSA Dalian Terminal

HONG KONG's Orient Overseas Container Line (OOCL), Wan Hai Lines of Taiwan and China Shipping (Group) Co. have started two new main haul services at PSA Corporation's Dalian Container Terminal (DCT) in China. The addition of the 2 new services means DCT has a total of 4 main haul services to serve the US West Coast, Mediterranean, Middle Eastern and Europe routes. The new services reinforce shipping lines' vote of confidence in the excellent operational performance and efficiency of DCT in Northern China.

Operational results have been steadily increasing since DCT began in 1996 with strong positive growth in container and cargo throughput. Container traffic at DCT grew by 30% for the first half of 1999, reaching 285,782 TEUs, compared to the same period last year.

The OOCL, Wan Hai and China Shipping new services were launched on 26 July and 5 Aug 99 respectively. Maiden calls at DCT have been made by the M.V. *Astoria D* of OOCL and Wan Hai Lines, and the M.V. *Xiang Hao* of China Shipping.

The OOCL and Wan Hai Lines' joint direct service between North China and Middle East is their first collaboration. The two shipping lines will deploy about six 1,000 plus-TEU vessels for the new service. The fixed-day, weekly service includes calls at Dalian, Tianjin, Qingdao, Shanghai, Hong Kong, Singapore, Port Klang, Dubai, Karachi, Port Klang, Singapore and Hong Kong before heading back to Dalian.

China Shipping will deploy about ten 2,000 – 3,000 TEU vessels for its direct service between North China and Europe. The fixed-day, weekly service is scheduled to sail from Dalian to NingBo, XiaMen, ChiWan, Hong Kong, Jakarta, Felixstowe, Rotterdam, Hamburg, Antwerp, Singapore and Hong Kong before heading back to Dalian.

Mr Jackie Wu, Dalian Chief Representative, Wan Hai Lines, said, "It used to take 27 days to sail from Dalian to Dubai. With the new direct service, the sailing time has been significantly reduced to 22 days, thus greatly improving the efficiency for both shipping lines and shippers."

China Shipping (Group) has seen rapid expansion over the last 2 years. It currently owns a fleet of over 70 con-

S'pore: Passenger Ship Evacuation Exercise

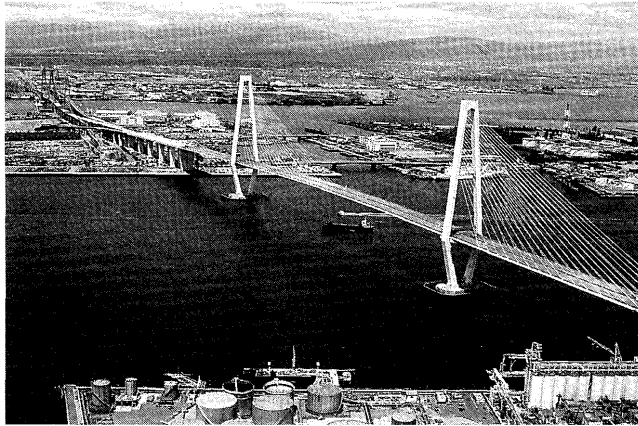
THE large-scale Passenger Vessel Evacuation Exercise (FEREX '99) organised by the Maritime and Port Authority of Singapore (MPA) was successfully conducted on 30 July from 1330 to 1700 hours.

A total of 15 vessels, including the m.v. *Superstar Leo*, were deployed by the MPA, Star Cruises, Police Coast Guard, Republic of Singapore Navy, Civil Aviation Authority of Singapore, PSA Corporation, Wijsmuller/Perdana Salvage Pte Ltd, Auto Batam Ferry Services Pte Ltd, Dino Shipping Pte Ltd, Indo Falcon Shipping and Travel Pte Ltd, Swissco Offshore Pte Ltd, Viking Life-saving Equipment Pte Ltd for the seaward operations. Other agencies like the Singapore Police Force, Singapore Civil Defence Force, the Ministry of Health and Singapore General Hospital Pte Ltd participated in the landward rescue operations. A total of about 1,080 personnel participated in the exercise.

Exercises of this nature will be held regularly in anticipation of the increasing number of mega passenger ships calling at our port.

The Port of Nagoya Provides the Best!

-Integrated Road Network



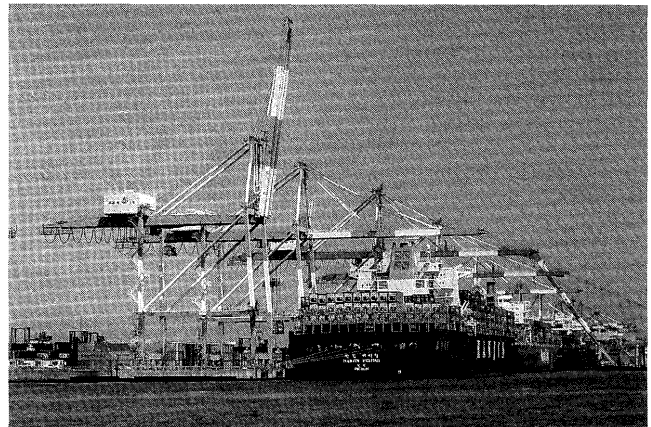
-Taking full advantage of its strategic location, the Port of Nagoya provides you fast access to every part of Japan.

-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.

NAGOYA PORT AUTHORITY

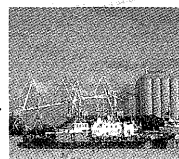
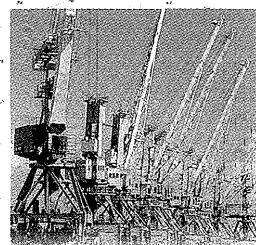
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PORT OF TALLINN



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.

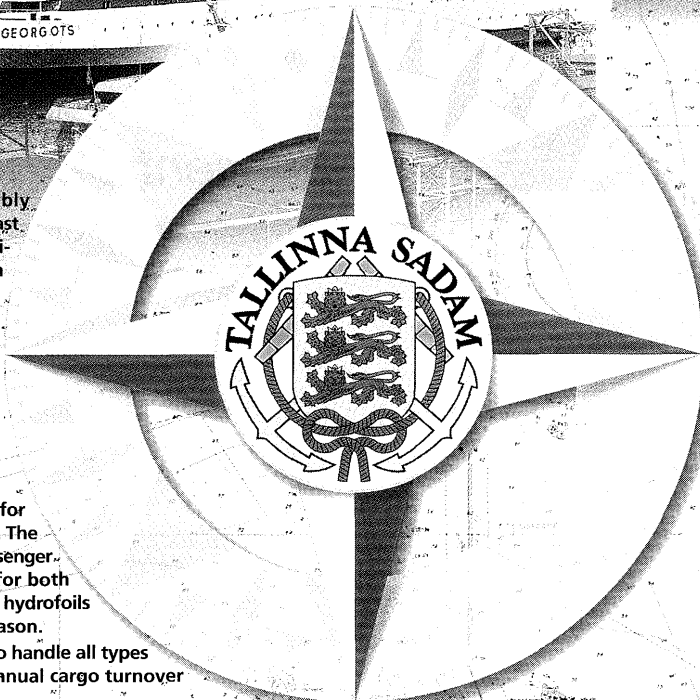
PORT OF TALLINN – administers **Old City Harbour**, **Muuga Harbour**, **Pääjassaare Harbour** and **Paldiski South Harbour**.

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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