

IAPH Officers (1999 - 2001)

President
Dominic J Taddeo
President & Chief Executive Officer
Montreal Port Authority
Canada

First Vice-President
Akio Someya
Executive Vice President
Nagoya Port Authority
Japan

Second Vice-President
Pieter Struijs
Vice Chairman/Executive Director
Shipping
Rotterdam Municipal Port Management
Netherlands

Third Vice-President
H. Thomas Kornegay
Executive Director
Port of Houston
USA

Immediate Past President
Jean Smagghe
Executive Vice-President
International Affairs of
Association of French
Ports (UPACCIM)
France

Secretary General
Satoshi Inoue
IAPH Head Office
Tokyo
Japan



PORT of BRISBANE, a fast growing container port, is the 3rd largest capital-city port in Australia. It is closer to Asia Pacific Rim than any other major Australian capital-city port by 5 sailing days. Fisherman Islands is the only purpose-built capital-city intermodal port complex in Australia. Related article on page 34.

Contents

IAPH ANNOUNCEMENTS & NEWS

Tokyo Exco Meeting successfully concluded	3
Message from the Vice Governor of the Tokyo Metropolitan Government	5
Europe/Africa Regional Meeting in Cork.....	8
Asia/Oceania Regional Meeting in Bangkok	8
A Model Law on Electronic Signatures to be Approved in June 2001 by UNCITRAL.....	9
Gaza Seaport Project	10
IAPH Award Scheme 2001 (IAPH Essay Contest).....	10
Renewed IAPH web site coming up from 1 January 2001	11
Membership Notes	11

OPEN FORUM

The Challenge for Maritime Transport at the Dawn of the 21st Century	12
ESCAP: Regional Shipping and Port Development Strategies Under a Changing Maritime environment	16

INTERNATIONAL MARITIME INFORMATION

16th World Dredging Congress and Exhibition • Ballast water task force sets to work on alien invaders	22
India International Maritime EXPO 2001	23
New Publications	24

WORLD PORT NEWS

The Americas

Halifax Port Authority and Halterm Agree on 20-Year Lease • Vancouver makes mid-ocean deballasting mandatory • Message from the Canal Administrator on the Canal's First Nine Months under Panamanian Administration	25
Panamax Vessel Transits Continue Growing • Traffic forecast for the Canal up to 2050 • Ports Handle Lion's Share of Southeast Asian Market.....	26
Port of Los Angeles: First-of-its Kind Propane Equipment Introduced at Port • Port of Long Beach: Container Cargo Volume up 6 percent for Fiscal Year.....	27
Hanjin Agrees to \$1 Billion Lease for Long Beach's Largest Container Terminal • Port of NY/NJ: Port Authority to Provide Real-Time Shipping Information to Port Customers via the Web	28
Cargo Continues Strong Gains • Port of Seattle Launches eBusiness Strategy.....	29

Africa/Europe

P&O Ports takes over ACT in Antwerp • Cyprus reports and expects positive port industry results	30
The Port of Helsinki's traffic hits a record high • First straddle carriers for Ceres Paragon terminal arrive in Amsterdam • Dr. van den Heuvel, IAPH Exco, Honoured	31
All bunker vessels at Port of Göteborg have 'Green Cards' • Vapour Recovery Units installed in Göteborg's oil port	32
HRH the Princess Royal Inaugurates Humber International Terminal	33

Asia/Oceania

Boom TIME for Brisbane	34
Port Botany Rail - Record Container Volumes • Evergreen Opens Three New Berths in Kaohsiung	35
Kaohsiung's Container Terminal No. 5 to Be Completed in December • Cochin Port poised to be India's cruise destination	36
Operator for the Nabeta Container Terminal Decided • Port Promotion Mission to India and China • Star Cruises Makes Yokohama its Home Port	37
Port Klang shapes up as logistics hub	38
Ports of Auckland: Strong container growth • PSA Corporation Signs Terminal Management Contract for Muara Container terminal	39
PSA and APL achieve vessel rate over 200 boxes per hour second time in 2000	40

IAPH ANNOUNCEMENTS AND NEWS

Tokyo Exco Meeting successfully concluded

October 23/26 2000,
at Bayside Hotel Azur, Takeshiba, Tokyo

FOR the first time in the history of IAPH, Tokyo was chosen as the venue of the meeting of the Executive Committee (EXCO). For one reason, Tokyo was selected because the Head Office has been relocated from the central part of Tokyo to the premises located on the waterfront that was recently redeveloped for office buildings and hotels, and further because the office space of the Head Office has expanded. Thus the venue of the Mid-Term Exco Meeting in Tokyo, from Monday October 23 to Thursday October 26 2000 was at Meeting Room of the Bayside Hotel Azur, Takeshiba, Tokyo, Japan, which is located just next to the Takeshiba North Tower on the fifth floor of which IAPH Head Office is located. Other specialty of the Tokyo Meeting was that a local function organized by the IAPH Foundation, known as 13th IAPH Japan Seminar that is devoted for the promotion of IAPH activity as well as the Montreal Conference among the local community of port and shipping industry was programmed as an integral part of the Exco Meeting.

The 3-day long Meeting was conduct-

ed and presided over by President Taddeo at the full support and cooperation extended by the Port of Tokyo together with the Ports of Kobe and Nagoya as supporters. In all, all of 5 Officers (President, 3 Vice Presidents, Immediate Past President and Secretary General) and 10 Exco members and 20 persons inclusive of committee chairs, special delegates, assistants to the delegates, observers, and 3 head office staffers led by Dr. Satoshi Inoue, attended the meeting.

The agenda of the three Sessions was as follows:

Session 1 (Household matters)

- Secretary General's report
- Revision of By-Laws (consultation)
- Membership Committee Report
- Financial situations

Session 2

- IAPH/IMO Interface and Technical Committee affairs
 - Report on the reactions to the IAPH Appeal for the sustenance of IMO SPI Initiative
 - Combined Transportation, Distribution and Logistics Committee

- Others
- 2001 Conference (Program, Working Sessions, Speakers and others)
- Future conferences and the Mid-Term Board Meeting in 2002
 - 2003 Conference
 - 2002 Mid-Term Board Meeting: Presentation by Abu Dhabi Seaport Authority
 - 2005 Conference: Presentations by the Port of Shanghai and the Port of Kobe
- Other calendar of meetings
 - Status report on the Abidjan Meeting (Pan African Ports Conference)
 - Status report on the regional meeting 2001
 - A/E Region: Cork
 - A/O Region: Bangkok

Session 3

- Report on the IMO Liaison Services
 - IMO initiative for the Gaza Port Development Project and IAPH's participation
 - Status Report on the IAPH/ICHCA Survey on Fumigation Services/ Expression of concern from Uruguay for the threat of health from the imported items
- Consideration on the UNEP initiative for Global 500 Roll of Honor for Environmental Achievement for the year 2001 (Adult Category)
- Long-term policy-related affairs and others
 - Consideration on the proposal for Port Specific Environmental Management System, as proposed by Mr. Graham Mulligan, Port of Brisbane Corporation, Australia
 - IAPH Cooperation and support for an international Survey on Dredging as sug-



A group picture. Sorry, some are missing!

gested by Mr. Hugh Welsh.

- Continuation of the IAPH 2000 Survey on Port Reform
(Reference: The Napier University Survey on Port Reform and Transformation based on the IAPH Survey conducted by Mr. Baird, Napier University)
- Ports and Customs - A paper by Mr. John Raven
- PIANC Working Group on Wetland Restoration
- Others

Brief highlights of discussions on household affairs

- **Membership Committee Matters:** Chairperson O.C. Phang reported that the membership of IAPH spreads to 88 different maritime countries and economies, marking a slight increase in Regular and Associate Members, where the number of Regular Members stood at 223 and Associate Members at 107, respectively. In her report, IAPH should continue to work out plans to foster greater interaction and keep the members abreast of what is happening not only through the journal but also through fliers and bulleting, seminars expositions and further continue to explore every possibility to attract new members, inclusive of such measure like restructuring the membership classification and dues systems.
- **Finance Committee Matters:** On behalf of Chairman Snodgrass of the Finance Committee and based upon his written report of October 17 on the financial prospect of IAPH for 2000 previously prepared by the Head Office, Dr. Inoue reported that the financial situation of the Association for 2000 was healthy despite the acute rise of the yen currency as against SDR and other currencies since 1999. Report was duly accepted with various recommendations for further and continued



Regional Exco Meeting in session

improvements of financial operations.

- **Legal aspects:** Dr. Inoue presented various points as consultation items to the Exco. These points are mostly related to the procedural aspects of the Association mainly as a result of the newly adopted practice of holding a mid-term meeting of the Board of Directors. Consulted were such items as the systems for establishing quorum at meetings, the systems for establishing consensus of Association relative to the regional ones. The Exco, acknowledging the rationales contained in his consultation, felt that these points be further referred to the legal counselors for actual implementation as appropriate.

Amongst many items discussed by Exco, the following topics are chosen as highlights of the Meeting.

- **IAPH's reactions to the Ship/Port Interface (SPI) Initiative by IMO:** Various comments in support of the SPI initiative expressed by the IAPH member ports were introduced. The Exco felt that IAPH should continue
- **IMO/UNDP Initiative for the construction of Gaza Port:** Mr. Peter van der Kluit reported on his visit to Gaza, Palestine, as a member of the IMO/UNDP mission. (Please see the separate report.)
- **IAPH/IMO Interface Group and liaison activities:** Mr. Pieter Struijs reported on the activities of the Interface Group. Elaborating his report, Mr. Peter van der Kluit presented those issues facing the port community on a global basis, such as ballast waters, TBT, reception facilities and others.
- **Fumigation Services:** As an offshoot of IAPH cooperation with ICHCA Survey on the Fumigation Services, IAPH received a proposal from Uruguay that ports should be more interested in the potential threat to health involved in the imported goods and further that some sort of monitoring services should be organized on a regional basis. The Exco opined that the result of the survey would be informative source of measures to be taken by ports.



Exco in session

- **Survey on Port Reform:** Based on the IAPH Survey on Port Reform conducted by the IAPH 2000 Task Force in 1999 and reported at the KL Conference, Napier University was conducting an extended study at the initiative taken by Mr. Alfred Baird, BA (Hons) MCIT, Director, Maritime Transport Research Unit, Napier University Business School. Recently, he proposed IAPH to give support for the furtherance of the study. Exco felt that IAPH should explore the possibility of furthering the original survey.
- **UNEP: Global 500 - Roll of Honor for Environmental Achievement:** IAPH was invited to nominate one or more suitable candidates to be accorded with the Honor. Exco considered the matter extensively. However, in view of the time is extremely limited and further that the IAPH is not fully prepared to organize the evaluation mechanism, Exco asked the Secretariat to inform the matter to all IAPH members for reference and instructed the Secretariat to take actions as appropriate by consulting with chairs for the potential future invitation. The information was circulated to all IAPH members on November 10 2000.
- **Regional Exco: Nomination of Vice President for Asia/Oceania Region:** The Regional Exco Members of the region, met on Tuesday, October 24 2000 at the Meeting Room of Head Office nominated Mr. John Hayes, Executive Officer, Policy and Planning, Sydney Ports Corporation, Australia, as the regional candidate for election as the Vice-President for Asia/Oceania region at the Montreal Conference. Dr. Akio Someya, 1st Vice President reported the result to the full Exco meeting next day. President Taddeo instructed the secretariat to look into the legal implication in conjunction with the

Message from the Vice Governor of the Tokyo Metropolitan Government

GOOD evening, ladies and gentlemen! My name is Yasusi Aoyama, Vice Governor of the Tokyo Metropolitan Government.



President Dominic Taddeo, Officers and Executive Committee Members of the International Association of Ports and Harbors. On behalf of the citizens of Tokyo, I would like to welcome you heartily.

IAPH was founded in 1955 on the initiatives of the Japanese who wished to create a permanent organization for the promotion of ports and harbors in the world. At that time, it had only 15 member states but has since been expanded and has now 88 countries as its members.

This is the fruit of the great efforts of IAPH's successive presidents, Officers and Executive Committee Members, and I would like to express my sincere respect for their achievements.

Some people say that an IT revolution will remove the sense of distance between countries in the world.

But in my opinion, this is a wrong idea. As a result of rapid increase in the speed of transmitting information, both people and products will be faced with a state of exhaustion about time and distance.

In other words, the movement of people and products will become more and more accelerated. The value of people and products will become higher with increasing exchange activities.

Today, almost all of goods traded internationally are handled by marine transportation. Because of its many economic advantages, this means of transportation will certainly continue to support international distribution in the future.

The Tokyo Metropolitan Government is now drawing up a new project "Tokyo Bay Area 21."

This project will aim to reinforce the functions of Tokyo Port both in hardware and software spheres and also to create a comprehensive distribution network of air and land transportation as well as marine transportation with Tokyo Port as its center.

By promoting this project, we will make contribution to the further growth of both the Japanese economy and that of Asia and the world.

In the past five decades, IAPH has contributed to the development of the ports in the world. This meeting of Executive Committee will be the one that brings this history to a fine finish and marks the beginning of its activities in the new century. In light of this, I believe it very meaningful that this meeting is held here in Tokyo.

My sincere hope is that this meeting will be a fruitful one and will provide a basis for closer cooperation among the port managers in the world and for continued development of IAPH.



Exco in session



Delegates at the head office

Nominating Committee, a conference committee that is to be organized as a Conference Committee.

Conferences and Meetings

- **22nd World Ports Conference in Montreal, May 19/26 2001, Montreal:** President Taddeo informed that he and his team were about to announce the final program in couples of weeks via the bulletin. He assured that members it would reach shortly.
- **The first Pan-African Port Conference, December 5-6 2000, Abidjan, Cote d'Ivoire:** The Executive Committee after examining the current status report on the state of safety in Abidjan as gained from the Internet, and in consultation with Mr. Aliou Diallo, attending member of Port Management Association of West & Central Africa (PMAWCA), and after extensive discussions concluded that there was no option but advise the organizer, namely the Port Autonome d'Abidjan to postpone the event as IAPH could not suggest anybody to attend the Conference because of safety. President Taddeo, in his letter of October 25 2000, informed Mr.

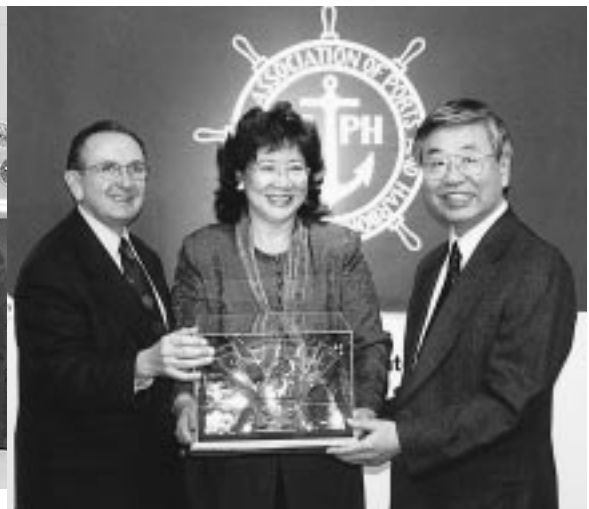
Ahmed Kone Mamadou, General Manager, Port Autonome d'Abidjan, of this inevitable decision. Mr. F. Gauze, PMAWCA Secretary General, on behalf of the Organizer and the Head Office, has been exchanging information. In his week-later communication, the latter quarter of 2001 was hinted to be alternative dates.

- **The 2002 Mid-Term Board Meeting:** As the result of exchange of communications since the 2001 Mid-Term Board Meeting in Marseilles, in May 2000 Mr. Hassan Mousa AL Qamzi, Under Secretary, Abu Dhabi Seaport Authority, Abu Dhabi, United Arab Emirates, expressed his willingness to host the 2002 Mid-Term Board Meeting in the latter part of April 2002. For this, he agreed to send Capt. Abdul Wahab Al Diwani, Marine Advisor, Abu Dhabi Seaport Authority to attend the Exco Meeting to present an invitational presentation and exchange views on the format of the forthcoming 2002 Mid-Term Board Meeting. Exco, with profound thanks, accepted the invitational presentation made by Capt. Al Diwani and instructed the Head Office to take a concerted action for the furtherance of the forthcoming meeting.

- **The 2003 Conference in Durban, South Africa:** Based on the established practice of IAPH, Exco felt that Mr. Smagghe, Immediate Past President, Mr. Diallo as Exco Member from West and Central Africa and Mr. Peter van der Kluit, IAPH Representative in Europe should visit Portnet in an early part of December 2000 to express IAPH respects and exchange views on the state of development of the preparatory work for the 2003 Conference.
- **The 2005 Conference in Asia:** Mr. Lui Haifu, Port Director of Shanghai Port, representing the Chinese supporters of all sectors, and Seiichiro Nakagawa, Director of Administration Department, Kobe Port, on behalf of Mayor of Kobe as well as the Japanese port community, presented the invitation address respectively. President thanked their enthusiastic stance for hosting the 2005 Conference, but noting the final decision would take place at the Board Meeting in Montreal 2001, urged the secretariat to formulate comprehensive system how to reach to a conclusion at the Montreal and instructed the secretariat to consult with the Legal Counselor.



Garuda Indonesian symbol of power and prosperity, was presented by Mr. Sumardi as a mascot and protector



A fine crystal bowl was presented by Datin O.C. Phang

13th IAPH Japan Seminar

- This is a local event organized by the IAPH Foundation, a Japanese institution created in support of the cause of IAPH and promoting IAPH activities among the resident members and related industries, public or private. For the past decade, the IAPH Japan Seminar has been organizing once a year, in even numbered year for the promotion of IAPH activities as well as the forthcoming Conference, and in odd-numbered year for reporting the outcomes of the IAPH Conference respectively. This year, as the Exco Meets in Tokyo, it was integrated as a part of the Exco Meeting and held in the afternoon hours of Wednesday, October 25, 2000, at the Hotel Azur.
- Mr. Shinya Izumi, Senior State Secretary of Transport (Vice Minister), Mr. Dominic J. Taddeo, IAPH President and Mr. Peter van der Kluit, IAPH Liaison Officer with IMO & IAPH Representative in Europe were the main speaker of the Seminar. Some 140 audiences were from the governmental sectors, port and shipping sectors were present.
- Mr. Shinya Izumi, welcoming the IAPH Exco Meeting, spoke about the TSL (Techno Super Liner), a national project of Japan for creating a futuristic fast running freighter with a payload of 1,000 tons and running at a speed of 50 knots per hour, inclusive of a story of the recent test voyage by a model craft to Shanghai. At a Q&A time, later on, the TSL expert, Mr. Kenichi Sawayama, Coordinator for the next generation ship and craft, Maritime Safety and Technology Department, MoT, in response to the question on the economic viability of



President Taddeo addressing at the Japan Seminar

such fast running craft in the limited context of fuel consumption, commented that comparison should be made with air cargo services for short-to-medium range routes rather than conventional ships. (Please see the Izumi Paper.)

Social functions and ladies programs

The 3-day meeting was interspersed by evening functions. Welcome dinner on the Monday evening for early arrivals was hosted by the IAPH Secretary General. Welcome reception at the Tokyo City Hall on Tuesday evening was hosted by Mr. Yasuhi Aoyama, Vice Governor of Tokyo Metropolitan Government and the ensuing welcome dinner cocktail reception was hosted by the Port of Tokyo Promotion Association, Tokyo Port Terminal Corporation. Get-together reception on the Wednesday night was hosted by the IAPH Foundation. Tuesday lunch was sponsored by the Port of Nagoya, and the coffee service during the whole session was sponsored by the Port of Kobe respec-



Scenes of the ladies program



Tour of Tokyo Port on board Shin Tokyo Maru

tively. (Please refer to the message by Mr. Aoyama separately printed in this issue.)

For the accompanying ladies, Mrs. Yuriko Someya and Mrs. Kazuko Inoue organized private tours to the City and to Kamakura, an ancient city south of Tokyo. Port visit on board ShinTokyo Maru was the last of the program.



Mr. van der Kluit at the Japan Seminar and the audience

Reference 1: Overall business program

Monday, October 23, 2000

- Afternoon hours:
Meeting of the Combined Transport, Distribution & Logistics chaired by Dr. Hans-Ludwig Beth

Tuesday, October 24, 2000

- Morning: hours:
Regional Meeting of the Executive Committee Members
- Afternoon hours:
*EXCO Session 1
Official Welcome Reception by the Governor of Tokyo at City Hall*

Wednesday, October 25, 2000

- Morning hours:
EXCO Session 2
- Afternoon hours: *The 13th Japan Seminar by the IAPH Foundation*

Thursday, October 26, 2000

- Morning hours:
EXCO Session 3
- Afternoon hours up to 1515: *Technical Visit of the Port of Tokyo on board "ShinTokyo Maru", the official launch of the Port of Tokyo*

Reference 2: List of attendants

President and Officers

- Mr. Dominic J. Taddeo, IAPH President and the chairperson, Port of Montreal, Canada
- Dr. Akio Someya, 1st Vice President of IAPH, Port of Nagoya, Japan
- Mr. Pieter Struijs, 2nd Vice President of IAPH, Port Management of Rotterdam, the Netherlands
- Mr. Thomas Kornegay, 3rd Vice President, Port of Houston Authority, USA
- Mr. Jean Smagghie, Immediate Past President of IAPH
- Dr. Satoshi Inoue, Secretary General

Exco Members:

- Mr. Aliou Diallo, General Manager, Conakry Port

IAPH ANNOUNCEMENTS & NEWS

Authority, Guinea

- Mr. Patrick J. Keenan, Chief Executive, Port of Cork Company, Ireland
- Mr. Bernard Groseclose, President and CEO, South Carolina State Ports
- Mr. Choi, Lark-Jung, Administrator, Pusan Regional Maritime & Fisheries Office, Pusan, Korea
- Mr. Goon, Kok-Loon, Deputy Group President (International), PSA Corporation Ltd., Singapore
- Mr. John Hayes, Executive Officer, Policy and Planning, Sydney Ports Corporation, Australia
- Mr. Lu, Haifu, Port Director, Shanghai Port Authority, China
- Datin O.C. Phang, General Manager & CEO, Klang Port Authority, Malaysia
- Mr. Shieh, Ming-Hui, Director, Keelung Harbour Bureau, Taiwan, China
- Mr. Sumardi, Director General, Port Corporation III, Surabaya, Indonesia

Chair, Combined Transport, Distribution & Logistics:

Dr. Hans-Ludwig Beth, Port of Hamburg, Germany

IAPH Liaison Officer with IMO and IAPH

Representative in Europe: Mr. Peter van der Kluit

Special Delegates, Observers and Escorts

- Capt. Abdul Wahab Al Divani, Marine Advisor, Abu Dhabi Seaport Authority, UAE
- Mr. Jacques Mongeau, Port of Montreal, Canada
- Mr. Susumu Naruse, Port Planning & Construction Committee, Ministry of Transport, Japan
- Mr. Frank J. Boland, Board Chairman, Port of Cork Company, Ireland
- Ms. Jennifer, L.Y. Kuo, Keelung Harbor Bureau, Taiwan, China
- Capt. T.A. Khamis, Harbor Master, Kenya Ports Authority, Kenya
- Mr. Seichiro Nakayama, Kobe Port, Japan
- Mr. Tetsuya Sometani, Kobe Port, Japan
- Mr. Toshio Nakamura, Kobe Port, Japan
- Mr. Hiroshi Sasajima, Nagoya Port Terminal Public Corporation, Japan
- Mr. Kim, Seung-Ho, Maritime Attaché, Korean Embassy in Tokyo
- Ms. Ritsuko Oharu, Staffer, Nagoya Port Authority, Japan
- Capt. Nakayama, Staffer, Nagoya Port Authority, Japan
- Mr. Chin Leng Jules Yap, Staffer, PSA Corporation, Singapore
- Cheng, Ziqiang, Staff, Shanghai Port Authority, China
- Tao, Huifu, Staff, Shanghai Port Authority, China
- Dong, Yimin, Staff, Shanghai Port Authority, China
- Bao, Hanmin, Staff, Shanghai Port Authority, China

IAPH Secretariat

- Dr. Satoshi Inoue, Secretary General
- Mr. Rinnosuke Kondoh, Deputy Secretary General
- Ms. Kimiko Takeda, Under Secretary
- Mr. Hiroyuki Nagai, Assistant Secretary

Regrets (Exco Members and others who expressed their regrets were):

Mr. David F. Bellefontaine, Halifax Port Authority, Canada, Mr. Errol L. Bush, Port Authority of Cayman Islands, Mr. D. G. Cowie, Port of Napier Limited, New Zealand, Mr. Dennis Dunn, Port of London Authority, UK, Mr. Larry A. Keller, Port of Los Angeles, USA, Mr. S.M.E. Luhigo, Tanzania Harbours Authority, Tanzania, Mr. G.D.G. Van den Heuvel, Amsterdam Port Management, the Netherlands, and Mr. Bruno Vergobbi, Port of Dunkirk, France. Furthermore, regrets were received from Mr. Hugh Welsh, Chair, Legal Counselors and Chair of the Constitution & By-Laws Committee, Port Authority of New York & New Jersey, Mr. R.P. Snodgrass, Chief Executive, Westgate Transport Limited, New Zealand and the Chairperson of the Finance Committee could not attend the meeting. Also received were regrets from chairs of various committees as they planned to organize respective committee meeting at some other time and place. They were Mr. Josef Bassan of Cargo Operations, Ms. Geraline Knatz of Dredging Task Force, Mr. Emili Arbos of Trade Facilitation, Mr. van de Laar of Port

Safety, Environment & Marine Operations, Mr. CGC van den Heuvel of Trade Policy; and Mr. Bruno Vergobbi of Legal Protection.

Reference 3:

IAPH events and calendars of IAPH

	Meeting	Place	Host
2001.02.28/03.02	Africa/European Regional Meeting	Cork, Ireland	Port of Cork Company
200.02.13/16	Asian/Oceania Regional Meeting & ESCAP Seminar	Bangkok, Thailand	Port Authority Thailand
2001.05.19/26	22nd IAPH World Ports Conference	Montreal	Montreal Port

• Short-term calendar until May 2001
 • Looking at a medium-range future, after the Montreal Conference, we have some regular meeting schedules as follows:

	Meeting	Place	Host
2001.10.xx	Mid-Term Exco	Asia/Oceania	Yet to be known
2002.04.xx	Mid-Term Meeting	Abu Dhabi UAE	Abu Dhabi Port Authority
2002.10.xx	Mid-Term Meeting	Nagoya Japan	Nagoya Port Authority
2003.05.23/31	IAPH World Ports Conference	Durban South Africa	Portnet
2003.10.xx	Mid-Term Exco	Yet to be known	Yet to be known

Europe/Africa Regional Meeting in Cork

Motto: "Meet your colleagues, meet your friends, expand your knowledge and maintain your network"
 Hotel: The Rochestown Park Hotel, Rochestown Road, Cork, Ireland. Tel: 00 353 21 4892233, Fax: 00 353 21 4892178 (Reservations Fax: 00 353 21 4918052)
 Reservations should be made directly with the Hotel and copied to Anne Murphy at Port of Cork (phone number 00 353 21 4273125, fax number 00 353 21 4276484, E-mail: amurphy@portofcork.ie)
 Conference information: Mr.P. Mollema, Port of Rotterdam (E-mail: peter.mollema@port.rotterdam.nl)

Programme

Wednesday 28 February 2001			
17.00 - 18.00	Regional Meeting		
18.00 - 19.30	Welcome Reception Buffet Dinner		
Thursday 1 March 2001			
08.30 - 09.00	Registration and Coffee		
09.00	Opening session		
	Chair: Mr. Struijs, 2nd Vice-President of IAPH		
09.00	Welcome address by host		
	Mr. Boland, Chairman Port of Cork Company		
09.15 - 09.30	Keynote by President of IAPH		
	Mr. Taddeo, Port of Montreal		
	Port: Organisational Concepts		
	Chair: Mr. Vergobbi		
09.30 - 09.50	Privatisation in UK		
	Mr. Dunn, Associated British Ports		
09.50 - 10.10	How are the African Ports organised?		
	Mr. Diallo, President PAPS, Conakry Port Authority		
10.10 - 10.30	Mediterranean Ports		
	Mr. Estrada, Port of Barcelona		
10.30 - 10.45	Plenary discussions		
10.45 - 11.15	Coffee		
11.15	Safety - Environment		
	Chair - Mr. Diallo		
11.15 - 11.35	Ports and the green concept		
	Mr. Whitehead, British Ports Association		
11.35 - 11.55	Management of dredged material		
	Mr. Mollema, Port of Rotterdam		
11.55 - 12.15	Maritime developments in an European context		
	Mr. van Meel, Port of Antwerp		
12.15 - 12.30	Plenary Discussions		
12.30 - 14.00	LUNCH		
14.00	INTERNATIONAL ARENA		
	Chair: Mr. Bruyninckx		
14.00 - 14.20	IAPH and IMO		
	Mr. Van der Kluit, IAPH		
14.20 - 14.40	Transport modalities		
	Dr. Beth, Port of Hamburg		
14.40 - 15.00	Legal Issues		
	Mr. Vergobbi, Port of Dunkirk		
15.00 - 15.15	Plenary session		
15.15 - 15.45	Coffee		
15.45	Containerisation		
	Chair: Mr. Dunn, ABP		

15.45 - 16.05	Global Development		
	Mr. Bruyninckx Port of Antwerp		
16.05 - 16.25	Consequences for Africa		
	Mr. Luhigo, Tanzania Harbours Authority		
16.25 - 16.45	Mediterranean - an alternative for Central Europe		
	Mr. Psaraitis, Port of Piraeus		
16.45 - 17.00	Plenary Discussion		
20.00	PORT DINNER 2000		
Friday 2 MARCH 2001			
08.30 - 09.00	Coffee		
09.00	Challenges		
	Chair: Mr. Luhigo		
09.00 - 09.20	Scandinavian Ports		
	Mr. Nygren, Port of Gothenburg		
09.20 - 09.40	Ports of Central Europe		
	Mr. Mironescu, Port of Constantza		
09.40 - 10.00	Bi-Annual World Port Conference, Durban 2003, Portnet		
10.00 - 10.30	Coffee		
	Chair: Mr. Keenan		
10.30 - 13.00	Presentation and Technical visit		
	PORT OF CORK		

Asia/Oceania Regional Meeting in Bangkok

THE 2nd IAPH Asia/Oceania Regional Meeting, which is open to all the members of the region, will be held in Bangkok from February 12 to 16, 2001, hosted by the Port Authority of Thailand. The Meeting will be held in conjunction with the ESCAP/IAPH Joint Seminar of Regional Shipping and Port Development Strategies.

Dr. Akio Someya, in his capacity as the IAPH Vice President for the region, is sending invitation letters together with registration forms to all the Exco and Board members of the region, requesting them to inform all members in their respective countries of this gathering.

Following is tentative information with regard to the program:

- February 12**
Committee Meeting • Montien Riverside Hotel
- February 13**
Asia/Oceania Regional Meeting • Montien Riverside Hotel
- February 14**
ESCAP/IAPH Joint Seminar • ESCAP Building
- February 15**
ESCAP/IAPH Joint Seminar • ESCAP Building
- February 16**
Technical Tour • Bangkok and Chol Buri Province

All IAPH members of the Asia/Oceania region are kindly invited to take part in this event in Bangkok next February. For further inquiry, please contact the below:

Nagoya Port Authority

Phone: 81-52-654-7840 Fax: 81-52-654-7995

E-mail: npa-iaph@port-authority.minato.nagoya.jp

A Model Law on Electronic Signatures to be Approved in June 2001 by UNCITRAL

Working group on Electronic Commerce
37e Session in Vienna
18 - 19 September 2000

J. Gauthier (Canada) was elected as Chairman and P. Nanakorn (Thailand) as Rapporteur

Jacques Braems

Manager of European and International Affairs
Port of Dunkirk Authority
Member of the IAPH Committee on Legal
Protection to represent IAPH at UNCITRAL
meeting on Electronic Commerce



ing group will ensure consistency of all articles of uniform rules.

Generally speaking, the text is rather inspired by liberal economy giving as much importance to

private service providers as public ones if they fulfil with the public national obligations. Moreover it was finally agreed to title the text "Model Law on Electronic Signatures" instead of "Uniforms Rules".

As far as the guide to enactment is concerned, the secretariat was requested to prepare a revised version of the draft guide reflecting decisions taken by this Working Group.

The two documents, Model Law on Electronic Signatures and draft Guide to Enactment would be submitted to the commission for review and adoption in the next 34th session of Commission in Vienna 25 June - 13 July 2001.

Concerning draft guide it was agreed that although the Model Law was technologically neutral the guide should present the technical environment at the time when it was prepared, being clear that the draft Model Law was intended by its authors to offer sufficient flexibility to remain useful through some of the foreseeable technological changes.

Effects and Stakes in Ports

With the Model Law on Electronic Commerce and guide to enactment 1996 and additional Art. 5 adopted in 1998, the business sector had a general legal framework to replace written text by electronic data, but it was missing

special rules to replace paper signature by electronic signature with all the effects and functionalities which are officially attached to the agreement of parties.

In this respect it was necessary to fix particularly the rule concerning the conditions of signature (Art. 6 - 7 - 8) the role and guarantees of certification service provider (Art. 9 - 10) and the validity of electronic signature or certificate around the word (Art. 12)

With reserve of the approval of the draft text by the Commission all countries in the world may have an harmonised legal framework to do business by electronic means.

However those texts are not complying and they have to be introduced in national legislation.

But many countries did not wait those uniform rules to introduce legal rules in this field, so the international rules are not applied in an harmonised system.

To this effect the representative of IAPH made a quick survey among the 18 maritime countries participating in the Working Group representing all parts of the world. Among the 5 countries having no special rules in their national legislation 4 of them had new rules under preparation that is why at present time, international rules are not "uniform" as UNCITRAL would like they are.

To mitigate this noticing, we can remember that the European Union promulgated a directive on 13 December 1999, requiring the 15 members states to comply with this text before 19 July 2001.

Of course, it would be wishable, to facilitate world trade, to have uniform rules but this can take a long time.

In that process, ports may have interest to promote in their country and specially in the shipping and port sector, legal rules or practises complying with CNUDCI model laws stated before.

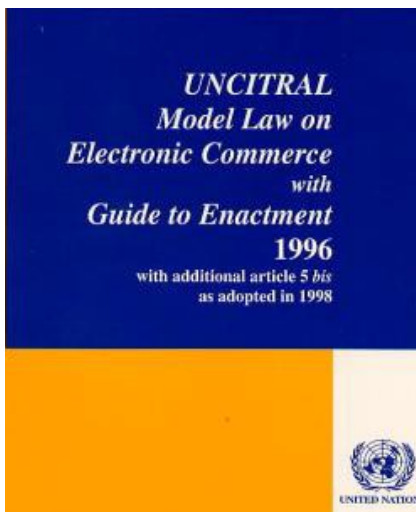
Considering that a great number of countries should be obliged to revise their present legal rules taking account of rapid changes in that field, it may be a real opportunity to put forward interest of ports and perhaps to promote among port and shipping community some standard derived from UNCITRAL proposals.

Results of the works

The Commission adopted in New-York 12 June-7 July 2000 the draft articles 1 and 3 to 11 of the Uniform Rules prepared by the Working Group in its 36th session. So the work of the Working Group in its 37th session was to prepare draft article 12 (Recognition of foreign certificates and foreign electronic signatures) and to precis in Art.2 the definitions useful to understand the uniforms rules.

After discussion the Working Group adopted the substance of those articles which are gathered with articles previously adopted in annex (Art. 1 to 12).

It was however stated that the draft-



Visit the IAPH website to access information about the Association's wide ranging activities, the benefits of membership, how its worldwide members work together to help ports in developing countries and what's new.
The websites of major ports are also accessed via the IAPH website.

<http://www.iaphworldports.org>

Gaza Seaport Project

P.C. van der Kluit

IAPH Representative in Europe

5 November 2000

ON the initiative of IMO and the UN Development Program, UNDP, a meeting was organized in Gaza in the Palestinian territory on 28 September 2000, that was co-hosted by the Palestinian authorities and UNDP.

The aim of the meeting was to investigate possibilities for support to the Palestinian authorities in the development of the Port of Gaza. Both the Netherlands and France had already pledged support in terms of US\$70 million for the first phase of the construction of the port. This involves the "hardware," at and this meeting advice was sought on "software" matters, such as organization, education and training, required handling equipment, etc.

A number of international organizations, such as IMO and UNCTAD, had been invited to participate in the meeting, as well as NGO's among which IALA, IHO and IAPH. Also representatives of the USA, France, the Netherlands and the European Union were present.

The meeting was held in the Al Waha conference centre in Gaza, a newly developed complex of international stature. After words of welcome from Dr. Ali Qawasmi, Minister of Transportation, Dr. Ali Sha'at, Chairman of the Gaza Seaport Authority and Mr. Timothy Rothermel, Special Representative of UNDP in Jerusalem, presentations were given by representatives of the Dutch Ministry of Transport and a US consultant bureau outlining the specifics of the port that will be developed in a number of phases.

After an intensive hour of questions, answers and discussion on the formulation of a master plan for the long-term development, use and operation of the Gaza Seaport, participants were offered lunch in the Al Waha restaurant. Apart from enjoying the excellent lunch itself, the participants continued their discussions that had started earlier.

After lunch the hosts had organized a tour of the Gaza Seaport construction site where the visitors could see with their own eyes that work had indeed begun with the construction of an access road to the future port complex. They were informed that the last obstacle related to the transportation of large boulders from Israel to the building site for the construction of the protective seawall had been



from to left: Mr. Torsten Kruuse, Secretary General, IALA; Mr. Peter van der Kluit, IAPH European Representative; Mr. Mohamed Al-Husseini-Hilal, Head of Arab and Francophone Section, IMO; and Rear Admiral Guiseppe Angrisano, President of IHO



from to left: Mr. Torsten Kruuse, Secretary General, IALA; Mr. Mohamed Al-Husseini-Hilal, Head of Arab and Francophone Section, IMO; and Mr. Peter van der Kluit, IAPH European Representative; Rear Admiral Guiseppe Angrisano, President of IHO

resolved only days before. It was expected that the first phase of the port, that will be of enormous economic importance for the Palestinian people, could become operational in August of the year 2002.

How unfortunate that on the very same day that this promising meeting was held, hostilities broke out between the Israelis and the Palestinians, threatening the fragile peace process that was being pursued by both parties. Tragic developments that led to loss of life and property and that will undoubtedly have a negative effect on the development of the Gaza Seaport Project. It is sincerely hoped that peace will return soon to the benefit of all involved.

IAPH Award Scheme 2001 (IAPH Essay Contest)

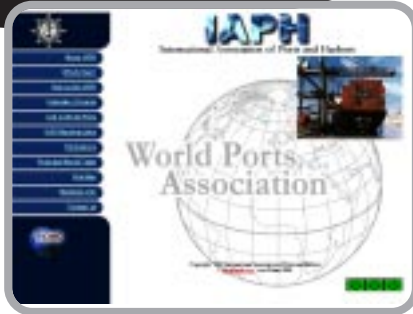
AS many as 15 entries by member ports and additional 2 entries from non-member ports have been received as tabulated hereunder. These entries have been referred to Chairman Goon for evaluation and selection of Winners by the panel of judges.

NAME	PORT	Country
1) Raphael T. Houanvoegbe	Port Autonome de Cotonou	Benin
2) Hussein Elhaji Suliman	Sea Ports Corporation	Sudan
3) K M Anklekar	Jawaharlal Nehru Port	India
4) Chen Geyi	Guangzhou Harbour Bureau	China
5) Shamsuddin Ismail	Bintulu Port Sdn Bhd	Malaysia
6) Michael de Souza	Port Autonome de Cotonou	Benin
7) Ngozi R Onyeagwazi	Nigerian Ports Authority	Nigeria
8) Adebajo Faturoti	Nigerian Ports Authority	Nigeria
9) Imafidon Emmanuel	Nigerian Ports Authority	Nigeria
10) G A Oladepo	Nigerian Ports Authority	Nigeria
11) Edet M Nduonofit	Nigerian Ports Authority	Nigeria
12) Ambrose Asika Ewereoke	Nigerian Ports Authority	Nigeria
13) Olarewaju Issac	Nigerian Ports Authority	Nigeria
14) Joachim Olawole Akinseloyin	Nigerian Ports Authority	Nigeria
15) Ikherovba Erakhifu	Nigerian Ports Authority	Nigeria
Non-members		
1) Feng Bin	ShenZhen YanTian Port Holdings Co.Ltd.	China
2) Raymond P B Sannoh	Sierra Leone Ports Authority	Sierra Leone
3) Duramany Jangba	Sierra Leone Ports Authority	Sierra Leone
4) John E G Alfred	Sierra Leone Ports Authority	Sierra Leone

Renewed IAPH web site coming up from 1 January 2001

New design with a new domain name

To coincide with the start of the 21st century, a totally redesigned and restructured IAPH web site will be launched on 1 January 2001 with a new domain name. Its new address will be <<http://www.iaphworldports.org>>. However, even if you log on to the current site at <<http://www.iaph.or.jp>> after 1 January 2000, you will automatically be redirected to the new address for the time being.



Background of Renewal

The current website at <<http://www.iaph.or.jp>> was launched in 1997 right after the IAPH London Conference. At the IAPH Executive Committee meeting in October 1999 in Montreal, Canada, a decision was made to renew the site to make it more interactive,

dynamic and user-friendly at the proposal of the IAPH Committee on Communication and Networking (Chairman Jose Perrot, Port of Le Havre). The proposal was made in view of the fact that the Internet-related technology made a significant progress in the recent past, making the current IAPH site old-fashioned, and, as such, IAPH should take advantage of offering tangible benefits brought by the Internet through its web site. While its content has been updated on a regular basis, the entire web site design and structure has remained the same over the past three years. The new IAPH web site will be easier to use and to understand with many graphics and images and equipped with a series of interactive features including a clickable image map with links to the web sites of IAPH member ports, on-line publications, etc.

Email Addresses also change

As far as e-mail is concerned, the same

domain name will also be applied. As from 1 January 2001, the current email addresses held by the IAPH Secretariat will be changed to news ones. For instance, the current group email address for IAPH is info@iaph.or.jp and it will be changed to info@iaphworldports.org and other individual email addresses held by the Secretariat staff will also be changed in the same manner. However, your email sent to any one of the current email addresses of the IAPH Secretariat staff will also be automatically transferred to the new ones with the new domain name.

As many of the readers may know by this time, the group email address for IAPH at <iaph@msn.com> was terminated on 30 November 2000. It is simply due to the fact that Microsoft Network stopped its service as Internet connection service provider in Japan. Therefore, please delete it from your email address book and replace it with <info@iaphworldports.org>.

**CHANGE OF IAPH WEB ADDRESS
As of 1 JANUARY 2001**

New IAPH Web Site Address:
<http://www.iaphworldports.org/>

New IAPH Group Email Address:
info@iaphworldports.org

Membership Notes

**New Member
Temporary Member**

Ningbo Port Authority (China)

Address: No.496 Yanjiang Road E., Zhenhai District, Ningbo, Zhejiang China
Mailing addressee: Shao Zhanwei, Director
Tel: 86-574-7695642
Fax: 86-574-7695523
E-mail: npasso@nbport.com.cn
Website: <http://www.nbport.com>

Changes (Changes involved are underlined)

Port of London Authority [Regular] (U.K.)

Address: Bakers Hall, 7 Harp Lane, London EC3R 6LB
Tel: +44 20 7743 7900
Fax: +44 20 7743 7999
E-mail: marketing@portoflondon.co.uk (unchanged)
Mr. Cuthbert's e-mail: steve.cuthbert@pola.co.uk

European Sea Ports Organisation (ESPO) [Class B] (Belgium)

Mailing addressee: Patrick Verhoeven, Secretary General

Port Management Association of West and Central Africa

[Regular] (Nigeria)
Tel: Line 1:873 762 657 451
Line 2:873 762 657 452
Fax: 873 762 657 453

The Port Authority of New York & New Jersey [Regular] (U.S.A.)

Mailing addressee: Richard M. Larrabee, Director, Port Commerce Department

Shenzhen Municipal Port Authority [Regular] (China)

Mailing addressee: Zhang Binghan, Deputy Director

Canaveral Port Authority [Regular] (U.S.A.)

Tel: New Area Code 321-783-7831

The Association of Ports and Harbors, Taipei, China

[Class B] (China)
Address: 5th FL.No.168, Fu-Hsing North Road, Taipei 104 Taiwan
Tel: (02)8712-1622
Fax: 886-2-2514-8015
E-mail: acph@pchome.com.tw

Puertos del Estado [Regular] (Spain)

Mailing addressee: José Llorca Ortega, President

Port Authority of Thailand [Regular] (Thailand)

Mailing addressee: Payoongkich Chivamit, Acting Director General

Gladstone Port Authority [Regular] (Australia)

Mailing addressee: L M Zussino, General Manager

China Ports and Harbours Association, (CPHA) [Class B]

(China)
Address: 5/F 110 Huangpu Road, Shanghai 200002
Tel: (86)21-63115654 (unchanged)
Fax: (86)21-63641494
E-mail: chinaports@sina.com

The Challenge for Maritime Transport at the Dawn of the 21st Century

13th IAPH JAPAN SEMINAR, October 25, 2000, Tokyo

Keynote Speech by

Mr. Shinya IZUMI

Senior State Secretary of Transport, Ministry of Transport



summary

1. Increasing Demand for Rapid Maritime Transport

With limited natural resources and an economy dependent on foreign trade, Japan relies heavily on ports and maritime transport to sustain economic development and a stable society. As the volume of Japan's international container cargo continues to increase, priority has been given to improving the efficiency of maritime transport, especially to/from Asia.

Domestic shipping has been an important transport mode, carrying 40% of domestic freight cargo by ton-kilometer. Moreover, maritime transport is more energy-efficient and friendly to the environment than land transport, since the Government is pursuing a policy of "modal shift", which will further increase the importance of domestic shipping.

Under these circumstances, a national consensus has emerged on the need to develop a rapid maritime transport means for both international and domestic cargo. Rapid maritime transport will promote the expansion of trade with Asian countries and realize the modal shift in domestic transport.

2. Development of the Techno-Superliner and its Advantages

To realize rapid maritime transport, the Ministry of Transport (MOT) is taking the initiative in developing a high-speed vessel named the "Techno-Superliner (TSL)". As well as promoting the modal shift, Japan's innovative shipbuilding technology is expected to create new demand for related industries and thus contribute to the expansion of economic activities.

3. Practical Utilization of the TSL

The MOT is now examining ways in which the TSL can be commercially utilized. With a range of approximately 1000km, the TSL can be introduced into middle/long-range domestic ferry routes, isolated island ferry services and Japan-East Asia international shipping routes. The aim is to introduce the first TSL into domestic shipping services in 2002, and then eventually into Japan-East Asia international shipping services.

To make the most of the TSL's great speed, the MOT is also conducting research into developing specific port facilities that can facilitate rapid loading/unloading and mooring. To shorten the loading/unloading time, special gantry cranes which can load/unload four container boxes simultaneously and a double ramp way system for ferry-type TSL are being developed.

4. Challenges for the Future

The development of the TSL is expected to have various effects as follows: 1) to increase the efficiency of domestic/international maritime transport; 2) to develop the modal shift; 3) to improve the competitiveness of Japan's shipbuilding industry; and 4) to attract new demand for related industries. From now on, the MOT will make every effort to introduce the TSL into international shipping services and to develop ports for the TSL.

THANK you very much for your kind introduction. I am Shinya Izumi from the Ministry of Transport. I am very honored today to be able to make this presentation in front of President Taddeo as well as many Executive Committee members of IAPH.

I myself have been involved in port development for the past 30 years and also I had the pleasure of helping to organize the IAPH Tokyo Conference in 1967 as well as the Nagoya Conference in 1981. And furthermore I have had the pleasure of attending the Miami Conference of IAPH in 1989.

Today, I would like to talk about a new type of vessel that is being developed and is close to commercialization, and how it will affect port development. Moreover, I look forward to soliciting your comments and views on it.

Japan is a country with very limited natural resources, and we rely on foreign sources for 94% of our energy resources and 60% of our food. Almost all of these imports - 99.7% of them, in fact - are handled by sea transportation.

Japan's traditional economic model has been based on importing raw materials and exporting finished products. However, since 1992 in just five short years that picture or situation has changed drastically. Let's take calculators, for example. It used to be the case that only 40% of them were imported, but now almost 100% of calculators used in Japan are imported. Now, because the types of products being imported are changing, we see a shift in the type of maritime transportation used, shifting towards more container-

ized cargo shipments.

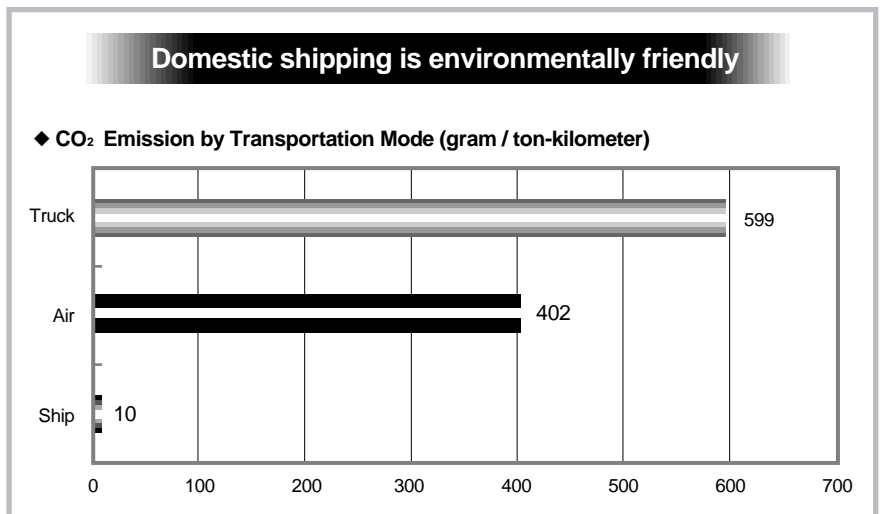
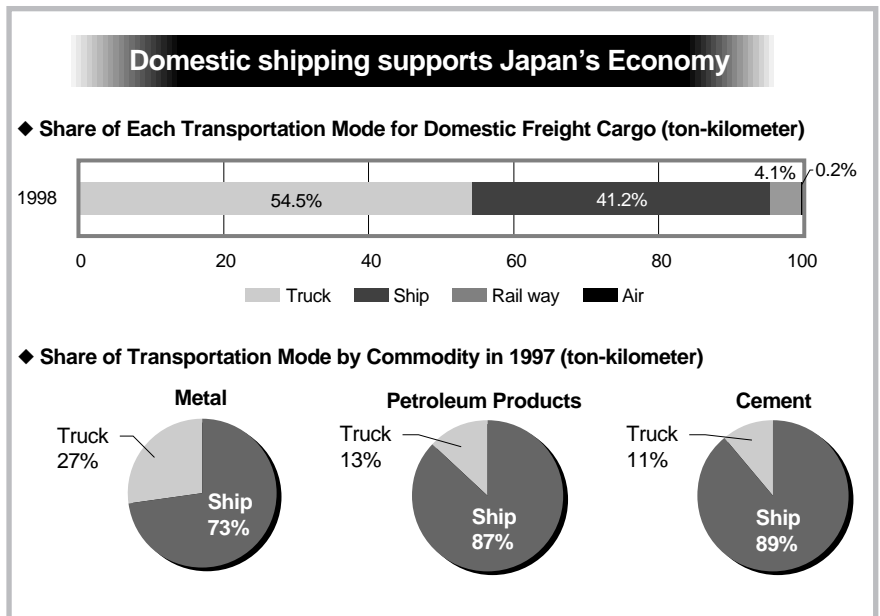
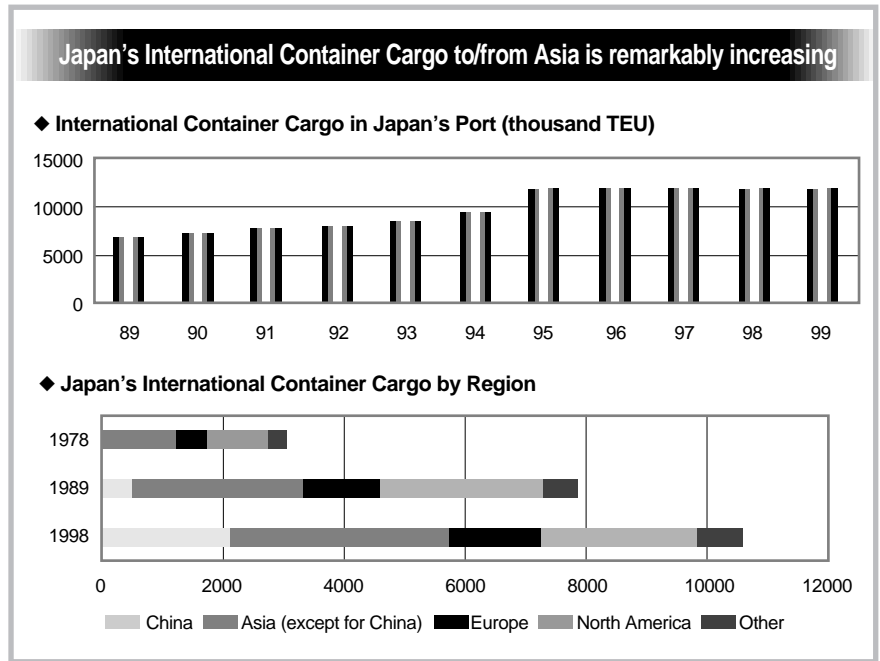
As of 1999 Japan had handled 12 million TEUs of container cargo. As you can see on the lower half of this slide, because of the economic growth in the Asian region, Asia accounts now for a very large portion of the container shipments to and from Japan - in fact, 50% of Japan's exports and 60% of its imports. So, the situation has changed quite a lot.

Now, if we look at the domestic shipping situation on a ton/kilometer basis, we see that maritime or ship transportation accounts for 41.2% and truck transportation for 55%. However, if you just look at the tonnage or the amount carried, then we see that trucks account for 90% and ships only for 8%.

As you know, the ratio for ship transportation is different for each country. For instance, it is 24% in the UK and 15% in the United States. These numbers reflect the different situations in each of these countries or regions. However, in Japan we would like to increase the proportion of sea transportation for the reasons that I will now explain.

From the perspective of protecting the environment, we can see from this chart that ships are much more friendly to the environment than trucks, if you look at the amount of CO₂ emissions each of these transportation modes generates. We would like to increase the volume of sea transportation not just because of the issue of CO₂ emissions. Truck transportation increases the risk of road accidents as well as causing vibrations and other disturbances to the residential community. So, we would like to reduce the amount of truck transportation and would like to raise the ratio of sea and rail transportation, which together account for 40% of all cargo, to 50% by the year 2010. Japan is committed to taking action on global warming. Thus, we believe it is our mission to move in this direction. So, under this policy objective, we would like to pursue ways of shifting the means of transportation from a land-based - or, more precisely, a truck-based - mode to maritime as well as rail transportation.

As we have explained, imports of goods from the Asian region as well as other regions are increasing. Also in view of the fact that we need to act in a way that is better for the environment as well as to reduce transportation costs, we decided that it was imperative to develop high-speed vessels, a mode of transportation that combines speed with the use of the sea.



Thus, we are now working on the development of a super-high-speed marine transportation system, which will reduce the time required for transportation and make the logistics simpler. This will help to expand the market as a whole. So, it is one of the expected outcomes of the development of this high-speed vessel. The other is from a completely different perspective. We wanted to further enhance the level of the shipbuilding technology in Japan and wanted to make that new technology available to the global community. So, to meet those two objectives, we embarked on and have basically completed the development of the TSL (Techno-Superliner).

To give you an outline of the Techno-Superliner, its speed will be 50 knots and it will be able to carry 1,000 tons of cargo. It will have a range of close to 1,000 kilometers. It has excellent sea-



The 1/2 scale model of TSL "Kibo - Hope" is used as a commercial ferry boat but she is deployable as a command ship for disaster control if the state of emergency is declared.

Outline of Techno-Superliner

- ◆ Service Speed : 50 knots (93km/hr)
- ◆ Cargo Pay Load : 1,000 tons
- ◆ Range : 500 nautical miles (approx. 930km)
- ◆ Excellent seaworthiness, allowing the ship to navigate safely in Sea State 6.

worthiness, being able to resist waves of four to six meters high. This ship has been in development for the past ten years. The Ministry of Transport has supported its development, which has been carried out jointly with the private sector.

Traditionally it was thought that if you increased the speed of a vessel that would add to the water resistance. From an economic point of view, 25 knots will be the maximum economical speed of these vessels. But we made many improvements in technology and have resulted in a ship that can go at twice that speed - 50 knots.

How this vessel operates is that it relies not only on its own power of flotation but also applies air pressure to lift itself up. So, when it is operating and moving, it is lifted upward from the sea surface. That helps to reduce the water resistance.

In order to achieve this, we need a vessel that is very light. That is why we decided to use aluminum alloys for the structure of the ship, while we also needed an engine that would be very light as well as powerful. Thus, we decided to use gas turbine engines. The boat basically moves forward by

sputting out a jet of water, thus gaining propulsion power.

The vessel you see here is the experimental TSL vessel that we constructed in 1994. It is half the size of the final design of the ship. We collected various experi-

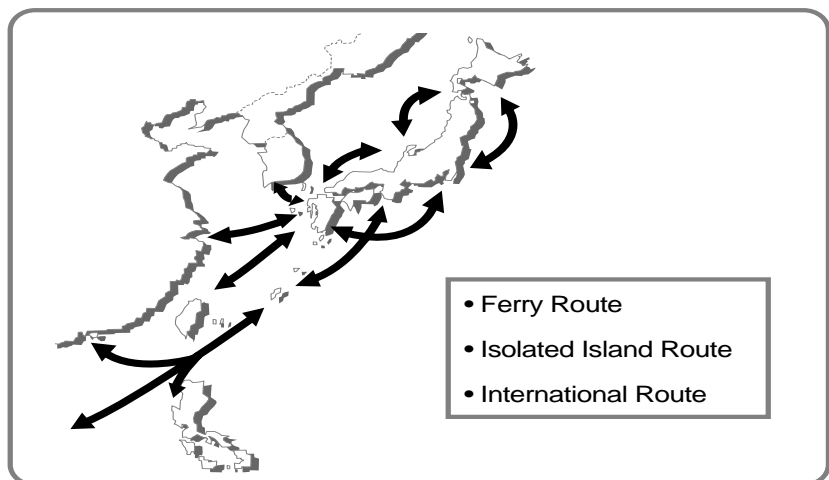
mental data on this vessel, so that we could move to the next stage of development. Now, this ship has fulfilled the initial objectives and purposes of the experiments, and since then has been put into commercial operation. It is now a ferry that can carry 260 passengers and 30 passenger cars, and travels at 40 knots. Modifications have been made to the ship to make it a commercial vessel.

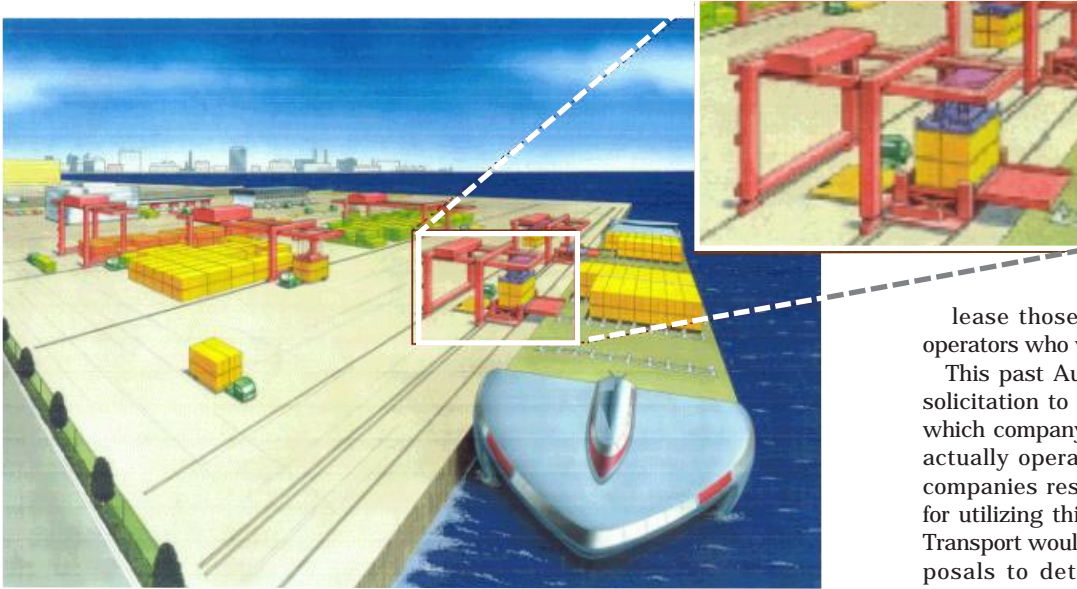
It now operates in the Pacific Ocean.

This past February we conducted a test voyage using this vessel, to see whether we could really use this kind of ship for international routes. We made a test voyage to Shanghai, China. The ship traveled a total of 3,900 kilometers at an average speed of 38 knots. We were able to prove that this ship was capable of making international trips and could thus be used as a mode of transportation for international routes.

Now, we have calculated what percentage of existing cargo shipments could be transferred to the TSL. We made the assumption that the cost of transportation would be higher for the TSL but that the journey time would be shorter. Whereas a conventional ship will take 60 hours to reach Shanghai,

Prominent Lanes to be Commercialized





Development of Port for Container Vessel Type TSL

the TSL will take 22 hours. So, taking those conditions into consideration, we calculated how much of the cargo would shift to the TSL. The result we came up with was that there was a possibility that up to 40% of the cargo being carried by existing ships would be shifted over to the TSL.

This map shows some of the routes on which it may be possible to use the TSL including domestic lanes or routes as well as international routes to neighboring Asian countries. Now, private shippers or ocean carriers are very interested in operating the TSL on domestic as well as international routes. So they are now in the process of studying the possibility of establishing routes using the TSL.

It is a fact that the TSL travels very fast. However, its significance would be diminished if it took a long time to process the cargo at the ports. So, we have examined how to speed up the cargo handling at ports for the TSL vessels. We have come up with a system that is able to handle four containers simultaneously as well as a system that would allow the TSL to rapidly moor itself to the port. So we are developing these kinds of port-related systems for the TSL.

It is a little difficult to see in this chart, but the gantry crane spreader will be used only for vertical movement, while horizontal movement will be handled by a carriage inside the crane. This will allow high-speed and safe container handling.

Furthermore, we are developing port-side facilities that can accommodate changes in the draft or shifts in the tide

level very flexibly. Also developed is the one-way cargo-handling scheme where the vehicles flow in one way when loading and unloading. So, this is the new port layout that is envisioned for the TSL.

So far I have been talking about the TSL vessel itself and also about the ports that will handle the TSL.

We started this project in 1989. Within this year we are going to set up a scheme to bring about the commercialization of the TSL. As I said, this year, we have carried out an international test voyage. The next step is the establishment of a holding and management company of the TSL. We feel that it may be premature to have private companies own the TSL vessels and to start operating them right away. There is some reluctance from the private sector about doing that immediately. So, we have decided to set up this holding and management company, which will own and provide maintenance for the TSL with the support from the government. By the end of this year we plan to select the carrier or the shipper who will operate the vessel, and we plan to have the first shipping operations in the year 2002.

Now, let me explain a little about the scheme of the holding company. The company will be funded by three parties. One is the private sector, the other is the Corporation for Advanced Transport Technology, and the third is the central government. Those three parties have each contributed in terms of funding and providing technology. Together they have established the TSL holding company. So, this holding com-

pany is charged with the task of increasing the operational reliability of the vessels as well as reducing the maintenance cost. This TSL holding company will own the TSL vessels and would

lease those vessels to the private operators who wish to utilize the ship.

This past August we made a public solicitation to private operators about which company would be interested in actually operating the vessels. Eight companies responded with proposals for utilizing this ship. The Ministry of Transport would like to study those proposals to determine which is most appropriate route or which company has the best idea for the utilization of the ship. Based on that conclusion, we would like to have the first ship in operation in the year 2002.

So, as I have explained, we have been working on this ship because we wanted to build a fast ship that would be comparable in speed with truck transportation, because we felt this would lead to the increased use of marine transport that is more friendly to the environment. Furthermore, this kind of ship would help to further strengthen our trade and exchanges with the Southeast Asian nations. So, with that objective in mind, we have been steadily moving toward the commercialization of this vessel.

As I mentioned earlier, if you use this TSL the journey time to Shanghai will be 22 hours, just about one day, compared with a conventional ship, which takes two and a half (2.5) days. If one can reach Shanghai in a day, that means that we could import fresh products from there or elsewhere in China for the Japanese market. This would have wonderful implications for both China and Japan.

Just like when the advent of container vessels changed the landscape of ports, I believe the introduction of the TSL on many routes in many countries will again change how ports operate and look. So, with the introduction of the TSL, I think the ports will need to review how they are to respond to these changes, to work on developing facilities that takes full account of the IT revolution and to equip themselves to handle these vessels in the future.

Thank you very much for your attention.

ESCAP

Regional Shipping and Port Development Strategies Under a Changing Maritime Environment

(Item 5(a) of the provisional agenda)
Note by the secretariat

INTRODUCTION

1. In the process of globalization, containerization is continuing to make a vital contribution to the region's rapidly growing international trade. It provides shippers with safe, easy and relatively cheap access to international markets in any part of the world through a highly integrated, efficient network of trunk routes and feeder services utilizing trans-shipment opportunities. Despite the recent economic turndown, there has been increased demand for additional container shipping and port capacity in the region.

2. This document reviews the changes in the maritime environment, including the recent economic developments in the region, the changing structure and volume of container trade, the rationalization and concentration of container shipping and port services and the possible further deregulation in the maritime sector, together with implications for the long-term competitiveness of the maritime industry of the region. The document also puts forward a scenario as a basis for discussion of regional shipping and port development strategies.

ECONOMIC CRISIS AND RECOVERY IN ASIA

3. There is growing evidence that Asian economies hit by the financial crisis, after experiencing a deep contraction in 1998, have entered a positive phase of recovery. Although countries of the region differed widely, the Asian developing countries as a group achieved gross domestic product (GDP) growth of 6 per cent in 1999 rebounding from the low of 3.8 per cent recorded in 1998.⁽¹⁾

4. The crisis resulted in a severe

SUMMARY

SEEKING further economies of scale, global container shipping lines continue to rationalize services and deploy larger and faster ships to call at a small number of sophisticated high throughput ports connected to regional hinterlands by an extensive, integrated network of feeder services. With the size of investments being made by global shipping operators in new tonnage and by major ports in new infrastructure and equipment, it is becoming increasingly difficult for developing countries in the region to keep pace and for their shipping lines to remain competitive in providing intercontinental container shipping services or elevating their ports to hub status.

In these circumstances, governments need to review policies and strategies to ensure that they can maintain access to efficient and competitive shipping services. In this process, there is a need to reconsider the role of government in encouraging a national flag presence in essential shipping sectors where comparative advantage can be identified and risks limited. For the ports sector, with the need for substantial investment and efficiency-enhancing operating systems, there is a need to focus on further promoting private sector participation in port investment, management and operations.

contraction of imports and expansion of exports, adversely affecting container trade by creating an unprecedented need to reposition huge numbers of non-revenue-generating empty containers. Although global shipping operators

were better placed than smaller shipping companies from the region to accommodate the imbalances, the scale of the problem has now resulted in the imposition of repositioning surcharges.

5. There is a general view that economic and trade growth rates indicate that the Asian crisis is over. Many analysts view the long-term growth prospects for the region still as favourable, despite the crisis. However, some investors are still concerned that Asia has yet to address some of the underlying issues related to the crisis and that fundamental weaknesses remain. They point to the decline in the value of several Asian currencies since the beginning of 2000 as a possible sign of relapse.⁽²⁾ There has been a reduced level of overseas direct investment, which in Indonesia fell nearly 60 per cent in 1998 and declined further by nearly 20 per cent in 1999. Similarly, in the Philippines, reductions of 61 per cent were experienced in 1998 and a further 30 per cent in 1999. Even in China, where foreign investment has increased steadily during the last decade, it declined by 11 per cent in 1999.⁽³⁾

6. Confronted with increasing demand for container capacity and the heavy reliance on export-led growth at a time of reduced investor confidence, countries have a limited number of options available in which they can explore comparative advantage while at the same time seeking approaches to reduce risk.

REGIONAL DEVELOPMENT OF CONTAINER TRADE

7. Since the introduction of containerization, throughput in the ports of each of the regional member countries has continuously increased due to economic growth, and several other factors including container penetration of general cargo trades, the movement of empty containers and increased trans-shipment. Owing to a combination of these factors, container throughputs have increased even in periods of regional recession, as was the case during the Asian economic crisis (*figure 1*).

8. During the 1990s, world container port throughput grew at an annual average of 8.7 per cent. Container development in the Asian and Pacific

(1) International Monetary Fund, *World Economic Outlook: Asset Prices and the Business Cycle, May 2000*, statistical appendix, table 1.

(2) STRATFOR.com, *weekly global intelligence update*, 31 July 2000 <<http://www.stratfor.com/SERVICE/gju2000/073100.asp>>

(3) Japan Economic Planning Agency, *Annual Report on the Asian Economies 2000*, 21 June 2000 <<http://www.epa.go.jp/2000/f/0621-asia/imagel-3-6-e.gif>>

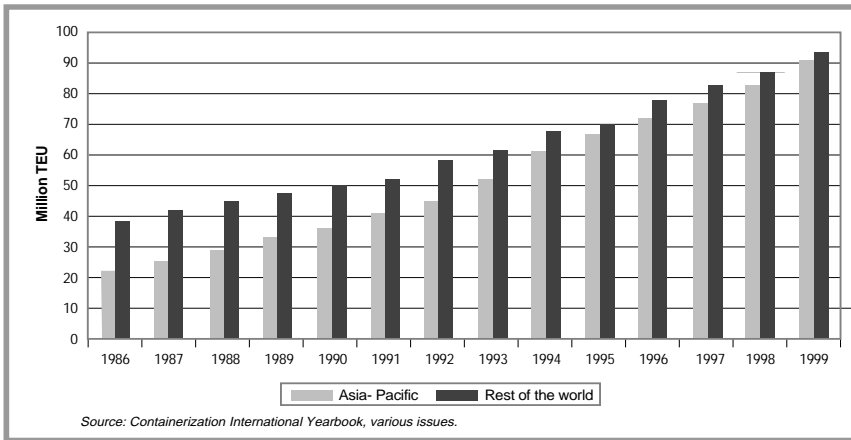


Figure 1. Growth of world container traffic

region has been more dramatic, with an annual growth rate of 10.8 per cent. Currently, around half of the world's container traffic is handled at ports within the ESCAP region. Containerized cargo represented 54 per cent of world general cargo trade in 1999,⁽⁴⁾ compared with 48 per cent in 1995 and 37 per cent in 1990. The potential saturation point for containerization has been estimated to be around 65 per cent, suggesting that there is further significant potential growth in the world and the ESCAP region. The regional member countries are likely to see a substantial growth in container traffic due to further economic development, in particular in China, and in the countries of Indo-China and the Indian subcontinent, owing to the substantial potential for further container penetration.

9. Container traffic includes the movement of full containers, and includes partially filled containers and

empty repositioning movements. The combined loaded container trade on the three major Asian routes, transpacific, Asia-Europe and intra-Asia, increased continuously from 21.1 million TEU (twenty-foot equivalent unit) in 1996 to 25.9 million TEU in 1999.⁽⁵⁾ However,

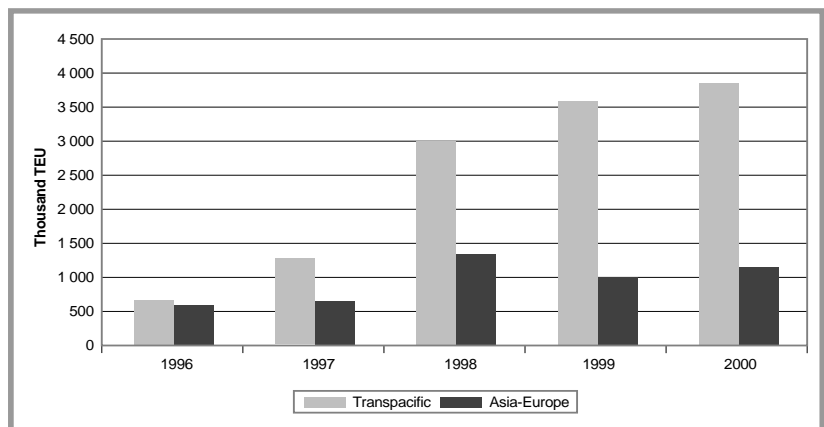


Figure 2. Container trade imbalances on Asian routes

Table 1 Container trade on major Asian routes*

Route	Direction	1996	1997	1998	1999	2000 [#]
Transpacific	Eastbound	4,959	5,723	6,845	7,610	8,237
	Westbound	4,333	4,463	3,839	4,016	4,368
	Total (% change)	9,292 (8.8)	10,187 (9.6)	10,684 (4.9)	11,626 (8.8)	12,605 (8.4)
Asia-Europe	Westbound	2,565	2,798	3,342	3,533	3,860
	Eastbound	2,008	2,187	2,026	2,544	2,713
	Total (% change)	4,573 (9.5)	4,984 (9.0)	5,368 (7.7)	6,077 (13.2)	6,573 (8.2)
Inter-Asia	Total (% change)	7,228 (3.3)	7,796 (7.9)	7,343 (-5.8)	8,150 (11.0)	8,590 (5.4)
3 major routes total (% change)		21,093 (7.0)	22,967 (8.9)	23,395 (1.9)	25,853 (10.5)	27,768 (7.4)

Source: Estimates by Korea Maritime Institute based on data from DRI/McGraw-Hill and Containerization International, 1999.
* Refers to loaded containers only.
[#] Estimate.

intra-Asian container trade, which had experienced dramatic annual growth rates of 15 to 20 per cent until the first half of 1990s, witnessed negative growth of 5.8 per cent in 1998, subsequently resuming a growth pattern in 1999 owing to the recovery of the region.

10. Over the period 1996-1999, trade imbalances increased rapidly on the transpacific route with eastbound export trade growing by 53 per cent from 4.96 million TEU to 7.61 million TEU, while westbound import trade was down by 7 per cent from 4.33 million TEU to 4.02 million TEU during the same period. The imbalance in the Europe-Asia route also increased, but to a lesser degree.

11. The deep imbalance in the container trade has created a need to bring additional empty and non-revenue-generating containers into the Asian region. Around the world, 30 million TEU of empty containers were han-

dled at port in 1996. However, it is now estimated that this number increased to 41 million TEU in 1999.⁽⁶⁾ Most of the ports within the region experience high throughputs of empty containers. The port of Hong Kong, China, for example, handled 3.4 million TEU of empty containers or 21 per cent of the total 16.2 million TEU container throughput in 1999. This compared with 2.4 million TEU, or 17.5 per cent of the total, in 1996. The number of empty containers handled at Port Klang, Malaysia, doubled from 192,801 TEU in 1996 to 424,590 TEU in 1999, accounting for 13.7 and 17.7 per cent respectively of total throughput in those years.

12. Trans-shipment is essential for the efficient utilization of extremely large container vessels if they are to obtain economies of scale. It is estimated that trans-shipment currently

(4) American Shipper, July 2000, p.92.

(5) Korea Maritime Institute, World Shipping Outlook, December 1999, pp.47,58 and 73(in Korean).

(6) American Shipper, July 2000, p.92.

accounts for around a quarter of the global container port throughput. Singapore, the hub port for much of the South-East and South Asian cargoes, is estimated to have handled more than 11 million TEU of trans-shipment containers in 1999, representing 70 per cent of the total container throughput of 15.9 million TEU. The trans-shipment ratio of the port of Colombo in the same year was also around 70 per cent of the total throughput of 1.7 million TEU.

13. In addition to the traditional hub and spoke system, global alliances of carriers have recently begun to provide multiple, overlapping service strings comprised of a blend of services that call only at main hub ports and services that call at secondary hub ports. This has increased the importance of secondary ports such as Shanghai (China), Port Klang (Malaysia) and Tanjung Priok (Indonesia), which have recorded very high increases in container throughputs. All three ports have made substantial investments in infrastructure and efficiency-improving technology and management systems in collaboration with the private sector.

CONCENTRATION OF CONTAINER SHIPPING AND PORT SERVICES

A. Shipping

14. Global container shipping companies are under intense pressure to compete in providing shippers with services that include fast transit times, high frequency and low cost. This has given rise to two trends: deployment of increasingly large ships to obtain economies of scale⁽⁷⁾ and alliances and mergers/acquisitions of carriers as an approach to rationalizing investment, spreading risk and reducing administrative costs.

15. Major Asian deep-sea trades are already dominated by 4,000-6,000 TEU vessels. By the year 2002, ships in excess of 7,000 TEU will come into operation on Asian routes and some carriers are considering constructing and deploying even larger ships with capacities approaching 12,000 TEU and beyond. The implications of such increases in ship size will be an even greater focus on the hub and spoke system, in which the biggest ships will call at only a limited number of very efficient ports on the main trunk routes, with other ports being linked by

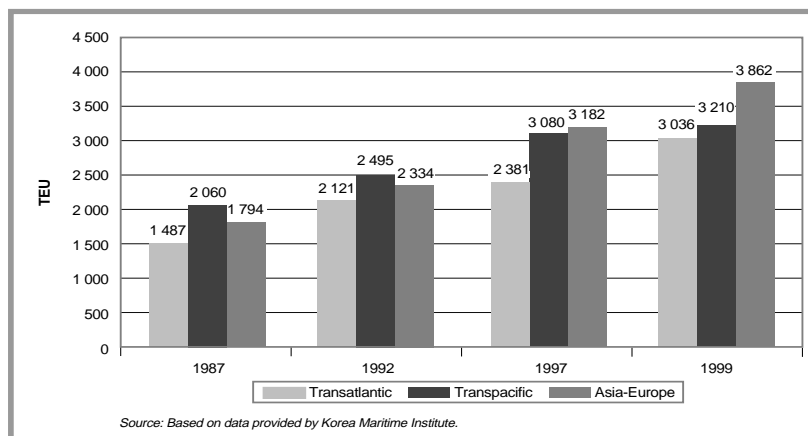


Figure 3. Average size of container ships by route

extended feeder networks. Through this approach, carriers will maximize the utilization of vessel capacity and reduce port/transit time.

16. Cooperation between container shipping companies in many different forms of partnership such as slot purchase, slot exchange, vessel-sharing agreements or joint services has been an essential feature of the industry for a long time. However, those forms of carrier cooperation have tended to be on a trade-specific basis. For example, a carrier would prefer a particular partner in the transpacific trade but another partner for Asia-Europe trade.

17. In recent years, however, there has been a growing trend towards carrier alliances on a global basis. This consolidation has been accelerated through mergers and acquisitions. Although the majority of the carriers acquired have been second- or

third-tier operators, some significant carriers, including APL and DSR-Senator, were taken over by NOL and Hanjin respectively. P&O Containers and Nedlloyd Lines merged in 1997 to create P&O Nedlloyd Container Line, which later took over Blue Star Line and Tasman Express Line. Evergreen became the second largest carrier in the world, in terms of TEU slots under its control, through the takeover of Lloyd Triestino in 1998. In 1999, Maersk Line acquired the international shipping operations of Sea-Land to form a company controlling 9.2 per cent of the world container shipping fleet. As a consequence of these developments, the 20 largest carriers now control around 56 per cent of the world container fleet and the top five lines own or operate more than 25 per cent.

18. In response to shipper demands for high frequency services,

Table 2 Summary of services of major carrier alliances and megacarriers

Alliance group	Participating lines	Number of sailings per week			Slot capacity (Number of ships)
		Transpacific	Asia-Europe	Transatlantic	
Grand Alliance	P&O Nedlloyd NYK Hapag-Lloyd OOCL	West coast 6	7	2	645,748 TEU (278)
		East coast 2			
Maersk Sea-Land		West coast 5 East coast 3	4	6	544,558 TEU (228)
New World Alliance	APL-NOL MOL Hyundai Hanjin	West coast 9	4	1	447,358 TEU (178)
		East coast 1			
United Alliance	DSR-Senator Cho Yaang UASC	West coast 8	5	2	342,566 TEU (152)
		East coast 2			
Cosco/K Line/Yangming		West coast 7 East coast 1	4	3	380,689 TEU (207)
Evergreen		West coast 5 East coast 2	3	1	311,951 TEU (132)

Source: Korea Maritime Institute/

(7) Economies of scale of larger ships can be explained as follows: the new building of a 725 TEU ship costs US\$19,300 per TEU slot, compared to US\$10,000 per TEU slot for a 6,400 TEU ship. Bunker costs per TEU of a 2,950 TEU ship are only half those of a 500 TEU ship.

all the major alliances provide multiple weekly services on the transpacific, Asia-Europe and transatlantic routes, thereby offering global services (table 2).

19. Shippers in the region appear to have benefited not only from the improved frequency and reliability of service but also from containment of freight rates, which on average, did not increase during the period 1995-1999 (figure 4). However, since 1998, when Asian exports began to lead the economic recovery, freight rates to North America and Europe have risen significantly, while Asia-bound rates have declined (figure 5).

20. Recent freight increases have been compounded by additional ancillary charges such as repositioning surcharges, terminal handling charges and document charges, in part due to inefficient cargo handling, complex documentation procedures and lack of electronic data interchange systems at many regional ports.

B. Ports

21. In parallel with the concentration of container shipping, container throughputs are growing more quickly at hub ports and newly emerging ports which can offer an international standard of service along with substantial concentrations of containerized cargo. The world's top 20 container ports handled 96.4 million TEU in 1999, accounting for 52 per cent of world container port throughput. In the Asian and Pacific region, the concentration of port throughput is even more prominent, with the 10 busiest ports handling 61.6 million TEU or 68 per cent of the region's total throughput in 1999.

22. In the intensified battle for hub status, international container terminal operators are extending the scope and scale of their activities and are operating terminals in ports around the world.

23. PSA Corporation of Singapore currently operates terminals in 10 different ports and continues to maintain its expansion strategy. Hutchison Port Holdings (HPH), in addition to its facilities in Hong Kong, China, operates eight overseas terminals, as well as nine in China. Around 32 million TEU or 20 percent of the world container throughput, was handled at the terminals operated by PSA and HPH in 1998. P&O Ports Australia operates 21 terminals across the globe, handling 7 million TEU a year. International Container Terminal Services Inc. of the Philippines operates six overseas terminals and is

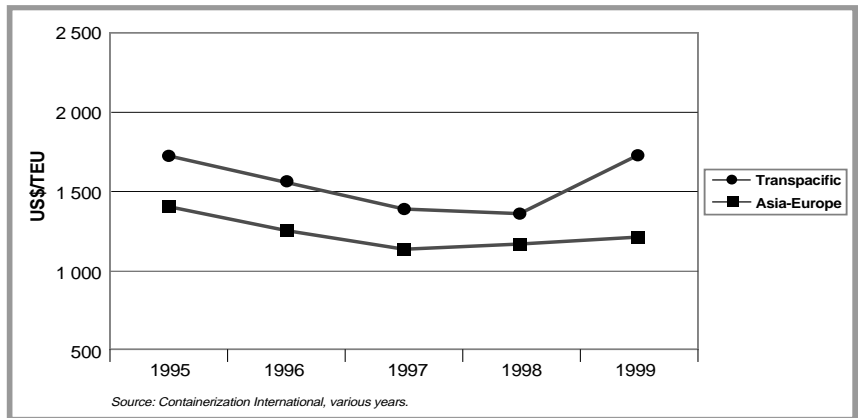


Figure 4. Weighted average freight rate on Asian routes

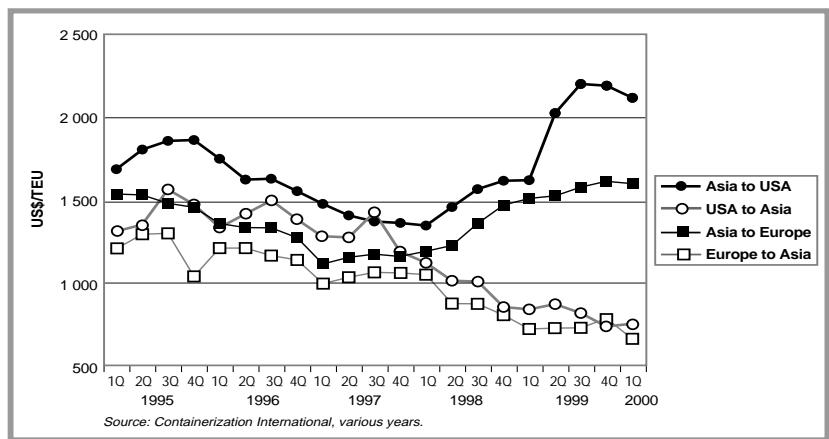


Figure 5. Freight rate on Asian routes

planning to further expand its international operations. Many other international and domestic private sector companies are also operating terminals in the region.

24. Without exception, it would appear that, where the private sector has participated in port development, management and operation projects, it has been successful in improving service levels and productivity while reducing or containing handling costs.

DEREGULATION AND LIBERALIZATION OF MARITIME TRANSPORT

25. As mentioned earlier, global carriers have been focusing attention on providing competitive shipping services in terms of frequency, transit time and price, and shippers appear to have benefited. For countries which are becoming increasingly reliant on the provision of efficient third-party shipping services, maintaining a competitive environment is of paramount importance.

26. The maritime transport sector, reflecting the freedom of seas, is already relatively liberalized compared

to other service sectors. Even so, further liberalization in the international shipping market is receiving increased attention.

27. There has long been general international acceptance of shipping conferences as a means of ensuring a stable liner shipping environment. However, the exemption of conferences from antitrust legislation has been questioned by supporters of competition-based market mechanisms. In particular, the European Union has been active in pursuing the abolishment of conference practices. The ocean Shipping Reform Act 1999 (OSRA) of the United States of America is also promoting radical changes to liner shipping although current antitrust immunity is still maintained within a regulated framework.

28. Maritime issues are being discussed in several forums. Within the Asia-Pacific Economic Cooperation forum, the Transportation Working Group is considering initiatives to promote an efficient, safe and competitive operating environment for maritime transport. Maritime issues are discussed annually in the North American

Free Trade Agreement (NAFTA) Transportation Consultative Group on Maritime and Port Policy. Although NAFTA does not provide for full trilateral coverage of maritime services, it includes maritime commitments between Canada and Mexico, which may impact on investments in shipping companies and the regulatory regimes governing maritime traffic between the two countries. In the Association of Southeast Asian Nations, there have been negotiations aimed at increased market access in seven priority service sectors, including maritime transport.

29. Perhaps most importantly for the ESCAP region, maritime transport services are included in the General Agreement on Tariffs and Trade (GATS) within the multilateral framework of the World Trade Organization (WTO). During the Uruguay Round, international maritime transport was recognized to be already highly liberalized, and maritime auxiliary services and access to and use of port services were therefore included in the maritime schedule for discussion. The negotiations are due to resume within the WTO framework and may be extended beyond auxiliary services and ports to include issues such as multimodal transport, liberalization of internal waterways and the land transport leg of international maritime transport.

PROSPECTS FOR REGIONAL SHIPPING AND PORT DEVELOPMENT

30. In the increasingly concentrated shipping and port market, the scale of investments being made by international shipping lines and ports is huge and it is increasingly difficult for developing countries in the region to keep pace. It is clear that the future shipping and port industry will be shaped, in part, by a more liberalized environment. There is therefore an urgent need to implement more robust policies if the public and private sectors in each of member countries are to be successful in providing competitive shipping and port services.

31. To provide ESCAP countries with a regional planning context for the development of shipping and port investment strategies, the secretariat has recently commenced a new study which will investigate international container trade flows and provide medium- and long-term forecasts up to the year 2011 of container shipping and port capacity requirements in each of the member countries. The project will apply the "maritime policy planning model" developed by ESCAP, taking full account

of the impact of changes in the maritime environment on the development of container shipping and ports in the region. The study is being undertaken in collaboration with the Korea Maritime Institute, which signed a memorandum of understanding with ESCAP in 1998, and with funding support from the Republic of Korea.

32. The study will provide comparative benchmarks for national forecasts being undertaken by individual countries, shipping lines and ports to assist regional countries in focusing development strategies. However, there is an urgent need for member countries to take full cognizance of the implications of current maritime developments within the wider context of regional economic development, largely driven by international trade.

33. In this process, it may be possible to identify the critical areas in which national services should be maintained or improved and other services that can be more efficiently provided by third parties. For example, mainline shipping services have become concentrated in the hands of a limited number of highly efficient global carriers which are working in an environment of intense competition. This would appear to be to the benefit of shippers and the development of regional trade but, at the same time, has made it more difficult for regional developing country shipping lines to compete. Countries could continue to explore the benefits of utilizing international carriers for mainline services while seeking niche markets for the national flag fleet where they can show comparative advantage.

34. In the same context, more than 95 per cent of the region's international trade moves through national ports. Any inefficiency adds to the delivered cost of imports and reduces the competitiveness of the nation's exports in the global market. With the high level of integration of the overall container network, adequate port capacity, a high level of efficiency and cost effectiveness (value for money) are essential for all trades and are therefore areas in which each country must focus national attention.

ISSUES FOR THE CONSIDERATION OF THE COMMITTEE

35. The container sector is going through one of its most important phases of development, providing developing countries with an opportunity to review their development strategies. Within the context of the developments described above, there are critical issues that

require urgent attention in the shipping and port sector. To address these issues, a number of actions are required to be implemented at the national level by governments, authorities and the private sector, and supporting initiatives at the regional level to be implemented by international and regional organizations and funding agencies, including bilateral donors. The Committee may wish to consider the actions indicated below and offer further guidance:

(1) Liberalizing the shipping sector and maintaining competition in the liner market

Background. Global shipping lines provide the vital trunk services by which member countries in the region can efficiently access their international markets. Between 1996 and 1999, the world's top 20 container shipping operators increased their share of the global fleet from 41 to 56 per cent. Following this trend, further consolidation can be anticipated in the coming years. The smaller number of major operators will continue to play a central role in the region's maritime sector. For all countries, and particularly those which are net importers of maritime services, maintaining a competitive environment is one approach to maximizing quality and controlling prices. Already the member countries of the Organisation for Economic Cooperation and Development (OECD) are undertaking research in preparation for the upcoming negotiations on GATS within the framework of negotiations under WTO. OECD is also organizing seminars to discuss and exchange experience between its members and selected developing countries. The GATS negotiations within WTO will provide regional countries with the opportunity to express their opinions and positions with respect to the increasing liberalization of the maritime sector and on how competition is to be maintained. However, considerable preparation and discussion are required at the national, subregional and regional levels, if the implications of these important negotiations are to be fully comprehended.

National action. In preparation for the upcoming negotiations on GATS, countries should review national positions and identify a focal point which would bring together the opinions of the private sector and industry for the consideration of government in finalizing its position. Where possible, national research institutions should be identified which can consolidate information on the positions of other countries with similar economic backgrounds, analyse the implications of

alternative positions and support delegations with the necessary data and information during the negotiation process.

Supporting regional initiative. Regional and subregional seminars could be organized to provide details of the latest developments and to provide the opportunity for an exchange of experience and views on the critical issues to be considered within the GATS negotiations, as well as issues related to maintaining competition. Regional institutions of excellence could be identified that could play a role in networking and supporting national institutions.

(2) Identifying markets where developing country fleets have a comparative advantage

Background. Nearly every country of the region has policies to expand its national fleet. However, with the massive, ongoing investments in container shipping being made by the major lines, their extensive network of global services and the intense competition in the industry, it is difficult for developing country fleets to compete in this market. There is therefore a need to identify and promote national flag carrier involvement in areas where there is comparative advantage or strategic necessity. In the container sector, possible opportunities for further growth include niche markets such as in the provision of feeder services or express shuttle services between a national port and single international destinations. An alternative or complementary approach could be to develop services in collaboration with international shipping operators.

National action. There is an urgent need to critically review the viability and business plans of the national flag fleet and the present levels of direct and indirect support provided by government. Countries should also identify policy and strategic requirements within the shipping sector and ways in which these could be achieved at minimum cost. Partnership opportunities should be sought where complementary resources and skills can be brought together with a view to exploring opportunities where national flag shipping can be successfully deployed.

Supporting regional initiatives. Assistance should be given to countries in undertaking their reviews and providing the opportunity to share positive experience in the methodologies and processes applied.

(3) Providing a platform for national shipping lines to compete on an equal footing with international operators

Background. In an effort to contain costs, some of the major international

container operators, many of whom are based in developed countries, "flag out" their ships to provide greater flexibility of operation and other fiscal advantages. While the majority of countries in the region have policies to expand the national flag fleet, the regulations and requirements, which sometimes include the imposition of duties and taxes, discourage companies from registering under the national flag.

National action. Countries having policies to promote the expansion of the national flag fleet should review existing requirements, and particularly prevailing taxes and duties on shipping which operates in international services, with a view to increasing the attractiveness of registration and the competitiveness of the national flag. In this process, governments should seek the assistance of the private sector, and in particular the opinions of domestically owned lines which have chosen to register overseas.

Supporting regional initiatives. An analysis of the different registration regimes could be prepared as the basis for discussion and consideration of regional countries. A meeting of experts could be organized to provide the opportunity for sharing experience and details of studies to evaluate alternative proposals.

(4) Encouraging increased private sector involvement in ports

Background. Experience to date has shown that, where the private sector has participated in port development, management and operation projects, it has been successful in improving service levels and productivity while reducing or containing costs. Nearly all member countries in the region have policies to encourage increased private sector involvement in ports. Yet, even with proven demand and declared political commitment, the level of take-up projects by the private sector in many countries has been much lower than anticipated. Major obstacles to private sector involvement in regional ports have been cited as lack of transparency and continued resistance from labour as it is foreseen that existing policies of transferring labour from terminals which have been privatized to other parts of the port which are still under public sector control are not sustainable in an environment of increasing privatization.

National action. To harness the strengths of the private sector, governments should take a proactive role in

ensuring transparency in the process of privatization and safeguarding the rights of users, investors and workers. Unbiased regulatory bodies could be established to oversee the process of privatization. Governments need to ensure that there is dominant public opinion in favour of private sector participation in ports and engage labour in discussion on possible approaches to finding an equitable solution to employment issues related to privatization and the streamlining of existing employment practices.

Regional supporting initiatives. Regional seminars to exchange regional experience in establishing regulatory authorities, although still somewhat limited, could lay the groundwork for employing best practice models. This could be particularly useful where labour issues have been resolved equitably.

(5) Streamlining port procedures

Background. Containerized cargo passing through regional ports is often delayed due to cumbersome regulations and documentary requirements to the extent that it can spend as long in the port as it has traveling from another continent.

National action. While the simplification of regulations and documentary requirements is in process, governments can take a proactive role in identifying, with traders and the maritime industry, the unnecessary obstacles which are delaying the movement of goods. Facilitation of shipping movements in and out of ports through accession and adherence to the International Maritime Organization (IMO) Convention of Facilitation of International Maritime Traffic, 1965, as amended, could be a first step in this regards.⁽⁸⁾ To simplify the processing of documentation one-stop shops can be established at all ports to reduce wasted time.

Supporting regional initiatives. The identification and cataloguing of productivity indicators applied in regional ports and a comparative analysis of performance could assist countries in identifying priority areas for specific attention.

36. In considering the above proposals, the Committee is invited to share information on national shipping and port development strategies under the changing maritime environment and to provide guidance to the secretariat on priorities and future directions of work in this area.

(8) Only 14 ESCAP member and associate members have acceded to or accepted the IMO Convention.

WORLD PORT NEWS

16th World Dredging Congress and Exhibition

Dredging for Prosperity Achieving Social and Economic Benefits

Kuala Lumpur, Malaysia

The Congress is organized by EADA in association with the Port Klang Authority for WODA which incorporates WEDA - Western Dredging Association CEDA - Central Dredging Association EADA - Eastern Dredging Association

Schedule at A Glance

Saturday, 31 March 2001

08.00 - 17.00 Registration

Sunday, 1 April 2001

08.00 - 17.00 Exhibitor set up

09.00 - 17.00 Registration

07.30 Tee-off of Golf Tournament

09.00 Half day visit to Forest Research Institute of Malaysia (Tropical Rain Forest) for delegates/partners not playing golf.

Evening is free.

Monday, 2 April 2001

08.00 - 17.00 Registration

09.00 - 10.00 Opening Ceremony (Plenary)

10.00 - 11.00 VIP Tea Reception
Morning Tea Break for Delegates

11.00 - 15.00 Half Day Countryside (KL02)
Tour for Partners

11.00 - 12.30 Technical Sessions (Parallel)

12.30 - 13.30 Lunch

13.30 - 17.00 Technical Sessions (Parallel)

18.30 - 21.00 Welcome Reception, Sunway Lagoon Theme Park

Tuesday, 3 April 2001

08.00 - 17.00 Registration

08.00 - 15.30 Technical visit: Paya Indah Wetland Sanctuary and Putrajaya

Wednesday, 4 April 2001

Environmental Day

08.00 - 17.00 Registration

08.30 - 12.30 Technical Sessions (Plenary)

12.30 - 13.30 Lunch

13.30 - 17.00 Technical Sessions (Plenary)

20.00 - 22.30 Congress Dinner: Shangri-La Hotel

Thursday, 5 April 2001

08.00 - 17.00 Registration

08.30 - 12.30 Technical Sessions (Parallel)

12.30 - 13.30 Lunch

13.30 - 17.00 Technical Sessions (Parallel)

17.00 - 18.00 IADC and DCA Awards (Plenary)

18.00 Close of Congress (Plenary)

Inquiries

Congress Secretariat

ExpoAge International (M) Sdn Bhd, Wisma Pico
19-20 Jalan Tembaga SD5/2,
Bandar Sri Damansara
52200 Kuala Lumpur, Malaysia
Tel:603-635 5535 Fax:603 635 3231
Email: expoagei@mol.com.my

EADA Secretariat

John Dobson
GPO Box 388, Hamilton Central, Qld 4007
Australia
Tel/Fax: +61 7 3262 3834
E-mail: dobsoncj@hotmail.com

Ballast water task force sets to work on alien invaders

THE world's oceans are under threat - from over-fishing and from physical destruction.

As if this is not enough, they are also under threat from alien invaders-marine species transported beyond their natural range and dispersed across the globe by shipping.

In July, a Global Task Force was convened by IMO in alliance with the United Nations Development Programme (UNDP) and the Global Environment Facility (GEF). The Task Force launched a concerted response to this severe environmental problem.

The new initiative is the *Global Ballast Water Management Programme*, or *GloBallast*. Under the *GloBallast* programme, US\$7.6 million is being deployed through IMO to assist developing countries to reduce the transfer of harmful marine organisms.

This is being achieved through techni-

cal co-operation, capacity building and institutional strengthening activities in six initial demonstration sites in Brazil, China, India, Iran, South Africa and Ukraine. Activities to be undertaken include education and awareness raising, risk assessments and biological surveys, development of laws and regulations, training of personnel in ballast water management measures and the implementation of compliance monitoring and enforcement measures.

Shipping moves over 80 per cent of the world's commodities and transfers around 10 billion tonnes of ballast water each year. Ballast is absolutely essential to the safe and efficient operation of ships, providing balance and stability when empty of cargo. However, it may also pose a serious ecological, economic and health threat.

The problem arises when ballast water contains marine life. There are literally thousands of species that may be carried in ships' ballast; anything that is small enough to pass through a ship's ballast water intake pumps. This includes bacteria, small invertebrates and the eggs, cysts and larvae of various species.

The Chief Technical Adviser to the *GloBallast* initiative, Captain Dandu Pughiuc, said that the development of larger, faster ships combined with rapidly increasing world trade means that the natural barriers to the dispersal of species across the oceans are being reduced. As a result, whole ecosystems are being changed and economic impacts can be massive. In one example from North America, the introduced European zebra mussel has infested over 40 per cent of internal waterways and has required over US\$5 billion in expenditure on control measures since 1989.

In several countries, introduced microscopic "red-tide" algae have been absorbed by filter-feeding shellfish, such as oysters. When eaten by humans, these contaminated shellfish can cause paralysis and even death. There are hundreds of examples of major ecological, economic and human health impacts across the globe. It is even feared that cholera may be transported in ballast water.

During the Task Force meeting in London in July, international environ-



A bulk carrier discharging ballast water. Ballast water taken up in one part of the globe and discharged in another may introduce non-indigenous species which could harm the local ecosystem. (Photograph by Steve Raaymakers)

mental group Friends of the Earth described the GloBallast programme as "the most exciting environmental project

in the world today."

"With the planning phase completed and a clearly defined course of action agreed by the Global Task Force, the challenge now is to commence physical action," said Captain Pughiuc.

"In the next few months we will be working closely with the six pilot countries to develop their national action plans and commence implementation of activities," he said.

Since July, the six pilot countries made substantial progress on developing their National Workplans. These detail the activities, budgets and timelines for the in-country implementation of the various components of the GloBallast programme.

IMO's MEPC is working on developing mandatory regulations to address the problem of the transfer of harmful aquatic organisms in ballast water.

The overall outline of a draft legal instrument has been prepared, though agreement still needs to be reached on a number of key issues. A working group at the MEPC's 45th session in October will continue to work on the issue and it is planned to hold a diplomatic conference during 2002 to adopt the new mea-

sures. The proposed instrument is a new international convention "for the control and management of ships' ballast water and sediments."

Current options for preventing the spread of harmful aquatic organisms in ballast water include exchanging the ballast water in deep ocean, where there is less marine life and where organisms are less likely to survive. Other options include various treatments of the ballast water en route to kill the living organisms-these include filtration, chemical, and radiation treatments.

Websites:

The GloBallast web site is under development and will be located at <http://globallast.imo.org>

IMO <http://www.imo.org>

IMO Focus Papers

<http://www.imo.org/imo/focus/intro.htm>

Joint Group of Experts on the Scientific Aspects of Marine Environmental Protection (GESAMP)

<http://gesamp.imo.org/>

CSIRO Centre for Research on Introduced Marine Pests (CRIMP)

Australia's national center for research on the impacts and management of introduced marine species

<http://www.ml.csiro.au/~spinks/CRIMP/>

National Marine Invasions Center,

Smithsonian Environmental Research

Center <http://invasions.si.edu/>



Main organizations involved in the Globallast programme:

IMO-the specialized agency of the United Nations with responsibility for safety of shipping and the prevention of marine pollution by ships.

United Nations Development Programme (UNDP)-UNDP's mission is to help countries in their efforts to achieve sustainable human development by assisting them to build their capacity to design and carry out development programmes in poverty eradication, employment creation and sustainable livelihoods, the empowerment of women and the protection and regeneration of the environment, giving first priority to poverty eradication.

Global Environment Facility (GEF) - GEF is a fund that helps countries translate global concerns into national action to help fight ozone depletion, global warming, loss of biodiversity and pollution of international waters by means of grant funding. The managing partners of GEF are the World Bank, the United Nations Development Programme and the United Nations Environment Programme.

Further information:

Steve Raaymakers

GloBallast Programme Co-ordination Unit,
IMO, 4 Albert Embankment, London SE1 7SR

Telephone: +44(0)20 7587 3251

E-mail: sraaymak@imo.org

India International Maritime EXPO 2001

Oct 10-13, 2001, Bombay Exhibition
Centre, Mumbai, INDIA
www.inmexindia.com

Endorsed by

- Ministry of Surface Transport - Government of India
- Indian Ports Association
- Dredging Corporation of India Limited
- Oil & Natural Gas Corporation Limited-India
- Hindustan Shipyard Ltd.-ndia
- The Container Shipping Lines Association-India
- Mumbai and Nhava-Sheva Ship-Intermodal Agents Association-MANSA, India
- Federation of Ship-Agents' Association - India
- International Association of Ports & Harbors-IAPH, Tokyo-Japan
- German Shipbuilding and Ocean Industries Association-VSM-Germany
- The Institute of Marine Engineers-IME-UK

The Venue

MUMBAI, well known perhaps as Bombay-the capital of the state of Maharashtra - a port city of major industrial & commercial importance on the west coast

INTERNATIONAL MARITIME INFORMATION

of India. Home to the largest film Industry (Bollywood) in Asia, it is also a major industrial hub for the maritime industry. 90 per cent of all maritime related industries have representations here.

A metropolis which draws both dreamers and dream merchants into its fold. A city with a cosmopolitan outlook.

Predominantly Marathi speaking, the population consists of a cross section of people from other states too. An important gateway to trade for years, it still boasts of docks, harbours and ports dotting its coastline. Bombay has bustling shipyards and boat yards to boast of.

INMEX 2001 - is poised to cover the entire gamut of maritime industries. It is aimed at underscoring India's achievements in the maritime industry during the last 50 years of its independence. INMEX 2001 highlights the challenges and opportunities that lie ahead while entering the next millennium. The core areas of the exhibition are shipping, shipbuilding, shiprepair, ports and harbours, port development, port infrastructure, fishing industry, leisure industry, tourism industry, offshore, dredging, inland waterways, oceanography, etc.

INMEX 2001 will provide the ideal launching pad for overseas companies to enter the maritime market in India.

INMEX 2001 will give an opportunity to seafarers, technocrats, analysts, equipment manufacturers and users, buyers and sellers to meet and exchange views under one common umbrella, thus expanding the nation's technology base. The exhibition will span over four days and will be held at Mumbai, a city renowned for its maritime culture. The dates Oct 10-13, 2001 are suitable from the point of view of weather, local and international holidays, etc. Also taken into account is the fact that it does not clash with any other major international

maritime events.

The Main Exhibition Area will cover approximately 8,000 sq. mts and the space can be booked either as Shell Scheme or Raw Space.

Shell Scheme: Each shell scheme of minimum of 9 sq.mts will include white laminated octonorm panels on 3 sides, of size 1 mt width and 2.5 mts height. The fascia will be with vinyl lettering. Four spot lights, one information counter, two foldable chairs, 1 plug point - 5A/15A and a waste basket will be provided.

Raw Space: Minimum raw space is 30 sq.mts. The space is floor marked in the exhibition hall. The exhibitor is free to design his stand keeping in mind the organiser's regulations on stall construction and decoration.

Tariff:

Shell Scheme (minimum of 9 Sq.mts) per sq. mt. - US\$350

Raw Space (minimum of 30 Sq.mts) per sq. mt. - US\$300

Exhibitor Profile

(refer annexure for details)

- Government and private port operators & authorities
- Port developers/port managers/port infrastructure
- Dredging technology and equipment manufacturers
- Shipyards/ship design/shipbuilders
- Boat builders/boat repairers
- Engine and propulsion systems
- Maritime equipment - Manufacturers/traders
- Communication - navigation
- Information technology-marine CAD/CAM-ERP
- Ship owners/ship managers/ship maintenance
- Offshore oil technology and equipment
- Waterway transportation systems
- Logistics
- Research and training institutions from India and overseas
- Marine related associations

- Oceanography/environmental protection
- Financial institutions/classification Societies/insurance and legal organizations

For further details, contact:

INMEX Secretariat
Paradeep Deviah & Associates
PDA House

No.32/2, Spencer Road, Frazer Town,
Bangalore-560 005

Tel: 91-80-5547169, 5547434

Fax: 5542258

E-mail: pdexpo@vsnl.com

New Publications

WCN, publisher of WorldCargo News, acquires Bulk Materials International (BMI)

WCN Publishing is pleased to announce the acquisition of Bulk Materials International (BMI) from SIEMEX INTERNATIONAL.

WCN Publishing is the publisher of the market-leading publication, World Cargo News which is recognized worldwide for its professional approach to the coverage of container and general cargo handling. BMI will complement this title and the same high editorial and production standards will be brought to bear under our ownership.

BMI will continue to focus on the high-capacity/heavy duty handling, transport and storage of bulk commodities and raw materials which are moved in large volumes. It will publish bi-monthly through 2000/2001 and it is our intention thereafter to increase publication to ten issues per year from JANUARY 2002.

Launch of Tokyo News Service's Website

Tokyo News Service, Ltd. has posted its website "S&TN OnLine" on the Internet. Provided on this homepage for easy reference are liner shipping schedules and related data extracted from Shipping and Trade News and Sea Sprite.

With use of the website initially being offered free of charge, we would like to invite you to sign up to access the latest updates on the homepage by first entering the information requested on the registration page.



URL: <http://www.tokyonews.co.jp/marine>

Information posted: 1. Sailing schedule 2. Liner shipping schedules (export/import) to and from Japan 3. Liner schedules (export) from Asian countries other than Japan 4. Feeder schedules to and from Singapore

2. Ship details 3. Telephone and fax numbers of shipping firms and agents 4. Seacharge 5. News (in preparation)

Tokyo News Service, Ltd.

Subscription enquiries should now be sent to Gilly Tilbury on fax:+ 44 1372 279 191 or by e-mail to: info.bmi@virgin.net. Alternatively, you can telephone on: + 44 1372 276 222. If you would like to see a recent copy of BMI, please indicate.

Any press information should now be sent directly to BMI's new address, as

per this letterhead, and addressed to our Editorial Director Chris Munford.

If you require further information on the above, on advertising opportunities in BMI, or on any other matter relating to BMI please contact Mike Forder, Commercial Director, on fax:+ 44 1372 279191 or e-mail:info.bmi@virgin.net

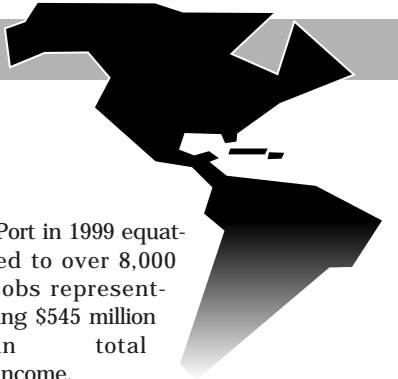
President and CEO.

All ships arriving at Port Vancouver from overseas are covered by the policy, including bulk carriers arriving to load coal, grain, sulphur, and other commodities.

As Canada's largest port handling over 72 million tones of cargo yearly, this policy reconfirms our commitment to protecting our natural environment, said Stark.

In other ports, non-indigenous aquatic species discharged from shipboard ballast water have posed environmental problems. A recent study on the United States-East Coast has shown bacteria and viruses able to survive in ballast water, although no outbreak of disease or illness has ever been traced to ballast.

The Americas



Halifax Port Authority and Halterm Agree on 20-Year Lease

HALIFAX, N.S.-The Halifax Port Authority (HPA) and Halterm Limited reached an agreement today for a 20-year lease that will secure Halterm's long-term competitive future as a container terminal operator in the Port of Halifax.

"Both of our organizations are extremely pleased that we were able to work through the difficult issues and reach a mutually beneficial resolution," said David Bellfontaine, President & CEO of the Halifax Port Authority. "As everyone knows, these negotiations were arduous. But now that we have a commercial deal, the Port Authority and Halterm can work together to help make the Port of Halifax an even better place to do business."

The deal helps us remove the uncertainty facing Halterm and its employees, said Halterm President Pat Morin. "While the bargaining was tough, it resulted in a deal that's good for Halterm, good for the Port Authority, and good for Halifax and the Province of Nova Scotia. Together we can now concentrate on building an even brighter future for the Port."

While the terms of the agreement are still confidential, both sides did offer compromises in order to reach a final settlement.

"Halterm has shown its commitment to a brighter future for the Port with its recent investment in post-Panamax cranes," Bellfontaine said. "We look forward to working together with Halterm to continue to improve the fortunes of the Port and provide a stable environment for our customers."

The Halifax Port Authority is responsible for developing, marketing and managing its assets in the Port of Halifax. The economic impact generated by the

Port in 1999 equated to over 8,000 jobs representing \$545 million in total income.

Halterm is the Port's largest container terminal operator handling 165,000 containers in 1999 and employing over 250 workers. A Canadian owned and operated company, Halterm's business interests are focused exclusively on its operations in the Port of Halifax. Halterm recently invested \$23.5 million in two new cranes designed to service large post-Panamax ships.

Vancouver makes mid-ocean deballasting mandatory

VANCOUVER: Although ballast water discharges from ocean-going ships remain a problem in some ports around the world, Port Vancouver's preventative Ballast Water Exchange Program continues to function effectively in Vancouver.

As of January 1, 1998, vessels destined to arrive at Port Vancouver in ballast condition have been required to carry out mid-ocean ballast water exchange prior to entering Canadian waters. Vancouver was the first Canadian port to make such mid-ocean deballasting mandatory.

We have been very pleased with industry's cooperation to meet our requirement which is essentially preventative in nature to minimize the potential of introducing non-indigenous species into Canadian waters, said Norman Stark, Vancouver Port Authority

Message from the Canal Administrator on the Canal's First Nine Months Under Panamanian Administration

NINE months passed since the historic transfer of the Panama Canal to Panama on December 31, 1999, in accordance with the Torrijos-Carter Treaties of 1977. As the Canal prepares to begin its new fiscal year on October 1, 2000, I would like to take this opportunity to reflect on the accomplishments of the past year and share my views on the future. The transfer of the Canal was a historic, emotional and long awaited milestone for the Panamanian people. As promised, the process was seamless. Nevertheless, there was some lingering national and international speculation about the future of the waterway. We are very pleased that Canal customers and industry leaders are now openly expressing their satisfaction that the Canal has continued operating efficiently and safely, supported by a highly skilled and well trained work force, just as it has in the past. More importantly, they have tremendous confidence in the future success of the waterway. An important element in the transfer process was to restructure the Canal organization into a businesslike entity, with a strong focus on customer satisfaction and service. Although we have made excellent progress we continue to examine our organizational structure, work methods and available technology



to improve our performance. We have also made changes to comply with the new organic law that governs the operation of the Canal. The new law requires that the Canal be profitable and generate a benefit to the country. Additionally, we established an Advisory Board comprised of prestigious international industry leaders to provide advice to our Board of Directors.

To ensure that the Canal would be prepared to meet the demands for the new millennium I ordered a thorough review of all projects designed to modernize and increase Canal capacity. The most important project was the widening of Gaillard Cut, initiated in 1992 with a scheduled completion date of 20 years. Shortly after my appointment as Canal Administrator in 1996, we compressed the completion date to ten years. We are now expecting to complete that project a year earlier than our revised projection. The widening of Gaillard Cut will allow virtually unrestricted two-way transit of Panamax vessels, the largest vessels, the Canal can presently handle, and increase Canal capacity by about 20 percent. Other achievements include purchase of new electric towing locomotives, replacement of locomotive tow track, upgraded equipment and machinery at the locks, new floating equipment such as tugs and launches, and the installation of a new state-of-art vessel traffic management system. Our well planned maintenance programs ensure the continuous operation of the Canal 24 hours per day, every day of the year.

Operationally, since the transfer of the Canal to Panama, 9,307 vessels have transited the waterway, generating tolls revenues of slightly more than \$428 million. Panamax vessels represented 35 percent of all oceangoing transits. Grains remain as the leading commodity passing through the Canal, followed by the growing container trade. Water is the key natural ingredient that keeps the Canal functioning. Current and future Canal capacity enhancements will place greater demands on existing reservoirs. To address this concern Panama's legislature passed a law giving the Canal the authority to expand and manage its watershed. The new boundaries for the watershed will allow the Canal to develop water resources capable of supplying ten times the amount of usable fresh water that we have today.

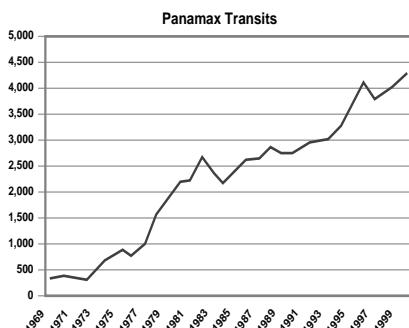
The future presents many challenges for the Canal and the global transportation system. The expanding use of the Internet and e-commerce are reshaping the business landscape. Goods must be delivered sooner and at the lowest cost.

Globalization and changes in trade relationships are shifting trade sources and destinations. Key ports around the world are being privatized and improved to handle mega vessels and move more cargo in less time. The demand for Post-panamax new buildings is greater than originally anticipated. These factors are placing increasing pressure on every element in the transportation network. To respond, the Canal basically has two choices. We can squeeze the last ounce of efficiency out of the existing Canal, or we can move to a new level with an expanded waterway capable of handling greater trade volumes. The Canal has chosen to prepare a conceptual plan for the expansion of the waterway. After this process has been completed the final decision will rest with the people of Panama.

Every Panamanian has a right to feel extremely proud of the successes enjoyed under Panamanian administration. Although many perceive that the transition was over upon transfer of the Canal, in reality it is just beginning. There is a lot of work that remains to be done, but we are well prepared for the challenge.

Panamax Vessel Transits Continue Growing

TRANSITS by Panamax vessels, the largest vessels that can transit the Panama Canal with beam dimensions of 100 feet and over, rose 3.5 percent to 4,012 transits during the October to August period of fiscal year 2000 compared to the 3,878 transits recorded during the same period in fiscal 1999. Sustained growth of Panamax vessel transits in the Canal started in the early 1970's when they accounted for about 300 transits or 2.0 percent of the total oceangoing transits. Today, Panamax vessels share about 35.0 percent of total oceangoing transits and carry over 62 percent of total cargo



transported through the waterway. Dry bulk carriers share almost 34.7 percent of total Panamax transits, followed by containerships that account for 25.1 percent. Transit growth for containerships has been consistently positive, averaging 6.7 percent per year in the last 4 years. On the other hand, transits by Panamax dry-bulk carriers has had ups and downs; transit growth for this category has reported rates between 54.1 percent and 90.7 percent, a reflection of market volatility corresponding to major commodity trades. The increased proportion of transits by large vessels intensifies the usage of Canal resources. Therefore, Canal authorities are undertaking studies to further enhance Canal capacity, given the pattern of increased vessel size.

Traffic forecast for the Canal up to 2050

A meeting was held with Richardson Lawrie & Associates, after they were awarded a contract to develop a forecast of Canal traffic to be used for the Canal expansion studies. This forecast will be independent of those performed in-house and they will also serve to validate those done by the Canal's Marketing Division. The contracted study includes patterns of world trade by market segment analyses and a quantitative and qualitative approach to determining expected Canal traffic under the constrained, unconstrained and expanded scenarios for the Canal capacity. Several years ago, Richardson Lawrie & Associates performed studies and forecasts for the tripartite committee comprised of representatives from Panama, the United States and Japan that was studying Canal Alternatives.

Ports Handle Lion's Share of Southeast Asian Market

DID you know the ports of Los Angeles and Long Beach account for 53.6% of the entire U.S. trade with Southeast Asia? According to the Port's Planning and Research Division, information from the Port Import Export Reporting Service shows that the San Pedro Bay's market share of trade with Indonesia, Malaysia, the Philippines, Singapore and Thailand increased from 50.9% in

January-June 1999 to 53.6% for the comparable period in 2000 for a net market share gain of 2.7%. Los Angeles and Long Beach captured 77% or 64,000 TEUs (twenty-foot equivalent units) of the increased trade of 84,000 TEUs in the period.

First-of-its Kind Propane Equipment Introduced At Port

MOVING cargo around the Port of Los Angeles recently got greener and cleaner as five new liquid petroleum gas (LPG, also known as propane) yard hustlers were officially launched into service at the Evergreen America Corp. container terminal operated by Marine Terminals Corp. (MTC).

The low-emission yard hustlers, capable of moving 55,000 pounds of cargo around the terminal and to or from nearby railyards, are an unusual application of off-road, alternative fuel technology. They are the first of its kind for any port in the nation, setting an excellent example for the rest of the industry as it is faced with increasingly stringent air quality regulations.

MTC is the first company in California to purchase the clean fuel technology through the State's Carl Moyer Memorial Air Quality Standards Attainment Program. Administered by the South Coast Air Quality Management District, this program provides financial incentives for owners and operators of heavy-duty diesel equipment to reduce emissions. The fund pays for the additional cost of an alternative fuel engine compared to a traditional diesel engine, which in the case of MTC was an additional \$11,000 for each yard hustler. In total, each yard hustler costs \$70,000, including assistance from the Moyer fund.

With 1500 to 2400 container moves made per day on the terminal, the benefits of using propane are considered a giant step for the industry in helping to move cargo in an environmentally friendly way.

"Marine Terminals Corp. is committed to being at the forefront in the use of technology on the waterfront," said Capt. John McNeill, MTC vice president-operations. "We are committed to investigating and trying new methods of creating a better environment while increasing productivity. This is especially true when it comes to the health

of our employees and the community. We are excited about these new machines, our partnership with the Port and all the fine companies involved in this clean air venture."

Port of Los Angeles Executive Director Larry Keller said, "In today's world, we must balance the needs of business development with environmental responsibility. We are extremely pleased that MTC is helping us to maintain that critical balance. What they are doing today will definitely make a difference tomorrow."

Michael Kenny, California Air Resources Board executive officer, said, "The air Resources Board applauds Marine Terminals Corp. for its decision to use clean-running LPG to power its yard hustlers. The State of California's Carl Moyer Program was designed specifically to help businesses convert to cleaner-operating equipment and away from vehicles that burn high-polluting, toxic diesel fuel."

Partners in this clean air venture include White Oak, Texas-based Magnum Terminal Tractors, chassis manufacturer; Houston-based Cummins Southern Plains, Inc., responsible for modifying the engine; Gardena, Calif.-based Mutual Propane, instrumental in assisting MTC with its application for the Carl Moyer Program funding; and London-based BP Amoco, propane supplier.

Container Cargo Volume Up 6 Percent For Fiscal Year

PACED by equally strong export and import gains, shipping terminals at the Port of Long Beach handled a record 4,564,429 20-foot-long container units in the fiscal year from October 1999 through September 2000, an increase of 6.1 percent over the 1998-99 fiscal year's record-setting total.

With Asian economies on the mend, exports climbed 7.4 percent-the biggest gain in five years. Exports increased with nearly all countries of the Far East, led by Japan, South Korea, China, and Taiwan. Imports increased 7.5 percent, reflecting the continued strength in the U.S. economy. The number of empty containers, nearly all headed back to be refilled with cargo in Asia, increased 2.1 percent.

From month to month, however, cargo volumes varied greatly during the last 12 months. After record-breaking month in August, the container cargo total fell in September to 387,593 20-foot equivalent units (TEUs). The September total is among the 10 best monthly totals ever for the port. But this September's total was a 3.8 percent decline from the September 1999 total-the top month for all of last year.

"It's not unusual for our numbers to fluctuate," said Don Wylie, the port's director of maritime services. "We're still having a very strong year, and the cargo continues to move smoothly."

In September, the number of import

Port of Long Beach Container Traffic (TEUs*)

	LOADED		TOTAL LOADED	TOTAL EMPTIES	TOTAL CONTAINERS
	Inbound	Outbound			
Sep-00	208,880	80,875	289,755	97,838	387,593
Sep-99	219,080	82,308	301,32	101,32	402,710
%Change	-4.7%	-1.7%	-3.9%	-3.4%	-3.8%
Oct-99	204,242	84,349	288,591	107,829	396,420
Nov-99	209,444	91,201	300,645	96,656	397,301
Dec-99	185,572	86,697	272,269	92,971	365,240
Jan-00	178,672	80,091	258,763	80,380	339,143
Feb-00	177,362	81,893	259,255	75,961	335,216
Mar-00	178,489	97,871	276,360	74,404	350,764
Apr-00	200,724	91,014	291,738	74,727	366,465
May-00	218,016	97,770	315,786	90,986	406,772
Jun-00	203,004	83,305	286,309	88,586	374,895
Jul-00	224,865	86,874	311,739	98,240	409,979
Aug-00	236,969	86,012	322,981	111,760	434,741
Sep-00	208,880	80,875	289,755	97,838	387,593
Oct99-Sep00	2,426,239	1,047,952	3,474,191	1,090,338	4,564,529
Oct98-Sep99	2,257,704	975,963	3,233,667	1,068,103	4,301,770
%change	7.5%	7.4%	7.4%	2.1%	6.1%

*TEUs:20-foot equivalent units or 20-foot-long cargo container

containers declined to 208,880 TEUs, a 4.7 percent drop from September 1999. September, however, was the sixth consecutive month that imports had topped the 200,000-TEU level. For all of last year, only five months topped the 200,000-TEU level. Exports declined 1.7 percent to 80,875 TEUs.

Hanjin Agrees To \$1 Billion Lease For Long Beach's Largest Container Terminal

HANJIN Shipping Co. of South Korea, one of the world's leading shipping lines, has agreed to a long-term lease for the use of the Port of Long Beach's largest container terminal, a 375-acre project under construction at the site of the former Long Beach Naval Station and Naval Shipyard.

The massive scale of the project mirrors skyrocketing growth in Pacific Rim trade. The new cargo terminal will be the size of 280 football fields, or more than twice as big as Hanjin's existing, 170-acre facility in Long Beach-which is already the port's largest and only three years old.

The project is a major investment for Hanjin and Long Beach. Hanjin will pay the port a minimum of \$42 million a year for the Terminal Island facility, or more than \$1 billion during the 25 years of lease. The port is spending \$500 million to develop the "Pier T" terminal. Although a government agency, the port is not supported by tax dollars.

The project is a major economic boost for the region, employing thousands of temporary construction workers, and eventually 600 permanent terminal management and union workers.

The lease signing by Hanjin follows months of negotiations. Hanjin and port officials signed a letter of intent in March. The Long Beach Board of Harbor Commissioners' Development Committee is scheduled to act on the lease at its meeting Monday, Oct. 30.

"This is a milestone for Long Beach and Hanjin," said port Executive Director Richard D. Steinke. This is the first in a series of mega-terminal projects that we are planning over the next decade to expand the port and to keep pace with growing international trade.

"This lease underscores Hanjin's remarkable success during the past decade and its high expectations for the future."

Hanjin was founded 23 years ago,

and began calling at the port in 1979. It moved into its first dedicated Long Beach terminal in 1991, a 57-acre facility on Pier C. In 1997, the Korean shipping line moved into its 170-acre facility on Pier A. Last year, the Hanjin terminal was the first in Long Beach to handle the equivalent of 1 million container units or about one-quarter of all of the port's container cargo.

"We have had tremendous success in Long Beach and look forward to maintaining our very close relationship with the port and the City of Long Beach," said N.U.Park, executive vice president and managing director of Hanjin's American operations. "We are excited about working with the port on another major container terminal project-one that will be among the world's largest."

Under terms of the agreement, the port will build a state-of-the-art facility that includes 5,000 lineal feet of wharf, at least 50-foot water depths, a 30-lane truck gate complex, electrical plugs for 1,200 refrigerated containers, a dock-side rail yard, and 12 to 16 "post-Panamax" sized cranes capable of

unloading ships too wide for the 106-foot Panama Canal.

Construction of the new terminal has been underway since 1998, when the Navy transferred use of the complex to the port. The port has already cleared structures from more than 200 acres. Demolition for the final 175 acres is underway. Underground utilities, light poles and half-depth paving have been completed for 200 acres. The first 2,400 feet of the concrete wharf is completed, and construction of another 1,300 feet is underway. A contract for the final 1,300 feet of wharf will be awarded next summer.

With the signing of the lease, the port will seek bids and award contracts for the gate complex, the completion of paving and utilities, and construction of buildings.

All phases of construction should be completed during 2003.

After Hanjin moves to Pier T, its Pier A terminal will be leased to another shipping line. Other lines calling at the port have expressed interest in leasing the site.

Port Authority to Provide Real-Time Shipping Information to Port Customers Via the Web

REAL-TIME information of ship arrivals, the status of arriving cargo, and highway traffic in the vicinity of the New York/New Jersey ports will soon be available on a new Port Authority Web site-www.firstnynj.com-that's the first of its kind in the country.

The Port Authority has awarded a \$1.9-million contract to Americas Systems Inc. (ASI) of Murray Hill, N.J., to develop and implement the new systems, to be called Freight Information Real-time System for Transport, or FIRST. ASI has a 12-year record of success in providing business solutions to the transportation and logistics industry.

Information available on the Web site will be integrated from numerous sources to provide ocean carriers, exporters, importers, foreign freight forwarders, customs brokers, terminal operators and rail and truck providers with "one-stop shopping" for data required to make decisions about cargo pickup and delivery.

For example, a trucking company can use the system to find out the status of

a cargo container waiting to be picked up at the port. By verifying first that the container is in and has been released for pick up, the trucker can avoid an unnecessary trip to the port. Additionally, truckers can notify terminals of their impending arrival, which can expedite processing time at the port.

The system is being developed with input from all sectors of the port community, and it has received funding and support for the project as an Intelligent Transportation System initiative from the I-95 Corridor Coalition, a regional partnership of transportation agencies along the I-95 Corridor from Maine to Virginia.

"This new system will provide the optimum customer service to our port tenants, the port community, and to the thousands of truckers who use this port each day," said Richard M.Larrabee, the Port Authority's Director of Port Commerce. "For the first time, our port tenants and the truckers who serve them will be able to obtain real-time information on the status of cargo shipments, individual containers, ship schedules, and highway traffic conditions.

"Truckers also will have access to live camera views of port traffic condi-

tions to check on traffic congestion, and can obtain directions on how to get to any of our terminals," Mr. Larrabee said. "This will facilitate the safe, efficient and seamless movement of freight throughout the New York-New Jersey region."

Steven Bushey, ASI President, said, "We are pleased and proud to be awarded this project. We see it as a natural fit. Our company was founded on the expertise of information systems management professionals who were instrumental in developing standard-setting tools for the international transportation sector. "We are familiar with both the nuances inherent in the business of international trade and the dynamics of seamless information flow," Mr. Bushey said. "ASI develops applications designed to expedite commerce, and we see this project as an opportunity to bring significant improvement to the cargo flow in this great port."

Cargo Continues Strong Gains in Port of NY/NJ

THE Port of New York and New Jersey continues to capture market share and to set new records for cargo handled-as lower costs, improved productivity and a strong economy are yielding a fourth consecutive year of gains for the bistate port.

"By every indicator, the gains are impressive," Port Authority Chairman Lewis M. Eisenberg said, following the agency's release of cargo statistics for the first half of 2000. "They demonstrate that our forecasts for the port are, if anything, conservative, and underscore the importance of moving ahead aggressively with a regional port modernization and capacity expansion program."

Port Authority Executive Director Robert E. Boyle said, "Ocean cargo traffic in the Port of New York and New Jersey continued to surge in the first half of 2000, with gains in both absolute numbers and market share. These numbers show that the Port of New York and New Jersey is continuing to increase its dominance among East Coast ports."

In releasing the report, Port Authority Director of Port Commerce Richard M. Larrabee cited the following results: the port handled more than 1 million containers in the first six months, an increase of 7 percent over the same period in 1999; New York/New Jersey's

share of the North Atlantic market continued its rise, growing a full point from 57 percent in the first half of 1999, to 58 percent this year; general cargo tonnage also rose sharply in the first half - about 8.9 million metric tons up 10 percent over the first half of 1999; and the port's largest volume trading partners-Europe, Latin America, the Far East and the Mediterranean-displayed strong volume and market share growth during the first half of 2000.

Mr. Larrabee said, "This impressive growth shows that the maritime industry worldwide has recognized the advantages of shipping through this port - lower costs, a skilled, highly productive labor force, cutting-edge marine terminals, and immediate access to the largest consumer market in North America-some 80 million people.

"The impacts of these statistics go beyond the actual numbers," Mr. Larrabee said. "The Port contributes \$20 billion annually to the regional economy, and this type of growth means more jobs and more economic activity in the region. In fact, because of the level of activity we're seeing in the port, nearly 500 new International Longshoremen were hired this year-the first new hires in decades-to accommodate the demand we are seeing."

General cargo imports increased by 12 percent to 6.5 million metric tons, while exports rose by 4.5 percent to 2.3 million metric tons. Containerized cargo imports rose by 12.9 percent to 722,000 containers (as measured in TEU's or 20-foot-equivalent units), while containerized exports fell by 4.5 percent to about 320,000 containers. Total bulk cargo volume increased by 4.6 percent compared to the first half of 1999. Bulk import volume increased 5.4 percent to 21.6 million tons. Bulk export volume declined by 17 percent to 634,000 tons.

The port continued to be the nation's leading automobile port in the first half of 2000, handling nearly 277,000 units-an increase of 21.8 percent over the same period last year. U.S. market share grew to 15.4 percent.

The top five countries for general cargo imports were Italy, China, Germany, Japan and France. The top import commodities were beverages, vehicles, machinery, plastics and preserved food.

The top five countries for general cargo exports from New York/New Jersey were China, South Korea, the United Kingdom, Thailand and Germany. Top export commodities were woodpulp, plastics, wood, machinery and paper/paperboard.

Port of Seattle Launches eBusiness Strategy

THE Port of Seattle is launching a five-year, \$20 million eBusiness strategy that, when fully implemented, will position Seattle as the world's foremost Port in providing eBusiness solutions to the diverse global businesses involved in international trade.

The Port Commission on Tuesday committed an initial investment of \$710,000 to perform a thorough assessment of its current technology infrastructure. Completing this first phase will be purchasing and implementing the software and hardware needed for increased transactions under the new eBusiness strategy.

"This investment in eBusiness means we will continue to give our customers the value added service that they have come to expect from the Port of Seattle," said Port of Seattle Commission President Jack Block.

Phase Two of this strategy consists of implementing eBusiness applications built upon the infrastructure developed through Phase One. These initial projects will equip Port staff to better serve customers and the community, and will include such examples as:

- An on-line registration and credit card payment system for boat moorage at Port marinas;
- Internal forms processing, such as payroll and expense reports;
- A web-based enhancement to the Port's property lease management system that provides closer links to the financial systems; and
- An on-line project management system to make large project tracking easier.

"The Port will use this new technology to streamline our business practices and provide for a more user-friendly Port, which will place us in a worldwide leadership role," Block said.

Phase Three is a three-year implementation and funding plan for eBusiness projects and applications. The scope of these projects will be developed during the first two phases, and they will continue to build upon the software/hardware platform developed earlier.

"At the end of this process, we hope that all internal and external processes involving the Port will be fully implemented and Web-based," said Port Executive Director Mic Dinsmore. "Virtually everything we do will be sub-

stantially enhanced with our new Business strategy.”

Dinsmore said the Port will soon

identify a strategic partner to accomplish its overall strategy.

Larnaca port were initiated. In December 1999 the terms of reference were published for the expression of interest for submission of tenders for the operation of Larnaca port as a passenger port within the framework of the study prepared by the Cyprus Development Bank.

In 1999, the Authority achieved an operating surplus of £4.6 million which is by 17.9% higher than that of 1998 (£3.9 million) and a net deficit of £4.9 million. The deficit is due to interest and expenses for long-term loans and losses in exchange rate differences for loans in foreign currency.

The fact that CPA always had an operating surplus despite high competition from neighbouring ports and the various problems it faces, confirms that the Authority is a healthy organization and can positively look forward to the future and that its financial problems relate only to liquidity due to the huge development programme recently completed at Limassol port, the cost of which has been totally undertaken by the Authority.

Costas Erotocritou
Chairman, Cyprus Ports Authority

CARGO TRAFFIC

In 1999 cargo traffic in our ports increased by 9% reaching 7.6 million metric tones as compared to 7 million metric tones in 1998.

The two multipurpose ports of Limassol and Larnaca handled in total 4 million metric tones as against 3.6 million the year before thus representing an increase of 11%.

The increase is mainly due to the enhanced number of containers with Cyprus export and transit cargo. Container traffic through Limassol and Larnaca ports reached 239,000 TEU's in 1998, representing an increase of 12%. Movement of general cargo in both ports

Africa/Europe



P&O Ports takes over ACT in Antwerp

THE British-Australian port group P&G Ports has signed an agreement in principle to take over Antwerp's largest general cargo terminal operator Antwerp Combined Terminals (ACT). Earlier in the year the group also took over a part of Katoen Natie/Seaport Terminals' activities. This makes P&O Ports the number three terminal operator at the Port of Antwerp, after Hessenatie and Noord Natie.

P&O Ports now controls five terminals behind the locks. The terminals acquired from Katoen Natie/Seaport Terminals - one container terminal at the Delwaide Dock and one specializing in conventional general cargo/breakbulk at the Churchill Dock-have since been modernised.

Three of ACT's terminals-with a total quay length of 3.2 km-have been taken over. Two of them extend alongside the Sixth Harbour Dock up as far as the Hansa Dock. Part of it is used for handling containers, while part is reserved for conventional general cargo/breakbulk traffic. The third terminal is located at the Churchill Dock and can handle both containers and general cargo/breakbulk.

Furthermore, in June of this year the group-together with P&ONL and Logport (Port of Duisburg)-was granted a concession to run a container terminal in the future tidal dock on the Left Bank. This installation will become partially operational in the middle of the year 2003.

Cyprus reports and expects positive port industry results

THE year under consideration was a period during which the port industry recovered as all port performance indicators improved. The recovery followed the negative course of the Cyprus ports during 1998 and it marks the beginning of more positive results in the port industry for the future.



The overall increase (12%) in container traffic and especially of full containers in transit, which rose considerably, was very encouraging.

Passenger traffic also followed an upward trend during 1999, recording an increase of 13% as compared to 1998. The increase was attributed to the arrival of cruise passengers from Greece, Israel and Northern Europe as well as to the increased movement of cruise passengers from Cyprus to Israel, Egypt and the Greek Islands.

During the year under review, the procedures for the change of the use of



dropped by 4% to 629,000 metric tonnes as against 656,000 in 1998. The use of containers for the handling of Cyprus cargo and cargo in transit increased to 71% and 97% respectively as against 67% and 94% in 1998.

During the year under review, the two ports handled 696,448 metric tonnes of dry bulk cargo of agricultural origin (grain and soya). Other dry bulk cargo (minerals, earth and scrap iron) totaled 212,949 metric tonnes.

Cargo traffic through the oil terminals of the island recorded an increase of about 9%, totaling 2,899,000 metric tonnes as against 2,659,000 in 1998. Oil imports through Larnaca Oil Terminal rose by 9% and coastal deliveries and direct imports at Moni and Dhekelia Oil Terminals which cater for the island's power stations, increased by 9.5% reaching 866,000 metric tonnes.

Cargo traffic at Vassiliko port rose by 5% reaching 796,000 metric tonnes, as compared to 759,000 metric tonnes in 1998. This traffic mainly consists of exports of cement/clinker as well as imports of coal, oil and raw materials.

SHIPPING TRAFFIC

Shipping traffic in 1999 recorded a slight increase as compared to 1998. During the year under review 4,860 ships with a combined net registered tonnage of 18 million called at Cyprus ports, as against 4,475 ships with a combined net registered tonnage of 15.9 million in 1998, representing an increase of 8.5% and 12.6% respectively.

Compared with 1998 the transportation capacity of ships increased by 4%. The trend recorded during the past years for arrival of bigger container and passenger ships continued during the year under review. These two categories of ships account for 45% of shipping traffic

during 1999 as compared to 47% during 1998.

PASSENGER TRAFFIC

The upward trend of passenger traffic recorded during the past years continued in 1999, despite a decrease in the number of international cruise liners which called at Cyprus ports as well as in the number of short-term visitors on board these liners.

During the year under review the international cruise liners berthed in our ports dropped to 34 from 50 in 1998 and carried 147,000 visitors as against 199,000 in 1998.

However, the overall passenger traffic in 1999 rose by 13% as compared to 1998, totaling 825,000 passengers as against 731,000 of the previous year. The rise was due to the increasing preference of Cypriots and foreign excursionists for cruises to Israel, Egypt and the Greek Islands, which are operating from our ports regularly throughout the year.

During 1999, 13 cruise ships conducted 838 mini cruises to Israel, Egypt and the Greek Islands, carrying 678,500 passengers as compared to 509,000 in 1998 (33.3% increase).

In 1999 some 99% of the total passenger traffic (820,100 passengers) was handled by Limassol port, while the remaining 1% (5,800 passengers) was handled by Larnaca port.

The Port of Helsinki's traffic hits a record high

THE volume of traffic passing through the Port of Helsinki has grown by leaps and bounds in 2000. The volume of unitized cargo traffic has grown by 15 per cent compared with the first eight months of the previous year. In the January-August period the volume amounted to 5.7 million tonnes. Imports have grown by 10 per cent and exports by 20 per cent. During the last twelve months, unitized cargo traffic hit a record figure of 8.5 million tonnes. The surge in transit has increased imports of unitized cargo. The transit volume has more than doubled compared with the previous year, while Finland's imports of unitized cargo have increased by four per cent.

At the same time exports have increased manifold in relation to the growth of other Finnish ports. In particular, the volume of goods transported in containers has increased strongly. In the case of unitized cargo traffic, the

Port of Helsinki's market share of imports in the January-August period was 40 per cent and its share of exports was 17 per cent.

The number of passengers has also grown. This year, as many as 6.5 million passengers have passed through Helsinki, which is about three per cent more than last year. Traffic to both Tallinn and Stockholm has increased.

First straddle carriers for Ceres Paragon terminal arrive in Amsterdam

THE first six of a total of 39 straddle carriers ordered for the new Ceres Paragon container terminal have arrived in Amsterdam.

The 13 meter high machines will perform the transport of containers between the vessel and the storage area, where the straddle carriers can stack the containers 3 high. The straddle carriers will also be used for the loading and discharge of trucks. Supplier of the machines is the Rotterdam based company Nelcon.

The Ceres Paragon terminal will be operational by mid-2001. This will be the first container terminal in the world where the latest generation of container vessels can be worked simultaneously from both sides by up to nine cranes. The construction works for the terminal, with an annual capacity of 950,000 TEU, are progressing rapidly and are on schedule.

The first six straddle carriers were delivered early because they will be used for the training of personnel of the new Amsterdam container terminal.

Dr. van den Heuvel, IAPH Exco, Honoured

Dr. Godfried C.G. van den Heuvel (62), Executive Director of Amsterdam Port Authority, was made a Knight of the Order of Oranje-Nassau. He



received his insignia from Minister T. Netelenbos of Transport, Public Works and Water Management during the Amsterdam port congress on Friday, 25 August 2000. Mr. Van den Heuvel's honour rewards his major contribution to the growth of Amsterdam Port and his social commitment as mayor of Lith and

Borsele. Van den Heuvel bids farewell as Executive Director of Amsterdam Port Authority on 1 September. He remains as a consultant.

Van den Heuvel's enthusiastic and expert contribution during the past ten years was a vital factor in the development of the port, which certainly added to its strong position on today's market.

From its origin as a shipping port, Amsterdam has matured into a port of industry, offering both goods transshipment and processing. The Amsterdam port region is essential to the economy and employment. Employing a workforce of 37,000 in direct maritime employment, its added value totals NLG 8.4 billion. The past few years saw vigorous growth in goods transshipment and company relocations in the port region, while many infrastructure-related works were recently started or completed including the new state-of-the-art container terminal, a new cruise terminal and Afrikahaven-further strengthening the competitiveness of the port.

Van den Heuvel was a key broker in partnerships in the Amsterdam port region. His initiative fuelled the Central

Maritime Management collaboration, realizing one-stop shopping for shipping. Van den Heuvel also invested best efforts in formulating a vision on the port region's future development, resulting in the North Sea Canal Area Master Plan, the foundation for administrative developments within the region.

As the mayor of Lith in 1970-1978, Van den Heuvel was instrumental in setting up surrogate family homes for the mentally handicapped. He also initiated the creation of one of Brabant's largest nature parks de Maashorst.

This concern for the environment was continued in the province of Zeeland. As mayor of Borsele in 1978-1989 he ensured that the flocks of sheep returned to dike land areas. He was also confronted with the concerns of the community about nuclear power stations.

In Zeeland he took on the role of provincial initiator, as co-founder and chairman of the province's broadcasting company Omroep Zeeland, vice-chairman of Vlissingen's port authority, chairman of the Zeeland development company and vice-chairman of Zeeland's institute for foreign investment.

event of an oil spillage.

Oil booms on all vessels

Fifty metres of oil booms are now carried by every one of the 25-plus bunker boats that use Göteborg as their base. The booms have already been put to work minimizing the effect of oil spillages.

Other components with 'Green Card' status are training, hose pressure tests and the regular inspection of hardware and mooring instructions.

Pit stop Göteborg

The Port of Göteborg is not just a bunkering center for vessels using the port itself. More than 50 per cent of the over one million tonnes of bunkers involved are lightered to vessels off Göteborg, many of them coming from or heading for the Baltic.

Vapour Recovery Units installed in Göteborg's oil port

THREE Vapour Recovery Units are now being installed at Göteborg's Skarvik oil harbour, following the delivery of the units earlier this week. When operational later this year, the VRU will improve local air environment conditions considerably.

The Vapour Recovery Units are being installed to recycle petrol fumes into liquid petrol. When loading petrol onto tanker vessels, fumes develop in the tanks of the ships, fumes that until now have been emitted into the air.

Returned to liquid form

With the three VRUs, the fumes will be taken ashore and treated through activated carbon, transforming it into liquid form. It can then be entered into the system as petrol again.

The result will be cleaner air and better working conditions aboard the tanker vessels and in the oil port. It is being estimated that 400 tons of petrol will be recycled each year using this method.

Investment shared

The VRUs were built in Denmark by Cool Sorption A/S and delivered to Skarvik oil harbour by barge and floating crane. The investment of US\$6 million is shared by Port of Göteborg and the Shell and Preem refineries at Göteborg. There is a 25-per-cent government environmental subsidy included.

Emissions halved

The 1,400 tons of hydrocarbon emitted by the activities at Göteborg's oil ports

All bunker vessels at Port of Göteborg have 'Green Cards'

ALL bunker vessels active at the Port of Göteborg now have a Green Card. This card indicates that the vessel is equipped and that the crew is trained to avoid or limit the effects of oil spillages resulting from bunkering.

The bunkering industry based at the Port of Göteborg has adopted a volun-

tary code of practice covering rules, routines and equipment availability to avoid oil spillage when transferring bunkers to ships at berth or off the port of Göteborg.

Initiated by the industry

All bunker companies and bunker vessels active in the area are now part of the 'Green bunkering' programme. This programme, initiated by the industry itself in 1998 and coordinated by the Port of Göteborg, involves documenting practice and stipulating alarm routines in the



Bunker vessels fill'em up at the Skandia container harbour at Göteborg. Bunkering has become an industry at Göteborg. Most of the bunkering is done away from the quays, outside the port.

in a year (according to the most recent investigation) will be reduced by nearly one-third when the VRU become operational later this year. Together with a sealing and tightening program for piping and tanks in the oil port recently completed, the VRU reduces the hydrocarbon emissions at the oil port by 50 per cent.

HRH the Princess Royal Inaugurates Humber International Terminal

ON Wednesday, October 4, Humber International Terminal (HIT) at Associated British Ports' (ABP) Port of Immingham was inaugurated by Her Royal Highness The Princess Royal.

Some 300 guests from around the world attended the ceremony, representing international shipping and trade, local and regional businesses and business organizations, the Immingham port community and the organizations involved in making this project a reality.

Sir Keith Stuart, Chairman of Associated British Ports Holdings PLC, welcomed Her Royal Highness The Princess Royal and commented:

"Towards the end of the 1990s, ABP decided that, to maintain and enhance Immingham's role in the future, a major investment was needed to enable the port to tap into the deep water of the Humber estuary. As a result, the first phase of Humber International Terminal is now operational, and can handle ships carrying cargoes of up to three times the capacity of those that can use the enclosed docks. Further extensions to this project in future years will, in due course, more than double the total capacity of the original enclosed port system.

"We are most honoured that Her Royal Highness agreed to inaugurate the new terminal. It is particularly pleasing that The Princess Royal, the great-granddaughter of King George V and Queen Mary, who opened Immingham Dock in 1912, should be present to mark the opening of this new development, which represents such a significant move forward for the Port of Immingham, and creates a springboard for this great port to face the challenges of the 21st Century."

Located on the UK's principal trading estuary - the Humber - HIT is one of the most important port facilities on the east

coast, offering the only deep-water multi-purpose terminal between the Thames and The Tees. The first phase, which was inaugurated by The Princess Royal, offers a 300 m long berth with water alongside dredged to 14.7 m. This enables HIT to accommodate vessels carrying up to 100,000 tonnes of cargo-the largest that can be handled on the Humber estuary. The berth is served by three mobile harbour cranes, extensive open storage and, initially, 10,000 sq m of general-purpose warehousing. Scope exists for additional storage and processing facilities on the first phase. Future phases of HIT will see the berth extended to a total of 520 m, the development of more than 50 ha with extensive covered storage, and deep-water roll-on/roll-off berths within a new outer harbour.

Bo Lerenius, Group Chief Executive, Associated British Ports Holdings PLC, said:

"Humber International Terminal enables customers not only to benefit from the economies of scale offered by using larger vessels, but also to capitalize on potential cost savings created by Immingham's unrivalled transport connections. The high level of interest shown by the international trade community in this project prior to its completion has been realized since HIT became operational in June 2000, with a number of customers already using the facility. We are proud of the new Humber International Terminal, and express our every confidence in its success, and its future."

Humber International Terminal (HIT) welcomed its first vessel on 10 June 2000. Some 84,000 tonnes of coal were imported on board m.v. Lemnos for use in power-generating stations located in the Aire and Trent Valley. A five-year agreement has been signed with Enron Coal Services Limited to import coal through the terminal.

Work to develop HIT began on site on 1 March 1999. The contract for construction of the jetty and embankment was handled by a joint venture of Edmund Nuttall Limited and HAM Dredging Limited, with a large proportion of the



Her Royal Highness The Princess Royal at the opening of Humber International Terminal at Associated British Ports' (ABP) Port of Immingham. (4 October 2000)

dredging activities subcontracted to ABP's own dredging division, UK Dredging. The contract for construction of a 10,000 sq m storage facility was awarded to Mowlems. A number of small works contracts was also awarded to render HIT fully operational, including agreements for area lighting, paving, a weighbridge and wheel-washing facilities. The entire project was completed six weeks ahead of schedule.

Dennis Dunn, ABP Port Director, Grimsby & Immingham, said:

"That the project was completed six weeks early is a testament to the considerable efforts of the ABP team, Edmund Nuttall and all the other contractors. We congratulate and thank them all for their dedication and professionalism, which have made HIT a reality."

The three mobile harbour cranes that serve the terminal were built by Mannesmann Demag Limited and were delivered in May 2000 in sections which were then erected on site. Each of the three HMK 280 multi-purpose cranes has a maximum lift capacity of 100 tonnes and a maximum operating radius of 50 m. They weigh 360 tonnes each and are ideal for handling the full range of cargoes including dry bulks, unitized forest products through to heavy project cargoes.

Associated British Ports is the UK's leading ports group, owning and operating 23 ports which handle a quarter of the country's seaborne trade.

Enquiries to: Margie Collins/Lyndsay Wright; Corporate Communications; Tel: (020) 7430 1177

Asia/Oceania



Boom TIME for Brisbane

It has been a year of exceptional achievements for the Port of Brisbane Corporation. According to Chief Executive Officer, Graham Mulligan, the Corporation has now well and truly broken the mould of the traditional Australian port authority, and, at the same time, has set new standards of excellence for the port industry in Australasia.



could introduce productivity gains to ensure appropriate performance standards. We have introduced various improvements, and the terminal is now operating at extremely competitive levels."

In further efforts to introduce productivity gains, the Corporation has developed a database of Key Performance Indicators (KPIs) to measure the efficiency of the port's service delivery. These KPIs were developed with the full cooperation of the port community who provide the Corporation with monthly information on their performance. Consequently, train and shipping delays have reduced, and crane rates and truck turn times have improved.

Reaching world's best practice

At the same time the Corporation has introduced world-class quality systems to ensure that it is positioned as Australia's preferred port.

"Where our customers have a choice, we want them to choose us not just because we make the best commercial

sense, but because they prefer to deal with us because of the way we do business," Mr Mulligan said.

"We have been progressively implementing an Environmental Management System developed to internationally recognised standards, and, in May we became the first port in Australasia to receive ISO 14001 accreditation, setting a new benchmark for the industry."

The Corporation is also leading the field in health and safety management. In February it was audited under the Det Norske Veritas (DNV) International Safety Rating System, and awarded a rating of Level 8 (out of 10); the highest rating ever achieved by a port in Australasia.

Thinking global

The Corporation has also broken new ground by establishing an International Port Services Division.

"In July, two of our environmental scientists went to Vietnam to assist the Port of Cai Lan in its proposed development adjacent to the World Heritage Listed area of Halong Bay. They assisted port staff to survey the environment, collect samples, and apply management techniques to ensure that their port may be developed and operated in a manner which is fully sensitive to the environment.

"This opportunity was on the back of several overseas consultancies for which we provided geotechnical and revegetation services. We are currently investigating various possibilities which will enable us to maximise the potential of our very marketable expertise and experience, especially in the field of environmentally sustainable port development."

Record trade

The Corporation's continuously improving performance as a world-class commercial entity has been mirrored by an excellent trade performance for the past financial year, despite fluctuating exchange rates, increasing oil prices and rising interest rates. Container trade increased by a record 21% to 432,616 teus, and total trade increased 11% to 23,048,798 tonnes, with imports rising by 12% to 12,454,282 tonnes and exports up almost 10% to 10,594,516 tonnes.

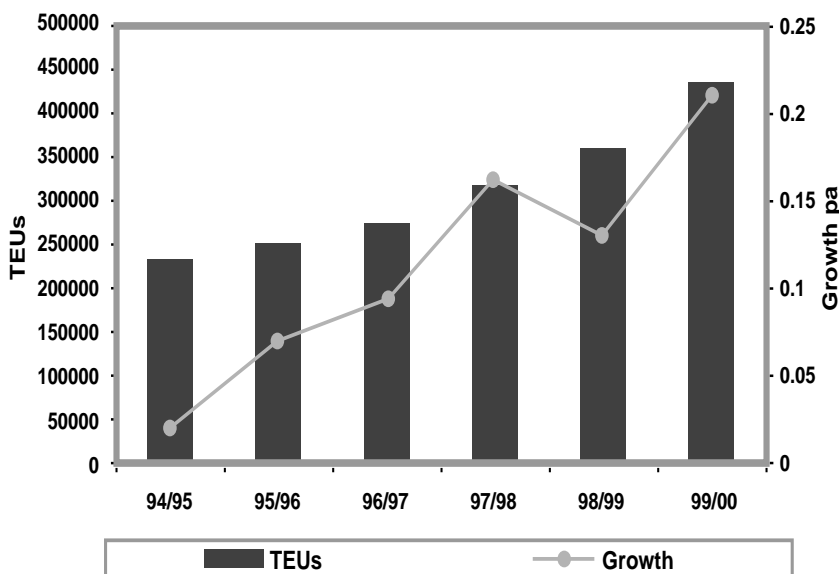
Mr Mulligan said, "The increase in our container trade has by far exceeded our forecasts. For the 1999/2000 year we had forecast 373,328, but we ended

Improved service delivery

"The Port of Brisbane was originally set up as a "landlord port." It is now a leading-edge commercial enterprise pursuing innovative strategies and forming tactical partnerships. This is because we were quick to realise that the best outcome for our customers was for us to maintain the competitive regime possible under the landlord port model, but at the same time to achieve closer integration between the various services operating in the port," Mr Mulligan said.

"For example, in November 1999 we took over management of the Brisbane Multimodal Terminal, confident that we

Container Trade 1994/1995 to 1999/2000



up tripling our projected increase.”

“Our share of the East Coast capital-city market has been climbing from 15.1% to 15.8%, and we now account for 25% of East Coast vehicle imports, and over 50% of Australia’s cotton and beef exports.”

“In addition, during 1999/2000, we leased 21.5 hectares of port land to a range of high-quality tenants, due to the very successful implementation of our Land Development Strategy.”

Port Botany Rail - Record Container Volumes

Monday, 7 August 2000

A record 190,000 TEU was moved by rail through Port Botany in the year to June. This represents a 35% increase in volume over the previous year and nearly 22% of all traffic moving to/from Botany. In 1995 only 79,000 TEU, 13% of total volume, moved by rail.

Part of the growth can be attributed to general volume growth through Sydney which has been 50% over five years but the modal shift is the result of an increasing awareness of the benefits that rail can offer both rural and metropolitan customers of the port.

Stevedores, rail operators, Rail Access Corporation, Sydney Ports Corporation and the Department of Transport have worked hard together over the past 12 months to coordinate rail activities, push for infrastructure investment and improve daily operations.

The Botany Rail Steering Group is a loose association of the above organizations chaired by Sydney Ports’ Senior Manager Logistics Simon Barney.

The key change at Botany has been the introduction of booked timeslots for individual rail operators called ‘windows’ at both CTAL (Container Terminals Australia Limited) and Patrick Stevedores.

“These windows both ensure schedule discipline from the rail operators but also gave a commitment from the terminal in terms of productivity,” said Mr. Barney.

Since last year four further initiatives have been taken which have improved the capacity of rail at Botany. These initiatives include:

- the joint funding of new track infrastructure at Port Botany by Rail Access Corporation and the Department of Transport;
- significant productivity improvements at both terminals through changes in operational practices;
- the introduction of coordinated windows between CTAL and Patricks which give the rail operators better utilization of their equipment; and
- Rail Access Corporation taking direct control of rail movements at the Botany Rail yard.

“Twelve months ago many people were questioning rail’s ability to deliver a reliable service for shipping customers. The cooperation demonstrated between all parties in the transport chain shows what can be achieved when people put their mind to it,” said Mr. Barney.

“Rail has the capacity to further expand at Botany and service reliability is now a strong selling point. The ports medium term target is for 30% of all containers to move by rail. Currently only 25% of total rail volume is import cargo and the challenge for the next 12 months is to increase this percentage.”

In addition to the current intermodal terminals at Camellia, Clyde, Cook’s

River, Leightonfield and Yennora, two new intermodal terminals will open this year, Minto in SW Sydney and St. Mary’s in Western Sydney. These will make rail a viable transport option for two important areas of Metropolitan Sydney.

The next challenge for Port Botany rail operations will be the Olympics. Preparations are fully advanced and, again, cooperation between the rail operators and Rail Access Corporation has given the best opportunity for normal rail cargo to be handled during the Olympics despite severely restricted access to the Metropolitan rail network.

It is forecast that rail volume at Botany for the next 12 months will be 250,000-300,000 TEU.

Botany Rail Steering Committee was formed to facilitate the growth in rail freight through Port Botany. Its members are Sydney Ports Corporation, Container Terminals of Australia Limited, Patrick the Australian Stevedore, Rail Access Corporation, key rail terminals and all rail operators working through Port Botany.

Evergreen Opens Three New Berths in Kaohsiung

Annual handling capacity expected to exceed 2 million 20-foot boxes

EVERGREEN Marine Corporation (EMC) opened three new berths at Container Terminal No. 5 in Kaohsiung Port to operation Friday, September 1, 2000, greatly boosting the carrier’s cargo handling capacity in its homeport.

Among the dignitaries invited to the inauguration ceremonies were Kaohsiung Mayor Frank Hsieh; Dr. Younger Wu, director-general of the



Ministry of Transportation and Communication; Oliver F L Yu, director of the Kaohsiung Harbor Bureau; Chung Hou-chen, director of the Kaohsiung Customs; and Loh Yao-fon, chairman of Uniglory Marine Corporation.

In addition to government officials and top executives of the company, shippers and those in business circles in southern Taiwan were also invited to attend the opening ceremony and the reception.

In appreciation of the port authorities' assistance in completing the construction work, S S Lin, chairman of Evergreen Marine Corporation who officiated at the inauguration ceremony, presented a plaque to the Kaohsiung Harbor Bureau during the event.

On May 12, 1997 EMC won a BOT (build-operate-transfer) bid to lease Berths 79, 80 and 81 at Container Terminal No.5.

First stage construction work was completed in May last year and Berth 79 was opened to shipping traffic ahead of schedule. The second stage construction, which covered the building of Berths 80 and 81, was completed in late August this year and is now open to business.

The three berths provide a total quay length of 815 meters and cover 401,866 square meters. Three large container-ships can be berthed simultaneously.

The container yard can accommodate 20,000TEU loaded containers and 5,500TEU empty containers. Warehousing facilities cover 9,000 square meters with a storage capacity of more than 10,000 cubic meters.

Evergreen's berths at Container Terminal No.5 are the best-equipped and most advanced privately-run public berths in the port. They are not only fully computerized for maximum efficiency in cargo handling operations but are also authorized for customs clearance self-management operation.

The berths are equipped with a total

of eight post-Panamax gantry cranes, 24 rail mounted gantry cranes and three empty container stackers. Eight towers provide lighting in the evening hours and there is a 2,000 kilowatt generator for back-up in case of power failure.

In addition, the Evergreen terminal also has an administrative building, a CFS yard, maintenance plant, gas station and miscellaneous other facilities to enable it to offer a comprehensive service to its customers.

Presently, Evergreen operates six dedicated berths in Kaohsiung Port including Berths 115,116 and 117 at Container Terminal No. 4 and Berths 79,80 and 81 at Container Terminal No.5.

It has been Evergreen's operational strategy and goal to offer one-stop transport service to its clients through investment in upstream and downstream businesses to cut operational costs and raise efficiency.

(Provided by EMC)

Kaohsiung's Container Terminal No.5 to Be Completed in December

IN order to accommodate more containers and bigger ships, Kaohsiung Harbor Bureau has been constructing Terminal No.5 in the Port of Kaohsiung and expects the construction to be finished in December this year. Terminal No.5 will add 3 million TEU to Kaohsiung's container handling capacity.

Terminal No.5 covers 109 hectares of land and its construction is divided into two stages. The first stage includes the construction of Berth 74 to Berth 77 invested and built by KHB. The second stage covers Berth 78 to Berth 81. The infrastructure (e.g., quayside) is invested and built by KHB, while the super-

structure (e.g., container yards and administrative buildings) is invested by shipping companies. Shipping lines also provide their own terminal equipment.

The first stage construction was finished in March 1999, and the construction of Berth78 to Berth 81 was finished in May 13,1999. The container yard and the equipment of Berth 78 were completed in December 1998 and are operated by Hanjin Shipping Corp. The container yards of Berth 79 to Berth 81 operated by Evergreen Marine Corp. began construction in January 1998 and finished in September 2000.

Kaohsiung's container handling capacity in 1999 reached 6,985,361 TEU. Terminal 5 will add another 3 million TEU to its capacity, which will allow Kaohsiung to handle 10 million TEU per year.

Cochin Port poised to be India's cruise destination

AT a meeting convened in the Port Trust regarding promotion of Cochin as a cruise destination, Dr. Jacob Thomas, IAS, Chairman, Cochin Port Trust, stated that Cochin Port is poised to be "the cruise destination" in the country and all out efforts are being made to ensure hassle free experience at Cochin for the passengers calling through cruise vessels. He further stated that Tourism Department, Government of Kerala, has been supporting Cochin Port Trust to project Port as a major cruise destination throughout the entire South East Asia.

Shri. Amitabh Kant, IAS, Secretary (Tourism), Government of Kerala, has assured that 50% of the cost of passenger terminal to be constructed in world class standard will be borne by Government of Kerala. He also assured that the Tourism Department will also be entering all the details of Cochin Port in their Website www.kerala-

tourism.org and working in close association with Cochin Port Trust for development of tourism through Cochin Port. Shri.A. Janardhana Rao, Dy.Chairman, Cochin Port Trust, Sri.K.S.Srinivas, IAS, Sub Collector, Fort Cochin, and representatives of Customs, Port Health Organisation, Port Registration Office, Archaeological Survey of India, Govt. of India Tourist Office, leading Five Star Hotels, and major tour operators have participated in the meeting.

Shri P. Rajendran, has taken over charge of Chief Mechanical Engineer (CME) of Cochin Port Trust, on 25th Sept 2000.

Record performance of container movement in Rajiv Gandhi Container Terminal of Cochin Trust in the vessel "ORIENT SPIRIT" berthed at Q9 on 4th August 2000. In the third shift, 279 moves per shift per vessel breaking the earlier record of 262 moves per shift per vessel during June 2000.

The report that appeared in a section of the Press to the effect that Port Trust is going slow in finalizing the tender on the work of Bridges linking Vypeen to Ernakulam, is factually not correct. The Bridges are an integral part of the Vallarpadam Transshipment Terminal the tender for which submitted by M/s. P&O Ports has been accepted by the Port Trust Board at its meeting held on 7th Sept.2000 and necessary approval of the Central Govt. has been sought.

Operator for the Nabeta Container Terminal Decided

THE Nagoya Port Terminal Public Corporation decided at its board meeting on August 8 that the Nabeta Container Terminal would be leased to a new company jointly established by 8 stevedoring and warehousing companies in Nagoya. This is the first case in Japan in which firms other than shipping lines have been officially designated as leaseholders of a newly-opened container terminal.

The Nabeta Container Terminal, which is scheduled to be put into operation in 2001, has 2 berths of 350 m each, with an area of 175,000 m² per berth and a water depth of 14 m. One of the 2 berths (T2) has been designed to be earthquake-resistant, with the expectation that it will serve as a distribution depot for emergency supplies in case of natural disaster.

Port Promotion Mission to India and China

IN early October this year, the Port of Nagoya, in corporation with the Nagoya Chamber of Commerce & Industry, sent a port promotion mission to India and China in order to enhance economic exchanges and promote port utilization. The mission comprised about 30 representatives from private and public organizations, each closely related to the activity of the Port of Nagoya.

India and China have recently drawn the world's attention with their growing economies powered by emerging

industries. As part of its itinerary, the mission held 2 receptions for local eco-



Mr. Takahashi, head of the Port Promotion Mission, receives a commemorative gift from Shri A. K. Mago, Chairman of Mumbai Port Trust.



Seminar on the Port of Nagoya in Shanghai

economic and industrial concerns, one in Bangalore, famous for its successful IT industry and known as the Asian Silicon Valley, and the other in Shanghai, commercial center for the growing Chinese economy.

Following the mission's visit to these countries, the Port of Nagoya envisages further improvements and mutual economic ties as a result of the valuable input it received at each city visited.

Star Cruises Makes Yokohama its Home Port

ASIA'S largest cruise company, the Singapore-based "Star Cruises" company, has chosen the Port of Yokohama as its terminal of departure for regular cruise service from eastern Japan. The company has expressed its intention to make the Port of Yokohama its home port by June 2002 at the latest.

The initiation of this regular service will coincide perfectly with the completion of the new Osambashi International Passenger Terminal and the 2002 FIFA World Cup, which will bring thousands of spectators from around the world.

Star Cruises is a relatively young company, established in 1993, but has expanded rapidly to become the largest cruise company in Asia and the 3rd largest cruise company in the world. It operates 9 cruise ships based in Asian



Cruising side by side: Super Star Virgo(front) and Super Star Leo

countries such as Hong Kong and Singapore, and four additional 90,000-110,000 ton passenger vessels currently in the planning/construction phase. It is a pioneer company in developing the demand for cruises among the people of Asia, offering light-hearted and enjoyable cruises targeting young people and families in particular.

Star Cruises currently offers services from the Japanese port of Kobe to Kyushu, Pusan, Chejudo, and Shanghai. Fares for this route are very reasonable in comparison to fares charged by Japanese cruise companies and it is expected that fares from the Port of Yokohama will be relatively reasonable as well.

The establishment of regular service by this innovative leader of the cruise industry is one more reason for passengers from around the world to come and experience the warm hospitality of the Port of Yokohama.

Port Klang shapes up as logistics hub

THE Malaysian government is now actively encouraging the setting up of international procurement centers to foster distribution activities especially at ports. This includes the offer of suitable fiscal incentives to investors and the Customs designation of special free zones areas where such activities could be carried out.

The national Economic Recovery Plan (1998) acknowledged the importance of the value-adding activities as part of the efforts to foster greater competitiveness of the Malaysian economy. The plan emphasized the need to promote the usage of the various free commercial zones in the country for value-adding and transshipment activities, especially for industries licensed under manufacturing warehouse and free industrial zones.

The move to encourage the development of international procurement centers and distribution activities forms an integral part of the government's policy to stem the outflow of foreign exchange payments. It is also seen that the role of the ports in the national economy would be further strengthened through the linkages created by the generation of cargo. The international procurement centers (IPCs) are allowed to be set up at designated free zones only. The free



zones offer an environment free from Customs documentation and duties. The designated areas for the development of IPCs to carry out distribution and logistics services in Port Klang are at the free zones in Westport and Northport.

A wide range of value-adding services are provided in addition to consolidation and storage functions by the IPCs in the distriparks at the Westport Distripark and at the Port Klang Distribution Park in Northport.

In an attempt to further enhance the role of distribution activities the government has allowed minor manufacturing activities to be carried out at the distriparks in the ports. This is in addition to break-bulking, sorting/grading, packing/repacking, labeling and packing activities in the free zones (This is provided for under the Free Zone Act 1990.)

Effective April 1998, all goods under schedules 2 and 3 of the Malaysian Customs Act have been exempted from approved permits when entering the free zones. Examples of goods classified under the two schedules include tobacco and vehicles. An important outcome of this, for instance, was the move by Philip Morris to initiate the rolling of blended tobacco into cigarettes by machines at the Westport Distripark in Port Klang for distribution to its plant in Seremban, about 100 km from Port Klang as well as for re-exports to regional markets.

The Westport Distripark, which has more than two million sq. ft. of space, has also attracted other companies to engage in value-adding activities, including the Swedish furniture-maker Ikea as well as several Japanese electrical products manufacturers, including Sony and Hitachi. The removal of the requirement for Customs-approved per-

mits for vehicles imported into the

free zones has also paved the way for reshipment of motor vehicles via local ports. This has paved the way for the development of the vehicle transit center at Westport facilitating the transshipment of imported vehicles to regional markets.

In addition to the Westport Distripark at Westport, the Port Klang Distribution Park, located in the free zone at Northport, also offers space to companies to carry out value-adding services. The Port Klang Distripark, which is located strategically between two container terminals in Northport at Port Klang, offers leased space to cargo consolidators to carry out a broad range of value adding services. PKDP and Westport Distribution Park are well linked by rail network.

The attraction of Port Klang for companies to set up the IPCs has also been fostered by the recent increase in the mainline shipping services. The three container terminals at Port Klang are visited by about 70 mainline operators which provide direct services to almost all major makers worldwide.

In addition, the pro-active business stance taken by Port Klang Authority by offering the "One-Stop Agency" services has also increased the attraction of Port Klang to companies keen to engage in distribution and logistics services. The trade facilitation provided under the Port Klang Community System (PKCS) with access to Electronic Funds Transfer also offers considerable benefits with prospects for savings in time and costs.

For more information, please contact:
Tel: 03-3168 8211

Strong container growth

PORTS of Auckland has started its new financial year with strong container growth, the Company's annual meeting was told today.

Chairman, Sir Richard Carter, said that with a 30% increase in after-tax profit, the Company had produced outstanding financial results in 1999-00 and was in a very strong competitive position.

"This has been borne out by the volumes and results for the first quarter of the new financial year. The general economic conditions have been flat, but the Company has seen solid growth in container volumes. As of this month, container volumes are 9% higher than for the same time last year," he said.

Breakbulk volumes, which were less significant because they represented one third of the Company's total volumes, had been weaker. This was mainly from an expected slowdown in vehicle imports.

Sir Richard said that P&O Nedlloyd's decision to retonnage and bring in bigger vessels on the New Zealand trade from 2002 would have a massive impact on the country's ports.

Chief Executive, Geoff Vazey, said bigger ships would lead to a need for deeper berths, additional container equipment and cargo-handling area. Auckland was on track to meet all those needs.

The Company's latest initiative to prepare for the arrival of larger vessels was a programme for the purchase of additional cranes. The Board had approved the purchase of two new post-Panamax cranes for Axis Fergusson-an investment of nearly \$20 million.

"The new cranes will be delivered in 2002, providing Axis Fergusson with four post-Panamax cranes. Post-Panamax cranes are wider and higher than the earlier generation of container gantry cranes, and are essential for the new generation of bigger vessels.

"Most importantly, the cranes allow for the significantly higher rates of productivity that shipping lines require for bigger vessels."

Ports of Auckland currently has seven container gantry cranes and a harbour mobile crane at its two container terminals-Axis Fergusson has five container cranes, two with post-Panamax capabilities, while Axis Bledisloe operates with two cranes, including one with post-Panamax capabilities.

Mr. Vazey said the Company's capital

spending programme over the next five years also included the \$100 million extension to Axis Fergusson. Some work had already started on the extension, and physical construction would start in earnest in 2002. It would take about four years to complete.

"Now that we have a definite arrival date for the first of the bigger vessels in 2002, we are able to go ahead with dredging work to deepen one of the existing Axis Fergusson berths."

In August, Sir Richard announced his intention to step down as Chairman of Ports of Auckland at the October annual meeting. He has been Chairman since November 1993.

Sir Richard told the meeting that Ports of Auckland had an impressive record of achievement since it was established in 1988.

"Today the Company handles twice as much cargo, with half the staff and much the same assets it had 10 years ago. The culture is one where people recognise the value of customer service.

"I pay a special tribute to the operational staff who have achieved tremendous improvement in productivity over the years. In 1989, the average turnaround time for a container vessel at our Axis Fergusson facility was 38.4 hours.

"Today it is about 17 hours and the number of containers handled per exchange has increased from about 250 to 500 in the same time.

"It is an impressive record by any international standard, and one that we are proud of.

"That improvement has come from the willingness of all staff to embrace ongoing change and operational improvement. Without their commitment and loyalty-plugging away in all weather conditions and at all times of the day and night to keep cargo and ships moving - the Company would not be where it is today.

"I would also like to acknowledge the achievements of management. From its inception, the Company set out to attract a new breed of managers. There was a deliberate attempt to attract people from outside the port and shipping business to bring in a fresh flow of ideas and management practices.

"These people have developed innovations that will be the basis for much of the Company's growth in the future."

In a special farewell address, John Maasland said that Sir Richard had won strong personal support and admiration from those who worked closely with him. Mr. Maasland is a Director of Infrastructure Auckland, which holds

80% of shares in Ports of Auckland, and Chairman of Wilson and Horton Holdings.

Much of Sir Richard's work at Ports of Auckland had inevitably been behind the scenes.

"The corporatisation of harbour boards was a huge step in itself, and we should not underestimate the challenges of bringing a commercial approach into the operation of ports.

"Stock Exchange listing brought a whole new range of requirements for the Company and Ports of Auckland was one of the pioneers in this area."

Mr Maasland said Sir Richard's major achievement in his time as Chairman at Ports of Auckland was the value created for shareholders, both large and small.

The new Chairman will be appointed by the Board of Directors at its next meeting, scheduled for 20 November 2000.

PSA Corporation Signs Terminal Management Contract for Muara Container Terminal

PSA Muara Container Terminal Sdn Bhd, a joint-venture company between Negara Brunei Darussalam's Archipelago Development Corporation Sdn Bhd and Singapore's PSA Corporation Limited (PSA), has signed a Terminal Management Contract with the Government of His Majesty, the Sultan and Yang Di-Pertuan of Negara Brunei Darussalam to manage, develop and operate Muara Container Terminal (MCT) for a period of 25 years, with an option to extend the contract by another 5 years. The historic contract was endorsed by Jaji Ibrahim bin Haji Ali, Director, Ports Department, Ministry of Communications, Negara Brunei Darussalam, and Haji Razali Bin Haji Johari, Deputy Chairman, PSA Muara Container Terminal Sdn Bhd/Managing Director, Archipelago Development Corporation Sdn Bhd, at a signing ceremony held in Negara Brunei Darussalam on 28 Oct. 2000. The signing was witnessed by YB Pehin Orang Kaya Amar Pahlawan Dato Seri Setia Awg Hj Zakaria bin Dato Mahawangsa Awg Hj Sulaiman, Minister of Communications, Negara Brunei Darussalam and Mr Khoo Teng Chye, Group President, PSA.

As the operator of the world's largest container terminal, PSA will share its vast experience and expertise in port

and container terminal operations with the workforce at Muara Container Terminal (MCT) with the aim of raising productivity and service levels at the terminal. PSA will also impact its advanced technologies and port management techniques to ensure that shipping lines calling at MCT enjoy the same level of world-class service that is offered at its container terminals in Singapore and overseas. MCT will enhance Muara's strategic position in East Asia to facilitate the terminal's development into a regional transshipment hub to serve the growing BIMPEAGA (Brunei, Indonesia, Malaysia, the Philippines and the East ASEAN Growth Area) region.

Haji Ibrahim bin Haji Ali, Director, Ports Department, Ministry of Communications, Negara Brunei Darussalam said, "Knowing the global achievements and involvement of PSA Corp. Ltd, I feel confident that PSA Muara will also be able to increase container throughput at Muara Container Terminal and eventually to make Muara Container Terminal as the hub-port for the Brunei Darussalam-Indonesia-Malaysia-the Philippines East Asia Growth Area. This will put Muara Port specifically and Brunei Darussalam generally to be part of the global network for the container market."

"Archipelago Development Corporation is privileged to be given the opportunity to contribute to the development of Muara Port into a maritime hub in this region and a gateway in BIMPEAGA," said **Haji Razali bin Haji Johari, Deputy Chairman, PSA Muara Container Terminal Sdn Bhd/Managing Director, Archipelago Development Corporation Sdn Bhd.**

"PSA is honoured to be given this opportunity by the Government of Brunei Darussalam to manage the Muara Container Terminal with our partner, Archipelago Development Corporation. We will commit our best efforts to realize Brunei's vision of transforming Muara Container Terminal into a maritime hub for the region," said **Mr. Khoo Teng Chye, Group President, PSA Corporation Limited.**

Muara Container Terminal (MCT) is located some 20 kilometres northeast off Bandar Seri Begawan. It has 250 metres of berth. This will be progressively extended to 580 metres. The terminal also has two Panamax quay cranes, two yard cranes and 5,000 square metres of optimal space for a modern container freight station. MCT currently handles about 60,000 TEUs (twenty-foot equivalent units) a year.

Archipelago Development Corporation (ADC) Sdn Bhd has been established since 1983 in Negara Brunei Darussalam to provide shipping and worldwide freight forwarding services. ADC is the first local company to provide transshipment of containers. ADC's fleet of ships connects Negara Brunei Darussalam to around 14 major ports in the region.

PSA Muara Container Terminal Sdn Bhd was first presented with the Letter of Award to develop and manage Muara Container Terminal (MCT) from the Government of Negara Brunei Darussalam in March 1999. The MCT project is the first major privatized project to be awarded by the Government of Negara Brunei Darussalam. The PSA Group is currently involved in 10 port projects in 7 countries worldwide. Besides Muara Container Terminal, PSA also has interests in Dalian Container Terminal and Fuzhou Container Terminal in China; Tuticorin Container Terminal and Pipavav Port in India; Voltri Terminal Europa and Venice Container Terminal in Italy; Aden Container Terminal in Yemen, Sines Container Terminal in Portugal and Incheon Container Terminal in Korea. In 1999, PSA Group handled 17.6 million TEUs which is about 9% of the world's throughput and about 30% of the world's total transshipment throughput.

PSA and APL achieve vessel rate over 200 boxes per hour second time in 2000

PSA Corporation achieved a vessel rate of 209 containers per hour for APL on 9 October 2000, during the call of the "APL Singapore" at Keppel Terminal. 2,219 containers were discharged and loaded from the "APL Singapore" during its port stay of just over 10 hours. This is the second time this year that PSA has scored a vessel rate of more than 200 containers an hour for APL. The first instance was on 23 March 2000, when the "APL Sardonyx" achieved a vessel rate of 210 containers per hour at Brani Terminal.

The "APL Singapore" arrived on 9 October at 3:20pm, several hours behind schedule due to bad weather. Through careful planning and close cooperation with APL officers, PSA was able to turn the "APL Singapore" around in less than half the time that it would have normally taken, thus allow-

ing her to catch-up on her schedule.

PSA has consistently delivered world-class service to shipping lines in Singapore and abroad. In the first 10 months of this year alone, PSA scored vessel rates of above 200 containers per hour on 8 occasions. Besides holding the world record for vessel rate (243 containers per hour), PSA has broken the 200 containers per hour barrier more frequently and for more shipping lines than any other terminal operator in the world.

Mr. Ng Chee Keong, Deputy Group President (Terminals), PSA Corporation Ltd, said, "We are proud to have been able to deliver results for our valued customer APL, and at the same time, achieve this record performance for their vessels. This is an example of the 'win-win' partnership that we have developed with our customers.

"When our customers request "catch-up" services, they know they can depend on us to deliver the speed and productivity levels required to get their ships back on schedule. We use our advanced IT to plan and execute the handling of containers to achieve seamless loading and discharging of containers. We are happy that our ability to value-add has made a difference to our customers for them to serve their customers even better."

Mr. Dave Sanborn, Vice-President (Asia), APL, said, "We would like to thank PSA's management and staff for their commitment and efforts towards continually improving productivity and reducing vessel turn-around time in Singapore".

As the world's largest transshipment hub, PSA provides every shipper with an unrivalled choice of more than 300 shipping lines, with connections to over 700 ports worldwide. Everyday, PSA offers customers a choice of 3 sailings to USA, 4 to Japan, 5 to Europe, 9 to Greater China, and 22 to South and Southeast Asia. PSA will continue to deliver the best results for customers to value-add and enhance their competitiveness, increase their efficiency, and reduce their operational cost.

Note: Vessel Productivity measures the efficiency of a container terminal. It refers to the number of containers which are loaded or discharged from a ship for each hour the ship is alongside the berth.