

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



THE Port of Cork and its magnificent scenic hinterland are rapidly growing in popularity with the world's major cruise lines. The sheltered deepwater harbour provides safe berthage for most cruise ships afloat while the picturesque south west of Ireland – Ireland's most popular tourist region – is a huge attraction for North American and European visitors alike. Related article on page 33.

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IAPH ANNOUNCEMENTS AND NEWS

Open Letter to IAPH Members

Welcoming You to Committee on Communications and Networking!

Dear colleagues,

Today globalization is a reality, and as most world trade involves maritime transport, the ports of the world are vital to the global economy.

Since this is the case, let's make the most of it. Let's work more closely together. After all, whatever the size or location of our port, we all deal with the same issues and more and more often with the same players.

I doubt that since 1955 the founders of the International Association of Ports and Harbors could imagine how far the port industry would evolve by the start of this millennium. However, they clearly anticipated our need for a united front to face the challenges of our industry.

New technologies, new trade policies, new client needs, environmental protection, personnel training, new regulations, financial pressure, safety and



security, are all part of port officers' concerns on a daily basis.

The IAPH Committees structure is set up to discuss such matters, perform surveys and analyses, gather information and then write position papers that are presented at the highest international levels.

Our Committees are the backbone of our Association. To stay strong, they need active input. They need your views, your comments, your suggestions, and your support. The more you get involved in our Committees, the more valuable information you will get out of them.

Back in the fifties, the geographical distance between our members was definitely a problem for our Association. Today, distance is no longer an issue thanks to the incredible progress of the information technologies. Let's take advantage of these new capabilities to develop broader exchanges between our

ports.

At the last conference in Kuala Lumpur when the new structure was approved, allowing us to improve our communications, expand our membership base and conduct more targeted research and thereby respond more effectively to emerging challenges, a new Committee on Communication and Networking was also created. Its purpose is twofold: to advise us on the best and most appropriate ways to enhance the exchange of information between members and to promote our port industry around the world.

I urge all IAPH members to follow and, when possible, support in a special manner the work of this new Committee that could be a real catalyst and a great help in maximizing our individual contributions to IAPH.

Remember: the more active you are in the Committees, the higher return you'll get - and that's good for us all. On behalf of IAPH, I look forward to sharing your success.

With my best regards,

Dominic J. Taddeo
President

USCG Values Joint Efforts with IAPH on Y2K Issues



DIRECTOR OF INFORMATION AND TECHNOLOGY UNITED STATES COAST GUARD
WASHINGTON, D.C. 20593-0001

February 2, 2000

Dear Dr. Inoue,

The rollover to the Year 2000 is happily behind us, and as you know, occurred with very little disruption around the world. Nevertheless enough problems were reported in the media and to us directly to convince me that many more, and more serious, problems would have occurred had we not taken Y2K seriously. In any case, we have passed the threshold into the new century and can now turn to other concerns. Before I do that, however, I would like to take a moment to thank you for partnering with us in addressing this challenge. As you know,

Mr. Koskinen, the Chairman of the President's Council on the Year 2000 Conversion, requested that we establish a Maritime National Information Center (MNIC) to monitor any Y2K developments in the international marine transportation system, an industry with potential for great impact on the world economy. This meant maintaining contact with major maritime companies and organizations, with their worldwide operations and connections, and keeping the White House informed of any important developments. The process could only be as good as the organizations participating in the initiative. Though Y2K produced only minor maritime disruptions, it was valuable for us to monitor develop-

ments, and this was only possible with the participation of your organization and others like it in the global maritime community. Please accept my thanks, and those of Admiral Loy, for your important support in making the MNIC possible, and for sharing your status reports with us. It was another example of how partnering and information sharing can lead to a safer and therefore more efficient marine transportation system. I look forward to future opportunities for the Coast Guard to work with you in maritime transportation.

Sincerely,

G.N. NACCARA
Rear Admiral, U.S. Coast Guard

2000/2001 IAPH Bursary, Award Schemes

Chairman Goon Announces Conditions for Entry

MR. Goon Kok Loon (PSA Corporation Ltd.), Chairman of the IAPH Human Resources Development Committee, has recently announced the details of the conditions for the IAPH Bursary and Award (an essay contest) Schemes for 2000/2001.

Since the establishment of the bursary scheme in 1980, over 100 people from IAPH member ports in developing countries have received financial assistance under this program for participating in training courses organized by various overseas institutions and training facilities, including the IPER (Le Havre), PSI (Singapore) and WTI (New York).

The Award Scheme (a biennial essay contest) is also well known among IAPH members in developing countries. One of the most dramatic scenes of our biennial conference is the presentation of the "Akiyama Prize" (the top prize in the contest) to the successful entrant(s)

before the distinguished guests and delegates.

In the hope of attracting as many entries as possible to this year's contest and applications for the Bursary Scheme during the coming two years, we introduce a message from Mr. Goon Kok Loon, and the conditions for entry both to the Bursary and Award Schemes, focusing on the changes to the conditions for the new term.

Changes to the IAPH Bursary and Award Schemes

Bursary Scheme

The conditions for entry should remain as they are now. The attachment of staff from developing ports to developed ports for training in container operations and equipment maintenance can be accommodated under the Bursary Scheme. Such attachment programs should be carefully structured to

enable the beneficiaries to achieve goal of bringing back home advanced knowledge and techniques.

Award Scheme

1) Change of Essay Theme

- Before: "How could the quality of port services be improved"
- Now: "My suggestions for the top 3 changes required to improve the quality of service in my port"

2) 1st Prize Money

- Before: US\$ 1,000
- Now: US\$ 2,000

3) Contents of the essay

- Before: The suggestions may cover marine, engineering or port operations services. Tangible benefits resulting from the changes should be quantified, together with any costs (if any) involved.
- Now: The suggestions should focus on Cargo Operations Procedures, Maintenance of Cargo Handling Equipment and Computerisation of Operations or Management Systems. The cost and benefits of each suggestion have to be quantified, with an implementation schedule drawn up and solutions for overcoming implementation problems identified.

Message from Mr. Goon Kok Loon

Chairman, IAPH Committee on Human Resources Development
President, International Business Division, PSA Corporation Limited, Singapore



BUSINESSES worldwide are restructuring and re-engineering to ensure that they are globally competitive. Likewise they expect suppliers and partners all along the value chain, ports included, to provide services at more competitive prices. Port management will therefore expect to face greater pressure to innovate and improve processes and service levels better.

It is in this spirit of encouraging continual improvement that the IAPH Award Scheme and the Akiyama Prize was set up. The Scheme seeks to generate new ideas through the essay contest. The theme of this year's contest is "My Suggestions For The Top 3 Changes Required To Improve The Quality of Service in My Port". The theme has been modified to encourage writers to come up with more specific and actionable items. We believe that the participating ports will benefit more from the exercise this way. Suggestions should be confined to improvements to Cargo Operations Procedures, Maintenance of Cargo Handling Equipment and Computerisation of Operations or Management System. The cost of and benefits of each suggestion should be quantified and suggestions for effective implementation of the recommendations should be included. Also, please note that the essays should not be a chronicle of improvements which have already been made.

To encourage writers to come up with fresh, innovative ideas, we are also increasing the value of the Akiyama Prize to US\$2,000. Hopefully, this will provide the impetus for research and hard thinking into new strategies, policies and applications which will help ports improve their service quality, efficiency and profits.

In the coming year, IAPH will also continue to support the training of port management personnel through its bursary scheme. We would like to invite applications from young managers who seek to upgrade and develop themselves. Thanks to the generous donations from many organizations, fund is being restored. My thanks on behalf of the Human Resources Development Committee to the contributors for your generous support.

May I encourage personnel from ports in developing countries to take advantage of these schemes. My best wishes to all for 2000 - may it be a successful and satisfying year for you.

IAPH AWARD SCHEME ESSAY CONTEST 2000/2001

"My suggestions for the top 3 changes required to improve the quality of service in my port"

Your answer could win you the Akiyama Prize, a silver medal and US\$2,000 in cash plus

An invitation, including traveling costs and hotel accommodation to attend the 22nd World Ports Conference of IAPH, 19-26 May 2001 in Montreal, Canada

IAPH invites entries for its 2000/2001 award scheme from those working at all levels in IAPH member ports/organizations in developing countries

Conditions for Entry to the IAPH Award Scheme 2000/2001

1. Essays should be written in English, French or Spanish, and submitted to the Secretary General, the International Association of Ports and Harbors, 5F, North Tower New Pier Takeshiba, 1-11-1 Kaigan, Minato-ku, Tokyo, 105-0022 Japan. Hand-written ones are not to be accepted.
2. The suggestions made should focus on improvement to Cargo Operations Procedures, Maintenance of Cargo Handling Equipment, and Computerisation of Operations or Management System. The cost and benefits of each suggestion have to be quantified, with an implementation schedule drawn and solutions to overcome implementation problems identified.
3. Entries should be made by individuals employed by IAPH members, and should be the original work of the entrant. Those entries which are the result of official studies or otherwise sponsored projects will not be eligible.
 - Entry texts should not exceed 20 pages excluding a reasonable number of appendices containing tables, graphs or drawings.
 - The paper size must be A4 (21.0 x 29.7 cm).
 - Regardless of language used (English, French or Spanish), the entry paper must be accompanied by a brief summary in English.
 - Three (3) copies of the entry paper should be submitted to the IAPH Secretary General at the address: IAPH Head Office, 5th fl. North Tower New Pier Takeshiba 1-11-1 Kaigan, Minato-ku, Tokyo 105-0022, Japan
4. Entries will be judged by a panel of experts appointed by the Chairman of the Committee on Human Resources Development (formerly called CIPD). The panel will give greater merit to papers identifying and evaluating specific improvements than to entries covering a wide range of improvements in general terms.
5. The First Prize for the winning entry will consist of:
 - The Akiyama Prize (a silver medal plus US\$2,000 or the equivalent in local currency); and
 - An invitation, including traveling costs and hotel accommodation, to attend the 22nd World Ports Conference of IAPH, to be held from 19 to 26 May 2001 in Montreal, Canada.
6. In addition to the First Prize, Second, Third and Fourth Prizes of US\$500, US\$400, US\$300 will be awarded to the next best entries.
7. Additional prizes of US\$100 each will be awarded to any other entries judged by the panel to be of a sufficiently high standard.
8. A summary of winning entry may be eligible for publication in the "Ports and Harbors" magazine.
9. At the decision of the panel, a bursary may be awarded to any one prize winner (subject to agreement of the employer).
10. The closing date for receipt of entries is 30 September 2000.

THE IAPH BURSARY SCHEME

Object

The object of the Scheme is to provide financial assistance towards the cost of sending selected applicants from IAPH member ports in developing countries on approved training courses overseas that are available in ports or port training institutes which are members of or affiliated with IAPH.

The Bursary Award

Subject to the availability of funds, a maximum of ten (10) bursaries for each program year, not exceeding US\$3,500 each, may be awarded to such applicants as meet and satisfy the conditions for entry.

Conditions for Entry

1. The applicant should not be older than 45 years of age and must have been employed at a junior, middle or senior management level by an IAPH member port for at least three years.
2. The application must be submitted in accordance with the suggested format, accompanied by a brief description of how the proposed training would benefit the applicant and his/her port and by evidence that the applicant has been provisionally accepted for the proposed training course* of the particular institute. To ensure the applicant is duly endorsed by his/her port, the application must be submitted by the port's chief executive officer on behalf of the applicant.

*Note: An updated list of training institutes available is introduced on next page and is posted on the homepage of IAPH: <http://www.iaph.or.jp>

3. In estimating the costs to be incurred for the proposed training, the course/tuition fees, accommodation and subsistence should be quoted, explicitly excluding international airfares or other forms of primary traveling costs. If the estimated total cost exceeds US\$3,500, the port chief executive must submit a written statement that the balance shall be borne by the applicant's organization.
4. The application must be submitted at least 60 days before the commencement of the proposed training course. In this context, the applicant should be made aware of the time required for making the necessary arrangements for obtaining visas for foreign travel.
5. The final decision on awarding a bursary or not rests with the Chairman of the Committee on Human Resources Development. As soon as such a decision is made, the applicant will be informed of the result by the IAPH Secretary General through the chief executive officer of his/her port. At the same time, the Secretary General will take the necessary steps to disburse the approved funds from the Special Port Development Technical Assistance Fund, the remittance of which is to be made directly to the training institute involved. The recipient will be required to account for expenditures and to reimburse any monies not spent out of the bursary.
6. For the purpose of making this financial assistance available to as many applicants as possible, those who have already been awarded a bursary will in principle not be considered. For the same reason, the number of bursaries to be awarded to any member port will not be more than one (1) for each two-year period.
7. After completion of the training course, each recipient must submit to the IAPH Secretary General a report on his/her participation in the training within one month of the end from the course. Such reports will be published in the magazine "Ports and Harbors".

SUGGESTED FORM OF APPLICATION FOR THE IAPH BURSARY SCHEME

I, the undersigned, hereby submit for your consideration an application for:

Mr./Mrs. _____

Name of Applicant: _____

Job Title: _____

Name of Port: _____

who is an employee of this organization, together with supporting information on the applicant in accordance with the items stipulated below:

- (1) Brief personal history (date of birth, etc.)
- (2) Brief employment history with the Port
- (3) Educational qualifications (Please also indicate whether the applicant is fluent in English, French or Spanish.)
- (4) Professional/technical qualifications
- (5) Previous overseas training courses attended, if any
- (6) Course for which application is being made (specify nature of course, duration, and location of host port/institution.)
- (7) Amount of bursary for which application is being made (Particulars of expenses should be given in US dollars in support of the application.)

Course fees: _____

Accommodation: _____

Other particulars: _____

Total (US\$): _____

Chief Executive Officer: _____

(Signature)

Note 1: A breakdown of the requested amount as under item (7) has to be made in accordance with the information provided by the training course organizer.

Note 2: State any other source from which financial assistance is being sought or have been already granted, if any, for instance, governmental, inter-governmental and lending institutions (UNCTAD, World Bank, etc.).

Please send the application to:-

The Chairman, IAPH Committee on Human Resources
 c/o Secretary General, International Association of Ports and Harbors
 5th Floor, North Tower New Pier Takeshiba
 1-11-1 Kaigan, Minato-ku, Tokyo 105-0022
 Tel: +81-3-5403-2270, Fax: +81-3-5403-7651, E-mail: iaph@msn.com

List of IAPH-Affiliated Educational/Training Institutions

Institut Portuaire du Havre (IPER)

30, rue de Richelieu
76087 Le Havre Cedex
Tel: +33-2-32925992
Fax: +33-2-35412579
E-mail: iper@esc-normandie.fr

International Institute for Infrastructural, Hydraulic and Environmental Engineering (IHE)

Westvest 7
PO Box 3015
2601 DA Delft
The Netherlands
Tel: +31-15-2151715
Fax: +31-15-2122921
E-mail: rdh@ihe.nl
<http://www.ihe.nl>

PSA Institute

2 Maritime Square
Singapore 099255
Republic of Singapore
Tel: +65-3211819
Fax: +65-3211416
E-mail: pi@psa.com.sg
<http://www.psa.com.sg/pi/index.html>

International Maritime Transport Academy (IMTA)

Soerweg 31
3088 GR Rotterdam
The Netherlands
Tel: +31-10-4298177
Fax: +31-10-4951508

Institute of Transport & Maritime Management Antwerp (ITMMA)

University of Antwerp
Middelheimlaan 1
B-2020 Antwerp, Belgium
Tel: +32-32180765
Fax: +32-32180746
E-mail: itmma@maze.ruca.ua.ac.be

Maine Maritime Academy

College of Engineering, Transportation, and Management
Castine, Maine 04420, U.S.A.
Tel: +1-207-326-2485
Fax: +1-207-326-2411
e-mail: mmamsmm@saturn.caps.maine.edu
<http://bell.mma.edu>

Technical & Managerial Port Assistance Office (TEMPO)

Rotterdam Municipal Port Management

PO Box 6622, 3002 AP Rotterdam
The Netherlands
Fax: +31-10-4896527
E-mail: bert.kruk@port.rotterdam.nl
<http://www.port.rotterdam.nl>

Institute de Formation & D'Echanges Portuaires (IFEP)

Port of Marseilles
23, Place de la Joliette
BP 1965, 13226 Marseille Cedex 02
France
Fax: +33-91-39-4500

Department of Maritime Studies & International Transport

University of Wales, Cardiff
PO Box 907
Cardiff CF1 3YP
United Kingdom
Tel: +44-1222-874271,
Fax: +44-1222-874301
E-mail: masts@cardiff.ac.uk
<http://info.cardiff.ac.uk/uwcc/masts/index.html>

Delft University of Technology

Julianalaan 134
PO Box 5
2600 AA DELFT
The Netherlands
Tel: +31-1527-89111
Fax: +31-1527-86522
E-mail: webmaster@tudelft.nl
<http://www.bu.tudelft.nl/us/diec/instel.hm>

The World Trade Institute (WTI)

One World Trade Center, 55 Floor
New York, NY 10048
USA
Tel: +1-212-346-1177
Fax: +1-212-346-1199 or
+1-212-346-1115
E-mail: wti@pace.edu
<http://www.wti.pace.edu>

International Program for Port Planning & Management (IPPPM)

CUPA/LUTAC
University of New Orleans
New Orleans, Louisiana 70148, USA
Tel: +1-504-280-6519
Fax: +1-504-280-6272
E-mail: psimon@uno.edu
<http://www.uno.edu/~cupa/ipppm.html>

First IAPH Asia/Oceania Regional Meetings Held in Nagoya & Mikawa

Report by **Ritsuko Oharu**
Port Promotion, Nagoya Port Authority



Delegates at the Asia/Oceania Regional Meeting

THE first-ever IAPH Asia/Oceania regional meeting was held in Nagoya from January 19 to 21, 2000, in conjunction with the International Symposium on Automobile Ports in the Mikawa region. This meeting was organized by the Nagoya Port Authority (NPA) at the initiative of Dr. Akio Someya, NPA's Executive Vice President and First Vice President of IAPH, based on a decision reached at the Kuala Lumpur Conference in May 1999 that each region should hold its own regional meeting on a regular basis. Some 30 people from 12 countries in the Asia/Oceania region participated in the meeting and exchanged candid opinions regarding current technical issues as well as regional matters related to the future of IAPH. The list of participants at the regional meeting is attached.

Following a tour of port facilities at the Port of Nagoya on January 19, a session was convened at the Nagoya Kanko Hotel on January 20. Dr. Someya expressed in his opening remarks appreciation for the strong attendance and re-emphasized the significance of the Meeting. Mr. Goon Kok Loon from the PSA Corporation agreed to act as assistant chairman at the session.

The session started with reports on recent topics. Secretary General Inoue described the general Y2K situation among member ports and Mr. Ming-Hui Shieh from Keelung reported on the earthquake in Taiwan. The delegates also exchanged views and suggestions regarding matters arising within the Asia/Oceania region, including the issues of institutional reforms, ballast water, and the concept of "quality ports". Special attention was drawn to the new compulsory regulations on ballast water scheduled to be introduced in Australia.

As for internal business, Datin O. C. Phang, chairperson of the IAPH Membership Committee, reported on the recent progress of and future plans

for membership promotion. It was also pointed out by the attendants that the three regions of IAPH should be clearly identified, possibly by providing a map in the IAPH directory showing the boundaries between them.

As for the future functions related to the Asia/Oceania region, the Port of Kobe gave a presentation on their bid to host the 2005 biennial conference in Kobe. The Port of Penang also showed interest in hosting the mid-term Board Meeting in 2002. It was agreed that the Secretary General would write to all members within the region to see whether there are any other candidates for hosting these functions. The possibility of holding IAPH seminars within the region was also raised for further



Session at the Nagoya Kanko Hotel



On board the Port Nagoya II for the tour of the Port



Ms. Hidemi Kobayashi, Chairperson of the Nagoya Port Assembly, addresses the delegates at the welcoming reception

consideration.

Another topic discussed at the meeting was the importance of building strong relations with regional ports associations, such as the ASEAN Ports Association and the Association of Pacific Ports. Secretary General Inoue reported on the APA annual meeting held in Bali last December, and Mr. Emosi Varea from the Maritime & Ports Authority of Fiji talked about the APP.

On January 21 the delegates traveled to Mikawa, just west of Nagoya, for a tour of the automobile complex there and to participate in the International Symposium on Automobile Ports. The tour included a visit to a Toyota plant and its export base, which provided the participants with an opportunity to become familiarized with efficient methods for automobile distribution.

In the afternoon the delegates attended the International Symposium on Automobile Ports organized by the

International Automotive Complex Study Program, and supported by various organizations including IAPH. After the keynote speech delivered by Mr. Masahiko Kurono, former Vice Minister of Transport, a panel discussion was started among panelists including representatives from Toyota Motor Corporation, BLG Automobile Logistics GmbH & Co., and the Port of Portland, emphasizing the importance of building a network among automobile handling ports around the world. At a goodwill party after the symposium, Dr. Someya was given a chance to address the participants and familiarize them with various activities of IAPH.

While no venue for the next regional Meeting was proposed, the dates were agreed for mid-February, 2001. Arrangements for the venue will be further coordinated through the Vice President for the region.

- **Nobuyuki Yamamoto**, Director General, Port & Harbor Bureau, Kobe City Government, Japan
- **Yutaka Nomura**, Port & Harbor Bureau, Kobe City Government, Japan
- **Akio Someya**, Executive Vice President, Nagoya Port Authority, Japan
- **Teruo Yamazaki**, Assistant Manager, Port & Harbor Bureau, Osaka City Government, Japan
- **Terumi Iijima**, Executive Vice President, Yokkaichi Port Authority, Japan
- **O.C. Phang**, General Manager, Port Klang Authority, Malaysia
- **Ahmad Tajuddin Ismail**, Administrative Officer, Port Klang Authority, Malaysia
- **Ahmad Bin Hj Ibnihajar**, Executive Chairman, Penang Port Sdn. Bhd., Malaysia
- **Pn Hajjah Che Balkis Che Sham**, (Spouse of Mr. Ibnihajar), Malaysia
- **Ali Abdulla**, Managing Director, Maldives Ports Authority, Maldives
- **Garth Cowie**, Chief Executive, Port of Napier Limited, New Zealand
- **Goon Kok Loon**, President, International Business Division, PSA Corporation Limited, Singapore
- **Jules Yap**, Regional Manager, International Business Division, PSA Corporation Limited, Singapore
- **Sathien Vongvichien**, Chairman, Port Authority of Thailand, Thailand
- **Chalermkeat Salakham**, General Administrative Officer, Port Authority of Thailand, Thailand
- **Nguyen Tan Tri**, Deputy Director General, Saigon Port, Vietnam
- **Ho Kim Lan**, Manager of International Relations, Saigon Port, Vietnam

List of Participants at the Asia/Oceania Regional Meeting of the IAPH Board/Exco

- **John Hayes**, General Manager, Property and Planning, Sydney Ports Corporation, Australia
- **Ming-Hui, Shieh**, Director, Keelung Harbor Bureau, China
- **Jennifer Kuo**, Secretariat Department, Keelung Harbor Bureau, China
- **Emosi Varea**, General Manager, Corporate Services, Maritime & Ports Authority of Fiji, Fiji
- **Sumardi**, Managing Director, Pelabuhan Indonesia III, Indonesia
- **Tuty Sumardi**, (Spouse of Mr. Sumardi), Indonesia
- **Mokhtar Kalantari**, Managing Director, Ports & Shipping Organization of Iran, Iran
- **Ali Shams**, Advisor to Managing Director, Ports & Shipping Organization of Iran, Iran
- **Mashaallah Shakeri**, Director, Transit & SEZ Dept., Ports & Shipping Organization of Iran, Iran
- **Satoshi Inoue**, Secretary General, IAPH (Tokyo), Japan
- **Rinnosuke Kondo**, Deputy Secretary General, IAPH (Tokyo), Japan
- **Susumu Naruse**, Ministry of Transport, Japan
- **Yuji Mitsutake**, Manager, Promotion and Marketing, Port & Harbor Bureau, City of Kitakyushu, Japan

OBITUARY

IAPH Founder Mr. Toru Akiyama passes away at 95

By Kimiko Takeda

MR. Toru Akiyama, Secretary General Emeritus, the 2nd Secretary General and a Founder Honorary Member of IAPH, passed away on 3 January at his home in Tokyo. He was 95 years old.

His wake and funeral, which were held in the Tsukiji Honganji Temple in Tokyo on the evening of 12 January and at



Mr. Toru Akiyama (1905 - 2000)

The photo was taken when he was awarded the "First Class Order of the Sacred Treasure" by the Emperor of Japan on 3 November 1975.

noon the following day respectively, were reportedly attended by some 3,000 people. Among the mourners were a number of current and retired political and business leaders as well as his friends of long standing. From IAPH, Secretary General Inoue, First Vice President Someya of Nagoya, all the staff members from the Head Office and

many IAPH resident members attended the memorial service. The condolences offered during the funeral included those from Prime Minister Keizo Obuchi, his predecessor Mr. Ryutaro Hashimoto and Mr. Dominic J Taddeo, IAPH President. A eulogy from Transport Minister Mr. Toshihiro Nikai was presented by Mr. Hisashi Umezaki, Vice Minister of Transport, in which the Minister recounted the major roles Mr. Akiyama had played in his various capacities, including those of Vice Minister of Transport, a founding member and Secretary General of IAPH and as president of Japan Airport Terminal Company Ltd., Pacific Steamship Company and Hotel Okura, while serving as chairman of various government councils, including that for the aviation, ports and telecommunications.

On behalf of the Akiyama family, Mr. Shigeru Akiyama, Toru's first son, who is the president of Pacific Steamship Company Ltd. in Tokyo, which his father established in the mid-50s, offered the mourners his deep appreciation at the end of the funeral. "My father", he said, "departed after having savored the first three days of the new millennium. His



On behalf of the Minister of Transport Mr. Nikai, Mr. Umezaki, Vice Minister of Transport, offers a eulogy.



Mr. Shigeru Akiyama, the first son of Toru, offers his prayers for the soul of his beloved father.



Nearly 3,000 mourners gather at Tsukiji Honganji Temple.

two sons, two daughters, their spouses, most of his 13 grandchildren and eight great-grandchildren had gathered at his home in Amanuma to say 'A Happy New Year'. It was only a few minute after my father had bidden farewell to us that he ended his happy long life as if he had fallen asleep! At home he was always a good father, grandfather and great-grandfather, and we will always cherish happy memories of him."

The Tokyo Head Office has received a number of messages of condolences from current and former IAPH officers, including those from President Taddeo, Mr.A.J. Tozzoli and Mr. J.H. McJunkin, which are presented below.

Due to his meritorious service in various fields, Mr. Akiyama was honored by the Emperor of Japan by being awarded the "First Class Order of the Sacred Treasure" on 3 November 1975 for his long and active participation in and contribution to a number of aspects of transportation, including shipping, aviation, seaports, airports and railways. He was also a recipient of the "William E. Downs Award" from the AOCI (Airport Operators Council International) in 1982 and various other awards from international organizations and the Japanese government. On Mr. Akiyama's death, the Emperor of Japan awarded him the "Jusanmi" ("Third Grade, Junior of the Court Rank") with a "Silver Cup with the Chrysanthemum Crest" (Three Fold), making him the first ex-MOT man to receive this highest-ranking award.

For those who may not be familiar with Mr. Akiyama's career in IAPH, his major achievements are outlined hereunder:

In January 1952 Mr. Akiyama retired from the Ministry of Transport after serving in his final position of Vice Minister. Then at the request of Mr. Gaku Matsumoto, president of the Japan Ports and Harbors Association (JPHA), he became involved in the preparation work for the First International Ports and Harbors Conference held in Kobe in 1952. At this conference it was resolved to establish an international association of ports and harbors.

From the days when the establishment of IAPH was first conceived, with great foresight and effort Mr. Akiyama played an indispensable role in the task of bringing the association into being. Indeed, he took part in the drafting of the original Constitution of IAPH.

Furthermore, from the inaugural conference held in Los Angeles in 1955, prior to and throughout his tenure as Secretary General from 1967 to 1973 and following

Condolences from IAPH Officers

Mr. Shigeru Akiyama
c/o International Association of Ports and Harbors
5th Floor North Tower New Pier Takeshiba 1-11-1 Kaigan, Minato-ku
Tokyo 105-0022

Dear Akiyama-san,

It is with profound regret that I learned of the death of your father and I would like to take this opportunity to express to you and your family my most sincere condolences.

Every organization has always relied on special contributors who advance its cause and IAPH will always remember your father as one of its great pioneers as he was one of the architects of the IAPH Foundation and played a vital role in the creation of IAPH itself.

I had the privilege of getting to know your father when I started attending IAPH conferences in 1983 and I gained the utmost respect for him upon our very first encounter and enjoyed meeting with him at subsequent conferences.

Your loss is a great one, but it is being shared by all of those who are thinking of you in your moment of grief.

Once again, please accept my most sincere condolences and rest assured that our prayers are with you and your family in this time of sorrow.

Sincerely,

*Dominic J. Taddeo, Montreal
President of IAPH*

Dear Dr Inoue,

Through you, to the family of Mr. Toru Akiyama, we extend our deepest sympathy on his passing.

He was a wonderful man - who die so much for IAPH.

He is remembered for all his great contributions to a great organization.

Sincerely,

*Jeanne and Anthony Tozzoli, New York
IAPH President (1983-1985)*

Please convey my personal loss to the Akiyama family. Having worked with Mr. Akiyama as Finance Committee Chairman, Vice President, and President, I had enough contact with Mr. Akiyama to learn what a great man he was.

*James H. McJunkin, Long Beach
IAPH President (1989-1999)*

Dear Sir,

Naturally, I was saddened to have your letter of January 4th, 2000 telling me of the death of Mr. Toru Akiyama - even at his great age.

Quite apart from his role in the Association, Mr. Akiyama was a very special person and a great friend to people like me. Apart from his generosity to me, he was always there for me, during my years of office, as guide, counselor and compassionate friend; and our Association will sadly miss him. One of my loveliest memories of him is present in my sitting-room, here in INNELLAN, when he bought me a glorious set of porcelain in the 'Harrods' of Tokyo.

For many years I enjoyed meeting Mr. Akiyama at our conferences throughout the world; and I would ask you all, in the Head Office, to accept my sympathy and understanding at this time, and in your great loss. To this I would also add that I would like you express my personal affection for his daughter who was always and ever in his company; and took special care of him.

With best wishes, and special thoughts,

Yours ever,

*John Mather, CBE, Scotland
IAPH President (1991-1993)*

Dear Dr. Inoue:

It was with deep sadness that I learned that Mr. Toru Akiyama had passed away on 3rd January 2000.

Though I had been aware of his role as IAPH's Secretary General when I first became associated with the international port community in 1969, it was not until I participated in the 9th IAPH Conference in Singapore in 1975 that my links with Akiyama-san became more personal. I could not fail to be impressed by his most courteous demeanour, and to feel a great sense of privilege to be in his authoritative presence.

Akiyama-san accorded me the pleasure of his company on many occasions since 1975. The depth of his knowledge on a wide range of subjects was a stimulus to conversations which were always enjoyable. I shall miss him greatly.

May I ask that you please convey my sympathy and heart-felt condolences to Mr. Akiyama's family.

Sincerely,

*Alex J. Smith, London
IAPH Representative (African Affairs)*

his election to Secretary General Emeritus in 1973, Mr. Akiyama contributed immeasurably to the growth and development of IAPH.

When IAPH faced a most difficult financial crisis, stemming from the international monetary turmoil in the early 1970s, Mr. Akiyama demonstrated extraordinary leadership in establishing the IAPH Foundation in 1973 to financially assist IAPH. Furthermore, during the ensuing years until IAPH achieved its financial independence in 1982, as president of the IAPH Foundation he continued to guide the Foundation in its mission of providing IAPH with financial support.

On the occasion of the 12th Conference of IAPH, which marked the Association's 25th anniversary, the IAPH Foundation sponsored memorial services for the two founding fathers of IAPH - Mr. Gaku Matsumoto and Dr. Chujiro Haraguchi - and erected memorial monuments on their graves, sponsored the publication of a book on the history of IAPH and the commendation of 13 individuals who had contributed meritorious services to the development of the Association. At the same Conference, his Foundation donated US\$100,000 to the IAPH Special Port Development Technical Assistance Fund and a further US\$300,000 to the Association as its operational fund in commemoration of the Association's initiative in 1982 to become financially self-sufficient.

On the occasion of the 13th Conference of IAPH held in Vancouver in 1983, IAPH commissioned a bronze relief of Mr. Akiyama to be placed on the wall of the Head Office in Tokyo as a lasting symbol of recognition for his numerous achievements, dedication and self-sacrificing services on behalf of IAPH. At the proposal by Sir Keith Stuart of the Associated British Ports, the then Chairman of the IAPH Committee on International Port Development (now renamed the Committee on Human Resources Development), the Conference resolved to name the first prize in the IAPH Award Scheme (a biennial essay contest) the "Akiyama Prize".

As soon as this decision was made, from the stage of the opening ceremony of the Vancouver Conference, Mr. Akiyama pledged a personal donation of 3 million yen (this was later increased to 4 million yen) to help fund the "Akiyama Prize".

Mr. Akiyama retired from his position as the president of the IAPH Foundation in 1987 but never stopped giving his generous support to IAPH by encouraging his young colleagues at the Tokyo Head Office on various occasions. It was at the 18th World Ports Conference held in Sydney in 1993 that Mr. Akiyama participated at our biennial gathering for the last time, although he continued to show up until 1997 on various events organized jointly by IAPH and the IAPH Foundation.

We are greatly saddened to hear of the passing away of Mr. Toru Akiyama. On behalf of PSA Corporation, may I extend our condolences to the bereaved family. Mr. Akiyama had made immense contribution to IAPH for which he will be long remembered.

Grateful if you could convey our condolences to Mr. Shigeru Akiyama and his family members.

With deepest sympathy

Goon Kok Loon, Singapore
Chairman, IAPH Human Resources Development Committee
President, International Business Division, PSA Corporation Ltd.

I was very saddened to receive your advice of Mr. Toru Akiyama's recent death. Mr. Akiyama had a wonderful lifetime of achievement and dedication to the IAPH and I am sure his loss will be felt deeply by all who knew him.

Would you please pass on my personal sympathies and condolences to Mr. Akiyama's family.

Sincerely,

Garth Cowie, Napier
IAPH Executive Committee Member
Chief Executive, Port of Napier Ltd.

I wish to express my deepest sympathy to the loved ones of our dear friend Mr. Toru Akiyama. Although Mr. Akiyama enjoyed a long life, he will sadly be missed by all of his friends and extended family within the IAPH.

Please send my sincere sympathy to his family.

Sincerely,

David F. Bellefontaine, Halifax
IAPH Executive Committee Member
President & CEO, Halifax Port Authority

I have received with great shock the news of the passing away of our Secretary General Emeritus, Mr. Toru Akiyama.

Please convey our very profound sympathies to the family of the deceased.

As members of the IAPH, we recognised Mr. Akiyama as a strong pillar of our Association who not only founded it alongside other equally well-visioned personalities, but also ended being its Chief Executive at one stage.

The status of IAPH will owe much to the foresight and personal contribution by the late Akiyama, particularly from his interventions which saved it from collapse as a result of financial woes.

Mr. Akiyama befits the proclamation of a virtue IAPH benefactor, especially to members of the under developed globe for his endless efforts to sustain the development of various skills through the interesting "Award Scheme" to whom he is appropriately named after. The fact that he donated his retirement funds to sustain this scheme explains it all.

May we join the family, and indeed all the members of our community in mourning the passing of our departed patron.

S.M.E. Luhigo, Dar es Salaam
IAPH Executive Committee Member
Director General, Tanzania Harbours Authority

Mr. Akiyama was a noble man of generous spirit. I will never forget the lessons in leadership, courtesy and sharing that he taught me. It is people like him who give us guideposts in how to conduct our lives to their best use.

Christina Nelson, Maryland
Digital Government Institute, LLC
(former AOCI officer)

Note: The messages of condolences and mass card which were received via the IAPH Tokyo Office include those from:

Eileen and Patrick Falvey, New York
Chairman of IAPH Legal Counselors (1977-1993)

Dr. Yuzo Akatsuka, Tokyo
Member, IAPH Human Resources Development Committee
Professor Dean, Faculty of Regional Development Studies, Toyo University.

Visitors

ON 11 January, Mr. Ives Gasqueres, Representative of the Port of Le Havre in Tokyo, Mr. Jean A. Monnin, former Representative who remains as advisor to the Port, and Ms. Yoko Iwasaki, Assistant to the Representative, visited the Head Office, where they were welcomed by Secretary General Inoue and his senior staff. The visitors and the IAPH officials exchanged views and information concerning recent developments in Le Havre's Port 2000 project. (A related article is featured later in this issue.)



From left, Takeda, Kondoh, Inoue, Gasqueres, Iwaki and Monnin

On 18 January, Mr. Ahmad Ibnihajar, Executive Chairman, Penang Port Sdn., Bhd., Malaysia, visited the Head Office, where he was welcomed by Secretary General Inoue and Deputy Secretary General Kondoh. Mr. Ibnihajar was on his way to the Asia/Oceania regional meeting of the IAPH Board which was scheduled for the following two days in Nagoya.

On 18 January, Mr. Stephen Thomas, Research Editor, the *Seatrade Review*, visited the Head Office and exchanged views on recent trends in the Japanese ports with Mr. R. Kondoh, Deputy Secretary General. He was visiting Tokyo for research work on the current situation of the Japanese shipbuilding, shipping and ports industries.

On 22 January, Mr. Ahmad Tajuddin Ismail, Administrative Officer, Port Klang Authority, Malaysia, visited the new Head Office for the first time, escorted by Mr. R. Kondoh. Mr. Tajuddin was on an extended trip to Tokyo from Nagoya, where he had attended the first Asia/Oceania regional Board meeting on Thursday, January 20 and 21, as Datin O.C. Phang had to leave Japan earlier because of her business engagement.

Membership Notes:

New Members

Shenzhen Municipal Port Authority [Regular] (China)
 Address: 18/F., Haian Centre Building, 229 Binhe Road, Shenzhen 518032
 Mailing Addressee: Mr. Zou Guohua, Director
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 Director: Mr. Zou Guohua
 Vice Directors: Mr. Zhang Weizhong, Mr. Zhang Bingham

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 Chairman: Capt. Ramkumar
 Deputy Chairman: Shri P.K. Mohanty



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 Chairman: Mr. Kentaro Fujii
 President: Mr. Hideaki Kimoto
 Executive Directors: Mr. Yasuyuki Nakayama, Mr. Kazuo Yokota

Wakachiku Construction Co., Ltd. [Class A-2-1] (Japan)
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 Tel: 03-3492-0271
 Fax: 03-3492-1019
 Home page: <http://www.wakachiku.co.jp>
 President & Rep. Director: Mr. Shoji Shimoda
 Vice President & Rep. Director: Mr. Takuro Ishibashi
 Executive & Rep. Directors: Mr. Kazuhiko Shimizu, Mr. Shigeharu Endo
 Executive Directors: Mr. Shigehiro Urano, Mr. Hiroshi Sakamoto
 (See page on 39)

International Program for Planning and Management [Class D] (U.S.A.)
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 AICP, Director: Dr. Timothy E. Joder

PORT PRIVATISATION: Objectives, Process and Financing

By Alfred J. Baird

Director, Maritime Transport Research Unit Napier
University Business School, Edinburgh

*'Seaports are the mouths through which continents speak
to each other' (Stevens, 1999, p. 43)*



INTRODUCTION

The private sector has made a significant contribution towards the successful modernisation and operation of today's global seaport industry. In less than a generation, many of the responsibilities and activities formerly carried out by public sector port authority employees are now the preserve of private sector companies. However, this by no means implies that the public sector has withdrawn entirely from the ports industry. To do so would be to misunderstand the very nature of port development and management.

In this paper the key objectives associated with port privatisation (initially from a national perspective) are considered. Alternative port privatisation methods are discussed, using examples as appropriate. The paper presents a framework (the Port Function Privatisation Matrix) which can be used to help assess the extent of private and public sector intervention in any given port. In practise, the extent of private sector intervention (i.e. privatisation) can vary significantly from port to port. Finally, port financing issues and priorities, from both financier and terminal operator perspectives, are considered.

PORT PRIVATIZATION OBJECTIVES

Seaports are necessary to enable regions and nations to trade and this

seems logical enough. But in today's global environment seaports must be able to offer levels of efficiency and costs, which are comparable with other ports. Ports, which are at variance in a negative sense from what might be regarded as the industry 'norm' in terms of costs and efficiency will obviously be disadvantaged relative to other ports. In turn this will also render a region or nations industrial outputs at a competitive disadvantage to other regions and nations which enjoy access to more cost effective and advanced seaports.

Hence the objectives relating to port privatisation usually begin with reference to the notion of trade benefits which may be derived from access to superior transportation systems. Generally, however, the state will assert a number of reasons for privatisation of its seaports, the main ones being as follows (Rajasingam, 1994; De Monie, 1995).

Expensive and inefficient ports constrain trade

The important emphasis here is on the need to allow trade to expand and this is critical for most countries, developed and less developed. Ports which are inefficient, whether through outdated work practices, obsolete facilities, excessive charges, or a combination of all three, can stall economic development. Involvement of the private sector is seen as a way to improve port efficiency and hence facilitate increased trade.

Need to introduce efficiency and know-how of the private sector

Increased specialisation and standardisation in the shipping and transport industry has led to the formation of expert multinational terminal operating companies operating facilities in different countries. In some cases these companies may be subsidiaries of global shipping lines. These terminal operators know precisely how to meet the ever changing and exacting demands of port users worldwide. Such firms also benefit from economies of scale and learning through their wide geographic scope of activities, making them fully aware of industry best practice on a global basis.

At the more local level, even ferry lines prefer to manage and operate their own terminals at regular ports of call. Increased specialisation has therefore generated incentives for shipping and trading firms generally to operate their own dedicated terminals. This calls for the port concerned (however constituted) to provide sufficient space and attractive contractual arrangements to permit private terminal operations to take place.

Pressure to reduce demands on the public sector budget

This does not necessarily mean that the state withdraws entirely from investing in its ports sector. Indeed, to believe so would be to misunderstand the very nature of port investment (e.g. long term payback, high capital cost, limited potential for full cost recovery, public good, and wider social and economic benefits). Nevertheless, pressure to reduce the burden of port investment on the public sector has resulted in a need to attract private sector investment; not to replace the state as such, but to bring about a partnership between the public and private sector in an effort to share capital costs.

Reducing expenditure on port labour

Labour costs can easily amount to 50 per cent of total port operating costs (Baird, 1999). This means that any labour inefficiency present may significantly affect the competitiveness of a given port. Cargo handling operations (i.e. a port's utility function) is the one element of the ports business where the

state is usually found to be weakest, with the odd exception (e.g. Singapore).

Traditionally, many major ports were often the largest source of direct employment in a city. Modern cargo handling methods and improved productivity has altered this somewhat, with the result that advanced ports today handle more cargo with far fewer but better trained personnel.

The issue of reducing expenditure on port labour is inevitably related to the question of labour reform; indeed, any change from public to private sector employer within ports is meaningless if outdated and restrictive working practices are left unchanged. Labour reform must be seen as a prerequisite for the effective privatisation of port operations (Setchell, 1994).

Ultimately, a port should not just be about creating (dock) employment locally anyway; the role of a port is much wider than this as its activities can impact on large parts of a region or nation's economy. This means that having a cost-effective and internationally competitive seaport system is far more important than the rather narrow objective of maximising or protecting dock labour locally.

Secondary objectives

While the aforementioned objectives are generally accepted to comprise the principal reasons for privatisation of port activities, there are nevertheless examples of other objectives being pursued. In the UK, for example, additional objectives included raising revenues for the state treasury from outright sale of port land, to encourage competition, and to widen share ownership (Thomas, 1994).

PORT FUNCTION
PRIVATIZATION MATRIX

Port functions

The problem with traditional models of port organisation (e.g. service, landlord, and tool ports, etc. - see Stevens, 1999, p. 52) is that they fail to take account of fundamental institutional changes in port ownership and organisation resulting from contemporary approaches to privatisation. Furthermore, as there are still relatively few examples of fully privatised ports (i.e. ports with absolutely no public sector involvement, the latter largely a phenomenon unique to the United Kingdom), this results in a need to establish the extent of both private and public sector intervention within a

given port. Essentially, in recent years different forms of privatisation methods (e.g. build-operate-transfer schemes, dedicated terminals, public/private joint ventures etc.) have rendered traditional theoretical models of port organisation less relevant.

In order to rectify this problem, the Port Function Privatisation Matrix (Table 1) is proposed to help establish the

extent of privatisation in a port (Baird, 1995; Cass, 1996). The basic building blocks of the matrix is the assertion that there are three essential port functions, which may be privatised, either in part or in entirety. These are:

- the port landowner function;
- the port utility function; and
- the port regulatory function.

Table 1. Port Function Privatisation Matrix

Port Models	Port functions		
	Regulator	Landowner	Utility
PUBLIC	Public	Public	Public
PUBLIC/private	Public	Public	Private
PRIVATE/public	Public	Private	Private
PRIVATE	Private	Private	Private

Source: Baird, 1995, p. 136; Cass, 1996, p. 39.

Port landowner function

The landowner function relates to the development of port infrastructure and associated tasks. Key tasks a port landowner will be required to undertake include (De Monie, 1994):

- a) managing and developing the port estate in line with user needs;
- b) conceiving and implementing national or regional port policies and development strategies;
- c) supervising major civil engineering works;
- d) co-ordinating port marketing and promotional activities;
- e) providing and maintaining channels, fairways and breakwaters etc.;
- f) providing and maintaining locks, turning basins, berths, piers and wharves, and;
- g) providing or arranging road and rail access to the port facilities.

Port utility function

The port utility function concerns services related to the physical transfer of goods and passengers between sea and land. At its most basic level, in most ports this will involve cargo-handling activities carried out by stevedoring or terminal operating companies. Aside from stevedoring and passenger terminal operations, other support activities that will come under the port utility function umbrella include on-dock warehousing, ship towage and linehandling.

Port regulatory function

The third function is the port regula-

tory function and this generally involves substantial statutory powers being given to a port's management. Duties, powers and responsibilities carried on under the regulatory function are normally but not always the sole preserve of the public port authority, and will typically include (De Monie, 1994; Goss, 1990):

- a) overseeing of conservancy and pilotage;
- b) providing vessel traffic management or surveillance (VTS);
- c) enforcing applicable laws and regulations;
- d) maintaining port police force and emergency service capability;
- e) licensing port works; and
- f) safeguarding port users' interests against the risk of monopoly formation, and the controlling of natural monopolies.

Measuring the extent of private sector intervention

The framework presented in Table 1 suggests there are four basic institutional alternatives to seaport organisation as far as public and private sector intervention is concerned. These range from all three functions being the responsibility of the public sector (i.e. a PUBLIC service, or comprehensive port) to all functions being the responsibility of the private sector (i.e. a PRIVATE port), with variations in between these two extremes (i.e. PUBLIC/private and PRIVATE/public).

Within a port, the actual proportion of public and/or private sector participa-

tion with regard to individual activities associated with each of the three core functions may also vary (i.e. there may be varying degrees of both private and public sector stevedores, landowners, and entities carrying out different regulatory function activities). However, as the Port Function Privatisation Matrix suggests, through identification of private/public sector responsibility for specific port activities carried on under

each of the three headings, it is possible to identify the extent of both private and public sector intervention within a given port. Table 2 provides a breakdown of most of the main port functional activities that may be privatised. Clearly, to establish the true extent of private sector participation in any given seaport, it will be necessary to consider each of these functional activities.

Table 2. Breakdown of some key port functional activities

Regulator	Landowner	Utility
<ul style="list-style-type: none"> • Conservancy & pilotage • VTS services • Laws and regulations • Port police • Emergency services • Licensing port works • Ensuring competition • Customs • Port planning and monitoring 	<ul style="list-style-type: none"> • Manage port estate • Port policy and Development strategies • Civil engineering works • Marketing and promotion • Maintain channels etc • Maintain wharves • Provide land access 	<ul style="list-style-type: none"> • Cargo handling • Passenger terminals • Towage • Linehandling • Waste disposal • Security • On-dock warehousing • Equipment maintenance

PORT PRIVATIZATION PROCESS

Most methods of privatisation merely result in extending private sector participation in the ports sector, with the state still retaining responsibility for certain key functions (e.g. regulatory), usually through a public port authority. This is where the merits of the framework proposed in Table 1 come in useful - in helping to establish the overall extent of privatisation in any given port.

The most common methods employed to bring about port privatisation (Thomas, 1994; Baird, 1995; Cass, 1996) are briefly discussed below.

Commercialisation

Commercialisation generally involves dividing the port authority's principal activities into separate operating units, each thereafter functioning as an independent, commercially focused company, although still state-owned. An example of this approach is the Port Authority of Trinidad and Tobago (PATT), which commercialised its activities by creating separate operating units for cargo-handling, property, conservancy and VTS. This approach may also allow for the selling of some or all of the shares in each of the operating units to the private sector or to employ-

ees at some time in the future. Commercialisation could therefore be viewed as a stepping stone towards privatisation, rather than privatisation per se.

Corporatisation/leasing of port assets

Corporatisation occurs where a 100 per cent state-owned company is established to take over the business of providing port services, while the port assets are leased to the private sector. Usually the motivation to establish port corporations is to remove port management from constant intervention by state government, as well as to remove port authority officials and employees from responsibility for port utility functions.

The main task of the port corporation is to provide terminals for private sector companies to lease and operate. The corporatised port company's role is therefore more concerned with the planning and provision of port facilities as opposed to terminal operations. Within corporatised ports in Australia and Canada (e.g. Brisbane, Melbourne, Halifax, Vancouver etc.) private terminal operators are increasingly providing their own cranes, limiting the corporatised port authority to provision of infrastructure.

A rather different form of corporatisation occurred in the UK subsequent to trust ports becoming self-financing bodies, especially since the 1970's. In a great many instances trusts' provided all port services on force account (Grosdidier de Matons, 1997), as opposed to the above definition whereby the corporatised port authority transfers terminal and port service functions to private operators. 'Corporatisation' of PSA in Singapore similarly involves a solitary port supplier outcome (i.e. PSA Corp.). Indeed, the latter appears more akin to commercialisation than corporatisation.

Concessions

A port concession involves the port authority giving rights over specified port land for a certain period of years in return for an agreed fee. At the end of the concessionary period the property usually reverts to the state, although there is normally an option to extend the agreement. A concession, as distinct from a lease, implies that the concessionaire makes necessary investments to improve and/or expand an existing port facility. Concessions have been used extensively in a number of countries including Brazil, Argentina, Panama, Mexico, Italy and Spain.

Management contract

With a management contract the port authority retains ownership of the assets and is responsible for provision of further capital, whilst the private contractor offers the authority a package of expertise to effectively operate and manage the port or terminal (Cass, 1996). The management contract is the means by which a port authority entrusts a third party with the management of part or all of its facilities and/or services.

Management contracts are rather similar in practice to a lease in that they do not involve any major up front investment by the contractor. Such contracts are usually granted for a period of at least five years. Management contracts have been the preferred mode of privatisation at a number of ports, particularly in the Middle East.

Build, operate and transfer (BOT) schemes

BOT schemes involve the private sector building, financing, and operating a port facility for an agreed period, say 25 years, with ownership transferring to the state thereafter. In India the Jawaharlal Nehru Port Trust (JNPT) awarded a BOT contract for the con-

struction of a 600 metre container-handling quay costing US\$200 million for a 30-year period. Other recent examples of BOT schemes are to be found in Panama (Hutchison International Terminals), Oman (Sea-Land), Malaysia (P&O Ports), and Indonesia (Evergreen Marine Corporation).

Joint venture

A joint venture involves the setting up, by a port authority and one or more other organisations, of a jointly owned independent organisation. The 'parent' organisations share the costs and rewards (both profits and gained technologies/expertise).

In China, the government is using joint ventures as a vehicle to access private sector finance and expertise at a number of ports. Shanghai Container Terminals is a joint venture between Shanghai Port Authority and Hong Kong private terminal operator HIT. HIT is also involved in another joint venture with the port authority at the new container port of Yantian. Maersk Line has entered into a similar joint venture with the Shenzhen Port Authority at the new Shenzhen Container Terminal. Joint ventures are not necessarily always between a public and private sector organisation; two public sector organisations, Dalian Port Authority and Port of Singapore Corp. have entered into a joint venture agreement to build and operate the US\$480 million Dalian Container Terminal.

Sale of port assets

The sale of a port involves the transfer of ownership of all port land and equipment from the public to the private sector. This has been the preferred approach of the British government since 1983, other methods of privatisation being disregarded. There are three main ways in which a port sale can be achieved (Thomas, 1994):

- a) through a full or partial sale of shares to the general public, where the government sells the shares in total or in large blocks;
- b) through a competitive tender, whereby a sale is open to any company or consortia to bid and the sale is made to one bidder, which may be a management and employee buyout (MEBO);
- c) through a negotiated sale, in which a sale is negotiated with a single purchaser, with government free to select who the purchaser will be and with the price determined by negotiation.

PORT FINANCIER PRIORITIES

Potential port project financiers may take differing views concerning prioritising issues when evaluating port investment proposals. Inevitably, however, port investors look for ports that can offer a combination of low risk and high growth, notwithstanding increasing concerns relating to the bargaining power of mega-carriers and resultant pressure on container handling rates. Below are listed some of the key considerations relating to port financing highlighted by several prominent investment institutions.

International Finance Corporation (Shaukat, 1999)

The International Finance Corporation applies the following basic criteria to assess port investment projects.

- a) Technical soundness. This includes ensuring adequate terminal layout and design, the structural stability of berths, and selection of appropriate cargo handling equipment;
- b) Seasoned operator. The key question here relates to whether the terminal operator is an established name or not. The more established the operator the better;
- c) Tie in with major shipping line(s). It is important that the proposed port facility already has some degree of user commitment before it begins operating;
- d) Terminal specialisation. The terminal operator should ideally focus on a particular specialism (e.g. containers) rather than aim for a range of uses;
- e) Trading patterns and trends. Financiers must have information on the main target market, market share required, quality and cost of service to be provided, planned capacity in the context of projected demand, and marketing strategy of the port facility in question.

HSBC Investment Bank (Rutledge, 1999)

Credit assessment for port investment finance, according to HSBC Investment Bank, must recognise specific finance issues in the ports sector, for example:

- a) Long realisation period. Construction periods can be long (up to 10 years for a greenfield facility). This implies a need for a long concession period to compensate investors. The finance

structure may alter as milestones are achieved;

- b) High capital investment required. Given the potential major expenses to be incurred, long-term finance may be needed to repay lenders, as short-term finance involves refinance risks;
- c) Transport policy and competition. Regulatory transport policy must not hinder the development of a port project. The effects of competition (present and future) on revenues must also be analysed;
- d) Land acquisition and expropriation. Responsibility for acquisition and expropriation of land should be allocated at an early stage, and should ideally involve strong government support;
- e) Environmental considerations. Given the potential environmental impact of port projects, in-depth due diligence is required, this being particularly important for obtaining the support of multilateral agencies;
- f) Financial structures. Greenfield port projects are usually viewed as presenting more risks than existing ports and will require a higher proportion of equity or shareholder contractual support to provide comfort to lenders. In this context, user/operator integration can prove useful in offering cash flow certainty. The following phased debt structure options may need to be considered:
 - Phase 1 - unleveraged debt. Initial investment financed with high levels of equity or sponsor balance sheet support. Increased leverage will depend on early demonstration of the quality of cash flow over the life of the debt;
 - Phase 2 - leveraged debt. Refinance or restructured debt in a more leveraged fashion once transfer of operations is completed, construction milestones are passed, or early operations prove cash flow projections;
 - Phase 3 - further financing needs. Further capital expenditure can be funded through increased debt capacity or replacement debt. Investment needs should be linked to sound return projections.
- g) Size and timing of capital expenditure. Large, upfront capex requirements imply higher equity and/or sizeable upfront borrowing, whilst a progressive capex schedule may be financed by cash generated or short-term loans. The level of investment must however be linked to cash flow generation.

Mezzanine debt may offer more flexible facilities as "trade investor" risk capital rather than shareholder equity. However, return on capital required for mezzanine debt will generally be high at between 18-20% ROC and, in addition, an exit will be sought after a maximum period of 6-7 years.

Schroders (Hector, 1999)

Pointing to its experience in the \$100 million greenfield Port of Mejillones project in Chile, Schroders consider the following factors as important in the context of its investment decision:

- a) Site natural advantages. The port offered significant natural advantages such as water depth and calm sea conditions. Competing ports suffered from physical disadvantages;
- b) Market demand. Local industries (e.g. copper) had committed to using the new port. Traffic was projected to grow and there was also potential to attract new traffic (e.g. containers);
- c) Company created to develop port. A company was created with the objective to create the new port. The board comprised a mix of expertise and influence. The company successfully bid for the maritime concession to build and operate the port (30 year term with 10 year extension);
- d) Government support. Government support was forthcoming through provision of a grant to help finance "common assets". The public port authority awarded the port concession after a competitive tender process. Port investments are linked to the local zoning plan, which envisages ongoing industrial development and correspondingly a phased port development programme to take account of forecast trade growth.

ABN Amro Bank (Clague, 1999)

ABN Amro regards ports and terminals as a relatively new investment sector. Most port companies are very small by stock market standards, and ports are still a relatively poorly researched sector. The ports sector is nonetheless characterised by strong growth, high margins and strong cash flow, high barriers to entry, and high operational gearing

What is of particular interest to investors, suggest ABN Amro, is the fact that TEU growth is at a premium to GDP growth: world TEU growth rates of 10-15% per annum are more than double GDP growth. This phenomenon relating to container traffic is regarded as highly

bankable and investors are keen to lend against this kind of trend. Other important issues for investors to consider include:

- a) Strategic position. The port/terminal must be in a very strong strategic position vis-à-vis competitors, and preferably holding a substantial competitive advantage;
- b) Operationally best. The port/terminal must be operationally superior to competitors or at least capable of meeting required productivity levels and using latest technology/equipment;
- c) Financially sound. The port must be adequately capitalised, with an appropriate capital structure, good cash flow and growth potential;
- d) Main checkpoints. Investors look for evidence of potential volume growth, price increases, and bankable capital requirements.

ABN Amro's experience in 'bad concessions' has highlighted a number of potential problem areas that need to be avoided. The worst experiences in port privatisation usually involve a combination of factor such as: the wrong terminal location; a single-concession company, and; over-dependence on one customer or cargo.

TERMINAL OPERATOR PRIORITIES

Not surprisingly, there appears to be similarities between the priorities of terminal financiers and terminal operators. The methods/priorities relating to project assessment in respect of two major terminal operators, P&O Ports and SSA International, are noted below.

P&O Ports (Baillie, 1999)

P&O Ports assess terminal investment opportunities on the basis of the following five criteria.

- a) Country factors. Political and social stability within a country is a key issue, as are government policies and objectives. The country's credit rating will also be considered;
- b) Market factors. National competitiveness and its affect on trade volumes and trade projections, trade stability, and trade agreements will also be evaluated. There is a need to assess market risk, particularly where the operator has no current contracted revenue in the location concerned. Inter and intra port com-

petition is also a factor to consider, as is government policy in relation to port competition and tariff control.

- c) Concession factors. Here the key issues relate to the length of concession, the subsequent offering of other concessions nearby, or concessions that are too small to generate decent returns, plus depressed rates and tariff controls;
- d) Capital expenditure factors. Key issues include the total capital investment required, return on investment assessed using DCF techniques, and capital structure (which may involve a number of partners including terminal operator, local investor, commercial banks, development agencies, public funds, multilateral funds, shipping line, and building contractor etc.);
- e) Labour factors. Labour issues are considered as a matrix of attitudes, productivity, and unit costs. Technology acceptance levels can affect attitudes. Productivity relates to the number of units handled per person/hour, and costs are assessed on the basis of \$ per unit.

SSA (Stevedoring Services of America) International (Gimpel, 1999)

SSA invest in and operate a number of terminals around the world handling a variety of traffic including containers, break-bulk, and automobiles. As a starting point, SSA maintain the port privatisation sector is largely influenced by the following key sectoral priorities:

- a) Governments want: high land lease rates, high royalty fees, preservation of port employment, new port facilities, and to promote/expand trade;
- b) Private sector port investors want: acceptable return on investment, high productivity, growth and expansion, political and labour stability;
- c) Port customers/users want: more services, improved infrastructure and equipment, faster ship turnaround, and to pay less!

Against this backdrop of sometimes conflicting priorities and objectives, the private port investor/operator will need to thoroughly assess the following factors:

- a) Labour factors. Key issues with regard to port labour include the number of workers required to operate a terminal, the training and qual-

ity of workers, union and non-union issues, and labour efficiency. SSA undertakes training on site and at its main US port locations. Worker ability and attitude to learning is considered critical. The company has no option but to achieve world class productivity levels. Ideally a clean slate is preferred for new terminal workers and the ability to set own work rules and practices;

- b) Environmental factors. New port developments can have an impact on soils, plants, wildlife, pollution, and people. The SSA experience is that many of the problems and barriers put up by the environmentalist lobby can be successfully overcome through a sensible and coherent Environmental Action Plan;
- c) Government factors. Political and permit support is very important for any new terminal development. Government involvement may also be critical in assisting with project financing. There should ideally be a lack of excessive bureaucracy, which can delay and in some cases has prevented port developments occurring. Concessions and competitive tenders should be fair and transparent. Government can enhance port investment attractiveness through related industrial development policies (e.g. free trade zones, export processing zones etc.);
- d) Financing factors. "The deal must be bankable." In this sense the required investments should be able to generate a satisfactory return. Much will depend on market conditions, including the level of competition and competitive advantage of a new terminal facility, together with trade volumes and trade growth. Investors also require minimal political and related financial risk, plus government support for the project, absence of labour disruption, and the project must be "environmentally do-able".

CONCLUSIONS

When carried out properly, and for the right reasons, port privatisation offers port users and the economy as a whole many benefits. However, when port privatisation schemes are badly designed, inadequate, and implemented for the wrong reasons, then port users (and the economy) are unlikely to receive any benefits.

The Port Function Privatisation Matrix offers an opportunity to explore

and understand privatisation of sea-ports in more detail. It specifically enables identification of the extent of private sector intervention in any given port based on in-depth analysis of activities relating to each of the three core port functions: regulation, utility, and landowner.

In almost all countries, key objectives associated with port privatisation include facilitating increasing trade flows, improving port efficiency and management, and reducing public sector expenditure. Port labour reform is a necessary prerequisite if these objectives are to be achieved, and in this respect decision makers should remember that a ports impacts will extend much further than the port area itself.

Given the nature of port investment (e.g. long-term payback, high capital cost, limited potential for full cost recovery, public good, plus wider social and

economic benefits), private sector investment in ports should not be regarded as a complete substitute for public sector investment. Public sector support, particularly in regard to provision of certain elements of new port infrastructure, is still likely to be necessary to a greater or lesser extent.

For those called upon to finance and operate port facilities, key concerns relate to the need for acceptable returns on investment, government support, market demand and growth prospects, and adequate labour provision. Associated with the issue of market demand, a particularly important requirement relates to the competitive advantage of a given port facility, which should ideally be substantial and not easily replicated by competing ports. If these conditions are adequately met, then finance for port development should be forthcoming.

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WORLD PORT NEWS

ICC Launches Weekly Piracy Report on the Internet

PARIS, December 2, 1999 – Ship owners, cargo owners and insurance companies are to be given a valuable new tool in the fight against piracy with the launch of a weekly piracy report on the International Chamber of Commerce website. This report will be posted on the Commercial Crime Services pages every Tuesday.

The regular reports will contain details of the location and nature of attacks on shipping in the East and Southeast Asian regions and will allow companies to put their ships' masters on special alert when they are passing through waters in which recent piratical attacks have been reported.

The reports, which are to be compiled from daily status bulletins broadcast via satellite by the ICC International Maritime Bureau's Piracy Reporting Centre in Kuala Lumpur, will appear in the re-launched Commercial Crime Services section of the ICC website. The current satellite broadcasts are not available to companies on land and are not always picked up by ships at sea.

"Companies will now be able to download these reports and telex them to their ships, warning them to be on a greater level of alertness where necessary. The ship's masters can then carry out certain procedures to protect their crews and cargoes," said Captain P.K.Mukundan, Director of ICC Commercial Crime Services.

Such procedures could include anti-piracy watches and close monitoring of approaching small vessels. "As a result of these reports, a company may also advise its ships in certain areas to stay away from the coast where pirates are more likely to venture. For example, we currently advise vessels off the coast of Somalia to stay at least 50 miles out from land to avoid hijackings", said Capt. Mukundan.

With increasing concern in recent years over the increase in number, violence and audacity of piratical attacks, especially in the East and Southeast Asian regions, Capt. Mukundan said the daily satellite broadcasts by the Piracy Reporting Centre had already

gone some way towards tackling the problem. "The regular reports have increased awareness of the problem and in some cases have resulted in governments allocating greater resources to minimizing the incidence of piracy in their areas", he said.

A quarterly report on piracy is published by IMB, as is an annual report, "Piracy and Armed Robbery against Ships".

Visit the Commercial Crime Services website at www.icc-ccs.org

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ESPO: Its Policies and Missions

Foreword

ESPO was founded in 1993 in response to a growing demand that the sea port sector input its positions and comments to serve the interests of the ports as regards the development of the European Union, the single market and its common transport policy.

The Organisation represents the port authorities, port associations and port administration of the seaports of the European Union and has direct contacts with some 500 ports across Europe.

The present brochure briefly sets out the positions and policies agreed by the membership through its General Assembly and is intended to serve as a summary of seaports' attitudes towards recent and current policy development within the EU.

Please do not hesitate to contact us through our Secretariat General, the address of which may be found at the end of this article.

Jean-Marcel Pietri
Chairman

ESPO Mission

ESPO's mission is to influence public policy in the EU to achieve a safe, efficient and environmentally sustainable European port sector operating as a key element of a transport industry where

free & undistorted market conditions prevail as far as practicable.

Key Objectives

- To ensure that the economic importance of European ports is recognised in the EU and its member states and that the sector is consulted substantively on any measure likely to affect it;
- To promote free and fair competition in the port sector;
- To ensure that European ports play their full part in delivering economic efficiency;
- To promote the highest possible safety standards in European ports;
- To encourage ports to be proactive in protecting the environment;

ESPO Policies

1. GENERAL

- 1.1 Public policy should be directed towards establishing and maintaining a safe, efficient and environmentally sustainable port sector.
- 1.2 ESPO supports the application of free market principles as the key to the achievement of optimal port operations and pricing. (subject to justifiable and commonly recognised exceptions).
- 1.3 Public policy should recognise the economic importance of European ports both as elements of a transport system and as major catalysts in transport logistics and ensure that the sector is consulted substantively on any measure likely to

affect it.

It is essential that such measures be implemented in a harmonised manner to avoid distortion of competition.

- 1.4 The contribution of ports to the European economy is likely to be maximised by policies, which recognise that their diversity is a strength achieved in response to many individual pressures. Improving ports' performance will not be facilitated by pan-European co-ordination of port development but by providing the right environment for full and free competition between ports.
- 1.5 The derivation and application of optimum policies for European ports require a precise and commonly accepted terminology.
- 1.6 Such policies also demand that relevant comparable data for measuring port activities be obtained in diverse circumstances.
- 1.7 ESPO recognises that, notwithstanding its general conviction that the sector operates best when economic conditions are undistorted and open, there may be reasons for specific exceptions in certain circumstances and/or for certain periods. This may be specially important for peripheral areas and/or their island connections. The reasons for such exceptions should always be clearly stated and their effects fully evaluated.
- 1.8 ESP supports the promotion of intermodal transport including short sea shipping provided that such promotion does not distort free and fair competition.
- 1.9 ESPO acknowledges the role played by the relevant EU bodies (particularly DGVII and the Transport Committee of EP) in monitoring the European port sector and developing supportive policies. It will co-operate with them and all other relevant organisations in appropriate discussions and in the provision of information.

2. Port Finance

- 2.1 Port pricing is a commercial matter between port communities and their customers within the philosophy that economic efficiency is most likely to be delivered by the establishment of open markets.
- 2.2 Ports should as far as practicable, be subject to undistorted trading conditions; assistance under any national or EU public funding programme should be non-distorting

between ports as well as between ports and other transport sectors unless clear and quantified reasons are given to justify such distortions.

- 2.3 All port undertakings should publish clear and comprehensive accounts. It must be clear whether they receive public funds with respect to operational and capital costs and how they apply them. ESPO therefore supports transparency of financial information provided that legislation respects the principles of proportionality and parity of treatment across all transport sectors.
- 2.4 ESPO jointly with FEPOR submitted a paper outlining the advantages of having specific guidelines for financial relationships with public authorities in the port sector.
- 2.5 ESPO believes that any charging framework which intervenes in or hinders the effects of natural market forces would not be an appropriate instrument for European ports.
- 2.6 ESPO is open to any initiative likely to increase the long-term efficiency of the European port sector.

3. Environment

- 3.1 The environment is an area where European ports, through ESPO, have taken a strongly proactive role. ESPO has published an Environmental Code of Practice, which is widely observed. All members are urged to draw up and implement their own environmental plans.
- 3.2 ESPO urges all its members to subscribe to its Environmental Code of Practice and offers instruments to members who wish to improve their performance in this area. ESPO maintains a committee specifically to review its environmental policies and ensure that best practice is promulgated.
- 3.3 ESPO fully accepts that port undertakings must act in environmentally responsible ways; at the same time, public policy must acknowledge the need for ports to operate effectively and actively seek balance between these conflicting policies. Commercial activity and sound environmental practice must co-exist.
- 3.4 ESPO's commitment to the environment has also been demonstrated through the research carried out under the ECO-information project. This has been part-funded by the European Commission and relies on

the active participation of a broad cross-section of ports throughout the EU. "Self-diagnosis" will enable each port undertaking to make an assessment of its environmental strengths and weaknesses. Plans are currently being made to extend the project.

- 3.5 ESPO is committed to cleaner seas through co-operation with national and international regulatory bodies and those involved in providing reception facilities for ships' waste. It actively promotes the use of waste reception facilities and the preparation of waste management plans.

4. Marine and Port Services

- 4.1 While accepting that technical nautical services should be open to free market access, care is needed to ensure that safety standards are maintained and that the ports' customers are adequately served at all times.
- 4.2 European standards in the field of technical-nautical services should be approached with caution because of the widely differing circumstances in which such regimes are required to operate.
- 4.3 ESPO supports policies directed at ensuring adequate insurance cover for all vessels using European ports and waters.
- 4.4 ESPO agrees with the introduction of international obligations into EU legislation. While accepting the desirability of all appropriate moves towards harmonisation, ESPO has reservations to the direct transposition of international maritime standards, recommendations and guidelines into Community law.
- 4.5 ESPO believes that the need to supersede existing navigation technologies has not yet been adequately demonstrated in terms of cost effectiveness or relevance to the maritime industry.
- 4.6 Coastal and estuarine management should be organised and operated as locally as practicable in co-operation with all affected ports in the area.
- 4.7 Some ESPO members have made use of differential charging to encourage environmentally friendly activity in their ports. ESPO believes that differential charging is one of a number of measures, which might be used to promote such activity. Equally ESPO believes that differential charging is a matter for individual ports based on their own

circumstances. ESPO will oppose any move to introduce differential charging systems on a Pan-European basis.

5. Customs & other Controls at Ports

5.1 ESPO acknowledges that ports are convenient locations for a number of border and other controls and is committed to co-operation on drug controls with all relevant authorities. However, these controls restrict effective port operations and should be minimised so that the benefits of the single market can be reaped as fully as possible. Wherever possible, controls should be established at the point of origin or destination of cargo.

5.2 Where controls are required at ports, they should be resourced at a level which does not hinder the efficient movement of cargo and passengers.

5.3 The number of regulatory agencies using ports (e.g. immigration, customs, food health, phyto-sanitary, veterinary, vehicle licensing, statistical, anti-terrorist...) is large and should be reduced; if this is not always possible, better integration of the functions of different authorities should be investigated, as should the benefits of EDI in this context.

5.4 ESPO supports the work of international simplification bodies, such as EUROPROs to achieve simplification of international trade procedures.

6. Vocational Training

6.1 ESPO is committed to encourage the highest practicable standards of training and staff development amongst its members, regardless of size or type of operation.

7. Safety

7.1 ESPO is committed to the highest possible safety standards throughout European ports through accident prevention, education in safety matters and local liaison with all safety enforcement agencies.

7.2 ESPO supports the Commission's quality shipping campaign. ESPO members co-operate with Port State Control authorities but expect enforcement activity to acknowledge the commercial realities of ports.

8. EDI in Ports/Research & Development

8.1 ESPO attaches importance to Research & Development notably for technology, procedures and the application of EDI.

8.2 ESPO supports ongoing projects to standardise unit loads.

8.3 ESPO attaches importance to the dissemination of information concerning the results of research undertaken into ports by public bodies.

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Anti-Drug Smuggling Pact with Finland

A formal anti-drug smuggling agreement will be signed shortly by Director General of the Finnish Customs, Tapani Erling, and BIMCO Deputy Secretary General, Ove Tvedt. Finnish BIMCO member, Bengt Bjerkholm of Rederi Engship, will take part in the official ceremony as well, which will be hosted by the National Board of Customs in Helsinki.

The partnership, known as a Memorandum of Understanding, aims to address the increasing utilisation of Finnish ports as transit points for illegal narcotics.

This agreement is the eleventh MOU between European Customs authorities and BIMCO. Each MOU is designed to enable BIMCO shipowner members to reduce exposure to the most common repercussions arising from the discovery of smuggled narcotics on board their vessels. Such a discovery often leads to heavy fines, detention of vessels and the arrest and incarceration of crew members.

The basic principles of the Finnish MOU are identical to those incorporated in the previous European MOUs as well as in the United States' Sea Carrier Initiative Agreement (SCIA). Generally, shipowners agree to implement preventive measures on board all their vessels in order to reduce the opportunities available to drug smugglers. Additionally, owners agree to inform Finnish Customs authorities whenever they become aware of any suspicious activities that might be connected with drug smuggling.

The Finnish Customs authorities, in turn, agree to handle all information in the strictest confidentiality. Should drugs be discovered on board, the Customs will take the established preventive measures into account, a consideration that can significantly reduce vessel delays that could otherwise occur when such seizures are made.

Under the agreement, Finnish Customs officials will also inform shipowners if they obtain information regarding smuggling activities on board MOU signatories' vessels.

Presently, 611 of BIMCO's owner members participate in one or more of the anti-drug smuggling agreements, representing roughly 62 percent of all BIMCO owner members.

In addition to the Finnish MOU and the United States' Sea Carrier Initiative Agreement, MOUs have been established with the following Customs authorities: Denmark, France, Germany, Greece, Ireland, Norway, Sweden, the Netherlands, Belgium and the United Kingdom.

For more information on the MOU programme, please contact the BIMCO Secretariat.

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Singapore 2000 Receives AIF Award

SINGAPORE 2000, Asia's premier maritime exhibition and conference, has received the Approved International Fair (AIF) Award from the Singapore Trade Development Board for the fourth time since 1994. A biennial event, Singapore 2000 is jointly organised by PSA Exhibitions Pte Ltd, a fully-owned subsidiary of PSA Corporation, and Reed Exhibition Companies, Singapore.

Mr Steven Seet, Exhibitions Manager, PSA Corporation Ltd said, "Singapore 2000 has proven itself as an international marketplace for the maritime community by consecutively qualifying for the AIF awards. Singapore 2000 will be held at the Singapore Expo from March 29 to 31, 2000. It will showcase some 400 exhibiting companies from 32 countries and nine national groups - Australia, the Commonwealth of Independent States, Denmark, Germany, Korea, the Netherlands, Norway, the United Kingdom and Singapore. Exciting new features include the IT Pavilion, housing some of the leading hardware and soft-

ware solution providers, and the "SingaPort Contact", an on-line appointment scheduling programme which enables delegates and visitors to make appointments with each other electronically. To date, some 4,000 square metres of 85% of the exhibition space has been booked."

The SingaPort Exhibition is touted as a "must attend" activity in the corporate calendar for the international maritime community. For the first time, PSA Corporation will be showcasing its 10 overseas port joint ventures at one showing in this exhibition. Representatives of the ports from Dalian and Fuzhou in China; Tuticorin and Pipavav in India; Genoa and Venice in Italy; Aden in Yemen; Muara in Brunei; Sines in Portugal; and Inchon in South Korea will be manning their respective exhibition booths, integrated under the giant umbrella of PSA Corporation's International Business Division. PSA Corporation will also have its presence felt with a beautifully designed booth featuring all its four terminals - Tanjong Pagar, Keppel, Brani and Pasir Panjang Terminals.

Held concurrently with the exhibition is the reputable SingaPort 2000 Conference - the first maritime conference to have an e-theme: "Challenges in the dot.com Era". Held from March 29 to 20, 2000, it is organised by SingaPort's conference partner, Lloyd's List/IBC Asia Ltd. The conference will see leading global maritime personalities, such as Mr Sooho Cho, President and CEO of Hanjin Shipping; Mr Dominic J Taddeo, President and CEO of Montreal Port Authority; and Mr Edward M Emmett, President of the National Industrial Transportation League, USA; convening to present the latest developments in the maritime industry, from globalisation and partnerships to "commoditisation" of port and line businesses.

Another highlight of the conference is the CEO-to-CEO Talk, where CEOs of various industries - shipping, banking and IT - can fast-forward to 2010 and envision the dot.com economy a decade down the information highway.

Background Information

The AIF Award is administered by the Singapore Trade Development Board to nurture and groom trade fairs into representative industry events. Award recipients must meet a set of criteria, such as having a record of attracting substantial and high quality international trade exhibitors, visitors and

buyers. To promote international visitorship and media coverage, organisers of AIF-endorsed events receive financial assistance for activities such as marketing and hosting selected buyers and the media. Eligible local companies will be given double tax deductions for participating in these events.

SingaPort is also endorsed by Union des Foires Internationales (UFI) and the Singapore Convention Bureau. It has the support of the ASEAN Ports Association, Association of Singapore Marine Industries, Baltic and International Maritime Council, International Association of Ports and Harbors, International Chamber of Shipping, International Federation of Freight Forwarders Associations, International Maritime Organisation, Maritime and Port Authority of Singapore, Oil Companies International Maritime Forum, Singapore Association of Ship Suppliers, Singapore Freight Forwarders Association, Singapore Ship Chandlers Association, Singapore Shipping Association and Singapore Trade Development Board. For further information, please visit the website at <http://www.singaport.com.sg>.

Jointly released by PSA Corporation Ltd and Reed Exhibition Companies.

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UNCTAD: 1998 Asian Crisis Affects Seaborne Trade

WORLD seaborne trade continued to expand in 1998, breaking the 5 billion tons mark for the first time. But its annual growth rate fell by half, to 2.2 per cent, in 1998, the lowest rate since 1987, and is not expected to exceed that level in 1999, UNCTAD announced in its *Review of Maritime Transport, 1999* (140 pages).¹

This slower growth in seaborne trade reflects the decline of world merchandise trade (3.5 per cent in 1998 compared to 10.5 per cent in 1997) in the aftermath of the Asian crisis.

The estimated growth of tanker shipments in 1999 is put by UNCTAD at 1.9 per cent. However, growth in the transport of dry cargo is expected to slow to 2.3 per cent overall, even though the volume of main dry bulk commodities will probably grow at a similar rate to that in 1998.

This annual publication from UNCTAD provides trends in seaborne trade and analyses of the performance of maritime trade and shipping in different regions with a special focus on problems faced by developing countries. The 1999 Review looks in particular at recent trade and transport developments in Latin America.

In 1998, world dry cargo shipments grew by 3.7 per cent while tanker shipments increased marginally by 0.4 per cent. However, the volume of dry bulk trades in iron ore and grain declined by 2.3 per cent and 6.4 per cent, respectively. Coal was again the most important commodity traded, with a volume increase of 2.6 per cent.

Total liner shipments of containerized cargoes in 1998, worldwide, registered an increase of only 1.8 per cent, after having grown by 8.5 per cent in 1997. The share of developing countries in total world cargo loaded remained virtually unchanged, at 51 per cent. As in the past, their share reflects the heavy preponderance of crude oil shipments

* The *Review of Maritime Transport, 1999* (Sales No. E.II. D. 21) may be obtained at the price of US\$50 from the United Nations Sales and Marketing Section, Palais des Nations, CH - 1211 GENEVA 10, Switzerland, Fax: +41 22 917 0027, e-mail: unpubli@unog.ch, or from United Nations Publications/Sales Section, Room DC2-0853, United Nations Secretariat, New York, N.Y. 10018, United States, Telephone: +1 212 963 8302 or +1 800 253 9646, fax: +1 212 963 3489, e-mail: publications@un.org. Internet home page: <http://www.un.org/Pubs/sales.htm>

(84.1 per cent of world total) over dry cargo (31.2 per cent of world total).

Notwithstanding a sustained high level of imports of dry cargo (30.2 per cent) including manufactured goods, developing countries' share of total cargo unloaded decreased slightly to 27.6 per cent. The share of Asian developing countries in goods loaded and unloaded went down marginally, to 26.2 per cent and 18.6 per cent, respectively.

Productivity hits record

The world merchant fleet in 1998 increased by 1.6 per cent over 1997 to 788.7 million deadweight tons (dwt). As the increase in tonnage was lower than the growth of seaborne trade, operational productivity indicators for the world fleet remained favourable, with tons of cargo carried per dwt reaching a record of 6.42.

Analysis of the regional structure of the world fleet shows a slight decrease (0.2 per cent) in the share owned by developing countries, to 19.1 per cent, in 1998.

Significant regional imbalances persist within the developing world. Tanker and containership tonnages are concentrated in Asian developing countries, which own over 75 per cent of tanker and containership tonnage in the hands of developing countries. By contrast, African developing countries own less than 5 per cent.

Focus on Latin America

The review points to the need to expand shipping services and modernize the merchant fleets in Latin America. High transportation costs remain barriers to trade competitiveness, in particular for small-island developing countries in the Caribbean and landlocked countries in South America

Promising opportunities in shipping

Notwithstanding the opening-up of their economies, and promising prospects for foreign investors, Latin American companies remain largely absent from the world's shipping sector. The region owns only 4.4 per cent of the world fleet in deadweight terms.

It nevertheless offers good opportunities for those looking to establish or expand shipping connections with the region. In the liner sector in particular, the region has been endeavouring to improve its ability to cope with the needs of containerized traffic. UNCTAD anticipates that shipping companies will integrate their North/South opera-

tions, and decide which ports in South America will act as "hub ports" to effectively connect "the East-West" or "round-the-world" services to North/South transport.

Containership fleets in foreign hands

Central America, the Caribbean and Mexico have been increasing their share of world containerships. The percentage grew from 0.6 per cent in 1990 to 3.4 per cent in 1998. However, this statistical increase was largely accounted for by a sharp jump in registrations in "open-registry" countries, such as Antigua and Barbuda, and St. Vincent and the Grenadines. The two latter countries alone accounted for nearly 95 per cent of the containership tonnage increase observed in 1998.

By contrast, containership tonnage owned by major Latin American trading nations remains very low.

Aged merchant fleet

Latin American fleets are the oldest in the world. Some 70 per cent of their vessels are at least 15 years old. The comparable figure for the world as a whole is around 50 per cent. The situation is particularly bad in many of Latin America's leading economies, i.e. Argentina, Chile, Colombia, Mexico, Peru and Venezuela in each of the five vessel types (oil tankers, dry bulk carriers, general cargo ships, containerships and others), the majority of the total tonnage is at least 20 years old.

The one major trading nation in Latin America, which has gone against the regional trend and has been lowering the average age of its shipping fleets, is Brazil. This has helped improve the overall age of the Latin American fleets.

Freight costs in Latin American countries improving but benefits unevenly distributed

In one area, however, Latin American countries score better than their counterparts in other developing country regions. This is in keeping down freight costs as a percentage of total import value.

In 1997, the latest year for which complete statistics are available, freight costs declined to 7.02 per cent, compared to 8.17 per cent at the start of the decade. However, there are sharp cost variations within the regions.

In 1997, the freight factor for the Caribbean countries was 11.10 per cent, the highest in this region, followed by South America's northern seaboard (French Guyana, Guyana, Netherlands Antilles, Suriname, Venezuela) with

10.26 per cent and the western seaboard (Chile, Colombia, Ecuador) with 7.20 per cent.

Freight costs of Central America amounted to 5.54 per cent, the lowest among American developing countries and very close to the world average of 5.24 per cent. The freight factors of Mexico, Brazil and Argentina were relatively low, at 4.42 per cent, 6.36 per cent and 6.53 per cent, respectively.

Predictably, the freight factors of the landlocked countries, Bolivia and Paraguay (at 11.10 per cent and 11.33 per cent, respectively), were very high. Among the Caribbean island countries, the Dominican Republic, Haiti and Jamaica faced the highest charges of between 12 and 13 per cent of import value.

These variations can be explained by geographical factors as well as by differences in trade and shipping systems and patterns. The development of ports and other maritime infrastructures, particularly in the liner sector, also impact overall freight costs.

* * * * *

This press release can also be found on the Internet at the following address:

<http://www.unctad.org>
in the press and reference section

For more information, please contact Isao Onuki, Transport Section, Trade Infrastructure Branch, Division for Services Infrastructure for Development and Trade Efficiency, UNCTAD, on telephone: +41 22 907 2061, fax: +41 22 907 0050, or e-mail: transport.section@unctad.org; or Carine Richard-Van Maele, Chief, Press Unit, UNCTAD, on telephone +41 22 907 5816/28, fax: +41 22 907 0043; or e-mail: press@unctad.org

2nd Int'l Maritime Expo In Mumbai Oct. 2001

NMEX 2001 is posed 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, ship repair, ports and harbours, port development, port infrastructure, fishing industry, leisure industry, tourism

industry, offshore, dredging, inland waterways, oceanography, etc.

INMEX 2001 will provide an 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 event.

MUMBAI is well known perhaps as Bombay - the capital of the state of Maharashtra, a port city of major industrial & commercial importance on the west coast of India. Home to the largest film industry (Bollywood) in Asia, it is also a major industrial hub for the maritime industry. 90% 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.

The Ministry of Surface Transport (MoST) is responsible for the formulation and implementation of policies and programmes for the development of various modes of transport. It encompasses within its fold, many of the maritime sectors such as shipping, shipbuilding, major ports, national waterways etc.

Ports: In order to decongest the major ports, a very ambitious plan has been proposed in the ninth five-year plan for infrastructure development. The MoST has issued policy guidelines to attract private investments in the port sector. Also, attractive financial concessions are to be allowed for lenders and investors.

Shipping: The salient feature of India's shipping policy continues to be increasing self-reliance on overseas trade and reservation of 100% coastal trade for national shipping. Various initiatives have been taken by the MoST, which include liberalization of ship acquisition procedures, sale of ships, etc.

Shipbuilding & Ship-repair: The ship building industry has been delicensed except for the construction of warships which has been reserved for the public sector. The mechanised sailing vessels up to 10,000 DWT, including fishing trawlers and ship ancillaries, are today allowed automatic approval for foreign collaborations. Moreover the ship-repair industry is not a licensed industry and

is open to the private sector.

Inland Water Transport: Inland water transport is recognized as an economic, dependable and environment-friendly mode of transport. It has tremendous potential for revamping and growth on modern lines. The IWT system requires infrastructure, fleet capacity and cargo assurance, besides organization of services.

Inter-American Committee on Ports (CIP) of the Organization of American States (OAS)

Inter-American Committee on Ports

- The Organization of American States (OAS) member countries had covered the port issues since the mid-50's, when the Inter-American Port and Harbor Conference was established. In almost a half century several important meetings took place (10 conferences and 24 technical committees) where significant activities were carried out for the improvement, development and modernization of the ports in the hemisphere. In 1998 the OAS General Assembly approved the transformation of the conference into the Inter-American Committee on Ports (CIP).
- The purpose of the committee is to serve as a permanent Inter-American forum of the member states for the strengthening of the hemispheric cooperation in the area of port sector development, with the active participation and collaboration of the private sector. The committee is composed of all of the member states of the OAS represented by the highest-level national government authorities from the port sector.
- The first CIP meeting took place in October of 1999 in Guatemala and some important resolutions were adopted, such as the approval of a Plan of Action for the years 2000-2001; strengthening of international cooperation with the International Maritime Organization and other cooperation agencies; approval of the CIP budget based on the contributions of the port authorities, as well as other actions. The final report of this meeting can be obtained from the CIP Secretariat.
- The second ordinary meeting of the committee will take place in Costa Rica in the year 2001 and the third one in Mexico in 2003.

The Executive Board

- The main function of the executive board is to carry out the tasks assigned by the committee and implement the decisions adopted by the committee.
- Last October the committee elected for 4 years the following countries as members of the executive board: Argentina as president, Barbados, Mexico, United States and Uruguay as vice-presidents, and Brazil, Canada, Chile, Colombia, Costa Rica, Guatemala, Jamaica, Panama, Dominican Republic and Saint Lucia.
- The board met for the first time last December in Buenos Aires, Argentina and designed its work plan to implement the already adopted Plan of Action of the committee. The sub-committees on policy and coordination, on port administration and on port training are responsible for this work plan.
- Barbados will host this year the annual meeting of the executive board, and the Dominican Republic will host it in the year 2001.

What is the CIP's Plan of Action for the Years 2000-2001?

It is a set of activities oriented to strengthen and develop port cooperation in the hemisphere in several priority areas. Contributions to assist in the development of these activities are welcome. Please contact the CIP Secretariat:

Policy and Coordination

- Port Security: to develop a joint port security strategy for the ports of the member countries.
- Environmental protection: to develop

contingency plans (IMO-MARPOL) to prevent pollution and develop preventive measures. To examine the navigation control systems in ports and canals (VTS).

- Follow-up of the FTAA and other integration processes and evaluation of their implications for port operations.

Port Administration

- **Port Reform:** to update the document "Manual of Port Privatisation" and "Comparative Study of Management Conditions in Latin America and Caribbean Ports". Also, to provide information about the impact of these reforms on the ports in the Caribbean.
- **Modern Technologies Applied to the Port Sector:** to prepare information on modern port technologies and to post it on the committee's web page. Also, to continue the development of the project "Western Hemispheric Geo-Spatial Maritime Cargo Data System".
- **Ports for Cruise Ships:** to prepare a document regarding the outlook on cruise tourism, infrastructure requirements and other experiences in connection with this issue.
- **Statistics:** to update the document on "Port Statistics in the Hemisphere".
- **Port Tariffs and Financing:** to prepare a document with information on tariff setting in member country ports and data on the financing conditions of port operations.
- **Port-Customs Relation:** to emphasize the dissemination of the conclusions stemming from the seminar on ports-Customs, held in Houston in 1998.
- **City-Ports Development:** to forward the information it might have on the development of city-ports to other member countries.
- **Study of Inland Waterways:** to forward update information on the Parana-Paraguay waterways and to provide web site information on the "Inland River Ports Terminals (IRPT)" and the U.S. reports on inland waterways.
- **Use of the Coastline:** to forward the information that member countries might have on this matter and to make available to interested countries the findings of the study it has been conducting on the use of the Atlantic coastline of the United States.
- **Quality Assurance (ISO 9000):** to present information on the actions aimed at obtaining ISO 9000 certification for Tampico Port and to forward the information on the work aimed at obtaining this quality certification.

Also, to make it available to the countries that might be interested in it.

Training

- To develop the training program detailed in item 5 of this Newsletter.
- To identify the port training needs in the member countries, so it may be used as a basis for the preparation of future port training programs.
- To make an inventory of national training programs and to instruct the Secretariat to publicize them.

Activities Calendar: Year 2000

- March 21 and 22. Meeting of the Subcommittee on Policy and Coordination, Washington, D.C.
- June 23: American Port Management Course, Madrid, Spain
- December 5 to 7: Meeting of the CIP

executive board, Barbados

OAS General Secretariat

Secretary General: César Gaviria

Assistant Secretary General:

Christopher Thomas

Executive Secretary for the Integral

Development: **Leonel Zúñiga**

Director, Unit of Social Development and

Education: **Benno Sander**

Secretary, Inter-American Committee on

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World Maritime University Port of Hamburg Second Seminar on Port Marketing

Modern and practical
knowledge for ports
in a competitive environment

19-23 JUNE 2000
World Maritime University
Malmö, Sweden

Course objectives

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

Who should attend the course

- General managers of ports and operating companies
 - Heads of commercial (marketing) departments
 - Heads of financial, operational, planning departments
 - Government officials in charge of ports
 - Agents and forwarders
- The course consists of 5 modules,

lasting one day each, with lectures and discussions, in the morning and exercises and case studies in the afternoon. The 5 modules are:

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

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

REGISTRATION

The fee for the course is US\$900, which covers registration, documentation, lunch, course dinner and refreshments during lecturing days. You can arrange accommodation at the First Hotel Garden at a special rate of SEK835 or Good Morning Hotel at SEK630. Both rates are for a single room, breakfast included. Free transport is provided between the university and these two hotels.

Hotels

First Hotel Garden, Baltzarsg. 20,
S-20311 Malmö

Tel: +46 40 665 6200

Fax: +46 40 665 6260

Good Morning Hotgel,

Citadellsvagen 4 (close to WMU),

Box 349, S-20123 Malmö

Tel: +46 40 23 9605
Fax: +46 40 30 3968

For further information on the WMU-Port of Hamburg course and registration, please contact:

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WORLD MARITIME UNIVERSITY
WMU was established by the International Maritime Organization as the international apex maritime training institution, and offers an unrivaled international forum for learning. Since its foundation in 1983, WMU has developed a global reputation for its expertise in meeting the real needs of the maritime indus-

try. The university's MSc courses – so far followed by almost 1,200 students from 130 countries – provide an expert blend of academic and professional education, and have substantially increased the number of highly trained maritime personnel around the world.

PORT OF HAMBURG

Port of Hamburg handling a total volume of seaborne cargo of 80 million tons per annum and being one of the leading world container ports is intensively developing its marketing activities. In cooperation with private operators the "Port of Hamburg Marketing and Public Relations Association", which has the command of a comprehensive representation network, is active all over the world. Special importance is given to market research, market planning, customer service and public relations. Marketing activities are considered as an effective tool in port competition.

Development of World

Top 75 Carriers

THE past few years have witnessed a transformation in the structure of the container trades and this has been mirrored in the deployment of and investment in the major container shipping fleets. This study provides an insight into the development of the world's major fleets of container shipping lines and develops an analysis of the market prospects for these operators.

The following major issues are focused on:

- The shift in favour of very large – 6/8000TEU capacity – vessels. Which lines are committing to these massive investments and how will the fleet be structured in the next five year period?
- Has there really been a period of over-capacity in the fleet? What has been the extent of over-tonnaging and how has this developed in the light of surging exports from the East Asian economies?
- Mergers/Acquisitions and Take-overs have been the major trend in the front-rank shipping lines. What has been the structure of these developments and how will the major alliances and operators compete in the next few years?
- The pattern of the seven major strategic alliances is now becoming apparent. What further developments can be expected in this process of consolidation and what will be the market effect of this oligarchic structure?
- Recent developments have focused on the issue of regulation of the industry. What will be the regulatory environment within which the shipping lines must compete in the coming years? How can the intrusion of national and multi-national agencies be resisted?
- Transshipment has accelerated rapidly. This has prompted many lines to invest further in dedicated feeder links on regional hub ports. The structure of these developments is considered.
- The emergence of a container shipping charter market is a major development. The availability of low cost chartered-in tonnage in a generally difficult market opens the way for new competitive operators with a minimal capital commitment. This will complicate the market considerably.
- The major east-west arterial trades

New Publications

Growing Demand for Container Equipment

SINCE 1990 the number of containers moved via maritime container terminals has increased by some 116 per cent to nearly 190m TEUs. It is clear that this strong growth will continue well into the next century. This has generated a massive worldwide demand for container handling equipment, with each sector recording remarkable technical advances.

Not only is demand growing very rapid – it is also changing. The shift to larger vessel sizes has resulted in considerable pressure for faster container handling. Consignment sizes are increasing and there has been a focusing of deep-sea calls on the largest ports. At the same time increased feeder and short-sea demands have generated additional – rather different – container handling requirements.

This study provides a detailed examination of the world market for container handling equipment, with sections on:

- containership trends
- quayside container gantry cranes
- container yard cranes
- container handling equipment manufacturers

- the second-hand market
- productivity and equipment ratios
- orders and planned investments
- forecast for container equipment demand.

Price £540.00(UK) or US\$980.00 (all overseas sales) each, inclusive of air-mail delivery and packing.

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(international +44 1932 567084)
Email: oceanshipping@compuserve.com

Ocean Shipping Consultants have been directly involved in numerous major containerport development projects since the mid-1980s. During this time the difference between 'Engineering-Led' solutions and those that are actually justified by the market has always been apparent. The current study details technical developments, but primarily assesses the market from the viewpoint of what is economically justified. The analysis is based upon a pragmatic consideration of the market.

Further details of all publications and major consultancy projects undertaken by Ocean Shipping Consultants Ltd are available on request.

are being increasingly integrated with trades serving the Developing World. The use of relay operations and dedicated hub terminals is rapidly revising the structure of the trade. The study looks at these issues.

Price £395.00 (UK) or US\$655.00 (all overseas sales) each, inclusive of air-mail delivery and packing.

Order to: Study Sales Department, Ocean Shipping Consultants Ltd.
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Tel: 01932 560332
(international +44 1932 560332)
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(international +44 1932 567084)
E-mail: oceanshipping@compuserve.com

Vancouver Sees New Cruise Berth

VANCOUVER: The Vancouver Port Authority (VPA) announced recently it is proceeding with plans to build a new cruise berth at Canada Place in time for the 2003 cruise season. The VPA will provide \$79 million in funding required for the project with support from the cruise industry.

"The addition of a third berth at Canada Place secures our position in the cruise industry and allows for future growth and prosperity", said David Stowe, Chairman, Vancouver Port Authority. "The growth of the cruise industry is vital to our region, providing thousands of direct and indirect jobs in a sector that is increasingly important to our economy".

"This project is the culmination of years of consultation and planning to remain competitive in this industry and provide a high level of service", said Norman Stark, Vancouver Port Authority President and CEO. "With today's announcement, we are letting our customers know that we are following through on our commitment to them".

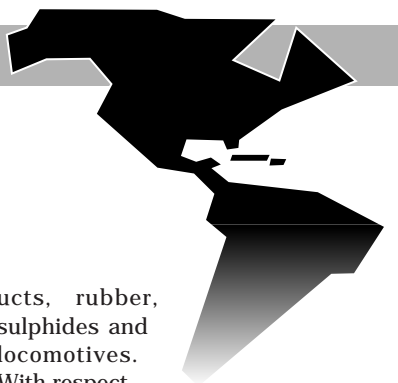
Premier Dan Miller said: "We are pleased to see the project proceed. This is an important development, given the economic contribution of the cruise industry to the Lower Mainland and the provincial economy as a whole".

"The addition of a third cruise berth presents us with exciting opportunities for the future", said Bill Watson, President & CEO, Canada Place Corporation. "We're delighted with the progress".

Canada Place will be extended, creating a new cruise berth and additional space for passengers. The project will generate more than 600 person-years of work. Passenger and baggage loading and unloading will be expanded from 133,000 sq.ft. to 189,000 sq.ft., with an enlarged passenger-level area, as well as enhanced truck, bus and taxi access from 63,000 to 100,000 sq.ft. When the work is completed, Canada Place will be home to three berths: one at 1,600 feet, a second at 1,070 feet and a third at 900 feet. As part of the project, the Vancouver Port Authority will assume some of the contracts from the cancelled trade and convention centre project from the provincial government.

Port Vancouver is homeport to the Vancouver-Alaska cruise. During the 1999 cruise season, Port Vancouver welcomed 947,659 revenue passengers, an increase of 8.5% over 1998's numbers and its 17th year of consecutive growth

The Americas



Halifax Anticipates Growth in Container and Cruise Traffic

HALIFAX, N.S. - The Halifax Port Authority released its 1999 year-end projections today for the Port of Halifax. "We are just coming off a year that was our best ever and, looking at Year 2000, it's only going to get better", stated David Bellefontaine, President and CEO of the Halifax Port Authority. Total Port cargo is projected to be almost 14.0 million tonnes in 1999, an increase of over six percent from the previous year.

Leading the growth in 1999 was containerized cargo, which is projected to finish the year at an all-time record level of 461,000 TEUs (twenty-foot equivalent units) - an 8.4 percent increase over 1998 volumes. This breaks the previous record of 459,176 TEUs handled in 1997.

"Growth in container traffic continues to be a solid combination of new services and growing volumes by existing Port customers", stated Mr Bellefontaine. "As well, the continued expansion of new markets for the Port, most notably the U.S. Midwest, was a contributing factor".

New container services to the Port in 1999 included Coral Container Line and Licorne Navigation Service. On January 20, 2000, the Port will welcome its first new container line customer of the millennium - Mediterranean Shipping Company (MSC). MSC operates a four-vessel transatlantic service.

Breakbulk and bulk cargoes moving via the Port are projected to post growth in 1999 of 11 percent and 5.6 percent, respectively, over their 1998 levels. Contributing to the increase in breakbulk cargoes are strong performances in the handling of forest prod-

ucts, rubber, sulphides and locomotives. With respect to bulk cargoes - gypsum, wood pellets and import grain - had double-digit increases.

"We are also pleased to report that 1999 was an all-time record year for cruise ship passenger volumes at the port, finishing the year with 107,837 passengers - an increase of more than 125 percent over the previous year - and 73 cruise ship calls", said Mr Bellefontaine. "Even bigger growth is expected for the upcoming year - with 150,000 passengers and 110 cruise ship calls shattering all previous records in this sector of the Port's business", continued Mr Bellefontaine.

In looking ahead to the Year 2000, Mr Bellefontaine also said, "We are very excited about these significant developments in the cruise and cargo components of our business. Combined with the major international attention that will be focussed on our Port this coming year through the International Gathering of Tall Ships, we believe the year 2000 will be an excellent launch for the Port of Halifax into the new millennium."

For additional information, please contact:

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President & CEO, Halifax Port Authority
Tel: (902) 426-3643 Fax: (902) 426-7335
Website: www.portofhalifax.x.ca

for cruise. During the 2000 cruise season, the port expects to welcome more than one million revenue cruise passengers.

Port Vancouver is popular for cruise customers because it offers a unique program, a shorter sailing time to Alaska and provides passengers with the flexibility of a full range of round-trip or one-way voyages. Port Vancouver has two modern cruise ship terminals: Canada Place, currently with two berths, and Ballantyne Pier, with two berths. The Vancouver-Alaska cruise industry contributes more than \$300 million annually to our local economy.

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Montreal Marks 7th Record High in Container Throughput

MONTREAL – The Port of Montreal reports container traffic reached record levels in 1999 for the seventh consecutive year. This included 9.2 million metric tons of containerized cargo (up 5.2% from 1998) and box movements totaling 993,486 TEUs (+6.1%). Over the last five years, the port's container traffic has increased on average 5.3% annually.

Strong growth in the container section was not sufficient to offset declines in breakbulk and bulk cargos, with the result that total traffic fell by 1.5% to 20.6 million tons.

- Non-containerized (or breakbulk) cargo totaled about 700,000 tons, a drop of 7.8% from 1998 that was "mainly attributable to a slowdown of steel imports into North America as well as the introduction of North American antidumping measures and the economic recovery in Asia".
- Dry bulk cargo fell 3% from the 1998 level, to 5.9 million tons in 1999. Largely to blame were reduced inbound shipments of road salt as well as a slowdown in iron ore and steel residue movements.
- Even more pronounced was a 4.3% drop in grain traffic resulting from reduced Canadian Wheat Board exports via the St. Lawrence River and

1. Port of Montreal: CONTAINER TRAFFIC 1989-1998

CY	TEUs	CY	TUEs
1999	993,486	1994	728,799
1998	932,701	1993	598,120
1997	870,368	1992	537,256
1996	852,530	1991	575,554
1995	726,435	1990	568,103

Source: Montreal Port Authority

2. Port of Montreal CARGO REPORT 1996-99 (Metric tons, 000s)

Category	1999	1998	1997	1996
Container	9,200	8,697	8,218	7,948
Breakbulk	700	802	693	526
Dry bulk	5,900	6,117	7,467	6,182
Liquid bulk	4,800	5,335	4,325	5,217
TOTAL	20,600	20,952	20,703	19,927

Note: Due to rounding, individual cargo data may not sum precisely to totals. source: Montreal Port Authority; Ports Canada, Ten-Year Traffic Review 1987-1996, p. 11.

3. Montreal Port Authority FINANCIAL SUMMARIES Million of Canadian Dollar

Category	1999 (a)	1998	1997	1996
Operating revenue	C\$58.9	C\$57.1	C\$56.6	C\$56.1
Operating/admin. expenses	C\$55.1	C\$50.5	C\$49.8	C\$50.1
Net from Operations	C\$3.8	C\$6.6	C\$6.8	C\$6.1
Investment income	C\$6.4	C\$6.3	C\$5.6	C\$5.7
Write-off of fixed assets (b)	C\$2.7	C\$0.0	C\$0.0	C\$0.0
Gross revenue charge (b)	C\$3.2	C\$0.0	C\$0.0	C\$0.0
Net income	C\$4.3	C\$12.9	C\$12.3	C\$11.8

(a): Unaudited, (b): Required of Canada Port Authorities under 1998 Canada Marine Act.

the greater use of rail transport for deliveries to local flour mills.

- Liquid bulk cargo totaled 4.8 million tons, a decrease of more than 520,000 tons or 9.8% that was largely the result of a complete year's shutdown of paraxylene production at a local chemical plant and a decrease in refined petroleum products consumption.

Montreal welcomed 18,300 cruise passengers in 1999, a drop of 14,300 from the previous year caused by a "significant delay in the construction of a new vessel and the arrival on the St. Lawrence of cruise ships that were too high to sail beneath some bridges."

This year, however, the Port Authority is expecting its "second-best cruise ship season in some 25 years," a total of 38,000 passengers, thanks in particular to some 20 voyages in and out of Montreal scheduled by Premier Cruise Lines aboard its 1,000-passenger Rembrandt.

For the year ending December 31, 1999, the Montreal Port Authority's non-audited financial results report net earnings for the 20th consecutive year – C\$4.3 million from revenues of \$65.3 million (an increase of C\$1.9 million compared with the previous year). These revenues comprise earnings of C\$58.9 million from operations (up C\$1.8 million), and investment revenue of C\$6.4 million.

Expenses increased by C\$4.7 million to total C\$55.1 million in 1999. The difference is reflected, on one hand, by New obligations entrusted to Canada Port Authorities, such as the management of their own pension plans and group insurance programs and, on the other hand, costs incurred essentially for the maintenance and selective dredging of shoals in the navigation channel as well as the carrying out of environmental studies.

Earnings before a gross revenue charge and a write-off of fixed assets totaled C\$10.2 million in 1999, compared with C\$13 million the previous year. After the gross revenue charge of C\$2.7 million and the write-off of fixed assets of C\$3.2 million, net earnings amounted to C\$4.3 million.

As stipulated by the 1998 Canada Marine Act (CMA), the gross revenue charge is the stipend payable to the sole shareholder, the Government of Canada. This stipend is based on the authority's gross revenues while, prior to the creation of the Montreal Port Authority on March 1, 1999, the shareholder received a dividend from net earnings. The write-off of fixed assets, meanwhile, is an adjustment carried out following a complete inventory of all movables and immovables required when the port authority was established.

On April 11, the Montreal Port Authority will present its audited financial results at its first annual public general meeting, as required by the CMA.

(AAPA ADVISORY)

Long Beach Experiences Container Traffic Growth

LONG BEACH – Boosted by another strong month of imports in December, the Port of Long Beach ended the 1999 calendar year with another container traffic record – handling 4.4 million TEUs, an increase of 7.6% compared to 1998, and nearly triple the volume handled just a decade ago.

“The totals reflect a remarkable period of growth for the U.S. economy and the

Port of Long Beach”, said Wilma D. Powell, the Port’s Director of Trade and Maritime Services. “The U.S. economy remains strong, and so is the American consumers’ appetite for imports. We are projecting strong imports at least through the spring. We also see slow, but steady gains this year for exports”.

The December gain (up 8.5% from December 1998) was paced by an 11.4% jump for imports. Exports lost some ground, slipping 0.9% to 86,697 TEUs, while empty container throughput rose 12.6%.

For the year, imports also paced the port’s gains, increasing by 10.5% – the fourth consecutive year of double-digit import increases. Leading imported goods included consumer goods, such as clothing, shoes, home furnishings and consumer electronics.

Exports rebounded slightly, increasing by 1.6 percent. The gains in exports were led by raw materials, such as waste paper, recycled metal, plastics and chemicals.

(AAPA ADVISORY)

San Diego Retains McArthur Shipping as Rep. in Australia and N.Z.

SAN DIEGO – The Board of Port Commissioners has retained McArthur Shipping of Sydney, Australia, to represent the Port in Australia and New Zealand from January 2000 through June 2001.

Since 1997, the Port has received citrus shipments and more than 35,000 tons annually of cottonseed from Australia. It hopes to build on that success by pursuing cargo opportunities “Down Under” such as silica sand, golf course sand, other free-flowing bulk products, forest products and perishables.

McArthur Shipping maintains 26 offices throughout Australia and New Zealand and has three years experience arranging successful trade missions in the area for the Port.

The Port is also served by trade representatives in Korea, Japan and Chile. In addition, it maintains a Business Development Office for Asia, located in Hong Kong, in partnership with the San Diego Economic Development Corporation, World Trade Center San Diego and the San Diego Convention and Visitors Bureau.

(AAPA ADVISORY)

1. Port of Long Beach CONTAINER TRAFFIC 1985-1999

CY	TUEs	CY	TUEs	CY	TUEs
1999	4,408,480	1994	2,573,827	1989	1,575,117
1998	4,097,689	1993	2,079,491	1988	1,539,803
1997	3,504,603	1992	1,829,457	1987	1,460,188
1996	3,067,334	1991	1,767,824	1986	1,394,453
1995	2,843,502	1990	1,598,078	1985	1,141,466

Source: Port of Long Beach

2. Port of Long Beach CONTAINER TRAFFIC 1998-99 (TEUs)

	December		January-December	
	1999	1998	1999	1998
Inbound Loaded	185,572	166,532	2,317,050	2,096,901
Outbound Loaded	86,697	87,527	989,221	973,647
Total Loaded	272,269	254,059	3,306,271	3,070,548
Empties	92,971	82,589	1,102,209	1,027,141
TOTAL TEUs	365,240	336,648	4,408,480	4,097,689

Source: Port of Long Beach

Africa/Europe

Le Havre: “Logiport-Equiport 99” Highlights Port 2000 Project

DURING the Logiport-Equiport 99 trade fair held in Le Havre in 1999 from September 14th to 17th, Claude Gressier, Director of Shipping, Ports and Coastal Areas, referred to the very great importance for the economy of the Port 2000 project, both for the port and for trade, whether with the EU or other countries, and for its effect on the local economy. He expressed his desire to see work begin next year, as the necessary funds have now been made available to get the process started. So far as the environment is concerned, the independent experts appointed by the Prefect have

completed their work in time for the impact study to take their report into account.

Logiport-Equiport 99, the international shipping and multimodal transport show, is designed both for shippers and for all concerned with logistics in the various types of specialist transport and brings together the world of shipping and its partners in the field of overland transport to and from the ports. A large number of French and foreign ports had stands, and in particular several African ports.



The Show also provided an opportunity to study the expected changes in ports during the first years of the 21st century and there were talks and symposiums each day on such themes as improved intraport productivity, the identification and follow-up of merchandise, ports and increased coastal traffic, and the competitiveness of the global transport chain. Moreover, each day was devoted to transport to and from a particular area, i.e. North America, Latin America, Asia and Africa.

NEW BERTH FOR CHEMICAL CARRIERS

The Port Authority is to build a new jetty for chemical carriers in the Havre Ship Canal, at a cost of 13 million francs. The berth will be sited on the south bank, to the east of the Multibulks Terminal and will be designed for vessels of from 5,000 to 40,000dwt.



"PORT 2000" Project (Photomontage)

imposed by the latest technology.

A total of 17 people from Algeria, Brazil, Cambodia, Cape Verde, Croatia, Eritrea, Ghana, Guinea, Haiti, Lebanon, Liberia, Morocco, Nevis, Sao Tome, Tunisia, Turkey and Uruguay attended the course. They fell into almost equal groups of 9 English speakers and 8 French speakers.



Grain being loaded at the Joannes Couvert Wharf

Mapo-Ku, Seoul (Korea).
Tel.: 822 714 0263
Fax: 822 714 0265
e-mail: seric@unitel.co.kr

BRILLIANT SEASON FOR GRAIN

The 1998/99 grain season, just over, turned in figures vastly better for the port of Le Havre than those of the 1997/98 season, the actual figures being 745,364t exported this year against 214,877t last time. The number of vessels loading in Le Havre rose to 43, nearly three times as many as before.

Wheat exports reached 460,705t, an increase of 157%. Barley was the other staple, at 277,872 tonnes.

CONSULTANCY & TRAINING

13th IMO/IPER TRAINING COURSE SUCCESSFULLY COMPLETES

The thirteenth high-grade training course in the operation and management of ports, organised at the request of the French government by the Havre Port Studies Institute and the Port of Le Havre Authority, under the patronage of the IMO, was held from September 6th to October 8th 1999. It was designed for senior managers from developing countries occupying posts of great responsibility in port-related organisations and government departments.

The aim of these courses is to improve efficiency in the management and operation of ports by reviewing all the different functions of a port authority, such as planning and development, commercial and tariffing policy, financial control, and the accommodation of ships and merchandise, in the light of all the changes

Deeper Elbe River Keeps Hamburg Competitive

THE newly deepened and widened channel in the lower and outer Elbe River was officially opened for traffic on 14th December by the German Minister of Transportation, Construction and Housing, Reinhard Klimmt, Hamburg's Mayor and President of the Senate, Ortwin Runde, and the chief of Hamburg's Department of Commerce, Senator Thomas Mirow. The official celebration took place on board the passenger launch, "Hamburg". With this improvement in the channel, the Port of Hamburg and the entire northern German region are well prepared for the demands of international shipping.

Now that modification of the lower and outer Elbe channel is complete, ships with a draft of 12.80 meters can enter and depart the Port of Hamburg at any time, independent of the tides. Ships with a draft of up to 15.10 meters can reach Hamburg depending on the tides, while drafts of up to 13.80 meters are allowed for departures. Thus post-Panamax and super post-Panamax containerships can now call at Hamburg without any problems. Therefore, Hamburg has secured its excellent competitive status as a European main port. Thus, it again deserves to be the first port of discharge and last of loading in the major shipping lines' worldwide schedules, meaning much shorter transport times for the port's customers. The Hamburg port businesses are expecting a growth rate of four percent and a total volume of over 3.7 million TEUs in container transport in 1999.

NEW PORT OF LE HAVRE REPRESENTATIVES IN JAPAN AND KOREA

Jean Monnin, who had represented the Port of Le Havre in Japan and Korea for thirty years, retired on June 30th.

Since July 1st the Port has been represented in Japan by Yves Gasqueres, Chairman of PMC (Promotion, Marketing, Consulting Co, Ltd), PMC Bldg, 7F. He can be contacted at:

1-23-5, Higashi-Azabu, Minato-ku, Tokyo 206-0044 (Japan).
Tel.: 813 35 82 9862
Fax: 813 3588 9147
e-mail: pmcyg@gol.com

In Korea, the Port of Le Havre is now represented by Philippe de Chabaud-Latour, Chairman of SERIC COREE. The address is:

706 Shin Wha Bldg., 34-1 Mapo-Dong,

In the period from February/March 1999 until work was completed on December 14, a record was set with some 12 million cubic meters dredged out of the channel along a stretch of 110 km. Modification of the Elbe shipping channel cost a total of about 300 million DM. Of this, around 40 million DM went to compensatory measures to secure the future of the Elbe River, the channel, and the environment.

Hamburg plans to keep the port competitive in the future, too. The next major development will be completion of the Container Terminal Altenwerder (CTA) in 2001. This project, which has gained worldwide interest, will further strengthen Hamburg's position as Germany's largest and busiest universal and container port.

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Tel.: +49-40-37709-110
e-mail: vanbeuningen@hafen-hamburg.de or visit our website:
www.mainporthamburg.de*

Hamburg Port Continues to Grow

SEA-BORN cargo turnover up by 5.5% in the first nine months of 1999 – the Port of Hamburg's success story continues. The growth has mainly been due to an upswing in container traffic and a higher volume of bulk cargo handled.

Increased outgoing traffic through the Port of Hamburg provided clear evidence of the upswing in Germany's exports and the recovery of Asia's economies. In the first nine months of 1999, for example, exports to Asia via Hamburg were up by 1.5 m tons, an increase of 24%. There were also significant gains in the volume of cargo handled on North American and West African routes – up 14% and 31.7%, respectively.

Baltic traffic via Hamburg in the first nine months of last year was characterized, among other things, by a 20% rise in imports, which brought an overall increase of 6% in cargo handled.

However, sea-borne container exports to the Baltic region were down on the same period of the previous year as a result of the continuing economic problems faced by Russia and the other CIS states. Other European traffic via Hamburg increased by 9% in the period

under review.

Whereas the Asian crisis led to a fall-off in outgoing cargoes on Far Eastern routes over the previous year, the normalization of traffic flows last year brought an increase of 8.5% in the first nine months. Empty container traffic returned to normal.

Germany's export industries are booming, and this is certainly one of the reasons why containerized cargoes rose by more than 2 m tons in weight terms, an increase of 7.4%.

In the first nine months of 1999, Hamburg's container terminals handled 2.7 m TEUs of containerized cargo, an increase of 2.3%. By the end of the year, the total was expected to reach 3.7 m TEUs.

Bulk cargo turnover rose by 5.1%, with increases in ore and coal imports and grain exports contributing most to this favorable result.

Hamburg was unable to reverse the general trend of declining conventional general cargo turnover evident in all

northern Europe's seaports. In Hamburg the main reasons for a 7.8% decline were falls in exports of plant and machinery. Nevertheless, the conventional general cargo sector is still of great significance to the Port of Hamburg – and some areas did well in 1999, e.g. fruit, where 5.5% growth was recorded. Special-purpose terminals for handling and storing general cargo and a great many liner services underline Hamburg's importance as a universal port.

Inland shipping traffic to and from Hamburg has enjoyed a good year, with 5 m tons of cargo handled in the first six months of 1999 – an increase of 13.2%. Container traffic is doing particularly well in this sector. In the past, the volume of container traffic carried on inland waterways was relatively low, but now the market has warmed to the idea of transporting containers to and from Hamburg by inland waterways.

Further information about the Port of Hamburg may be obtained by visiting web site: www.hafen-hamburg.de

ACTS Launches Amsterdam/ Rotterdam Shuttle

IN September the rail operator ACTS was starting an almost daily shuttle service with its own container trains between the Amsterdam port region and Rotterdam. Containers that have been registered before five o'clock in the afternoon are delivered to the customer or to the terminal in Amsterdam or Zaandam the next morning. The most important terminals in both Amsterdam and Rotterdam are on the route. The capacity of the trains is 60 TEU. ACTS' action is partly motivated by the growing congestion on Dutch roads, which is leading to a deteriorating price/performance ratio. The company now claims that its 'AM-RO Shuttle' now provides a competitive service for containers between Amsterdam and Rotterdam.

ACTS introduced its transport system in cooperation with the rail logistics consultancy Deltalink in 1990. Trucks carrying the containers are driven alongside the rail wagons and the containers are then transferred to the train. The same procedure is followed in reverse at the other end. This door-to-door concept doesn't require large terminals and last year the company supervised the transport of about a mil-

lion tonnes of goods using 288 wagons and 700 of its own dedicated containers.

The Amsterdam Port Authority is supporting the new flexible shuttle concept. According to ACTS and Deltalink, the customer will benefit most by taking out an annual contract since he is then guaranteed delivery at a fixed price.

The estimate for the total market in container movements between Amsterdam and Rotterdam is around 100,000 TEUs this year and it is expected that this number will continue to grow, especially in view of the increased commercial activity at the Amsterdam end. The congestion problem is set to get worse and this will lead to a greater demand for alternative means of transport by rail and water.

It was at the beginning of 1998 that ACTS received its official papers as a rail operator enabling it to run its own trains. This is all part of the rail liberalisation policy whereby the monopoly position of Dutch Railways was put aside thus opening up the tracks to other operators. 'The government White Paper: The Third Age of Rail', envisaged an adequate public and a high quality cargo rail transport system. From January 1 this year a charging regime for the use of the infrastructure

has to be introduced in order to comply with European regulations and to have a fairer and more focussed system. The amount involved is 400 million guilders and the new system will be implemented in phases. 250 million guilders will come from Dutch Rail passengers, about 100 million from decentralised lines and cargo transport (up to 50 million). The charges for cargo transport will be accounted for separately.

Rotterdam Fruitport Marks Good Year in '99

THROUGHPUT of fruit and vegetables in Rotterdam in the form of palletized general cargo rose in 1999 by 5% up to 1,050,000 tons. This growth was due to radically increasing imports from South Africa. 50% more seasonal fruit from this country was handled in the Vierhavens area in comparison with 1998. Container traffic also did well in Rotterdam Fruitport. More and more fruit and vegetables are being transported in refrigerated containers. For example, imports of containerized fruit and vegetables from Morocco doubled.

Throughput of palletized fruit and vegetables has remained more or less stable at around a million tons for some years now. In 1998 there was the risk of a sharp decline, principally due to the collapse in imports from Chile that had suffered as a result of El Nino. However, this was compensated for by the - for Rotterdam then new - transshipment of South African fruit. The 100,000 tons in that year rapidly grew to around 160,000 tons in 1999. The total volume for the Vierhavens area, the physical centre of Fruitport, consequently totalled 1,050,000 tons. A further increase in the throughput of fruit from South Africa is expected in 2000. The independent exporters, who operate via Rotterdam, will slightly increase their market share while the fruit-growing area in South Africa has also increased, generally speaking. Seabrex, the biggest transshipment company in the Fruitport area, therefore acquired an interest in a fruit terminal in Cape Town in the autumn of '99. This will anchor the cargo more firmly to Rotterdam and will facilitate improvement in the quality of the logistic chain.

Containers

More and more fruit and vegetables are being transported in refrigerated

containers, so-called 'reefers'. It is difficult to give any quantitative insight into the development of this trend. Due to the elimination of Europe's internal borders, the reliability of statistics since 1995 has diminished. In 1995, 320,000 tons (mainly fruit) were imported in containers and 300,000 tons, mostly vegetables, were exported. It is assumed that since then the incoming flow of fruit and vegetables will have grown slightly faster than container throughput in general. This would bring the current level to 450,000 tons. Important trades are kiwis from New Zealand and citrus products from Florida. Although South Africa and the

larger South American countries have sufficient volume to fill fully conventional reefer ships, the container is also gaining ground here too. Other up-and-coming areas are Central America, the Caribbean and Morocco. This last country developed rapidly in 1999 and Rotterdam's throughput of Moroccan fruit and vegetables doubled to around 85,000 tons. Formerly the Moroccan fruit was imported mainly via French ports.

For further information:

Minco van Heezen,
Press Officer Rotterdam Municipal Port Management.
Tel.: 31 10-252 1429.

Port of Cork Deepwater Multi-Modal Port

Message from Chief Executive Patrick J. Keenan



OVER the past decade we have invested £43 million in capital dredging and in the provision of quays and handling facilities primarily for lift-on lift-off, roll-on roll-off and dry bulk cargoes. We have pursued a consistent policy of cost reduction and containment and we have succeeded in eliminating our pension fund deficit. This in turn enabled us to reduce port charges effective from 1 January 1998 and thereby send a clear message to our many esteemed port customers that we are ad idem with the commercial orientation demanded for ports under the 1996 Harbours Act.

I acknowledge the roles of the European Commission and the Irish Department of the Marine and Natural Resources in assisting the port to obtain Euro funding which is so essential for the provision of first class facilities at competitive prices. The resultant response by port users has led to significant increases in traffic throughput, particularly with regard to container traffic which has developed to a point where Cork has moved into No. 2 position in the table of Irish container ports. Of equal significance has been the success of the port in attracting Panamax

size vessels to the Ringaskiddy Deepwater Terminal - Ireland's largest public port facility.

We continue to work closely with port users and stevedores under the aegis of IBEC (Irish Business and Employers' Confederation) to ensure optimum levels of stevedoring and dock labour productivity and competitiveness. Aided by an enlightened and committed management and workforce, I am satisfied that this prioritised focus on efficiency in parallel with an ongoing capital development programme will inevitably contribute to future success.

Introduction

As the premier port on the south coast of Ireland, the Port of Cork is a natural, sheltered, deepwater port superbly situated close to the main shipping lines to northern Europe. Cork is the second port in the Republic and it is one of two Irish ports which handle all five shipping modes i.e. lift-on lift-off, roll-on roll-off, dry bulk, liquid bulk and break bulk. In addition to offering the shortest ferry crossing to mainland Europe, the Port of Cork is the only Irish port which offers direct, scheduled lift-on lift-off and roll-on roll-off services to the continent.

Since the early eighties the Port of Cork has experienced a period of sustained traffic growth culminating in record throughput in 1997. Cork is Ireland's leading industrial deepwater port housing the largest concentration of port-related industry in the Republic. It is also Ireland's only freeport and principal offshore servicing port.

For centuries the city quays have handled most of the port's traffic including dry bulk cargoes but in recent years large volumes of animal feedstuffs have been transferred to the Ringaskiddy Deepwater Terminal which can handle fully laden Panamax size vessels. The port's container services are handled at the Tivoli Container Terminal, situated two miles down river from Cork city while Tivoli also handles shortsea car carriers, bulk liquids and livestock. Most of the port's car ferry and roll-on roll-off freight services are operated from the Ringaskiddy Ferry Terminal although the port's deepsea ro-ro services are operated from the adjoining deepwater terminal. Cruise liners are handled primarily at the Cobh Cruise Terminal but also at Cork city, Ringaskiddy and Whitegate. Ireland's only oil refinery is situated at Whitegate while other private marine facilities are located at Haulbowline, Ringaskiddy, Rushbrooke, Marino Point and Passage West.

Situated on 51° 54'N Latitude and 8° 24'W Longitude, Cork city and its immediate hinterland house a population of 230,000 people. As Ireland's second city, it is the commercial industrial, cultural and educational capital of Munster. A noted educational establishment, University College Cork incorporates the National Micro Electronics Research Centre while Cork's Institute of Technology houses the National Marine Training Centre. Continuing implementation of the Cork Land Use and Transportation Study has improved immeasurably road access to the port and the Lee Tunnel is designed to further reduce travelling times to the port's major cargo handling facilities at Ringaskiddy and Tivoli. Cork International Airport offers high frequency scheduled flights to Irish, British and European airports with charter flights to the United States and other destinations.

New Crane Commissioned As Container Traffic Escalates

The Port of Cork has commissioned a new state of the art container crane to cater for rapidly expanding container

throughput at the Tivoli Container Terminal. The port's container traffic, which reached record levels in 1998, has grown by a further 20% in the first eleven months of 1999 and will reach almost 120,000 TEUs by year end. The new rail mounted Liebherr gantry crane, which has a 40 tonne safe working load, can achieve handling rates of 40 containers per hour. It was commissioned in July and, in the interim, it has effected a major improvement in the already high level of vessel turnaround times.

The new crane is but part of the overall improvement in facilities at the Terminal. A 30,000 sq.ft. transit shed was removed to provide additional marshalling areas within the container compound and to permit more effective use of the terminal's straddle carriers. During the winter a new computer system is being installed to accelerate box location and to improve interface with shipping agents. A new terminal management system is being introduced to streamline overall operations and to provide an enhanced level of service to port customers.

In recent years there has been a significant improvement in the roads infrastructure in the Cork area. An integral part of this improvement has been the construction of the Lee Tunnel down river from the Tivoli Estate. As a consequence, access to both the Tivoli Estate and to the Ringaskiddy Deepwater and Ferry Terminals has been considerably improved. Hauliers benefit greatly from these advances and, in turn, exporters and importers enjoy the benefits of shorter door to door transit times. Over the past five years, with the benefit of EU funding, the Port of Cork has invested £11 million in new and improved facilities at the Tivoli Container Terminal. The port is committed to an ongoing process of service enhancement so that it can continue to increase its penetration of the container market in the Munster area.

The port offers high frequency short-sea services to continental Europe and Scandinavia with transshipment facilities to worldwide destinations. Door to door and feeder operators, BG Freight, Eucon, HKCIL, Seawheel/Rheintainer and Lys Line provide services to Rotterdam, Antwerp, Le Havre, Felixstowe, Hundested, Oslo, Lysekil and Falkenberg and all companies and routes have shared in this year's growth.

Container traffic is steadily growing on the weekly, scheduled Grimaldi Euro-Med service which links the Port of Cork with Mediterranean and

Scandinavian ports every week-end. Through its associated company, Euro-Med Logistics Ireland Ltd., Grimaldi are providing new container handling facilities at a dedicated depot at Ringaskiddy and the company is confident of further containerised growth in 2000.

First Shipment of Concentrates from Lisheen Mine

Friday 10 December 1999 marked the first shipment of concentrates from the Lisheen Mine when the m.v. Arklow Viking sailed from the Tivoli Dock Estate with a cargo destined for Antwerp. The Port of Cork was chosen as the export port after a most exhaustive comparison of the relative merits of the Ports of Cork, Waterford and Foynes. A purpose built facility has been provided at the Tivoli Dock Estate and from it will be shipped the entire output of zinc and lead concentrates from Lisheen. It will be the single largest export bulk project to be undertaken in Ireland in recent years while the mine will be the seventh largest producer of zinc in the world. Concentrates will be shipped to processors in Europe and USA.

The multi-million pound portside facility was constructed after the most rigorous planning appraisal and it is subject to stringent environmental controls including continuous monitoring.

The overall facility comprises a 4,100 sq.metre building with segregated storage of zinc and lead concentrates. The material will be transferred by means of front end loaders on to a fully enclosed conveying system from which the concentrates will be discharged into the ship's hold by means of a ship loader fitted with a telescopic boom and a Cleveland Cascade chute. The concentrates will be shipped in vessels ranging from 5,000 tonnes to 15,000 tonnes and the average ship-loading rate will be 1,000 tonnes per hour.

On the occasion of the first shipment, Mr. Frank J. Boland, Chairman, Port of Cork expressed his deep satisfaction at the selection of Cork for such a prestigious project. He was particularly pleased that a complex undertaking involving a number of separate but integrated elements had been brought together to the specification and time frame of the mine promoters.

Shipping agents are Lisheen Milling Ltd. while stevedores are Ronayne Shipping who are also responsible for operating the new facility.

Major Landscape Projects to Mark New Millennium

The Port of Cork is commemorating the dawning of the new Millennium with the construction of new, visually attractive amenities at both the Tivoli Industrial & Dock Estate and at Ringaskiddy. The port is keenly aware of the potential negative environmental impact of some of its developments. For that reason the port has embarked on a number of environmentally friendly projects in line with one of the general objectives of its mission statements as follows:-

Environment

- "To promote and foster good relationships with community organisations in the harbour area
- To protect the quality of the environment influenced by port operations.
- To take necessary environmental planning and management measures.

The new Tivoli and Ringaskiddy amenities fall neatly within this policy framework.

Port of Cork 2000 Garden for Tivoli

Situated at the water's edge at the western end of the Tivoli Estate, the Port of Cork 2000 Garden will afford excellent views up river towards the City and downriver towards the Marina and Blackrock. There will be a central path running the length of the long, rectangular site and at both ends there will be a pair of modern wrought iron gates. Attractive seated areas will be an important feature of the Garden with some areas on the river's edge surrounded by hedges and railings while others will be screened using stone walls and colourful shrubs.

Distinctive features of the Garden will include

- A sunken paved area with seating containing a centre piece of a marble sculpture depicting a fish swimming under water.
- A sundial on a base of Liscannor paving.
- Circular stone pillars linked with chain and with climbing plants trailing from one pillar to another.
- The coat of arms of the Port and City depicted in cobbles with "Millennium 2000" picked out in creative stones surrounded by contemporary planting.
- Lighting accommodated in stone bollards.
- Special features commissioned from

local sculptors placed at regular intervals apart from the seated areas.

Work is well advanced on the project and is due for completion by Spring 2000. Distinguished landscape designer Mr. Brian Cross is the designer of the Garden while other contractors include Pat Sullivan Garden Services, Nangles Nurseries and Whelans Limestone.

Ringaskiddy Millennium Project

Landscape architect Mr. Brian Cross was also commissioned to design the Millennium project for Ringaskiddy. A low level natural stone wall complete with concrete capping has been constructed along the entire frontage of the village extending from the entrance to the Deepwater Terminal to the entrance to the Ferry Terminal. A tar and chip pathway is being laid through the grassed area and additional planting, including new flower beds, is in progress. This project is a continuation of the work undertaken in recent years to improve the general quality of the environment for local residents and to project a positive image to visiting tourists.

Holland America Line Returns to Port of Cork

On Sunday 15 August 1999, Holland America Line's 60,000 tonne flagship m.s. Rotterdam berthed at Cobh Cruise Terminal. The luxurious super liner, which measures 234 metres in overall length and was built in Italy in 1997, was on her maiden voyage to the Port of Cork. The vessel arrived from Guernsey in the Channel Islands with a full complement of 1,400 passengers and 620 crew. Her berthing coincided with historic Cobh Regatta and the town was completely en fete as regatta day visitors and cruise passengers mingled together in a carnival atmosphere.

The return of a Holland America Line vessel to the Port of Cork is particularly significant as a strong traditional link between the company and the port extends back to the early part of this century. At that time, the Line operated regular westbound and eastbound transatlantic calls at Cobh where, during the fifties and sixties, the company had a waterfront office. The visit of a Holland America Line cruise vessel this past season is also significant in that the Port of Cork has now succeeded in attracting almost all of the world's major cruise lines which operate in northern European waters. These other cruise

lines include Cunard Line, Princess Cruises, P&O Cruises, Royal Caribbean International, Norwegian Cruise Line, Crystal Cruises and Seabourn, all of whom have had cruise calls at the Port of Cork during 1999.

The new Rotterdam, which is the sixth vessel of the Line to have had the same name as the company's first vessel, was engineered for global cruising and, as one of the fastest cruise vessels afloat, it allocates three months of each year for around the world cruising. Distinctive features include a multi million dollar art and antiques collection, a concierge deck of veranda suites and an alternative restaurant serving gourmet Italian cuisine. Holland America Line, which celebrated its 125th anniversary last year, operates a fleet of eight luxurious ships with a further five vessels due to be delivered up to 2002.

New Compounds for Increased Car Traffic

To cater for the steady increase in throughput of trade cars which the Port of Cork has been experiencing in recent years and which has continued in 1999, four additional storage compounds have been developed, three of them at Ringaskiddy and one at Tivoli. Crosbie Trans Car have extended their long established PDI centre at Tivoli by an additional ten acres to accommodate the growing demand. In all, the company now occupies twenty three acres at Tivoli where all Irish imports of General Motors are handled. At Ringaskiddy, National Vehicle Deliveries have extended their seven acre depot by a further eight acres to accommodate new business including that of Motor Distributors Ltd., who are responsible for the distribution of Volkswagan, Mercedes and Audi. A further ten acre compound is being developed at Ringaskiddy by Euro-Med Ireland Ltd., a sister company of Grimaldi Line and their Irish agents, Ocean & General Maritime. This compound will cater for imports of Fiat and other vehicles and the company will also provide a container storage facility. In addition, the Port of Cork Co. has developed a seven acre common user vehicular distribution compound at Ringaskiddy.

In recent years the Port of Cork's traffic in trade vehicles has grown considerably due largely to the excellent port facilities which permit deepsea car carriers to berth at any stage of the tide. A further major advantage is the availability of portside land, ideal for the development of car storage and distribution centres.

Asia/Oceania



Qinhuangdao Port Ready to Serve Cape-size Bulklers

RIGHT upon entering the New Millennium, the Port of Qinhuangdao proudly boasts that the new channel of 16.8 kilometers in length, 200 m in width and -16.5 m in depth has been completed and that the ports ready for Cape-size bulk carriers.

On December 23, 1999, the opening ceremony for the channel was successfully conducted by loading 125,000 tons of coal onto the Cape-size vessel M/V Sunrise No. 1, which departed for France safe and sound. Since then, as the eastern head of the new Eurasian Continental Bridge, the Port of Qinhuangdao has been able to welcome Cape-size vessels from the around world.

Shanghai Port Enjoys High Growth in Throughput

THE sustained economic development in Shanghai has given strong impetus to the fast growth in the Shanghai Port. In 1999 the Port hits the records in total throughput, container traffic and import/export volume which are detailed as follows:

1. The port total throughput in 1999: 186 Million tons, a 13.7% increases over 1998.
2. The container traffic in 1999: 4.21 Million TEUs, 37.2% growth year on year.
3. Import/export volume in 1999: 62.8 Million tons, 28% growth.

To fuel the demand of container development in Shanghai, the phase II container terminal in Waigaoqiao became operational in Oct. 1999 that has 900 meters quay length for four dedicated container berths, suitable for post-panama container vessels.

Currently the construction work for phase III in Waigaoqiao has already kicked off and is expected to be completed in 2001 for two special container berths.

In the meantime, the Port is actively preparing for a large-scale construction of a deep-water port to further expand its container handling capacity. We will work together with the ports along the

Pacific coasts to welcome the opportunities and challenges of the new century. Attached please find a picture of the container terminal in Waigaoqiao where cranes of both phase I and II can be seen.

Mumbai Port: Its Brief Profile

Modernisation of Mumbai Port via Privatisation

THE port has identified the following projects for private sector participation:-

- (i) **Development, Operation and Management of Two Container Terminals:** With a view to retaining the existing cargo traffic and optimise productivity, the port has invited global tenders for the development of two container terminals at berths Nos. 2 & 3 Indira dock and berths Nos. 4, 5 & 6 Indira docks, and licensing the operation, management and maintenance of these container terminals for a period of 20 years on a B.O.T. basis.
- (ii) **Development, Operation & Management of Two General Cargo Terminals:** The development of two general cargo terminals at berths Nos. 16 & 17 Indira Docks and berths Nos. 10, 11 & 12 Indira Dock and licensing the operation, management and maintenance of these terminals for a period of 20 years on a B.O.T. basis.
- (iii) **Construction of a Berth at Pir Pau Pier for handling, inter-alia, coal on B.O.T. basis.** The port has accepted a commercial offer of M/s. Tata Electric Company for the construction of a

berth on a B.O.T. basis for handling coal/other less inflammable liquid bulk cargoes at Pir Pau.

(iv) **Construction of Second Liquid Chemical Berth on B.O.T. basis**

The port is planning to construct one more berth at New Pir Pau Pier for handling liquid chemicals and specialised grades of petroleum products. A detailed feasibility report for the project has been prepared by the consultants.

(v) **Licensing of Dry Docks:** The MBPT Board has recently approved, in principle, licensing of dry docks along with all attendant facilities and with two wet berths each with development of a workshop at the port for a period of 20 years. Tender documents for the project are under preparation.

Master Plan by JICA

M/s. Japan International Cooperation Agency (JICA) has prepared a master plan for Mumbai Port, which includes short-term as well as long-term development plans for Mumbai Port for the next 20 years. The major recommendation given is 'Construction of three deep-draft offshore berths for handling second- and third-generation container vessels at Mumbai Port'. The port has already invited global bids for the appointment of consultants to advise the port on the techno-economic viability of the recommendations given by the JICA study group which are under scrutiny.

Mumbai Port Embarks on Modernisation Drive

Mumbai Port's ninth five-year plan (1997-2002) with an approved outlay of Rs.12,080 million (US\$280 Million) aims at augmentation of capacity for handling POL and liquid chemicals and replacement of old/obsolete equipment and crafts. The major ongoing projects are as follows:-

(i) **Replacement of submarine pipe-**



Master Plan by JICA

lines between Jawahar Dweep and Pir Pau Manifold: Under this project, the port is replacing the existing submarine pipelines which are over 40 years old with pipelines of bigger dimensions. The anticipated cost of the project is around Rs.3,000 million (US\$70 million). A work order for the project was already placed with M/s. Hyundai Industries Ltd. in January 1999, and the project is due for completion in June 2000.

(ii) **Modernisation of Jetties 1, 2 and 3 at Jawahar Dweep:** Under this project, the port has planned to replace very old shore components of the services, like oil pipelines, fresh water mains, ballast water slow flushing pipelines, fire fighting facilities, including the construction of jetty head trestles and provision of loading arms at Jetties 1, 2 and 3 at Jawahar Dweep. The probable cost of the project is around Rs.2,000 million (US\$46 million). The project is at a tendering stage and is expected to be completed by February 2003.

(iii) **Replacement of common users' pipelines:** Under this project the existing on-shore pipelines between Pir Pau Manifold and Marketing Storage Terminals at Sewree-Wadala are proposed to be replaced. The estimated cost of the project is around Rs.950 million (US\$22 million). The project is likely to be completed by July 2003.

(iv) **Replacement of wharf cranes in Indira Dock:** In order to suit the increasing trend of packages in higher unit loads of 6 to 10 tons, the port is replacing its electric wharf cranes with higher capacity cranes in a phased manner. In the first phase, the Port has placed an order for procurement of 8 Nos. 10-ton capacity electric wharf cranes at an estimated cost of Rs.250 million (US\$6 million). The erection work and commissioning of wharf cranes will be completed by December 2000.

(v) **Replacement of harbour tugs by high powered tugs:** The size of oil tankers visiting Jawahar Dweep is increasing gradually. To facilitate the handling of oil tankers, the port is in the process of replacing the existing harbour tugs with high powered tugs of 45 tons plus bollard pull. The work order for replacement of harbour tugs 'Ankush' and 'Atul' has already been placed, at a cost of Rs.230 million (US\$5 million). The

MISC Offers Direct India/Jakarta Link

(released in 9 February 2000)

Malaysia International Shipping Agencies (MISC) has commenced direct sailings between a select number of Indian ports and Jakarta from Port Klang.

Two weekly services on the Northbound and Southbound legs will call Klang Container Terminal Bhd (KCT) every Saturday and Sunday respectively.

Three vessels, Bunga Mas Tiga, Bunga Mas Empat and Bunga Mas Sebelas will be deployed in the new service known as the Indo-China Express Service (IIX). The vessels have a capacity range between 650 TEUs to 710 TEUs.

MISC latest link which took off on 12th

February 2000 will also involve a slot purchase arrangement with Orient Express Line (OEL). Local agent for OEL is Pesaka Jardine Shipping Agencies.

The new service pattern will provide customers with faster transit times between Jawaharlal Nehru Port (JNPT) in Mumbai, Tutticurin and Jakarta from Port Klang for both inbound and outbound containers.

The new service will also be the first link between Port Klang and the newly opened container terminal at Tutticurin.

Service Schedule at KCT

Northbound

Jakarta → Port Klang → Tutticurin → Mumbai(JNPT) → Saturday

Southbound

Mumbai(JNPT)→Tutticurin→Port Klang →Singapore→Jakarta → Sunday

Turkey Sees Completion of Hydraulic Research Center



by Toshihiko Nagai

Doctor of Engineering

Chief, Marine Observation Laboratory

Port and Harbour Research Institute, Ministry of Transport, Japan

Establishment of Port Hydraulic Research Center in Turkey

As the Turkish economy grows and as the people's lifestyles diversify, the amount of cargo is increasing year by year in the existing ports and harbors of the country. The General Directorate of

Railways, Ports and Airports Construction (DLH) within the Ministry of Transport is overseeing the development and construction of new ports and harbors and the maintenance and improvement of existing port facilities. For the maintenance and development of ports and harbors, such means as field observations, hydraulic model

Fig.1 Organizational Chart for the Port Hydraulic Research Center

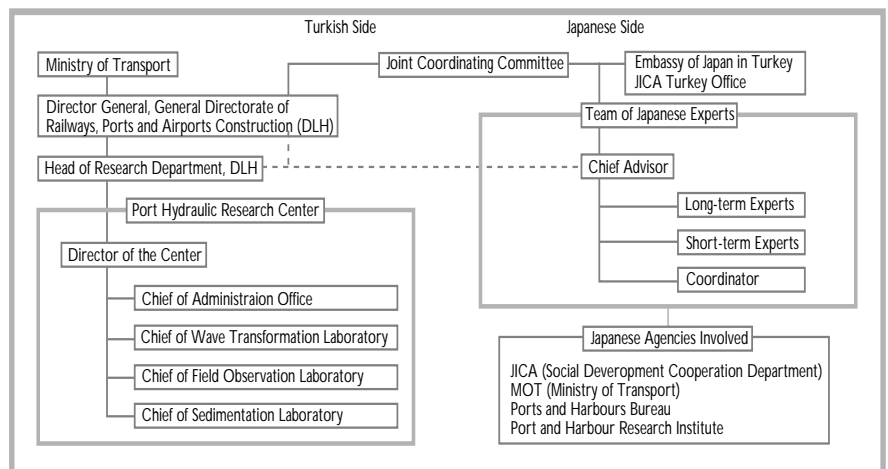


Fig. 2 Dispatch of Experts by the Japanese Side

	In the Field of	Name	1995	1996	1997	1998	1999
Long-term Experts (7)	Chief Advisor	Mr. Yuzo Suzuki	-----	-----			
	"	Dr. Yasumasa Suzuki			-----	-----	
	"	Dr. Kazuo Murakami				-----	-----
	"	Dr. Toshihiko Nagai					-----
	Numerical Model Experiment	Dr. Yasumasa Suzuki		-----			
	Field Investigation	Mr. Masami Furukawa			-----		
	Hydraulic Coordinator	Mr. Ryuji Koh Ms. Mineko Sato			-----		
Short-term Experts (38)	Port and harbour and coastal engineering (21)		-----	-----	-----	-----	-----
	Installation of wave generators and observation Equipment (13)		-		--	-	--
	Seminar lecturers (4)			-			-

experiments and numerical analysis are very important for solving technical problems like the stability of maritime structures and harbor tranquillity. As DLH previously had no equipment or facilities for experiments, it decided to set up a new port hydraulic research center with such facilities.

In this regard, the government of Turkey requested the government of Japan for technical cooperation in the establishment of the center. Thus a project was set up by the government of Japan for a period of five years from January 1995 until December 1999.

Fig. 1 shows the organizational chart of the center. The Japanese Ministry of Transport, including the Ports and Harbours Bureau and the Port and Harbour Research Institute (PHRI), technically supported the project by dispatching to Turkey their best port hydraulic research engineers and by training Turkish engineers in Japan.

Technical cooperation from Japan

(1) Dispatch of long- and short-term experts (Fig. 2)

Seven (7) long-term experts, including chief engineers, were dispatched to carry out technical transfer to their Turkish counterparts in the fields of hydraulic model testing, field observation and numerical analysis. Thirty-eight (38) short-term expert engineers were also sent there. Most of these expert engineers were supplied by PHRI.

They gave their Turkish counterparts intensive lectures and training in their respective fields of expertise (Photo 1). They also conducted seminars for DLH engineers and those from Turkish universities and the private sector for the purpose of technical transfer. The Japanese experts also cooperated with the Turkish universities helping stu-

dents with their Master's theses and Doctorates.

(2) Training of Turkish Counterparts in Japan

For effective technical transfer, promising Turkish engineers who were taking the initial roles in the Port Hydraulic Research Center were invited to Japan for training. Nine (9) of them to date have received training at the Port and Harbour Research Institute and the Port and Harbor Construction Bureau of the Japanese Ministry of Transport.

(3) Provision of Equipment

A multi-directional random wave generator system, field observation equipment, workstations and equipment for numerical analysis were provided.

History of the Port Hydraulic Research Center

The following were key events in the history of the center projects.

1993	July	JICA preliminary survey mission arrives
1994	November	JICA implementation survey team arrives
1995	January	Start of project
	March	JICA advisory team in Turkey for the installation of facilities for conducting experiments
	May	Start of construction of the Port Hydraulic Research Center
	November	Provision of workstations
1996	July	Provision of wave generators (40 units) and equipment for conducting experiments
	October	JICA consultation team arrives
	December	Provision of wave generators (16 units)
1997	January	Start of installation of wave generators
	March	First JICA - DLH seminar
	May	Completion of construction of the Research Center building
	September	Opening ceremony for the Research Center
1998	January	The Center comes under the administration of the Research Div., DLH
	March	'98 DLH seminar
	August	JICA advisory team arrives
1999	September	Second JICA - DLH seminar, JICA evaluation team arrives
	December	'99 DLH Seminar closing ceremony for the project



Photo.1 Lecture by Dr. Yasumasa Suzuki, Second Chief Advisor, at the center

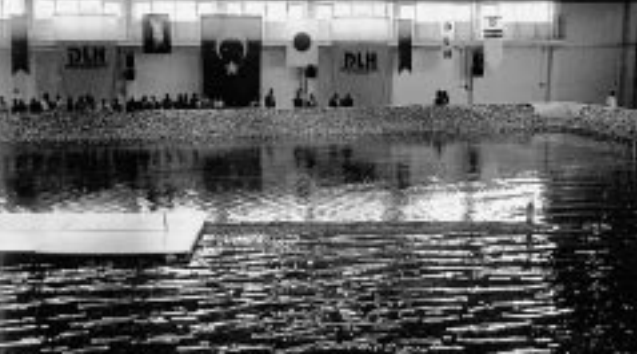


Photo 2 Opening ceremony on September 10, 1997 (demonstration of experiment in the wave basin)



Photo 3 Opening ceremony on September 10, 1997 (Japanese ambassador Atsuko Tohyama and the Turkish Minister of Transport Necdet Menzir start the wave generator)



Photo 4 DLH Seminar on December 10, 1999 (speech by the author, Fourth Chief Advisor)



Photo 5 Closing ceremony on December 10, 1999 (Japanese ambassador Shigeo Takenaka and the Turkish Minister of Transport Dr. Enis Öksüz are sitting at the front)

Wakachiku: Construction, Engineering for the World

AT the dawn of Japan's age of modernization following centuries of isolation, there was an immediate need to reclaim land along the coast to create industrial zones as well as to build harbours.

In 1890, when these development projects were still in their early stages, Wakachiku was founded in a small fishing village in Kyushu to undertake harbour engineering and construction work. Wakachiku subsequently built Wakamatsu Harbour, currently part of the vital port facilities that serve the Kitakyushu industrial complex. The company also reclaimed 820 hectares of land around the harbour as the foundation for future industrial development.

It managed the harbour facilities until 1938, when the prefectural government assumed control. Wakachiku successfully expanded its range of business and the scope of its operations by utilizing its experience in harbour construction and management accumulated during the first 50 years of its existence.

As postwar reconstruction gathered momentum in the wake of the social

and economical chaos that followed World War II, Wakachiku engaged in large-scale harbour, reclamation, dredging and various other projects throughout Japan.

In the 1960s, the company ventured into civil engineering and successfully established itself in such fields as the construction of railways, highways and dams.

Today, Wakachiku is a major

marine/land construction and engineering company fully capable of demonstrating its total capability anywhere in the world.

The major projects which have been carried out by Wakachiku since 1976 include:

1. Suez Canal dredging project for the Arab Republic of Egypt
2. Khor AI Zubair dredging project for the Republic of Iraq



Ujung Pandang Port's urgent rehabilitation project under construction (Indonesia)



Fluid loading/unloading facilities project (Thailand)

- | | |
|--|--|
| <ul style="list-style-type: none"> 3. Al Fao Salt project (Iraq) 4. Port of Colombo expansion project (Sri Lanka) 5. Dredging of Galle Harbour project (Sri Lanka) 6. Fisheries harbour construction project at Kirinda (Sri Lanka) 7. Phuket Port projects (Thailand) 8. Songkhla port project (Thailand) 9. Fluid loading/unloading facilities project at Rayong (Thailand) 10. Kendari fishing port project (Indonesia) | <ul style="list-style-type: none"> 11. Port of Colombo expansion project, port access road (Sri Lanka) 12. Queen Elizabeth Quay container yard improvement project in Colombo Port (Sri Lanka) 13. Ujung Pandang Port's urgent rehabilitation project (Indonesia) |
|--|--|

The company is now expanding the scope of its overseas operations in the hope of contributing to the development of infrastructures in various countries

am confident that PSA will continue to value-add with international shipping lines to further enhance their services for the benefit of global trade".

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 at berth.

PSA Marks Record High in P&O Nedlloyd's Container Traffic

PSA Corporation has set a vessel productivity record for P&O Nedlloyd container ships at its Tanjung Pagar Terminal.

P&O Nedlloyd's 6,600-TEU "POND ROTTERDAM", berthed at Tanjung Pagar Terminal on the morning of January 13, 2000, completed discharge and loading of 1,662 containers in just 8 hours, and departed in the evening the same day.

With this turnaround time, "POND ROTTERDAM" set a new record of 203 moves (333 TEUs) per vessel hour, the highest achieved by P&O Nedlloyd anywhere in the world. This is 15 moves more than P&O Nedlloyd's previous record of 188 moves per hour set in 1999, which was also achieved at Tanjung Pagar Terminal.

Mr Ng Chee Keong, Deputy Group President (Terminals) said, "This performance is an example of the value that can be created through partnership and teamwork between P&O Nedlloyd and PSA. We are proud of this collective achievement. PSA will continue to work closely with our valued customers to provide value beyond terminal operations".

Mr Tony Gibson, general manager of P&O Nedlloyd said, "We have full confidence in PSA doing an excellent job. The meticulous joint planning of this complex operation contributed to this achievement. I would like to extend my congratulations to the PSA and P&O Nedlloyd team".

PSA will continue to provide the best value-added, fast, flexible and reliable world-class service to achieve higher goals with our customers.

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 at berth.

PSA Scores Record High in Vessel Productivity

PSA Corporation, jointly with NYK Line, has set a new world record for vessel productivity at its Tanjung Pagar Terminal.

NYK's "Antares", berthed at Tanjung Pagar Terminal at noon of January 15, 2000, completed discharge and loading of 1,375 containers in just 6 hours, and departed in the evening the same day.

With this turnaround time, PSA and NYK have scored a vessel rate of 234 containers (376 TEUs) per hour, breaking the previous world record of 229 containers per hour, also currently held by PSA and achieved at Brani Terminal on July 5, 1995.

Said Mr Khoo Teng Chye, Group President, PSA Corporation Limited, "This is a great start for PSA into the new millennium. We have set a new world standard for container terminal operations. It is a concrete demonstration of our philosophy in total customer

support which advocates continuous improvement through a close understanding of customers' needs, use of state-of-the-art technology and operational research to enhance productivity, and our highly committed world-class team. The record breaking 234 containers per hour was made possible with teamwork and close working partnership between NYK and PSA. We are honoured that NYK has given us this opportunity by choosing to hub its 6,010-TEU "NYK Antares" at PSA".

Mr Tadamasu Ishida, Chairman, NYK Line (Asia) said, "We are pleased with this world record which we have achieved with PSA. This is a good start for the new millennium and this remarkable performance is a symbolic event which proves that PSA is really the world's No.1 in terms of the ability to handle mega transshipment volumes, and also in quality, efficiency and productivity. I wish to express our sincere appreciation to PSA's top management and employees for their tireless efforts. I