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(1999 - 2001)

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Port of Shanghai

WITH the world's economic development, container shipment is playing a more and more important role for its high efficiency, excellent quality and low cost. Ever since the reform and opening-up drive in China, Shanghai's economy has been developing at a breath-taking speed. The municipal government called for laying solid foundation to build Shanghai into an international economic, financial and trade center before year 2010 and to initially establish the position of Shanghai as an international economic center. To achieve the goal, it is inevitable to prepare for forming a world shipping center by building up container hub port to boost container traffic. An article on Container Ports in the Yangtze River Delta on page 33.

Contents

IAPH ANNOUNCEMENTS & NEWS

PIANC celebrates 400 years of relations between Japan and the Netherlands	3
Report on the 2nd meeting of the SATCC Maritime and Inland Waterways Committee, Port Louis, Mauritius.....	4
IAPH and the Development of African Ports: Address by Alex J. Smith, IAPH Representative for African Affairs	5
Visitors	7
Membership Notes	8

OPEN FORUM

Globalisation and Partnerships in Ports-Trends for the 21st Century by Marc H. Juhel, The World Bank	9
Cartagena - A Port Focus for Drug Free Trading by John Raven.....	14

INTERNATIONAL MARITIME INFORMATION

Equasis agreement signed • Antifouling Systems MEPC 44, March 2000	16
BIMCO Report: Dry Cargo Market, Tanker Market	17
SIBCON 2000 Singapore International Bunkering Conference.....	18
New Publications	20

WORLD PORT NEWS

The Americas

Port of Bahia Blanca, Its current profile	21
Island's First Container Crane on the Way	22
Port of Nanaimo to Assist in Water Quality Checks • Prince Rupert Port attains new port status in world trade.....	23
WASHINGTON REPORT: U.S. Bureau of Census reports on February U.S. trade balance	24
Port Authority's Port Commerce Director Honored as One of New Jersey's Top Businesswomen.....	25
North American Port Container Traffic • Update on Pacific Shores Center	26
Port Industry Supporters Rally for Charleston Port	27
Tacoma experiences substantial growth in container throughput	28
TT Club lends a helping hand to Venezuelan flood victims	29

Africa/Europe

Port of Antwerp Delegation visits New Delhi, Bangalore and Mumbai • State-of-the-art technology at Burchardkai Container Terminal • Rail and Inland Shipping in Rotterdam do well again	30
Algeciras ports: A record high in total throughput in 1999 • Tanzania delegation visits Rotterdam • Oil Figures Disguise Record Year for Port of London.....	31

Asia/Oceania

Eagle Farm Hat Trick.....	32
Development of Container Ports in Yangtze River Delta	33
Development of Indian Ports	36
Sail Training Ship "Akogare" World Sail 2000.....	37
Diet Approves Bill Amending Harbor Transport Legislation	38
Kuantan Port News: Executive Director emphasises the importance of human resources / Larger Vessel Call Recorded • Port Klang Malaysia's One Stop Agency	39
PAT News: Port Authority of Thailand to be more competitive in year 2000 / New terminal completed at LCP / Privatization Plan Approved	40

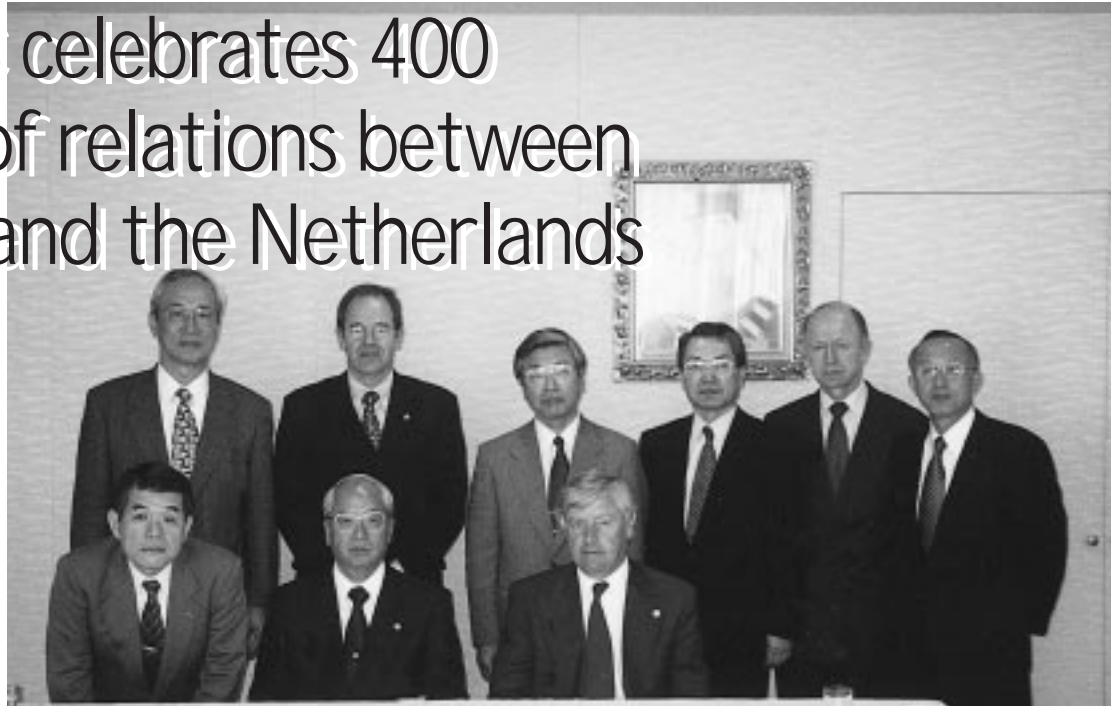
IAPH ANNOUNCEMENTS AND NEWS

PIANC celebrates 400 years of relations between Japan and the Netherlands

IN April 1600, one Dutch ship *Liefde* drifted ashore at Usuki in Kyushu, Japan, after her two-year long voyage of struggle at sea. Since then extensive economic and cultural exchanges have developed between the two countries. Even during the Edo period, when Japan closed its doors to overseas countries for more than 200 years, only Dutch traders were allowed to import and export goods via Nagasaki Port.

In commemorating the 400-year bilateral relationship, a joint forum of PIANC Japan and Dutch sections was held in the most appropriate city of Nagasaki on April 24, 2000. The IAPH 1st Vice President Dr. A. Someya and Secretary General Dr. S. Inoue were invited to the event. Some 130 members of PIANC gathered at the forum, including 20 delegates from the Netherlands headed by Mr. H. Schroten, PIANC Vice President, Director Rijkswaterstaat directie Zuid-Holland. In addition, Mr. L. van Schel, Secretary General, PIANC, accompanied the Dutch delegates.

Dr. A. Someya and Dr. S. Inoue took the



Standing from left: K. Mikanagi, Chairman, PIANC Japan Section; L. van Schel, PIANC Secretary General; S. Inoue, IAPH Secretary General; H. Tsuchida, Vice-Chairman, PIANC Japan Section; D. Tromp, Chairman PTC II, Senior Advisor UNRP; S. Noda, President, Coastal Development Institute of Technology. Seated from left: I. Mitsuhashi, Secretary General, PIANC Japan Section; A. Someya, IAPH First Vice President; and Mr. H. Schroten, PIANC Vice-President.

opportunity to hold a meeting with the vice president and secretary general of the PIANC, kindly arranged by Mr. K. Mikanagi, Chairman, Japan Section of the PIANC. They discussed various issues between the two organizations, in particular possible areas of further cooperation. Last year, IAPH jointly published with PIANC a leaflet entitled "Dredging the Fact" which was intended to promote unbiased understandings among the general public of the necessity and significance of dredging works for ports. Among other things, the environmental aspects of port development were highlighted as a mutually beneficial and potential area for joint work. They all agreed to expedite the

process of further discussions on this matter.

At the opening of the forum, Mr. G. Kaneko, Governor, Nagasaki Prefectural Government, and Mr. K. Matsuda, Honorable Consul, Royal Netherlands Embassy, delivered special addresses. The forum was organized into two sessions: the one on recent trends concerning container transportation and the other on technical challenges in dredging and reclamation in both countries. Competition among major container ports in Asia was the subject of free discussion, while the future strategy of Rotterdam Port as the European gateway drew a great deal of attention and interest among Japanese participants.

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

<http://www.iaph.or.jp>

Report on the 2nd meeting of the SATCC Maritime and Inland Waterways Committee

Port Louis, Mauritius, March 29-31, 2000

Alex J. Smith, IAPH Representative for African Affairs

Introductory Remarks

At the invitation of the Southern Africa Transport and Communications Commission (SATCC), I attended the second meeting of the SATCC Maritime and Inland Waterways Committee (Maritime SCOM) held in Mauritius from March 29 to 31, 2000.

The meeting was formally opened by the Honourable Clarel D. Malherbe, Minister of Land Transport, Shipping and Port Development of the Government of Mauritius whose opening remarks included deepest condolences expressed to the Government of Mozambique for the loss of lives and havoc caused by the recent widely-reported flooding.

My own address to this meeting is also appended to this report.

Maritime SCOM

Maritime SCOM is one of eight sub-sectional committees required to be put in place by the 1996 Protocol of the Southern African Development Community (SADC). It authorises meetings of an interesting and potentially very productive mix of senior officials and technical experts responsible for policy development and technical coordination, and representatives of appropriate public and private sector interests.

The meeting was chaired by Mr. Y. Abudullatiff, Permanent Secretary, Ministry of Land Transport, Shipping and Port Development.



From left: Mr. Abdullatiff, Permanent Secretary, Ministry of Land Transport, Shipping and Port Development, Chairman of the meeting. Next to him is Mr. J. O. Mwinga, Special Advisor to SATCC and co-organizer of the meeting.

Representatives were present from each of the six coastal states and two inland states of SADC, together with representatives from IMO, the Port Management Association of East and Southern Africa (PMAESA), the International Hydrographic Organisation (IHO) and IAPH.

At the outset of the meeting, formal approval was given to applications for "Consultative Status" received from PMAESA and the Federation of Clearing and Forwarding Associations of Southern Africa.

Matters Discussed

The meeting reviewed the current reported status of each country's efforts towards implementing **Memoranda of Understanding on Port State Control for the Indian Ocean region and for the West and Central African regions**.

Progress was generally positive. It would evidently be facilitated greatly by South Africa's development of an electronic information system for the PSC programme covering the Indian Ocean MOU region, together with their provision of two-week courses on PSC requirements. These courses would help establish uniformity in the region.

Reference was then made by South Africa to IMO's revised consolidated project document for the Southern African sub-region, and the meeting's support sought for its resubmission to the European Union for possible funding. The meeting strongly endorsed South Africa's approach and noted that funding commitments were essential if the various development projects listed were to have a reasonable chance of being successfully implemented.

The projects constituted essential elements in the sub-region's strategy and action plan for maritime safety and protection of the marine environment. They would be closely coordinated and monitored by IMO, PMAESA, SATCC, and the Common Market for East and Southern Africa (COMESA). Elements would include:

- Integrated waste management in port towns and cities
- Study on reception facility requirements and costs
- Development of a harmonized regional system for ship surveys (implementa-

tion of PSC MOUs)

- Establishment of regional emergency response centres
- Development of a regional system for marine pollution prevention operations
- Regional seminars on environmentally sensitive area mapping and handling of hazardous materials

Attention was given to a report by the **Southern Africa and Islands Hydrographic Commission (SAIHC)** which highlighted the need for SADC member states to cooperate in developing an appropriate standard of hydrographic practice within the region by updating and maintaining charts of coastal and inland waterways, including port waters. A related regional project, centred in Maputo, the aims of which includes updating existing charts and providing practical training opportunities, was given strong support.

Aspects of **Ports and Shipping Services** were discussed in some detail.

States' representatives reported on their respective ports and shipping operations during 1999, including port restructuring.

It was agreed that a standard reporting format would be particularly helpful in making meaningful port performance assessments. Joint work by PMAESA and ECA in the development of a format was commended. It was hoped that statistical methodologies could be recommended and appropriate changes suggested to the present reporting systems.

Effective and efficient port and shipping services in the sub-region are vital to achieving sustainable economic development of land-locked countries. No more so however, than are fully-operational **Transit Corridors**, the development of which has been pronounced in the recent past. In a transit corridor context, the meeting discussed related issues including various development options, customs and border implications, and the relevance of EDI/E-commerce applications.

The situation pertaining to the sub-region's **large lakes and inland waterways** was reviewed, and their rational development considered from the perspective of bilateral, trilateral or multilateral agreements, which need to be put in place.

Note was taken of an IMO report on the Lake Victoria project, with which IAPH has been associated.

The project, which seeks to enhance safety of navigation on the lake, has an obvious relevance to the lakes and inland waterways of the SADC states.

Particular attention was given to the project report's sub-division of its recommendations into manageable sub-projects for easier administration and financing purposes. The possibility of extending that approach to development projects within

the sub-region's inland waterways system could usefully be adopted.

An Investors/Donors Conference, arranged by SATCC, will be held later this year. It will be the focal point for the presentation of SADC's strategic planning programme. Insofar as PMAESA will play a prominent role both in the preparation of suitable projects and their subsequent implementation, it is incumbent, I believe, for IAPH to make clear its willingness to give all possible support and encouragement to PMAESA in its endeavours.

Concluding Remarks

In my address to the meeting, referred to in section 1 above, I expressed the view that the informal body known as SAGNEP, with which IAPH is associated, had a suc-

cessful role to play in attaining SADC's goals of securing safety of navigation and protection of the marine environment in the coastal and inland waterways of the sub-region. It should now be apparent from this report that the role, which I had attributed to SAGNET, has been assumed by Maritime SCOM.

A resolution approved by the meeting has acknowledged that situation, and steps will be taken to ensure that the cooperative spirit of SAGNEP will be continued within Maritime SCOM.

One could not fail to be impressed by the commitment of all participants to ensuring the meetings' success. Their expertise and deployment of well-reasoned arguments certainly sharpened my personal awareness of SADC's problem areas and their probable solutions. I was privileged to be present.

importantly, IMO.

IAPH has also built up close relationships over many years with most international non-governmental organisations covering the maritime transport sector.

In an African context, IAPH is now able to correlate its activities with those of the Continent's regional port associations, namely the Port Management Association of East and Southern Africa (PMAESA), West and Central Africa (PMAWCA) and North Africa (UAPNA). It can also reasonably be said that short of actual membership not permitted by statute IAPH could not have closer links with the Pan-African Ports Cooperation Association (PAPC), established in November 1999.

2. IAPH's Commitment to Africa

2.1 The 23rd IAPH World Ports Conference will be held in Durban, Republic of South Africa (RSA), in the first half of 2003.

Given RSA's membership of SADC, there is an evident opportunity for SADC members and, of course, their ports, to acquaint themselves with the very latest developments in the world ports' scene through participation at the conference, and by contact with port personnel from around the world, and experts from other sectors of the international maritime transport industry. SADC members will also have a not-to-be-missed opportunity to draw the attention of a sympathetic, highly interested and expert audience, to developments - underway, planned or potential - taking place within the SADC region. That opportunity, I believe, is particularly important in that Donor Agencies are invariably represented at IAPH World Ports Conferences and are always willing to discuss their respective assistance programmes with potential recipients.

2.2 The Maputo Conference (April 24-28, 1995) provided IAPH with its first opportunity to work directly with representatives of SADC members and their ports in pursuit of mutually agreed objectives.

The cooperative spirit and intent of that conference has led to the successful establishment of the Southern Africa and Islands Hydrographic Commission. It also gave rise to the formation of the Southern African ad hoc regional cooperation group on the Safety of Navigation and Marine Environment Protection (SAGNEP). From an IAPH perspective, SAGNEP

IAPH and the Development of African Ports

*Address by Alex J. Smith, IAPH Representative for African Affairs
Port Louis, Mauritius, Marth 29, 2000*

You have asked me to let you have an update on IAPH activities and programmes having an impact on or which might have an impact on the countries of the Southern African Development Community (SADC). It would help in doing so, I believe, if I first gave you some background information on our organisation.

I. Background

1.1 The International Association of Ports and Harbors (IAPH), established in 1955 and headquartered in Tokyo, Japan, has a worldwide membership of over 250 regular members comprising both public and private port authorities in close on some 100 countries and territories. More than 100 associate members are mainly manufacturers or providers of port-related products or services.

Within that membership, there is clearly a large reservoir of port operational expertise capable of responding quickly and authoritatively to enquires relating to ports of all sizes, handling the widest variety of maritime traffic. That expertise, in normal circumstances, is harnessed and channeled for policy-making purposes, by a dozen technical committees, an executive committee and a board of directors. It is also available to members on a one-to-one basis by phone, fax, e-mail or any other means of friendly communication

within a world-wide port community.

1.2 IAPH's mission statement makes our intentions very clear. We aim:

- to promote the development of the international port and maritime industry by fostering cooperation among members in order to build a more cohesive partnership among the world's ports and harbors thereby promoting peace in the world and the welfare of mankind.
- to ensure that the industry's interests and views are represented before international organisations involved in the regulation of international trade and transportation, and incorporated in the regulatory initiatives of these organisations.
- to collect, analyze, exchange and distribute information on developing trends in international trade, transportation, ports and the regulation of these industries.

IAPH has recognised that if the commitments of the mission statement are to be met with success, the closest possible cooperative relationship between members and where they exist, their regional port associations, must be nurtured and sustained. The value of these relationships assumes an even greater significance by their facilitation of mutual access to a wide range of international maritime organisations. IAPH, for example, has been accorded consultative status by such UN organisations as ECOSOC, ILO, UNEP, UNCTAD, WCO, and very

is important and has a significant potential. Given that its membership is drawn from the region's states and a number of relevant international maritime organisations, and also that it can function on an informal basis, it is ideally placed to identify and prioritise areas of concern as respects safety of navigation and marine environment protection in the region, as a matter of urgency. SAGNEP could then liaise with appropriate international organisations and aid agencies as a preliminary to preparing action plans for consideration by individual governments, or SADC acting collectively on their behalf. As IAPH sees it in the context of port operations, the availability in the region of a cooperative group, such as SAGNEP, capable of providing an advisory service on capacity building, and aids to navigation in port, coastal and inland waters, including hydrographic survey, vessel traffic services, channel dredging and requisite training facilities, would have an immediate and positive impact. It would clearly benefit deprived and under-resourced ports of the region; it would also secure safer navigation for vessels serving the region's ports. SAGNEP should therefore be given every encouragement to make progress towards its goals by the SADC community.

2.3 The MWANZA Workshop (March 5-7, 1997)

After the Maputo Conference, IAPH worked closely with IMO, PMAESA, the International Hydrographic Bureau (IHB), the International Association of Lighthouse Authorities and Aids to Navigation (IALA), and SAGNEP to establish more clearly areas of concern to the port and shipping sectors within the PMAESA region.

As it happened, however, the capsizing of the Tanzanian passenger ferry "Bukoba" on May 21, 1996, resulting in multiple deaths, focussed the world's attention on Lake Victoria. IMO, in particular, as the United Nations Agency dealing with maritime safety, quickly offered technical assistance to assess where safety of navigation might be improved on the lake. It was possible to couple deficiencies, established earlier by a SAGNEP initiative in Kenya and Tanzania, with the results of IMO's fact-finding mission to Lake Victoria as the basis of a workshop on safety of navigation held in Mwanza from March 5 to 7, 1997.

The workshop's conclusions and recommendations on the organisation of

maritime administrations, aids to navigation, hydrography, search and rescue and communications were subsequently endorsed by the governments of Kenya, Tanzania and Uganda, respectively. The Secretariat of the East African Cooperation Commission was designated as the regional coordinator of the project and encouraged to secure necessary fundings.

2.4 The Mombasa Conference (January 19-21, 1998)

The Mombasa Conference was important for a number of reasons, not least because it was the first Pan-African Ports Cooperation Conference. It thereby enabled the port operational expertise of all the continent, as it were, to be brought to bear on matters of common concern. It is not surprising, in the event, that problem-solving gave rise to solutions applicable over the continent generally. The advantage provided by the conference lay in the opportunity to learn at first hand how these solutions had worked out in more advanced port situations.

A workshop on safety of navigation and marine environment protection issues was held conjointly with the Mombasa Conference. Conclusions and recommendations of the workshop, endorsed by the conference, mirrored in large part, those of the Mwanza Workshop to which I've referred earlier.

The Conference then agreed that action resulting from the recommendations should then be reported for further consideration at the Second Pan-African Ports Cooperation Conference which was intended to be held in Abidjan, Cote d'Ivoire during February 2000. That conference has since been postponed until later in the year. Some of the other recommendations of the Mombasa Conference have particular relevance to ports located in SADC states. Importance was attached, for example, to an intention to do everything possible to nurture and sustain close and cooperative relationships between governments and their ports.

IAPH believes it to be a prerequisite in that regard, when dealing, for example, with maritime safety and marine environment protection issues, that there should be a clear understanding between all parties as to respective responsibilities. Experience tells us that such understanding is best achieved when responsibilities are codified. Clarity by way of codification would certainly

facilitate another of the Mombasa Conference recommendations, namely that benefit would undoubtedly derive from the promotion of a cooperative approach, within viable port groupings, to the sharing of assets, facilities, expertise and training as respects hydrographic survey and charting needs and the provision of aids to navigation.

2.5 Enhancing of Safety of Navigation on Lake Victoria

I have referred earlier to the **Lake Victoria project**. A combination of events culminated in an IMO initiative to send a mission to the lake during November 1999, to draw up a comprehensive plan of action based on existing documentation made available by IMO/IHO/IALA/IAPH as well as information gathered during the field visit. The report prepared by IMO's mission has, of course, concentrated on recommendations for urgent implementation by the three governments immediately concerned and by the East African Cooperation Secretariat acting on their behalf. It is clear, however, that the generality of its recommendations could just as easily relate to situations pertaining to the other great lakes of Central and East Africa. SADC may wish to address that possibility.

3. Final Remarks

Since the Mombasa Conference, IAPH has concentrated effort and resources on net-working with the continent's regional port associations to ensure effective correlation of respective activities. Correlation has been and still is very important in the context of our links with PMAESA.

I referred earlier to the need for delineation of responsibilities as respects safety of navigation and marine environment protection issues. These issues are pertinent to both inland and coastal waters. In either case, ports are focal points for action which needs to be taken. On that ground alone, IAPH strongly believes that the regional voice of ports, PMAESA and individual ports as might be more appropriate, should be included in any discussions leading to actions which will have port operational connotations. More generally, the wide and varied expertise of port personnel on matters pertaining to maritime safety and marine environment protection gives PMAESA's views an even greater authority.

In every possible way, IAPH will continue to give all possible support to PMAESA's and SADC's endeavours.

Southern Africa Transport and Communications Commission
(SATCC)
Second Meeting of the Maritime and Inland Waterways
Transport Committee

Port Louis, Mauritius: March 29-31, 2000

AGENDA

1. Preliminaries
 - Official opening
 - Election of bureau
 - Adoption of the agenda and work programme
2. Adoption of the record of the previous meeting
3. Membership of Maritime SCOM
Consideration of two applications for consultative membership of the committee
4. Major activities during the year
 - Development of model legislative provisions
 - IMO – Maritime safety Administrations Workshop
 - Meeting of the Southern Africa and Islands Hydrographic Commission (SAIHC), October 1999
 - PMAESA council meeting, October 1999
 - SATCC Donors & Investors Conference
 - Reorganization of SATCC-TU
5. Maritime Safety and Marine Environment
 - Implementation of the MOUs on port state control (PSC) for the Indian Ocean region and for West and Central Africa.
 - Report on the IMO Workshop on Maritime Safety Administrations
 - Report by the Southern Africa & Islands Hydrographic Commission
 - Report by the International Hydrographic Organization (IHO)
 - Projects for submission to the SATCC Investors/Donors Conference
6. Ports and Shipping Services
 - Model legislative provisions on port restructuring and regulation, and Maritime and Inland Waterway Authority
 - Port restructuring: Mauritius experience
 - Monitoring port performance between a port authority and a private operator: Mauritius experience
 - Transit Corridor Workshop – PMAESA
 - Reports by member states on port performance indicators for 1999
 - Projects for submission to the SATCC Investors/Donors Conference

7. Inland Waterways Transport Services

- TOR for workshop on inland waterways transport services
- Member states' reports on performance indicators for the inland waterways for 1999
- IMO/IHO Lake Victoria project
- Projects for submission to the

- SATCC Investors/Donors Conference
8. Presentation of Sub-committee Reports and Closing
 - Presentation and adoption of reports by the sub-committees on:
 - Maritime Safety and Marine Environment
 - Ports and Shipping Services
 - Inland Waterways Transport Services
 - Adoption of the record of the meeting
 - Hosting of future SCOM meetings
 - Dates and venues of the next meeting:
 - Closing

Visitors

ON April 6, Mr. **Narikuni Nakao**, Director General, and Mr. **Michio Kamikado**, General Manager, Port Promotion, **Port of Kitakyushu**, visited the head office, where they were met by Dr. Satoshi Inoue, Secretary General, with whom they engaged in an exchange of views on various issues of common interest. Mr. Nakano, who took office on April 1, assured the secretary general of the ports' continuing support of the work of IAPH.



From left: Inoue, Nakao and Kamikado

On April 6, Mr. **Atsushi Semba**, new Director General, **the Port of Osaka**, visited the head office, where he was welcomed by Dr. Satoshi Inoue, Secretary General. Mr. Semba is an enthusiastic supporter of IAPH and is a regular participant at IAPH gatherings.

On April 11, Mr. **Pieter Struijs**, Chairman/Executive Director of Shipping, Rotterdam Municipal Port Management, and 2nd Vice President of IAPH, visited the head office, where he was welcomed by Dr. Satoshi Inoue, Secretary General and his staff. Mr. Struijs was in Japan to attend the tripartite seminar of sister ports (Kobe, Seattle and Rotterdam) held in Kobe the follow-

ing day.

Mr. Struijs (right) with Dr. Inoue outside North Tower New Pier Takeshiba, where the IAPH head office is located on the fifth floor.



At lunchtime the Tokyo secretariat members enjoyed viewing cherry blossoms in "Hama-rikyu Gardens," which is located on the opposite side of New Pier Takeshiba across the Sumida River. This area was a second residence of the Tokugawa Shogunate in the 17th century and was called "Hama-goten" (palace) before it was given its present name. The garden has a typical Edo era setting, which takes the advantage of the beauty of the waterfront location and the rippling waves of Tokyo Bay, with the ebb



and flow of the sea running into the pond, the only seawater pond in Tokyo.

The head office members took a ride on a waterbus operating between Asakusa and Hinode-sambashi Pier via Hama-rikyu on their return to the office at the Takeshiba Pier, the next stop after Hama-rikyu Garden.

On April 12, **Captain Eric Southworth**, Operations Manager, **FenderCare Marine**, Norfolk, UK and **Mr. Soka K. Kikuchi**, President, **Marine Consultant**, a life supporting member of IAPH from Yokohama, visited the head office, where



they were met by Mr. R. Kondoh and Ms. Kimiko Takeda. Captain Southworth was in Japan on business.

On April 19, **Mr. J. Ron Brinson**, President and CEO, **Mr. Robert M. Landry**, Senior Manager, Operations, **Mr. Yoshio Mita**, General Manager, Far East, **the Port of New Orleans** in Tokyo, and **Mr. David P. Schulingkamp**, Vice President, **M.G. Maher & Company, Inc.**, visited the head office, where they were welcomed by Secretary General Inoue and his staff. Mr. Brinson was impressed by the gorgeous vista of Tokyo Bay that he and his colleagues from New Orleans were able to view from the head office, and congratulated his IAPH friends on their new working environment. The secretary general briefed him on the recent activities undertaken by the IAPH officers and committees. On the following evening Secretary General Inoue, together with two senior staff members of the head office, were guests at a reception hosted by Mr. Brinson in the Imperial Hotel. The gathering was organized to introduce the new team of the Tokyo representative office headed by Mr. Mita, who recently took over from Mr. Hiroyuki Matsumoto as General Manager Far East.



From left: Mr. Brinson, Mr. Kensuke Watanuki, Mayor of the city of Kushiro, a sister port of New Orleans and Dr. Satoshi Inoue, IAPH Secretary General, at the reception in the Imperial Hotel.

Membership Notes:

New Members

Temporary Members

Consortio de Gestion del Puerto de Bahia Blanca (Argentina)
 Address: Avda. Dr. Mario Guido s/n, 8103 Ing. White, Bahia Blanca
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 Fax: +54-291-4573213
 E-mail: cgpb@bblanca.com.ar
 Website: www.bblanca.com.ar/puerto
 President of the Board: Mr. Jorge Oscar Scoccia
 General Manager: Eng. Valentin D. Moran
 Engineering and Development Manager: Eng. Osvaldo J. Abitante

Namibian Ports Authority (Namibia)
 Address: P.O. Box 361, No.17, 13th Road, Walvis Bay
 Mailing addressee: Mr. W.J.A. Wessels, Chief Executive Officer
 Tel: +264-64-208 2207
 Fax: +264-64-208 2323
 E-mail: nmptch@kar.nic.in
 Website: www.portauthrity.livorno.it
 Chief Executive Officer: Mr. W.J.A. Wessels
 Port Captain: Mr. Mike van der Meer
 Financial Manager: Koot van der Merwe

Associate Members

Coastal Development Institute of Technology [Class B] (Japan)
 Address: Sumitomo Hanzomon Bldg., 3-16 Hayabusa-cho, Chiyoda-ku Tokyo 102-0092
 Mailing addressee: Dr. Setsuo Noda, President
 Tel: 03-3234-5861
 Fax: 03-3234-5877
 E-mail: noda@cdit.or.jp

Excession Networks Limited [Class A-3-3] (U.K.)
 Address: 98 Andrewes House, Barbican, London EC2Y 8AY
 Mailing addressee: Mr. Malcolm Ravenscroft, Director
 Tel: 020-7638-7743
 E-mail: excessn@globalnet.co.uk

Changes (Changes involved are underlined)

Administration General de Puertos, Sociedad del Estado [Regular] (Argentina)
 Mailing addressee: Ing. Renato A. Facondini, General Manager, Port of Buenos Aires
 Director: Ing. Ricardo del Valle (who is serving as IAPH Director from Argentina)

General Manager, Port of Buenos Aires:
Ing. Renato A. Facondini (who is serving as IAPH Alternate Director from Argentina)
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Mormugao Port Trust [Regular] (India)
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Port of Cork Company [Regular] (Ireland)
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City of Osaka [Regular] (Japan)
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Amsterdam Port Authority [Regular] (Netherlands)
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Associated British Ports [Regular] (U.K.)
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Introduction

THE continuous process of change in international transport management in the last ten years, from a segmented modal approach towards a much more integrated transport concept tailored to better meet the pressing needs of customer industries, is resulting in an increasing pressure on ports to adapt their role and function to this more demanding operational environment. This entails the rethinking of national port development strategies, as well as far-reaching reforms in the legislative, regulatory, and managerial environment within which commercial ports have to operate.

In particular, the need to define new partnerships between the public and private sectors in port operations, investments financing and asset management, leads to a review of the respective roles of public and private actors, and specifically calls for a clarification of the mandate of the public sector, and simultaneously of the missions it would be well placed to undertake. These missions are likely to be more of a catalyst and facilitation nature, together with a stress on assistance to public statutory duties, with a particular attention devoted to transport safety and environmental protection. New labor practices are also calling for a changing role for port workers' unions and a new style of dialogue between labor and public and private entities on the waterfront.

Simultaneously, efficiency of inland transport to serve an increasing, and most often disputed hinterland, has become a critical factor of the ports' potential future, as well as of overall trade growth prospects. Today's global logistics organization makes it mandatory for shippers worldwide to be able to rely on seamless transport chains, of which the port is a prominent node. Smooth interaction between the port and the city often surrounding it, in terms of transport network requirements, environmental protection, and overall safety, therefore appears a prerequisite for effective delivery of integrated logistics services. Port authorities are likely to have a major role to play in fostering the development of effective cooperations between interested public and private players, which will be required to make it possible to achieve the expected benefits of integrated transport and logistic

Globalisation and Partnerships in Ports

Trends for the 21st Century

(Presentation made at SingaPort 2000 Conference held on March 29, 2000 in Singapore)



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operations.

Finally, the institutional context, as well as the asset ownership and managerial framework, must be conducive to an optimal cost-effective utilization of port facilities. This supposes openness to competition in provision of port services, and establishment of appropriate regulation arrangements where market conditions make it necessary. Physical and regulatory integration of transport networks, as well as comprehensive strategies for addressing development planning, environmental and social issues, will also be required to allow

national port systems to provide local and regional economies with the services they need. All this supposes the development of new partnerships between public and private actors, between ports and their customers, and between ports and port operators themselves.

Recent Trends in Private Sector Participation in Port Facilities

The private sector has significantly increased its involvement in the operation of port facilities during the 1990s, after the development of public service ports had clearly dominated the port sector since the 1940s. Between 1990 and 1998 a total of 104 port projects with private participation reached financial closure in 24 developing countries involving investment commitments totaling over US\$8 billion.

Prior to the 1990s, private sector involvement in the management and finance of major port facilities in developing countries was limited to a small number of projects. Three projects located in Jamaica (Kingston Port, 1967), Malaysia (Port Klang, 1986) and the Philippines (Manila Harbor, 1988) provided for the long-term involvement of private operators.

During the past decade, the reform of port administration gained momentum in developing countries with public port agencies moving away from the service port model, under which the port authority provides both all commercial services and the regulatory functions. Instead, many countries have adopted the landlord model for the administration of seaports under which port authorities continue to own basic infrastructure assets and retain regulatory functions but divest themselves of the managerial and financial responsibilities for commercial facilities.

The increasing involvement of the private sector in the management of port facilities has resulted mainly from a growing demand for expansion and modernization of port infrastructure in a context of limited public sector resources and growing consensus in favor of private participation in infrastructure. Strong growth of world trade has put enormous political pressure by captive port users on authorities to improve handling efficiency and to expand facilities

to accommodate larger ships and cargo flows. The potential of lucrative container transshipment business for strategically located, well equipped, and efficiently managed hub ports has in addition provided strong incentives on behalf of port authorities to invest in port modernization.

Economies of scale in the shipment of cargo have also led to the consolidation of distribution and logistics companies and to the emergence of global players. These shipping companies hold considerable market power related to the adjustment of port facilities to meet their specific needs. Similarly, global players are also emerging on the terminal operations side, with a few operators expanding new networks across regional boundaries.

Market Features

The record to date depicts a diverse pattern of private sector involvement in port facilities:

- Long term concession contracts involving private operation and management and significant private investments in existing public assets have been the most popular arrangements, and ownership of land and facilities has in most cases remained with the public port authority. Private investment has fostered the rehabilitation of terminals and the renewal of superstructures, such as cranes and yard equipment.
- To date, international private port operators have clearly been focussed on container facilities, often dedicated terminals, along the main shipping routes. Multimodal transport networks with a strong participatory role of the private sector in ports, toll roads and railroad lines are emerging in some countries, e.g., Brazil and Mozambique.
- The regional distribution of projects reflects a pattern that has been observed in other infrastructure sectors. That is, the majority of transactions have taken place in Latin America and East Asia. Within the regions the process has been very uneven, with 5 countries accounting for roughly half of the projects registered in developing countries worldwide.

Financing Patterns

In considering private financing and operations of port facilities, a useful distinction can be made between two kinds of project structures where private investors get into under two different

logics:

- Horizontal operations, which have a number of independent customers and must be financially balanced on their own merits, refer to the limited recourse project finance concept; container terminals are the typical example and make the majority of the cases. Investment money here is raised against the expectation of dedicated future revenue streams.
- Vertical operations, included within an upstream/downstream industrial process, with one or a few customers, usually within the same corporate structure, which contribute to a financial return at a higher corporate level, refer to the corporate finance concept and are undertaken by corporations as elements of their production process; industrial bulk terminals, ores, oil products, chemicals, are often of this nature. Investment money here is usually raised against the main company's balance sheet.

Regional Characteristics

A regional breakdown of transactions and investment flows shows that Latin America and East Asian countries have been clearly leading the trend towards private sector involvement in port operations, both in terms of numbers of projects reaching financial closure as well as in amounts of investment commitments. This regional pattern is largely consistent with the trends in other infrastructure sectors such as electricity and water and sewerage. Even within the regions, projects and investment are unevenly distributed. Five countries concentrated half of the projects that reached financial closure between 1990 and 1997 and more than 65% of all committed investment.

The Continuous Role of the Public Sector

The issue of effectively delimitating public/private boundaries in port activities is likely to be the prominent question in any reform process, since the intrication of public and private players tends to be greater here than in other transport modes. It involves a clear definition of the public sector mandate and of its relationships with its private partners, with a view to fostering private-sector led investment and development capacity. This requires a comprehensive understanding by the interests at stake, so that public and private partners can be in a position where they can provide each other with the services they are the

best placed to deliver: an efficient and clear regulatory environment and a basic set of well-interconnected infrastructure networks for the public sector, a cost-effective transport system for the private sector.

It seems consequently possible to identify some main areas for public sector intervention in this part of the transport sector, which may be displayed as follows:

- (a) to provide financing for some basic infrastructure components, to pave the way for increased private financing of operational facilities;
- (b) to promote better physical and operational integration of sea and land transport networks;
- (c) to ensure appropriate safety conditions in port and navigation activities, and to monitor the environment protection policy;
- (d) to contribute to the trade facilitation process at the sea/land interface, thus helping ports to act as creative partners in international trade development.

Core Public Sector Missions

The prospective public sector's role in these areas can be described in a more comprehensive manner by defining it under three different natures of mission: the **catalyst** mission, the **statutory** mission, and the **facilitation** mission.

The Catalyst Mission

The public sector's role here would be twofold, with the aim to help Governments:

- (a) to finance transport assets which very unlikely would get access to private or alternative financing sources, and whose completion clearly appears on the critical path of transport development programs. Such investments would be primarily aimed at inducing the private sector into providing resources to cover operational investments, including infrastructure, once the public action has helped creating a physical enabling environment. Specific intervention would regard, in particular, basic protection and access infrastructure (breakwaters, channels) and access connections with inland transport networks (roads, rails, waterways);
- (b) to create a regulatory enabling environment for private participation, by being a guarantor of pub-

lic order and ensuring an appropriate social climate. This would entail implementing an appropriate legal and regulatory framework to ensure fair competition, avoid monopolies and rent-seeking activities, and assisting port authorities in dealing with labor redundancy issues, possibly in financing socially adequate redundancy schemes.

The Statutory Mission

The public sector's role here would be to help governments take care of some of their statutory duties as national authorities: this will deal mainly with transport safety, environmental protection, coastal management, and port/cities relationships. Specific intervention would regard in particular:

- (a) Navigation safety: navigation aids, vessel traffic services, hazardous cargoes transit management;
- (b) Environmental protection: compliance with international conventions on maritime environment, on dredging and exploitation of marine resources, adherence to regional agreements to enforce and monitor international regulations and agreements;
- (c) Coastal management: shore and coastline stabilization, beach nourishment and coastal defense structures, shoreline defense policy;
- (d) Fostering common development policies between ports and cities: helping in setting up common planning boards or consultation committees on land development issues, assisting in designing port relocation operations and relating legal and financial arrangements for the disposal of redundant port facilities.

The Facilitation Mission

The public sector's role here would be to assist governments implement measures aiming at improving the effective use of all modal transport networks, primarily by addressing the basic issues relating to the ports' nodal position in the international trade pattern. Specific intervention would regard in particular the trade facilitation process. The public sector's facilitation mission may therefore include the following tasks:

- (a) Strengthening public governance: improving institutional ability to monitor new public/private part-

nerships and oversee operations without interfering in the commercial sphere, helping devise and implement clear mechanisms to manage transactions between public and private bodies without hindering open competition;

- (b) Helping the trade facilitation process: improving customs regulations and practices, assisting in designing and implementing efficient enhanced communication systems, assisting in trade documentation harmonization efforts;
- (c) Spearheading initiatives conducive to trade integration: assisting design and implementation of first development initiatives to induce value-adding activities to settle in port areas, helping finance facilities aiming at attracting distribution and logistics services within the port complexes, assisting in financing the first development phases of potential dry ports facilities and related intermodal connections.

Role of the Port Authority

The characteristics of the public sector mandate, as described above, call for the establishment of a well-defined public authority to deliver the duties and services associated with it. This will usually be a Port Authority vested with all regulatory and statutory powers required to ensure sound operations of the port facilities.

The necessity to establish a public Port Authority is sometimes questioned. However, a review of prevailing situations worldwide shows that in an overwhelming proportion, the choice is being made to vest the specific regulatory powers required to manage the provision and development of port activities into a public Port or Marine Authority, either at a local or national level, depending on the size of the countries. This stems from the need to have a clearly identified public partner to act as a counterpart to the private sector in negotiating and implementing new operational and development formula for the port sector. The lack of such authority, easily accessible at the local level, can quickly become a significant impediment to a balanced development of effective public-private partnerships. This has been a real issue in Argentina, where the future of the very successful first privatization stage of port operations in Buenos Aires was at some point in danger of being hindered by want of a public Port Authority, wisely provided for in the law, but not timely established.

Simultaneously, in Brazil, where an ambitious port sector reform program is being implemented, a major issue now debated is the format, organization and functions of local Port Authorities.

A recent review, by the Asian Development Bank, of best practices in port privatization, suggests the following list of tasks for a public port authority:

- ◆ Own and preserve foreshore and areas for port expansion;
- ◆ Enforce government regulations affecting port activities
- ◆ Provide basic infrastructure
 - Port-wide strategic planning
 - New port development
 - Planning and engineering design
 - Access to long-term public finance
 - Provide guarantees
- ◆ Provide basic public services at reasonable prices
- ◆ Advocate trade and transport facilitation
- ◆ Promote competition in the provision of port services
- ◆ Interface with political stakeholders
- ◆ Prepare, tender and manage leases and concessions
- ◆ Coordinate with Government on the provision of access and public services
- ◆ Providing training facilities for the port and maritime community
- ◆ Marketing the port as a logistics gateway

In particular, trade and transport facilitation advocacy will usually mean a major role for the Port Authority in spearheading the development of electronic information interchange between all stakeholders in port-related trade activities. Ports have already been, in most instances, at the core of the move towards developing and implementing Electronic Data Interchange (EDI) systems between the ports themselves and between ports and their trading partners, including administrative authorities like customs. Port authorities were often involved in establishing the basic architecture of the electronic information platform, with a dual concern in mind: (i) that it must meet the mandatory requirements of public trade administrations in terms of data availability and control (customs, phytosanitary agencies, external trade statistics, etc.); and (ii) that it must also offer to all economic actors contributing to the activities of the port interface a convenient and secure way to manage their information flows. When the electronic information platform is running, its daily operation can then be contracted out to a third-party service provider, who will maintain it and make it available to users for a service fee.

The availability of the Internet infra-

structure now brings a new dimension to the EDI concept, as well as a few new challenges. It will make it possible to avoid having to develop complex and costly dedicated EDI platforms and networks, which has certainly been an impediment for ports in some developing parts of the world. On the other hand, the traditional EDI infrastructure has developed security protocols tight enough to handle confidential commercial data, whereas security and confidentiality of Internet messages is an area where improvements are still expected. Electronic languages themselves need to be adapted, but the ongoing works on the XML language concept, including possible interfacing with traditional EDI-FACT message structure, bode well for the implementation of a commonly agreed standard in the near future.

Keeping on with these developments aiming at facilitating commercial transactions, the World Bank Group, together with the private sector and other international organizations, has launched in 1999 the Global Facilitation Partnership for Transportation and Trade (GFP). This is an initiative to help addressing a pervasive issue in numerous countries throughout the world, namely the obstacles to trade and international transport coming from cumbersome, often redundant, documentary procedures and controls. As critical border-crossing points for international trade, ports are of course among the main players in this approach, and the International Association of Ports and Harbours (IAPH) has actually been among the first partners to join the GFP. All individual ports are of course welcome to join on their own. A quick presentation of the GFP is provided as an appendix to this paper.

Future Outlook

Actors

Globalization of trade and the development of larger trade areas have led to shipping and intermodal alliances to handle the global nature of the supply chain. Shipping companies have merged, with P&O/Nedlloyd and Neptune Orient Lines/American President Lines just recent examples, expanding their geographic reach to create global service networks. Similarly, terminal operators have kept pace, globalizing operations to offer their shipping customers consistent services over diverse trade routes. A few significant trends are worth noting:

(a) *The development of a few large termi-*

nal operators, now operating internationally across national and regional boundaries. P&O, either through the mother company or the Australian subsidiary, is operating 22 container terminals worldwide, in Australia, the Philippines, India, Malaysia, China, Argentina, Mozambique, and the UK. Hutchinson Port Holdings (HPH) now operates 17 terminals in Indonesia, China, the Bahamas, both sides of the Panama Canal, and the UK. Stevedoring Services of America (SSA) operates 13 terminals in Mexico, Panama, Thailand, India and Indonesia. PSA Corporation, the government-owned operator of the Port of Singapore, operates 9 terminals in China, Cambodia, Indonesia, India, Thailand, Vietnam and Yemen. International Container Terminal Services Inc. (ICTSI) operates 7 terminals in the Philippines, in Argentina and in Asia. Altogether these 5 major terminal operators today hold more than 25% of the world port container handling market, with HPH and PSA Corp. topping the list with close to 10% each. Formed after the acquisition of Sealand's international liner shipping operations by Maersk, CSX World Terminals is also now becoming a major player in the market. Activities of such companies as P&O, HPH, PSA Corp., SSA and ICTSI are a clear indication of a new trend towards increasing internationalization of terminal operations. In terms of the number of containers handled worldwide, HPH counts among the largest private operators in the world with more than 13 million TEUs handled in 1997. Actually, the top ten private terminal operators handled 14 % of the world container traffic in 1994. In 1997 almost 15 % of the world container traffic has been handled by the top four private terminal operators alone (PSA Corp excepted, being still government-owned). Hence the thrust towards enhanced global network management practices by shipping and terminal operators alike, which is putting increased demands on intermodal land interfaces so as to make available as large an array of transport routes as possible, and to benefit from the resulting increased flexibility in management of international transport operations.

(b) *The growth of a second generation of regional operators.* The operational success met by the first series of international operators has triggered decisions by large transport and industrial companies to enter the

market, and new operators are now coming on stream, most often starting from a domestic base and expanding activities in their region of origin. Eurogate, the result of the merger between BLG (Bremen) and Eurokai (Hamburg), is an example of this trend. Some of these operators may well soon enough reach a stage where they will compete with the first set of international players in world markets, which is likely to help maintain a sound level of competition, in the face of the possible emergence of some situations of regional dominant position.

(c) *The strategies of the main shipping lines.* The management of the terminal operations of some main shipping lines is undergoing some restructuring, with the main debate being whether the lines must deepen their involvement in terminal operations, and if so, how best to manage this activity. Separating it from the main shipping business seems to be the preferred solution, which is likely to result in increased competition with independent terminal operators along some critical maritime ranges.

Markets

The market that a port serves has an impact on its organizational structure and on the potential level of private sector involvement. Ports can be categorized according to their markets as follows:

- *Local ports* serve less-developed areas of the country and provide access by domestic shipping to major national economic centers;
- *Regional ports* serve the more developed hinterlands and provide a point of consolidation for cargoes moving on domestic shipping to and from local ports;
- *National gateway ports* serve the major economic centers and act as the point of international shipment for external trade movements;
- *Transshipment ports* provide interchange points for international shipping lines without being linked to particular hinterlands.

Transshipment ports tend to be public landlord or private ports operated by shipping lines or international terminal operators. Gateway ports are usually landlord or service ports. Private sector participation is increasing here because of their large cargo volumes and of their international patronage. The larger

regional ports are usually landlord or service ports, and local ports, with low traffic volume and less frequent vessel calls, are public service or resource ports working with local companies.

Within the next two decades, the role of common-user public ports can be expected to diminish in favor of the expansion of private terminals, which to some extent would be a return to the structure of earlier centuries. For now however, the improvement in port efficiency and the move towards a more commercial management will likely be accomplished through public landlord ports with private sector operations and shared public-private investments.

In the container shipping business, the consolidation of the maritime shipping industry gives it more market power to adjust their operations in response to the performance of the ports and markets they serve. The result is that ports have fewer options to behave in a monopolistic way and are increasingly being penalized for their inefficiencies.

Finally, the market for terminal concessions is beginning to mature. International terminal operators are becoming more cautious in bidding for concessions in developing countries because of the high cost and considerable management time commitment required to prepare these bids. They become increasingly reluctant to bid where there is a perceived lack of transparency or where the concession terms introduce excessive risk. At the same time, the growing number of competing bidders has made the bidding more competitive and reduced the potential return.

Operations

Here again, a few significant trends are taking root:

(a) *The continuing integration of transport modes and services.* The development of intermodal routes has increased inter-port competition for ship calls and cargo. It has also reduced the relative importance of ports in the logistics chain. The focus on door-to-door movements has changed the role of ports from a node for transferring cargo between modes to a link in the transport chain. As private transport companies have integrated their services across modes and shipping lines have become more concerned with the landside delivery of cargo, the port's customer base has changed from individual shippers and con-

signees to forwarders and transport operators. These companies apply international standards in their negotiations for better services and lower prices in their deals with port authorities and terminal operators. One result is increased volatility of commercial positions in face of the growing number of routing alternatives. This in turn could make investments in new port infrastructure a riskier proposition for the private sector, unless some mitigating strategies are implemented between the various actors to secure a minimum business base.

(b) *Cooperation between ports.* A possible way for ports to mitigate the consequences of this trend could be to enter into cooperative agreements on a local/regional basis, in particular in geographical areas that lend themselves to a flexible traffic distribution pattern through several port outlets. An arrangement of this kind was discussed a few months ago in the Baltic/North Sea area between terminal operators in Szczecin (Poland) and Rostock (Germany). Finding the right balance between cooperation and competition, so that customers can get the best possible deal without jeopardizing the possibility to mobilize long-term private finance to develop infrastructure facilities, is likely to become one of the most important challenges in the port industry in the years ahead.

Regulation

Two main topics are worth attention as far as regulatory aspects are concerned:

(a) *Transparency in Regulatory Frameworks for Port and Terminal Operations.* The market maturity mentioned above makes it all the more necessary to design and implement transparent and effective regulatory frameworks to ensure a proper balance between long-term public responsibilities and normal shorter-term business objectives. Effectiveness and credibility of public regulation, both technical (safety, environmental protection) and economic (pricing, competition, monopolies), will be more and more critical to secure optimal participation of the private sector in investments and operations in ports worldwide.

(b) *Competition Rules.* Monitoring competition conditions, with a view to open market access as broadly as possible while safeguarding critical

public interest, will remain a main responsibility of public port sector authorities. As a consequence of (i) the spreading of port concessions in specific traffic niches, like container terminal operations, and (ii) the relatively few number of international professional operators and shipping lines in the market to date, a new form of competition limitation may develop along regional coastlines, crossing countries boundaries. It becomes now possible to anticipate that in the short run, one or two terminal operators may control a string of terminals on a given range, therefore establishing a new case of dominant position at a regional level. The appropriate answer to this situation should at first sight come from regional economic cooperation bodies, which should therefore be vested with specific authority regarding competition in transport services on a regional scale. However, following the emergence of newcomers in the terminal operations market, as discussed above, chances are that this risk will be mitigated somewhat by the increase in competition provided by these new actors.

Contracts and Financing

Two areas deserve to be highlighted under this theme:

(a) *A broader range of financing options will become available for ports assets.* The development of domestic long-term capital markets and improved access to international capital markets will give both governments and the private sector greater access to low-cost and long-term finance. Although international operators still rely primarily on commercial loans, it can be expected that bonds will play an increasingly important role in the future.

(b) *Renegotiation of Concession Agreements.* In most countries, the first agreements for increased private sector participation were developed with very little legal precedence and regulatory experience. As a result, situation sometimes developed where the overall distribution of risks and rewards became clearly unbalanced, with either the private operator deriving too much control from its position in the sector, or conversely, being driven to bankruptcy because of too heavy-handed administrative requirements. In these situations, renegotiations of the concession agreement can provide an

option to reach a more equitable balance of responsibilities and risks. Renegotiations can also occur due to changes in the marketplace that put the private sector at a competitive disadvantage under the original terms of the agreement. This has so far been a relatively limited occurrence in ports, but has already materialized in a number of occasions in public transport projects, in particular for rail mass transit. Given the changing patterns of trade and traffic over the long-term period of a port terminal concession, contract modifications over time are likely to be unavoidable in some cases. Willingness on the part of public authorities to consider this option, provided they can be equipped adequately for this purpose, is therefore likely to become increasingly important. Needless to say, careful and thorough preparation of the initial contract should aim at reducing the risk of having to renegotiate at an early stage, which would put the transparency and fairness of the competitive process in jeopardy. But long-term contractual relationships may need to accommodate this kind of flexibility.

Conclusions

Private sector participation in port operation has reached a significant dimension over the last decade. This has been driven by broader trends within the transport sector as well as a new understanding of the general role of the public sector in the provision of infrastructure services.

The countries that have led this reform process have been able to attract significant private capital investment to refurbish infrastructure assets and to modernize cargo-handling equipment. Under private management, ports have significantly improved performance with regard to service quality and reduction of handling costs. Whether these initial achievements that have been largely driven by competitive tendering of concessions can be sustained in the long term, will heavily rely on the ability of port authorities to stipulate effective intra-port competition. Driven by the emergence of multi modal transport networks, regional competition will gain relevance and thus the need for regional and multi modal assessments of competitive structures will require port authorities to coordinate on a broader scale.

Furthermore, increased globalization of the port, terminal and shipping industry means new competition conditions

appear, which require governments and public port authorities to monitor the market across national boundaries. In such a context, the role of an effective public regulation of the sector will become critical to optimize the efficiency of the new partnerships developing

between the public and private sectors on one hand, and between ports, terminal operators and shipping lines, on the other.

MHJ
February 24, 2000

Appendix

The Global Facilitation Partnership for Transportation and Trade (GFP)

THE GFP will aim at pulling together all interested parties, public and private, who want to help achieve significant improvements in transport and trade facilitation in Bank member countries. The partners will then design and undertake specific programs towards meeting this objective, making use of their respective comparative advantage in the subject matter in a coordinated fashion. In furtherance of this purpose, the areas of collaboration are expected to include the following: (i) sharing agendas of common interest; (ii) pooling resources and expertise where appropriate; and (iii) sharing knowledge and ideas.

In keeping with the GFP purpose, all Partners find it to be in their mutual interest to promote international trade by lowering trade barriers and in particular, by facilitating international transport, external trade procedures and cross-border processes.

Consequently, the World Bank and all GFP partners agree on pursuing:

- The establishment of a comprehensive Facilitation Audit Framework, combining

qualitative assessment with a simplified set of data on efficiency of trade and transport transactions;

- The definition of systematic approaches to measurement, based on a set of facilitation indicators on transportation and cross-border processes, to be systematically collected;
- The monitoring and publishing on a regular basis of data on these facilitation indicators;
- Any commonly agreed initiative aiming at promoting trade and transport facilitation programs through education, training and targeted technical assistance activities.

All interested parties can join the Global Facilitation Partnership for Transportation and Trade (GFP) through the GFP website, which also displays all information on GFP activities and provide a discussion space and a library gathering all relevant documentation submitted by GFP partners.

The GFP Website address:
HYPERLINK

<http://wbln0018.worldbank.org/twu/gfp.nsf>

Cartagena – A Port Focus for Drug Free Trading

PORTS have played a long series of leading historical roles as birth-places for civilisation, bridgeheads for armies, havens for navies, cradles for commerce and, more recently, unwitting conduits for illicit drug movements.

Some current developments in Latin America demonstrate the continuing force and influence of a port, at the centre of its



John Raven
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trading and transport community, in support of civilised values and commercial enterprise.

Because Colombia has an unenviable reputation as a major source of illegal drugs, Customs, worldwide, hedge its exports with all available control techniques. It is now common Customs practice to open a large proportion of containers and consignments com-

ing from Colombian sources. Chronic repetitive delays are inevitable.

In a trading world where the rapid arrival of carefully packed, unopened consignments is a primary requirement for customer satisfaction, market share and satisfactory profit records, this situation is highly unfavourable to Colombian exporters and their carriers, who bear the brunt of concentrated, unrelenting Customs attention. The taint and disadvantage necessarily affects Colombian ports and constrains their normal commercial operations and expansion.

The shareholders and management of Muelles es Bosque (MEB), Cartagena, the first private general cargo terminal in Colombia, found themselves in this unenviable position, under intense pressures from drug smugglers and the Colombian authorities. As they had all the responsibilities of a private company towards the state they agreed, with a major American carrier, Sealand-Maersk, to make a common approach to US Customs to build a stronger defensive position against illicit drug movements.

US Customs, who had encouraging experience of a Business Anti Drug-Smuggling Coalition, (BASC) in cross-border trade with Mexico, responded very positively to the Cartagena suggestion.

Initial entry requirements stipulate that would-be BASC members must -

- Be a participant in logistics, manufacturing or service industries connected with or complementary to international trade
- Have a legal and reputable commercial background in Colombia and externally
- Complete an Application with supporting registration and accountancy details

Once the Application is completed the candidate must pay for a security audit from a specialist service nominated by the BASC Board of Directors.

Successful applicants are required to make regular maintenance payments towards BASC expenses.

Participants are expected to set and observe self-imposed standards in respect of packing and shipping practices, import/export processes and transportation systems.

The overall programme builds alliances between BASC associates - for example between manufacturers and carriers or between different

modal transport operators. It fosters information exchanges and post-seizure co-operation and analysis. The programme also requires participants to work with Customs locally, and in other countries, to identify and intercept suspect shipments before they reach their destination.

The MEB port company, for example, inspects all shipments from new exporters who have no previous record and then 30% of all other shipments at the port. Since March 1998 no seizures have occurred with shipments from Cartagena to the USA.

The central principle of this BASC initiative is to develop a preventive culture along the whole of the supply chain. It is rooted in a new consciousness among private operators that illegal drugs and contraband can have lasting destructive effects on commercial and political relations between nation states.

The Cartagena BASC forward strategy includes a critical examination of the information content of the bill of lading, development of software protection for information on routine innocent raw material movements and special measures to detect illicit chemical shipments to drug producing areas.

The important improvements in Customs treatment of ex-Cartagena shipments into the United States, based on firm statistical evidence of the efficacy of BASC precautions attracted business attention throughout Colombia and gave a remarkable impetus to the growth of the BASC concept and principles.

All commercial sectors, including other port managements, were able to see the competitive benefits of the BASC link to US Customs and made haste to bring their own arrangements into line and order.

As a result there are now 50 BASC certified companies in Colombia and another 350 companies working towards certification. There are 6 BASC Chapters in six major cities - Cartagena, Barranquilla, Santa Marta, Medellin, Bogota and Cali - and counterpart BASC programmes in Mexico, Costa Rica, Panama, Peru and Ecuador.

The special character of the Cartagena initiative for IAPH members, however, is the leadership and organisational role played by the MEB port company in combination with a fully supportive Customs service.

There are other ports with unfortunate reputations as channels for the

movement of illicit drug shipments. There are other Customs who may follow the US example by providing special facilitation for imports from a secure commercial manufacturing, transport and port handling chain. The field is wide open for co-operative innovation.

The Cartagena initiative has other possible repercussions and sets constructive precedents far outside illicit drug interdiction.

Every major international port stands or falls in close accord with the quality of Customs services and the nature of the port-Customs relationship.

In all too many countries port performance is shackled to inefficient and often corrupt Customs operations. Delays are endemic, physical inspection of containers and so destruction of systems integrity is routine and losses and pilferage exceed all reasonable levels. Heavy port charges and high insurance premiums deter ship and cargo owners.

If, in such disadvantaged ports, the port authority could join forces with large multinational company customers and gain the essential support of small and medium sized local industries, together with their main shipping connections and hinterland transport operators, it should be possible to produce a range of very useful variations on the Cartagena BASC concept.

Any government, conscious of its standing in intergovernmental institutions such as the WTO, will find it very hard to resist pressures from a united commercial community, headed by a major port, for improved and accelerated systems of import release and clearance based on rigorously applied standards of good business behaviour.

The World Customs Organisation (WCO) and International Chamber of Commerce (ICC) are currently examining every aspect and overtone of the Cartagena programme. This could well result in a unique opportunity for the IAPH to bring port interest to the fore in a series of Customs/business initiatives, drawing on the revised WCO Kyoto Customs Facilitation Convention and seeking to embody the Cartagena concept and experience in a number of facilitation scenarios beyond - but not excluding - improved drug interdiction.

WORLD PORT NEWS

Equasis agreement signed

ON January 28, 2000, the maritime Administrations of France, the United Kingdom, Spain, Singapore and the European Commission signed a Memorandum of Understanding (MOU) on the setting up of the Equasis information system. The US Coast Guard and the maritime Administration of Japan have expressed their intention to join the signatories, but have not yet finalized internal procedures for doing so. The MOU was signed in the IMO Headquarters in London in the presence of IMO Secretary-General William O'Neil.

Equasis will be a unique database to collect safety-related information on the world's merchant fleet from both public and accessible on the Internet. The launch of the database is planned for May 2000.

Information

Already in its first phase, Equasis will contain information from public authorities (port state inspection and detention information from the three participating port state control regions, i.e., Paris MOU, Tokyo MOU and the US Coast Guard) and industry players (such as information on class, insurance, participating in industry inspection schemes and quality organizations). The database will, however, be subject to continuous improvement, and more information sources will be included after the launch of the system in May 2000.

Structure

The proposed mechanism to ensure the successful operation of Equasis is through an internationally non-binding MOU agreed between a small number of quality-minded maritime administrations. The key elements of that organizational structure are:

The parties to the Equasis MOU shall be members of the Supervisory Committee. In addition, IMO, being the main international regulator, should participate in the committee. The role of the committee is to supervise the management of Equasis and decide on policy matter related to the operation and future development of the system. After



The Equasis agreement is signed

the initial trial period of maximum three years, the MOU will be amended to allow a broader range of administrations to participate in the Equasis system.

The daily management of Equasis will be carried out by a body having the capacity to conclude agreements on behalf of Equasis with, for example, data providers, users, consultants and providers of IT service, staff, etc. The Management Unit should be in charge of the daily operations of Equasis, including financial and marketing aspects. It will also act as secretariat of the committee. The French maritime administration has offered to create a legal structure for the Management Unit.

A Technical Unit will be in charge of the realization of the project at a technical level. This function will be performed by the Centre Administratif des Affaires Maritimes (CAAM) in Saint Malo, which is the body currently managing the Sirenac database for the Paris MOU on port state control.

All organizations providing data to Equasis, such as maritime administrations, classification societies, insurers' organizations, shipowners' organizations, commercial data providers, etc., shall be represented in a consultative body, called the Editorial Board. The task of the editorial board is to advise the Management Unit on all aspects related to the best possible presentation of the available data, including aspects of quality control and up-dating. Secondly, the editorial board should advise the com-

mittee on policy matters related to the future development, expansion and improvement of the Equasis information system.

The Internet address of Equasis will be:
<http://www.equasis.org>

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(IMO NEWS)

Antifouling Systems MEPC 44, March 2000

THE MEPC Antifouling Working Group continued work on developing a legal instrument to regulate the use of shipboard antifouling systems, in particular to phase out those containing organotins such as tributyltin (TBT). It will be further considered at the Committee's next session (October 2-6, 2000) when the draft text will be scrutinised article by article.

The IMO assembly in November 1999 approved the holding of a diplomatic conference in 2001 to adopt the proposed instrument. It is tentatively scheduled to be held on October 22-26.

The working group has already developed the basic structure of a proposed legal instrument to effect the phasing out of organotins acting as biocides in antifouling systems on ships, while the assembly adopted Resolution A.895(21) Antifouling systems used on ships.

The resolution states that the MEPC should develop a global legally-binding instrument to address the harmful effects of antifouling systems used on ships. It adds that this instrument should ensure a global prohibition on the application of organotin compounds which act as biocides in antifouling systems on ships by January 1, 2003, and a complete prohibition on the presence of organotin compounds which act as biocides in antifouling systems on ships by January 1, 2008.

Antifouling paints are used to coat the bottoms of ships to prevent sealife, such as algae and molluscs attaching themselves to the hull – thereby slowing down the ship and increasing fuel consumption. In the early days of sailing ships, lime and later arsenic was used to coat ships' hulls, until the modern chemicals industry developed effective antifouling paints using metallic compounds.

The compounds slowly "leach" into the sea water, killing barnacles and other marine life that have attached to the ship – but studies have shown that these compounds persist in the water, killing sealife, harming the environment and possibly entering the food chain. One of the most effective antifouling paints, developed in the 1960s to 1970s, contains the organotin tributyltin (TBT), which has been proven to cause deformations in oysters and sex changes in whelks.

The harmful environmental effects of organotin compounds were recognised by IMO in 1990, when the Marine Environment Protection Committee (MEPC) adopted a resolution which recommended that governments adopt measures to eliminate the use of antifouling paints containing TBT on non-aluminum hulled vessels of less than 25 metres in length and eliminate the use of antifouling paints with a leaching rate of more than 4 micrograms of TBT per day.

Alternatives to TBT paints include copper-based coatings and silicon-based paints, which make the surface of the ship slippery so that sealife will be easily washed off as the ship moves through the water. Further development of alternative antifouling systems is being carried out. Underwater cleaning systems avoid the ship having to be

put into dry dock for ridding the hull of sealife, while ultrasonic or electrolytic devices may also work to rid the ship of foulants.

A new range of antifoulings has been launched by Jotun Paints that has developed it with Japanese chemical group Nippon Oil and Fats. The Sea Quantum range, which uses a butterfly as a motif, comes in three versions Plus, Classic and FB, with the Plus version for vessels above 18 kt – the Classic for speeds between 12-20 kt and FB for flat bottomed craft.

The antifoulings are of a hydrostable type that uses a silyl polymer as a base and copper as the active ingredient.

"In the longer term we expect the copper content to be reduced and maybe replaced entirely with other substances," says Stein Kjølborg, marketing manager for marine products at Jotun Paints. He explains that "this has not been possible as yet, but is one of the challenges faced in the development of the next generation of antifoul-

ing coatings."

Jotun says that the product was tested and further developed and refined through a number of carefully controlled stages before the R&D team was satisfied and has been tested by a number of shipowners on some 400 vessels before it was accepted.

The company claims that the paint film maintains a constant linear polishing rate for up to five years – "providing antifouling performance that is equal to or better than the very best TBT containing antifoulings."

It says that after the initial roughness is polished away, the smoothness of the hull is maintained, reducing fuel consumption. In the case of a VLCC tested, this resulted in a 7.5 per cent reduction over two years. In literature supplied by the company it says that "Sea Quantum also demonstrates environmental acceptability and conforms to the requirements of the draft IMO regulations."

(IFSMA Newsletter)

BIMCO REPORTS

April 14, 2000

Dry Cargo Market

CAPESIZE: Rates continue firm albeit with some correction/softer tone in the Atlantic. The amount of correction is perhaps hard to judge due to the greater fall in bunker prices within the Atlantic basin with Rotterdam USD125, Gibraltar USD134, compared to Singapore at USD160 and Rep. of Korea at USD150. The B.C.I. closed today (April 19, 2000) at USD2,326. Vessels of 160,000 dwt, built in 1993 have this week obtained USD24,500 basis delivery Japan for Australian round voyages, whilst within the Atlantic similar vessels were fixing at USD21,000 for South African round voyages. On the larger side a 210,000 dwt vessel was fixed at USD28,000 basis delivery Taranto trip via Brazil to Japan whilst in the smaller sizes, vessels of around 130,000 dwt have been fixing within the Pacific in the region of USD18,000. Little voyage fixing in evidence this week, however we have seen coal from Hampton Roads to Italy going at just over USD8.00. On the iron ore front we have seen 130,000 mt from Port Cartier to Rotterdam fixed at just under USD6.00 and 150,000 mt from Brazil to China has been fixed at close to

USD12.50. In the East we have seen USD17.00 paid for 150,000mt coal from Dalrymple to Isdemir, and USD6.50 paid for 150,000 mt from West Australia to China. On period we have seen a 171,000 dwt vessel obtain USD18,750 for 2 years basis delivery Japan in June.

Panamax: Earlier in the week the Atlantic was being driven by S. American grain, albeit with owners of prompt tonnage having to accept rates with a ballast bonus. A prime example being the Kavo Delfini 65,400 13/29 10,000 plus USD225,000 re-delivery Gibraltar/Hbg. However as the week moved on charterers were forced to pay rates on a DOP/or retro basis from European discharge ports. Representative fixtures included Angelic Protector 77,900 1977 built dwt at delivery Rotterdam 18/20 April at 8,400 for a round and Stalo 90's built 73,000 DOP Morocco at USD11,600 for ECSA r/v. There were also rumours of grain houses taking an early '80s vessel on short period in the low US\$10,000's, and even with the forthcoming Easter holidays which is often a good excuse for charterers to talk down the market there was positive air of expectation. After a few weeks of uncertainty in the Far East and a number of new enquiries

from USWC and grain in to the Indian sub-continent. Short period fixtures included Apollon 1994 70,100 dwt Japan 17/25 April 11, 100 3/5 months Italian charterers and rates for trip home established themselves in the high USD10,000's for modern 73,000 dwt. New Millennium built Navios Magellan was taken at USD11,400 delivery China re-delivery China for a quick r/v but for longer rounds the rate was reckoned to be USD10,900 or thereabouts.

Handysize: With relatively less tonnage open in Northern Europe for April, owners have confidently raised their ideas during the week. Little has yet been concluded, but this has put charterers on the back foot. Most operators are sitting on voyage freights which have hardly moved in recent weeks, and even with weaker fuel prices, are seeing their margins being potentially eroded. The tone of the market has become more ragged, with disparity in rate ideas in similar trades and routes. Some of this has been caused by the refusal of some charterers to face higher freights until necessary, including not moving lower value cargoes, which can only be sold at a certain rate margin, some has been caused by the rise in fuel costs: ballast costs are now a significant part of owners' calculations. Thus a ship already close to a loading port, often gives a charterer the opportunity of a much lower freight compared with ballasters. Present conditions have had a deleterious effect on traders' business in general, with volatility and uncertainty key words.

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Tanker Market

Crude: VLCC owners were quick to capitalise on increased production from the Middle East Gulf, which resulted in a total of 31 fixtures of just over 8 million tonnes. We currently estimate there are 38 vessels potentially available over the next 30 days, of which only 12 are modern. Rates to the Far East quickly rose to around WS 85 for all options and by the close, WS 95 had been reported for the tight end of April position to Japan. The latest reported fixture to the West was at WS 72.5 to the US Gulf and WS 75 to North West Europe and

Mediterranean. Rates for modern Aframax tonnage trading to the Far East stabilised in the region of WS 155; however, a 30 point premium could be obtained for a cargo requiring a restricted length vessel.

In West Africa, there was a switch from million-barrel tonnage to VLCCs and this resulted in rates for 130,000 tonners slipping to around WS 110 to the US Gulf. Conversely, VLCC rates showed a marked improvement with a total of 8 fixtures. Levels to the West rose to between WS 80 and WS 85, with WS 77.5 paid for Far Eastern options. Steady Aframax enquiry in the Mediterranean maintained the previous rate levels of around WS 150 for modern vessels and between WS 130 and WS 140 for older tonnage for voyages to both the Mediterranean and UK-Continent. The million-barrel sector was also stable, with modern tonnage trading from the Eastern Mediterranean and Black Sea at about WS 140 and older vessels at around WS 125, again to the UK-Continent and Mediterranean. Rates continued to decline in the Caribbean, with 70,000 tonners slipping to around WS 152.5 for voyages to the US Gulf, although by the close, there are signs of a small recovery to about WS 155. A 140,000 tonner for a similar voyage was fixed at WS 136.25 and to the UK-Continent at WS 92.5. Aframax tonnage trading in the North Sea saw a gradual improvement and at present, WS 140 can be obtained for voyages to the Continent and WS 152.5 to East Coast Canada. Million-barrel tonnage was fixed at WS 100 to the US Gulf and WS 120 to the Continent. Rates for VLCCs from the North Sea increased in line with other sectors of the market to close in the mid WS 80's for voyages to the US Gulf. Norwegian charterers fixed 2 modern million-barrel vessels for 12 months timecharter at USD22,000 per day.

Products: An increase in activity in the Middle East sector has helped owners with prompt vessels to secure employment. Rates for movements into West Africa or the UK-Continent escalated as charterers found renewed interest in moving jet West. 40,000-tonne cargoes to the UK-Continent were confirming at around the USD1.15 million mark. Some interest in voyages to East Africa saw WS 265 paid for 35,000 tonnes. Few MR fixtures were concluded to the East as charterers looked to the larger units to cover these requirements. Rates for 75,000-tonne sizes to Japan saw an upturn to WS 178.5, whilst 55,000 tonnes on the same run

paid WS 190. A jet cargo of 68,500 tonnes to the UK-Continent was agreed at USD1,500,000. With expectations of further awards this weekend in the Middle East for naphtha, rates should rise further still. Rates remain firm for oil company approved tonnage in the Mediterranean. The week seemed to start a little slowly but soon gained momentum, pick-up by the week's end. Gasoil liftings of 30,000 tonnes were being arranged at between WS 150 and WS 175, the latter being for approved units. Naphtha liftings continue to pay around WS 190 basis 27,500 tonnes although there is potential to improve on this level as finding suitable tonnage is proving increasingly difficult. One reported LR movement from Algeria destined for Brazil was confirmed at WS 140 for 80,000 tonnes.

Information supplied by:

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SIBCON 2000

Singapore International Bunkering Conference September 28-29, 2000, Shangri-La, Singapore

SINGAPORE is the largest and busiest bunker port in the world. SIBCON 2000 is organised by the Maritime and Port authority of Singapore (MPA) and managed by IBC Asia Limited.

Seize this great chance at the SIBCON 2000 to renew and establish new contacts and potential business partners. Sibcon delegates will have the opportunity to meet the 400 shipping executives at a Gala Dinner organised by the Maritime Asia Awards 2000 on September 28 to present awards to deserving top organisations in the maritime and port industry.

There will be opportunities for Sibcon participants to make new contacts of oil and shipping conferences held during the September 25-30 week. Container Summit II-Executive Summit will be held at Shangri-La on the same dates as Sibcon. The International Dry Bulk Review Conference will be held on September 26 and 27. Intertanko will be holding its Asian regional panel meeting in Singapore for their tankerowners.

INTERNATIONAL MARITIME INFORMATION

The Asia Pacific Petroleum Energy Conference will take place on September 25-27 at Raffles City Convention Centre with hospitality functions and cocktail receptions.

IBC Asia will offer assistance to Sibcon delegates a business matchmaking service if you need assistance to meet registered Sibcon participants or other contacts.

Sibcon participants can observe from a ferry at sea an oil spill exercise jointly organised by MPA and Shell on September 30, 2000.

Top shipping and bunker executives are convened to present updates on the bunker and shipping industries, from trends and developing regulatory requirements to country round-ups in China, Taiwan and South America.

E-commerce is definitely the trend of the future. For the first time in SIBCON, a whole session will be devoted to e-commerce. Will e-commerce change the way bunkering business is being done? Will e-bunkering really save time and cost? These and more will be discussed and debated at the E-session.

One of the highlights of SIBCON 2000 will be a panel discussion on CEO-to-CEO Mind-Share: the reality of dot.com business. With a common e-vision for the e-future, they will share their experiences and visions for "e-commercialized" businesses.

Delegates can also look forward to a trade exhibition showcasing the latest bunkering services/equipment, held alongside the conference.

Day One, September 28, 2000

Opening Address

Mr Yeo Cheow Tong, Minister of Communications and Information Technology

Trends in Shipping and Bunker Industries

Keynote Address I

Changes in the East Asian Refinery Industry and its Impact on Fuel Oil Market

Simon Lam, Chairman, Shell Eastern Petroleum (Pte) Ltd.

• Trends in Shipping and Bunker Industry

Daniel J McHugh, President, APL Asia/Middle East

• World Supply and Demand Outlook and Impact on Oil/Bunker Prices

Jan van Kleeff, Business Manager, Far East, Shell Marine Products

• Paper by INTERTANKO

Hamish Cubitt, Chairman, Intertanko

Bunker Committee

- **Bunker Purchase – What do Shipping Lines Expect?**
Shuhei Togo, Manager, Bunkering Team, Mitsui O.S.K. Lines, Ltd.

Regulatory Requirements of Bunker Trade

• Impact of IMO Regulations on the Bunker Industry

Zafrul Alam, Vice-Chairman, Marine Environment Protection Committee, IMO

• Effect on Centrifuge Performance of the Addition of Used Lubrication Oil in the Residual Fuel: Results of a Joint Study between BP Marine and Alfa Laval

Donald Coghill, Manager-Fuels Technical Services and Support, BP Marine UK

• Engine Technology for Fuel and Emission Requirements in the 21st Century

Dr Keijiro Tayama, Managing Director, Japan Internal Combustion Engine Federation

• Fuel Oil Price Risk Management for the Shipping and Bunkers Industries

Alan Koh, Vice President, Morgan Stanley Dean Witter Asia

Day Two, September 29, 2000

Keynote Address II

Trends and Challenges in the Marine Fuels Industry as We Enter the New Millennium

Peter Healey, Director, Exxon-Mobil Marine Fuels

• Promotion of Bunkering in Singapore

Tan Lay Thok, Manager (Marine Licensing), MPA

- **How Shipowners/Operators/Charters Can Benefit from the Implementation of the Code of Practice for Bunker Surveying (CP77:1999)**

Capt Rahul Choudhuri, Operations Manager, DNV Petroleum Services

• Outlook for the Bunker Industry of Fujairah Port and the Middle East

Micheal W. Donavan, Regional Manager-Trading, Fuel and Marine Marketing LLC (FAMM)

Country Profiles

• Taiwan's Bunker Business – Past, Present and Future

Ms Winnie Kung, Manager, Aviation & Marine Fuels Business Office, Chinese Petroleum Corp

• Outlook for China's Bunkering Trade

Leng Ping, Managing Director, China Marine Bunker Supply Company

• South America's Bunkering Market Update

Sérgio Baron, General Manager, Petrobras

E-commerce for the Bunkering Industry

• Bunker: Dot coming the Bunkering Industry/Market

Lim Kang Song, Chief Operating Officer, EBIZ Solutions

• Paper by OceanConnect.com

Tom Reilly, Head, OceanConnect.com

• Panel Discussion:

CEO-to-CEO Mind-Share: E-commerce Bytes – The Reality of dot.com Business

Chan Tuck Hoi, Executive Vice President, Regional Container Lines

Registration/Enquiries

FEE PER DELGATE			
Early Bird Fee (if registrations with payment are received before August 28, 2000)		Regular Fee	
Without GST	*With GST	Without GST	*With GST
S\$900/-	S\$927/-	S\$1000/-	S\$1030/-
GROUP DISCOUNT			
Register in groups of 5 (and more) and each delegate will enjoy 30% discount off the regular fee! All delegates must be from the same company and billing address.			
Without GST: S\$700/-		*With GST: S\$721/-	

Fee is net and exclusive of all taxes. Fee is inclusive of documentation, refreshments and lunches. It does not include accommodation and travel costs. *A 3% Goods and Service Tax is applicable only to Singapore-based companies.

Please note that the Sibcon registration fee excludes the cost of the Gala Dinner which is organised separately by Lyods Maritime Asia Pte Ltd.

For more information on SIBCON 2000, Please contact Eva Low, @ IBC Asia Limited, Address: 1 Grange Road, #08-02, Orchard Building, Singapore 239693,

New Publications

ISL Shipping Statistics Yearbook 1999

Editors: Prof. Dr. Manfred Zachcial, Christel Heideloff

THE SHIPPING STATISTICS YEARBOOK 1999 published by the INSTITUTE OF SHIPPING ECONOMICS AND LOGISTICS (ISL) is now available. The new edition is thoroughly revised, updated and improved by experts of the institute's transport department. The insider information of the ISL Shipping Statistics Yearbook has become indispensable for shipowners, shipbuilders and the port and transport-related industry. Moreover, the market data and analytical information are useful for banks, consultants and researchers as well as any organisation involved in international transport.

The statistical publications of the institute, which include the ISL SHIPPING STATISTICS AND MARKET REVIEW focussing on special features, contain latest and in-depth information concerning maritime markets. ISL distributes this reliable information in more than 60 countries worldwide. The yearbook, especially its extensive coverage on developments and trends in shipping, seaborne trade, commodity markets, freight rates, shipbuilding and port traffic information, is an invaluable source for market analysis. Major development trends are summarised in an introductory comment on shipping, shipbuilding and ports.

Featured in the ISL SHIPPING STATISTICS YEARBOOK 1999 are the fol-

lowing three major sectors:

Shipping Market

Extensive statistical details are presented on the development of the world merchant fleet and special fleets. Data include laid-up and broken-up tonnage figures and profiles of major shipping nations. Another focal point is the presentation of key figures on world seaborne trade, world trade development and a detailed overview on major commodity markets specified according to production and consumption areas. The shipping market section includes the long term series on freight rate indices.

Shipbuilding

The focus on world shipbuilding deals with ship types, developments of major shipbuilding countries and their shipyards. Information is given on deliveries, new contracts and order backlogs.

Ports and Canals

Shipping and cargo traffic via leading world ports are presented according to region for the years 1992-1998. The main focus is on a detailed container traffic analysis. The yearbook contains data on some 300 ports in more than 80 countries, based on the ISL Port Data Base which has been providing data since 1980. In addition, this section of the yearbook includes shipping and freight traffic via the world's major canals.

The Yearbook and the ISL SHIPPING STATISTICS AND MARKET REVIEW can be ordered directly from ISL. An order form is also available on the Internet. We are currently planning to put the ISL publications on the Internet. Of course, we will keep you informed in this matter.

- 510 pages
 - ISSN 0721-3220
 - Price: DM370.- (€189.18)
- plus postage and packing; add VAT (MWSt.) for sales within the EC market*

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Principal Shipowning Companies

A Study of the World's Top 75 Container Shipping Lines

OCEAN Shipping Consultants Ltd. (OSC) has been monitoring and analysing the development of the world's major liner trades since 1985. This major new study brings together an in-depth analysis of the issues facing the container shipping market into the new millennium and provides a detailed review of the operations of the world's major liner operators.

These reviews are not focused on the credit-worthiness of the individual lines but are rather designed to provide a summary of the current pattern of deployments of the major lines and to provide a detailed picture of the major investment programmes currently underway. The timing of this report has been selected to coincide with the moderation in expansion of the fleet that is currently underway which allows for a more measured review of true market prospects in the still highly dynamic containerisation sector.

The study will provide essential analyses for all engaged in the shipping sector, either as users of services or as direct investors in the shipping mar-

kets.

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

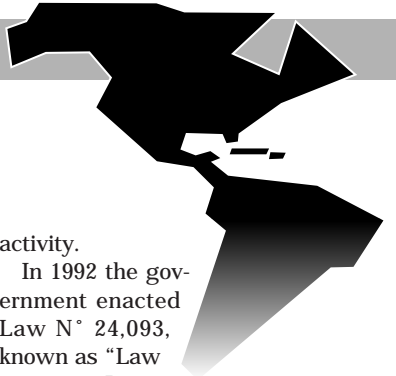
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The Americas



Port of Bahia Blanca

Its current profile

BAHIA Blanca is the first autonomous provincial port of the Argentine Republic and the deepest waters port thanks to its operative capacity for 45-foot draught ships.

Since September 1, 1993, the Consorcio de Gestion del Puerto de Bahia Blanca has been responsible for the full administration and operation of the Bahia Blanca port complex. Being a republic organisation but not depending on the national government, the Consorcio was created by a law passed by the legislature of the province of Buenos Aires. Its board of directors is composed of experienced representatives from different public and private sectors directly involved in port activities.

Regulations

Argentina has a coastline of some 4,000 km in length and two important navigable rivers, the Parana and the Uruguay, which before joining up into the River Plate, go through considerable industrial and rural areas.

With the course of time, the communication and transport needs generated a maritime development which includes a hundred of ports which can be classified into two main types, river navigation from the Port of Iguazu to the Port of La Plata; and maritime navigation from the Port of Mar del Plata in the Province of Buenos Aires to the Port of Ushuaia in Tierra del Fuego.

Though there was an important port infrastructure and though certain regulations had been enacted in the Argentine Constitution and Civil Statute, there was no particular set of rules giving coherence to maritime

activity.

In 1992 the government enacted Law N° 24,093, known as "Law on Port Activities" related to the management and operation of all state and private ports on national territory.

The transfer of national ports to the provinces to which they belong is authorized in Article 11 of the aforesaid law. Article 12 establishes that the ports of Buenos Aires, Bahia Blanca, Quequén, Rosario and Santa Fe should become private entities before they are transferred to the provinces.

All port activities should have participation in the boards of these entities including port operators, service renderers, producers, users, workers, employees, etc. The province and local town hall should also have their share.

The Legislature of the Province of

Buenos Aires passed Law N° 11,414, creating the Consorcio de Gestion del Puerto de Bahia Blanca as a state-owned, privately-run entity responsible for the full administration and operation of the port area.

Thus on September 1, 1993, the first autonomous port of the Argentine Republic was created spearheading the transformation process of the Argentine port system.

General Description

The Bahia Blanca port installations consist of a number of terminals spreading 25 km along the coastline on the northern part of the Bahia Blanca estuary.

Up to 45-foot draught ships can enter the Bahia Blanca port area through a 190 m wide and 90 km long access channel. Night sailing is safe because there is an up-to-date system made up of sixty-two luminous buoys fed by solar energy.

Coming west from the Atlantic ocean the SBM buoys for the handling of hydrocarbons can be found off Punta Ancla and Punta Cigüena, followed by the commercial wharf of Puerto Rosales and Puerto Belgrano Naval Base, the largest naval base in Argentina.

The Ing. White port installations are protected by the estuary of the bay. The Luis Piedra Buena Pier Power Station was originally built to serve a nearby power station. A private company refurbished it later into a grain terminal. The nearby terminals specialise in the handling of cereals and by-products, the main lines of business of this port. Westwards, the general cargo and reefer operations "Ministro Carranza" wharf is located.

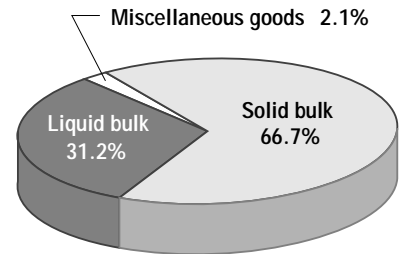
The Port of Ing. White is separated from Puerto Galvan by the area known



PORT TRAFFIC STATISTICS PORT OF BAHIA BLANCA 1999

Items	Domestic Traffic	MERCOSUR		
		Imports	Exports	Total
1. Liquid bulk				
1.1 Fuel	666,939	73,590	163,980	242,570
1.2 Vegetable oil	-	-	2,000	2,000
1.3 Gases	17,590	16,403	487,885	504,288
2. Solid bulk				
2.1 Grain	-	-	2,573,730	2,578,730
2.2 Oleaginous products	-	-	61,430	61,430
2.3 Fertilizers	-	-	-	-
3. Miscellaneous goods				
3.1 Frozen fish	7,295	-	-	-
3.2	-	-	-	-
4. Others				
4.1 Polyethylene	535	-	2,708	2,708
4.2 Others	293	5,784	5,634	11,418
Subtotal	692,652	95,777	3,307,367	3,403,144

Items		OTEHR COUNTRIES		
		Imports	Exports	Total
1. Liquid bulk				
1.1 Fuel		68,773	95,984	164,757
1.2 Vegetable oil		-	569,669	569,669
1.3 Gases		44,873	26,669	71,491
2. Solid bulk				
2.1 Grain		-	1,009,735	1,009,735
2.2 Oleaginous products		-	966,025	966,025
2.3 Fertilizers		171,047	-	171,047
3. Miscellaneous goods				
3.1 Frozen fish		-	5,536	5,536
3.2		-	-	-
4. Others				
4.1 Polyethylene		-	-	-
4.2 Others		100,665	20,601	121,266
Subtotal		385,358	2,694,168	3,079,526
TOTAL	Domestic Traffic	Imports	Exports	Total
Tons.	692,652	481,135	6,001,535	7,175,322



Oleaginosa Moreno Hnos. S.A., one of its terminals, handles grain and by-products. It adapted Berths N° 2 & N° 3, providing them with a greater length and depth (38' according to the chart data).

Berths N° 5 and N° 6 handle general cargo. Berth N° 5 was enlarged to allow for the mooring of 230 m long ships. It is equipped with two gantry cranes of 35 tonnes of maximum capacity each which can work either with hooks, clamps or spreaders.

Island's First Container Crane On The Way

Build it and they will come.

That is one of the driving truisms behind site preparations at Duke Point for the Nanaimo Port Authority's new container handling crane, which will be the first on Vancouver Island.

"Traditionally, loaded containers leave the Island for the Lower Mainland by coastal barge services or B.C. Ferries," reports Port CEO Bill Mills. "Container movement of lumber products is continuing to grow and I believe this is an opportunity for the Port to expand into this mode of transportation."

"New rails will have to be installed at the deep sea port, which should be completed by mid-May. And then the crane will arrive via barge from the Port of Vancouver likely in July.

The crane has a reach of 35 metres, lift capacity of 40 tonnes and weighs in at 650 tonnes. It will be set 5.5 metres from the dock edge. "It is being acquired through an agreement with Port of Vancouver CEO Norman Stark that would see us as a feeder for them," Mills says. "We want to establish a service that is cost competitive."

"We're not restricted to being only a feeder service but it is a trend with ports around the world. We will be loading containers onto barges, rather than directly onto containerships," Mills

as Cangrejales, the site for future port economic growth. Puerto Galvan is a large quay with many berths handling grain, by-products and general cargo. To the west can be found the oil tanker/gas carrier terminals.

Puerto Ing. White

The port can be divided into two clearly distinctive areas according to the kind of goods handled. Firstly, we have the area devoted to grain and by-products involving the specialised terminals run by Platestiba S.A.C., Terminal Bahia Blanca S.A. and Cargill S.A.I.C. To the west, you can find the area for general cargo and reefer operations equipped with warehouses and stores.

The physical characteristics of each terminal are detailed in Chart N° 1. It is

worth mentioning that Platestiba's wharf can also operate with the unloading of liquid fuel to serve the nearby power station, the E.S.E.B.A., which belongs to the Province of Bs.As.

The origin of the area for general cargo and reefer operations originally developed from the flux of refrigerated and frozen cargo, fruits and fish in particular. It is equipped with a substantial refrigerating capacity of 82,000 m³ and reaching -30°C. These installations are located in front of berths 17/20, allowing efficient and safe cargo handling.

Puerto Galvan

At the beginning of the 20th century The Buenos Aires and Pacific Railway Company developed Puerto Galvan as a grain terminal but it today has enlarged its operative capacity.

observes, noting it is probably a three to five year development program.

"The business has to be sought out. We will be handling export containers first but there may be a possibility of containers going both ways in the future."

Mills says with the value-added trend in forestry, customers are more and more inclined to ship using the protection of containers. "That way, you're protecting the cargo and delivering a quality product to market."

"The Port wants to keep diversifying," Mills continues, noting how a value-added product is handled in leaving the Island is a good example of this. "We say how hard we could be hit in one area with something like the Asian flu," he says. "This new service keeps pace with the changing socio-economic development trends of our region."

(NANAIMO)

Port of Nanaimo to Assist in Water Quality Checks

THE Port of Nanaimo is working again with the City of Nanaimo on a program for water quality testing.

"In cooperation with the city, we will be collecting samples across seven locations in early June," reports Port Harbour Master Andrew Pitcher.

"These locations will range from Brechin Marina to the Inner Boat Basin and are part of the normal testing to see if we are within usual limits for fecal bacteria."

"Typically, 200 CFU units per ml is considered to be the maximum acceptable and we usually come in substantially lower," Pitcher says, noting sample testing is conducted throughout the summer in Nanaimo."

trade corridor through Prince Rupert; that the cruise industry capitalizes on the natural beauty and cultural diversity of our shores; and that industrial developers will find Ridley Island to be the most attractive location in the world for a new enterprise. There is no question that the achievement of these goals is a daunting challenge.

We wish to acknowledge the continued hard work, dedication and commitment of all port authority employees, longshore workers, Prince Rupert Grain Ltd., Ridley Terminals Inc. and that of our numerous other partners in Prince Rupert. We would also like to thank our board of directors for their support as we move through this transition. In particular we would like to acknowledge the valuable contributions of Michael Tarr, Robert Hill and Penny Denton, whose terms expired with the incorporation of the new port authority status. Their commitment and dedication to the organization were greatly appreciated.

Opening the door to the Pacific

With its creation in the mid-70s, Fairview Terminal opened doors for the offshore exports of western Canada's northern forest industry. Today, a highly efficient, multi-use marine complex, Fairview Terminal remains one of the Port of Prince Rupert's principal facilities and is potentially North America's most significant doorway to the Pacific.

The 22-hectare, three-berth facility comprises 644 metres of dock face, grain storage silos, weatherproof transit sheds and warehouses, complemented by a full range of state-of-the-art dockside cargo handling and loading equipment, including one of the world's largest mobile ship loaders. Handling cargo as diverse as lumber, specialty grain products, steel, slack wax, concentrated ore, explosives, woodpulp, containers and general and project cargoes, Fairview Terminal is operated by the Canadian Stevedoring Company Ltd. on behalf of the port authority.

Located on the south side of Prince Rupert and tucked just inside the inner harbour, Fairview Terminal's strategic location puts shipping lines close to production centres and shippers 1.5 days closer to the Asian market. With more than 2,850 metres of on-dock rail and access to

Prince Rupert Port attains new port status in world trade

Building a port of significance
From Chairperson, President & CEO

SEVERAL significant events in 1999 have illustrated the dynamic transformation that is taking place in world trade. These changes are altering the course of the industry's economic activity and impacting the operations of the Prince Rupert Port Authority.

The transition on May 1, 1999 to new port authority status under the Canada Marine Act culminated several years of progressive movement toward the commercialization of the Port of Prince Rupert. Along with the greater independence and local control came enhanced responsibility to the stakeholders and users of the Port of Prince Rupert. But with a strengthened board of directors, representing the diverse interests of its stakeholders, there is a renewed dedication to the building of Prince Rupert into a port of major significance on the West Coast.

Most importantly, the port authority recognizes that its future cannot be maintained through sole reliance on its traditional commodity base. Not only will these commodities be under constant market pressure from lower-cost producers elsewhere in the world and from fluctuations in local and international commodity markets, there will

continue to be greater reliance on the use of containers for the movement of these commodities and for more value-added products.

Responding to these rapid changes will require the cooperation and participation of the many port partners who have a vested interest in the Prince Rupert gateway, such as the railway, terminal operators and shipping lines, and both federal and provincial government bodies.

Our focus is twofold: to ensure that shippers benefit from Prince Rupert's strategic geographic position on international trade corridors and to secure the future financial prosperity of the Port of Prince Rupert. To do this, we must ensure that existing commodities continue to flow through Prince Rupert in the most efficient and economical fashion; that the growing movement of containerized cargo will follow a new



Rhoda Witherly
Chairperson

Don Krusel
President & CEO

Canadian National Rail's northern main line and the American midwest's industrial heartland, Fairview Terminal is an essential link in the global transportation network.

Fall of 1999 welcomed the installation of a new \$2.5-million mobile ship loader at Fairview Terminal's Agport. One of the world's largest, the loader is expected to significantly enhance the Port's competitive advantages for shippers of specialty agricultural products, such as barley malt, lentils, peas and canola meal. The new ship loader will boost the maximum loading capacity at the terminal dramatically while ensuring product integrity through a number of sensitive handling features. This expansion complements modifications made to the receiving system completed in 1998 and, combined with the addition of the new weatherproof storage for forest products, positions Fairview as a strategic facility on the West Coast.

WASHINGTON REPORT

U.S. Bureau of Census reports on February U.S. trade balance

U.S. TRADE BALANCE - The U.S. surged to a record \$29.2 billion in February, according to data reported last week by the U.S. Bureau of Census. That was up 6.5% from the revised January figure of \$27.4 billion and 57.4% greater than the \$18.6 billion deficit recorded in February 1999.

- Exports decreased to \$84.2 billion from \$84.3 billion in January due to a drop in goods shipments. Service exports were marginally higher. The February export data, however, showed significant improvements from a year ago, with gains of 10.5% for goods and 7.5% for services from the February 1999 totals.
- Imports increased to \$113.4 billion from \$111.8 billion in January, reflecting month-to-month gains in both goods and services.

The deficit for the first two months of 2000 totaled \$56.7 billion, an increase of 63% over last year.

With respect to U.S. goods trade, exports registering the largest decreases from January were in capital goods (primarily civilian aircraft, telecommunications equipment, and industrial

1. U.S. International Trade in Goods and Services Seasonally Adjusted (millions of dollars)

	2000		January-February		
	Feb.	Jan. (Rev)	2000	1999	Change
Exports					
Goods	\$60,206	\$60,714	\$120,920	\$109,777	10.2%
Services	\$23,980	\$23,628	\$47,608	\$44,855	6.1%
Total	\$84,186	\$84,342	\$168,428	\$154,632	9.0%
Imports					
Goods	\$96,159	\$94,868	\$191,027	\$158,419	20.6%
Services	\$17,268	\$16,921	\$34,189	\$31,009	10.3%
Total	\$113,427	\$111,789	\$225,216	\$189,428	18.9%
Balance					
Goods	(\$35,953)	(\$34,154)	(\$70,107)	(\$48,642)	44.1%
Services	\$6,712	\$6,707	\$13,419	\$13,846	-3.1%
Total	(\$29,241)	(\$27,447)	(\$58,688)	(\$34,796)	62.9%

Source: U.S. Bureau of Census.

2. U.S. IMPORTS OF CRUDE OIL (Not Seasonally Adjusted)

	January-February		
	2000	1999	Change
Barrels, 000s	510,362	510,029	0.1%
Millions of dollars	\$12,303	\$4,756	158.7%
Barrels/day	8,506	8,645	-1.6%
Price/barrel	\$24.11	\$9.33	158.4%

Source: U.S. Bureau of Census.

3. U.S. EXPORTS AND IMPORTS OF GOODS BY PRINCIPAL END-USE CATEGORY Seasonally Adjusted (millions of dollars)

GOODS CATEGORY	January-February		
	2000	1999	Change
Exports			
Foods, feeds, beverages	\$7,789	\$7,215	8.0%
Industrial supplies (1)	\$27,139	\$22,619	20.0%
Capital goods	\$54,312	\$50,428	7.7%
Automotive vehicles	\$13,270	\$11,997	10.6%
Consumer goods	\$14,374	\$13,356	7.6%
Other goods	\$6,192	\$6,227	-0.6%
Imports			
Foods, feeds, beverages	\$7,258	\$7,039	3.1%
Industrial supplies (1)	\$45,639	\$30,930	47.6%
Capital goods	\$53,505	\$46,741	14.5%
Automotive vehicles	\$32,381	\$28,226	14.7%
Consumer goods	\$42,796	\$38,338	11.6%
Other goods	\$7,894	\$6,761	16.8%

(1) Includes petroleum

Source: U.S. Bureau of Census

machines). Growth sectors included industrial supplies and materials and consumer goods.

Top gainers among imports were industrial supplies and materials, particularly crude oil, fuel oil, and other

petroleum products. During the first two months of 2000, the cost of imported crude petroleum reached \$12.3 billion, a staggering 159% increase from a year ago, even though the quantity imported was virtually unchanged, as

4. EXPORTS, IMPORTS AND BALANCE OF GOODS BY SELECTED COUNTRIES AND GEOGRAPHIC AREAS Not Seasonably Adjusted Millions of Dollars

COUNTRY/REGION/ TRADING BLOC	January-February		
	2000	1999	Change
Exports			
NORTH AMERICA	\$44,481	\$37,082	20.0%
Canada	\$28,315	\$25,140	12.6%
Mexico	\$16,166	\$11,942	35.4%
WESTERN EUROPE	\$28,260	\$26,700	5.8%
European Union	\$24,887	\$24,909	-0.1%
European Free Trade Assn.	\$2,590	\$1,323	95.8%
EASTERN EUROPE	\$400	\$361	10.8%
FORMER U.S.S.R.	\$885	\$319	177.4%
PACIFIC RIM	\$28,616	\$25,779	11.0%
Australia	\$1,972	\$1,654	19.2%
China	\$1,846	\$1,724	7.1%
Japan	\$9,698	\$9,416	3.0%
NICS(1)	\$11,699	\$10,007	16.9%
SO/CENT AMERICA	\$8,494	\$8,811	-3.6%
Argentina	\$704	\$766	19.2%
Brazil	\$2,065	\$2,020	7.1%
Colombia	\$549	\$556	3.0%
Venezuela (2)	\$759	\$934	16.9%
OPEC (2)	\$3,273	\$3,391	-3.5%
Imports			
NORTH AMERICA	\$55,752	\$45,274	23.1%
Canada	\$35,793	\$29,892	19.7%
Mexico	\$19,960	\$15,382	29.8%
WESTERN EUROPE	\$35,369	\$30,309	16.7%
European Union	\$32,281	\$28,045	15.1%
European Free Trade Assn.	\$2,468	\$1,769	39.5%
EASTERN EUROPE	\$726	\$569	27.6%
FORMER U.S.S.R.	\$1,725	\$887	94.5%
PACIFIC RIM	\$60,314	\$51,325	17.5%
Australia	\$894	\$753	18.7%
China	\$13,496	\$11,224	20.2%
Japan	\$22,006	\$19,345	13.8%
NICS(1)	\$16,340	\$13,397	22.0%
SO/CENT AMERICA	\$11,322	\$7,824	44.7%
Argentina	\$521	\$366	42.3%
Brazil	\$2,175	\$1,516	43.5%
Colombia	\$1,192	\$784	52.0%
Venezuela (2)	\$2,778	\$1,204	130.7%
OPEC (2)	\$9,186	\$4,734	94.0%

(1) NICS = Newly Industrialized Countries - Hong Kong, Singapore, Taiwan, South Korea.

(2) Venezuela also included with OPEC

Source: U.S. Bureau of Census

shown below:

Table 3 presents year-to-date comparisons with 1999:

- OPEC: The U.S. deficit increased from \$2.7 billion this January (and just \$462 million in February 1999) to \$3.2 billion. Exports increased by 4.6% to \$1.7 billion, while imports rose 15.4% to \$4.9 billion.
- Canada: The U.S. deficit fell from \$4.1 billion in January to \$3.3 billion in February. Exports increased \$1.2 billion (primarily automobiles and automobile parts) to \$14.7 billion, while imports increased \$0.4 billion (primarily petroleum and petroleum products) to \$18.1 billion.
- Japan: The U.S. goods deficit

increased from \$5.6 billion in January to \$6.7 billion in February. Exports increased \$0.2 billion (primarily computers and computer products) to \$5.0 billion, while imports increased \$1.4 billion (primarily automobiles and automobile parts, computers and computer products, and electrical machinery) to \$11.7 billion.

- China: The U.S. deficit decreased from \$6.0 billion in January to \$5.6 billion in February. Exports increased \$0.1 billion (primarily computers and computer products) to \$1.0 billion, while imports decreased \$0.3 billion (primarily electrical machinery, computers and computer products) to \$6.6 billion.

(AAPA ADVISORY)

Port Authority's Port Commerce Director Honored as One of New Jersey's Top Businesswomen

Port
Commerce
Director

Lillian C. Borrone - whose leadership helped spur record levels of cargo passing through the Port Authority's New



York and New Jersey ports in 1999 - has been honored by the Executive Women of New Jersey as one of the state's leading businesswomen.

The organization presented Mrs. Borrone and 34 other women who are either directors or officers in corporations and foundations with its "Salute to the Policy Makers" Award. The award pays tribute to women who have achieved positions of leadership in business.

"The ports are the economic engines that drive our regional economy," said Port Authority Chairman Lewis M. Eisenberg. "Shippers around the world consistently choose our ports when transporting goods to this country, and much of that reputation can be attributed to Lillian's management of these facilities and the efforts of her staff."

"Lillian has been an outstanding role model for women within the Port Authority and throughout the transportation industry," said Port Authority Executive Director Robert E. Boyle. "Her tireless efforts and the contacts she has cultivated in the maritime community have helped build an outstanding reputation for our ports within the shipping industry. This has cemented our designation as the top port on the East Coast and one of the leading ports in the nation."

"I am humbled to be honored with these other women business leaders from throughout New Jersey," Mrs. Borrone said. "As Port Commerce Director, I have worked closely with my staff and the maritime community leadership to ensure that the Port of New York and New Jersey is the shippers' port of choice. Through our efforts to meet customer expectations for quality and service, we strengthen the New York-New Jersey region as a center for international trade and business."

In her job, Mrs. Borrone oversees new capital development and construction at the marine terminal facilities, implements policies in areas such as dredged material disposal within the port district, and conducts long-range planning.

Mrs. Borrone, a 26-year Port Authority veteran, was named to her current position in 1988. Before becoming port director, she held various positions in the Port Authority, including Director of Management and Budget, Assistant Director of the Aviation Department, and positions in the Rail Transportation and Terminals departments. Mrs. Borrone also served as Deputy Administrator of the U.S. Department of

Transportation and Associate Administrator of the Urban Mass Transportation Administration.

Mrs. Borrone is a board member of the International Association of Ports and Harbors, the North Atlantic Ports Association, the Regional Business Partnership in Newark, and a past Chairman of the American Association of Port Authorities.

North American Port Container Traffic

CONTAINER Traffic through North American ports reached a record 31.8 million TEUs in 1999, up 7.6% from 1998 and 22% higher than average annual throughput for the years 1994-98.

U.S. ports accounted for nearly 28 million TEUs (up 6.9% compared to 1998). However, the greatest increases were experienced by ports of Canada (+ 14.4%) and Mexico (+ 10.8%). Mexican throughput was more than double that of 1994.

1. North American Port Container Traffic
COUNTRY TOTALS 1994-1999
(TEUs, 000s)

	Canada	Mexico	U.S. (*)	Total
1999	2,695	1,117	27,969	31,781
1998	2,355	1,008	26,161	29,524
1997	2,201	903	24,512	27,616
1996	1,996	682	22,612	25,290
1995	1,744	570	22,323	24,636

(*) Includes Guam, Hawaii and Puerto Rico
Source: AAPA Surveys

In 1999, Long Beach again ranked first among North American container ports based on total TEU throughput. Others among the top five were Los Angeles, New York/New Jersey, San Juan, and Oakland. The top 5 U.S. ports accounted for 53% and the top 10 for 76% of total 1999 U.S. container traffic.

Vancouver and Montreal ranked first and second, respectively, among the ports of Canada, while Veracruz and Manzanillo were Mexico's leading container ports.

Vancouver (BC) and Houston each crossed the million-TEU threshold for the first time in 1999.

Los Angeles experienced the greatest growth of any single port in 1999, with

2. North American Traffic - 1999
PORT RANKING BY TEU THROUGHPUT

	Port	TEUs
1	Long Beach	4,408,480
2	Los Angeles	3,828,851
3	New York/New Jersey	2,828,878
4	San Juan (FY)	2,084,711
5	Oakland	1,663,756
6	Seattle	1,490,048
7	Charleston	1,482,995
8	Hampton Roads	1,306,537
9	Tacoma	1,271,011
10	Vancouver (BC)	1,070,171
11	Houston	1,001,170
12	Montreal	993,486
13	Savannah	793,165
14	Miami (FY)	777,821
15	Jacksonville (FY)	771,882
16	Port Everglades (FY)	715,585
17	Baltimore	498,108
18	Veracruz	484,405
19	Halifax	462,766
20	Honolulu (FY)	411,156

Source: AAPA Survey

a net gain of nearly 451,000 TEUs (or 13%) compared to 1998.

In percentage terms, the most impressive was Galveston, where throughput catapulted 414% over 1998. Robust growth was also registered by San Francisco (+ 117%); Portland, Maine (+ 90%); the Mexican port of Progreso (+ 53%), Ensenada (+ 53%) and Mazatlan (+ 46%); and Fraser River (+ 28%) and Vancouver (+ 27%) in Canada.

The *white attachment* presents a statistical profile of 1999 container traffic at 68 Canadian, Mexican, and U.S. ports. Note that it *includes exports, imports,*

3. North American Container Ports - 1999
TOP TEU GAINERS VERSUS 1998

	PORT	Net Increase (TEUs)	Change (percent)
1	Los Angeles	450,634	13.3%
2	New York/New Jersey	362,865	14.7%
3	Long Beach	310,791	7.6%
4	Vancouver (BC)	230,073	27.4%
5	Charleston	205,581	16.1%
6	Tacoma	114,516	9.9%
7	San Juan (FY)	94,436	4.7%
8	Oakland	88,350	5.6%
9	Savannah	62,554	8.6%
10	Montreal	60,785	6.5%
11	Veracruz	56,918	13.3%
12	Galveston	55,483	414.3%
13	Hampton Roads	54,646	4.4%
14	Manzanillo	43,673	15.8%
15	Halifax	37,331	8.8%

Source: AAPA Survey

domestic shipments, military cargo, and empty containers.

Update on Pacific Shores Center: \$300 Million Project Features Four 'Dot. Coms'

THE Jay Paul Co., a San Francisco-based real estate development firm, purchased Pacific Shores Center, a 106-acre development site near the Port of Redwood City.

The company in early March announced that four high-tech companies have gobbled up more than 1.2 million square feet of the 1.72 million sq. ft. of office, R&D and conference space. They are Excite @Home, Phone.com Inc., Information Corp., and Broad Vision, Inc. by the end of 2001. The \$300 million project began its infrastructure in February and now expects a full buildout within 18 months.

Jay Paul Co. is a privately held firm with a proven track record in the region. Over the last two decades, it has developed a number of projects in the Central and Silicon Valleys, including buildings for Philips Electronics North America Corp. and Boeing Co. in Sunnyvale.

The history of the site goes back a decade.

The Pacific Shores Center Partnership acquired the parcel 10 years ago and has been funded by the Illinois State Teachers' Retirements System during

the entitlement process. Located adjacent to one of the nation's largest urban wildlife refuges, the Bair Island and San Francisco Bay National Wildlife Refuge, the owners have undergone strict environmental reviews and mitigation programs, including swapping land with the port and requirements to restore some grounds to productive wetlands.

The 10 office parcels on the site range in size from 85,000 to 270,000 square feet with two to seven stories each. The building design – light-filled window bays with insulated solar glass curtain walls and views of the nearby shoreline – is aimed at integrating the surrounding natural environment into the work environment.

Key roadway and environmental aspects of the project include:

1. Pacific Shores Center will construct and maintain Seaport Boulevard improvements at its sole cost. This includes extending Seaport Boulevard as a fully developed and improved city-standard street to the PSC parcel from Seaport Boulevard's existing fully developed extent terminating just north of Seaport Court. This extension will consist of a new four-lane roadway to serve two-way traffic to and from the PSC parcel, and to provide an alternative northbound access to the RMC Pacific Materials parcel.

2. In relationship with the above, PSC will construct a two-lane frontage road located immediately west of and running parallel to the improved section of Seaport Boulevard, to be separated from Seaport Blvd. by a landscaped berm. This so-called frontage road will service port tenants and will feature two paved 12-foot lanes with an 18-inch paved margin on both sides, a curb on the berm side, and a truck queuing "cut-out" in the berm, about 400 feet by 12 feet, in the vicinity of the existing PVS facility.

3. PSC will construct and maintain on its parcel a separation between the RMC Pacific Materials parcel with a 12-foot or higher landscaped berm with a minimum width of 20 feet.

4. PSC and its successors will provide tenants and employees of the office/R&D complex with a written notice that describes the existing industrial/maritime uses.

'The Port's future is secured with the relationship we established between Pacific Shores Center, the Port, and Port businesses to blend a maritime industrial area with a hi-tech office park. We are all dedicated to making it work so that Redwood City can

continue to benefit from Port and new jobs from the hi-tech industry.'

*– Port Vice Chairman
Larry Aikins*

Port Industry Supporters Rally

Waterfront businesses and concerned citizens organize to stand up for the Charleston port community and the proposed Global Gateway Terminal on Daniel Island.

TWO new organizations have been formed to support South Carolina's port industry as the draft Environmental Impact Statement process for construction of a new facility on Daniel Island moves ahead. The new organizations are The Port Works for Everyone and the Alliance for Port Progress.

The Alliance for Port Progress is a coalition of eight port business organizations working to support the South Carolina State Ports Authority's plan to build a new terminal, named the Global Gateway, on Daniel Island in Charleston Harbor. The eight organizations are the Charleston Branch Pilots Association, the Charleston Motor Carriers Association, the Charleston Traffic and Transportation Club, the Customhouse Brokers and Freight Forwarders Association, the Maritime Association of the Port of Charleston, the Propeller Club of the Port of Charleston, the South Carolina Stevedores Association, and the South Carolina World Trade Center-Charleston.

Frances Anderson is import manager for International Forwarders, Inc. and president of the Custom House Brokers and Freight Forwarders Association in Charleston.

"There is a tendency to focus on the State Ports Authority when people talk and make up their minds about the proposed Global Gateway Terminal, but we need to remember that there is an entire maritime and transportation community that employs thousands and thousands of people here," Anderson said. "The future of the port affects all of us. We just want to make our voices heard in support of the terminal and the jobs and prosperity it will bring this community."

The cooperative spirit is not unusual for the Port of Charleston community, Anderson said.

"Here in Charleston our maritime community has always been strong and cooperative," she said. "We [the Custom House Brokers and Freight Forwarders Association] have a delegate who attends the Charleston Motor Carriers Club meetings, the Traffic and Transportation Club, the Maritime Association, and most of the other local groups. And they attend our meetings. We all interact with the Ports Authority directly and through these other organizations. It is a very cooperative environment. When we have problems to solve, we get together and solve them because we all benefit from that environment. The Global Gateway Terminal project is just the rallying point for an effort that is ongoing on a daily basis on the Port of Charleston waterfront. We are stronger as an alliance than we are individually. The common thread is that we and everyone who works for one of our companies is dependent on port



(Left to right) William Moody, Dick Elliot, Sandra Campbell, Billy Mills, Keith Waring, and Doug Warner speak on behalf of The Port Works For Everyone at a February press conference.

progress and we want the public and the media to hear from us collectively, in support of the port."

The Port Works for Everyone is a citizen-based group of Charleston community leaders, also in favor of port expansion. The founding citizens include Sandra Campbell, Dick Elliott, Billy C. Mills, William A. Moody, Keith Warning and Doug Warner.

"We can no longer stay silent and listen to the misrepresentations and mis-perceptions voiced about the proposed Global Gateway expansion onto Daniel Island," reads a signed, open letter from The Port Works for Everyone in February.

Both the Alliance and the Port Works for Everyone highlight the point that an environmental impact statement (EIS) process is underway and the process should be allowed to run its course. That statement is presently in draft form during which comments from the public are sought and recorded. After public comment is received, all concerns must be investigated and addressed in the final draft.

In a news release provided by the Port Works for Everyone, Bill Moody reminded the public that the EIS process is thorough, but it is not yet complete.

"There is a rigorous permitting process in place which requires the port to remedy any potentially adverse impacts or the port won't get the permit," Moody said. He went on to say that it is presumptuous to judge the impacts of the terminal before the port has had a chance to develop and present remedies.

Elliott added that opponents of port expansion like to say "This is not a done deal." "Of course it's not a done deal," he said. "It is an extraordinarily complex issue for which there is a long and rigorous permitting process. We have great faith that Eddie Buck and Bernie Groseclose will take care of our environment. What we are saying is



While the Global Gateway Terminal is being planned, intense productivity enhancing improvements are being made at Port of Charleston container terminals, including the Wando Weitch Terminal.

that we owe it to the future of this community to let that process play out in a responsible fashion and to keep the debate focused on facts."

Those facts include the incredibly competitive environment in which ports and ocean carriers operate in meeting consumer demand for internationally traded goods. Conservative growth projections predict that trade with the U.S. is likely to triple over the next 20 years, and the Port of Charleston is planning to serve the needs of its customers. At the same time, the idea that meeting that need comes at the price of quality of life in the region is false. The port and its supporters contend that the terminal and quality of life issues are not mutually exclusive and that Charleston can continue its 300 year history as a leading seaport well into the next century and beyond.

The Port Works for Everyone can be reached at P.O. Box 1135, Charleston, SC29402. The telephone number is (843) 579-1121. The Port Works for Everyone has a website that provides more information on the organization and the terminal project. The address is "savethe-jobs.com".

The Alliance for Port Progress can be reached at P.O. Box 494, Charleston, SC29402. The telephone number is (843) 577-7678. (Port News Magazine)

Tacoma experiences substantial growth in container throughput

TACOMA - Container traffic at the Port of Tacoma reached a record 1.27 million TEUs in 1999, a 9% increase over 1998. Containerized cargo increased even more substantially, by 21.5% to 9.3 million shore tons.

CY	TEUs	Tons	CY	TEUs	Short
1999	1,271,011	9,320,496	1994	1,027,928	7,060,011
1998	1,156,495	7,668,473	1993	1,074,558	7,490,884
1997	1,158,151	7,942,742	1992	1,054,449	7,390,175
1996	1,073,471	7,519,588	1991	1,020,707	7,151,609
1995	1,092,087	7,756,873	1990	937,691	6,605,010

Source: Port of Tacoma

International container traffic grew by 14.8%, to 828,000 TEUs, or 65% of last year's total. Imports increased by 11% and exports by 19%. The remaining 35% consisted of containers bound to and from Alaska, a total of 443,000 TEUs, a year-to-year increase of 1.8%.

Total trade reached \$19.7 billion, with imports accounting for \$12.79 billion, exports for \$3.4 billion, and the Alaskan trade for \$3.48 billion. The Port's fastest growing trading partner in 1999 was China, with \$2.98 billion worth imports and exports, a 27% increase over 1998.

One of the year's most dramatic performers was the Port's grain terminal, where throughput jumped 93% following the purchase of its long-time operator, Continental Grain, by Cargill Incorporated. Portwide, grain exports almost doubled, from 2.2 million to 4.2 million short tons.

Automobile imports surged 13%, from 103,000 units in 1998 to 117,000 in 1999.

The year-end totals show the Port operating revenues of \$57 million, operating expenses of \$9.5 million, and net income of \$11.7 million.

Speeds: hoist with load - 100 fpm; trolley - 410 fpm; gantry - 180 fpm. Dedicated spare parts available.

Contact: Mr. R. Cox, Equipment Manager, Georgia Ports Authority, P.O. Box 2406, Savannah, GA 31402. Tel: (912) 964-3634. Fax: (912) 964-3975. E-mail: rcox@gaports.com

CONTAINER CRANES - The San Diego Unified Port District is offering the following container-handling equipment for sale:

- 1973 Hitachi Container Crane, 40 Long Ton Capacity, 50 Foot Gauge, Serial No. 315-974571

- 1973 Marathon-LeTourneau yardside rubber tired gantry crane (RTG straddle carrier), Serial No. SHU1001035

The above-listed equipment will be sold as-is, where-is, to the highest bidder. Sealed bids will be received by the District until 3:00 p.m., PST, May 31, 2000. The District reserves the right to reject any bid and not sell the equipment.

Equipment specifications, inspection and bidding information can be found on the District's website at www.portofsandiego.org or by contacting San Diego Unified Port District, Marine Operations Department, P.O. Box 120488, San Diego, California, USA, 92112-0488.

Telephone: (619) 686-6371

Fax: (619) 234-3965

e-mail: plibuda@portofsandiego.org
(AAPA ADVISORY)

TT Club lends a helping hand To Venezuelan flood victims

THE TT Club continues to deal with the aftermath of the flood that hit parts of Venezuela and devastated much of the Port of La Guaira in mid-December last year. The Club can currently count 18 of its members among those transport and ship operators affected by the floods and is still working to establish the number of reefer and dry containers that were lost as a result of this natural disaster.

The TT Club was on the case as soon as the disaster struck, instructing two correspondents to undertake investigations into container losses almost immediately. This involves not only compiling a record of the obvious losses but also trying to establish how many containers have been swept into the sea due to high winds or lost under the 15ft to 20ft of residual mud deposited by the floods. So far, TT Club surveyors and investigators have compiled a list of some 9,600 containers inventoried as being in good condition, damaged or completely lost. Once complete, this will be compared to the inventory of boxes prior to the disaster in order to establish as accurate a picture as possible of lost container claims.

According to TT Club equipment claims director, George Fawcett, this was one of the most unusual claims that the Club has seen to date and one which put its resources firmly to the test :

"The TT Club offices around the world really had to pull together due to the global spread of members involved. As such, we found that the Club's IT capabilities really came into their own. Our Venezuelan correspondents were able to communicate with us by e-mail, which included sending photos, from within a day or two after the disaster."

The TT Club has also set up an e-mail group comprising all of its members that have been affected by the disaster. Via this medium, the Club has been able to give them regular information on its claims investigations. In addition, members have received photographs and videos to give them an idea of progress at the Port of La Guaira.

While this disaster has affected both the TT Club and its members, Mr Fawcett is keen to point out that it is the people of Venezuela who are really bearing the brunt of the disaster.

"While the substantial container losses may be of concern to our transport and ship operator members, this is nothing compared to the losses suffered by the people of La Guaira and the trauma that is being experienced by many families across the region. The TT Club has responded to this with a donation of US\$10,000 to the Venezuelan relief fund."

Any other companies or individuals wishing to make a donation to the fund can find the contact details at <http://help.venezuela.homepage.com> or through their local Venezuelan Embassy.

In terms of loss prevention, there was little the Club's members or the Port of La Guaira could have done to minimise the damage from the floods. According to Mr Fawcett, both the port and the Venezuelan authorities handled the disaster commendably and La Guaira was receiving ships and handling cargo again



The TT Club can count 18 of its members among those transport and ship operators affected by the floods that hit Venezuela last year and is still working to establish the number of containers that were lost as a result of this natural disaster.

within a month of the disaster.

"There were no measures that the port could have taken to prevent the damage. It was a natural disaster of huge proportions and nobody can prepare for such an event. This is the very reason why companies take out insurance in the first place."

Notes

The TT Club provides liability and equipment insurance to ship operators, stevedores, terminal and depot operators, port authorities, logistics providers, freight forwarders and other transport operators in more than 80 countries. The club insures over 2/3 of the world's container fleet, 1150 ports and terminals worldwide as well as 5636 intermodal operators around the globe. The club's directors are drawn largely from the membership and have significant experience within the transport industry.

For further information about the TT Club's cover please visit the club's website at www.ttclub.com or send an e-mail to London@ttclub.com.

Africa/Europe



Port Delegation visits New Delhi, Bangalore and Mumbai

A twenty-man delegation from the Port of Antwerp travelled round India in the third week of February this year. The aim of this promotion and study tour was to become better acquainted with the exporters and logistical operators active in the country. The entire trip was organised in association with the Belgian Embassy in New Delhi, the Consulate General in

of Indian Industry, as well as with a number of industrial concerns.

(Antwerp Port News)



The containership era commenced in Hamburg back in 1968 as the American Lancer docked at Berth 1 at Burchardkai.



Baron Leo Delwaide speaking at the presentation in Mumbai. This was organised in consultation with the Bombay Chamber of Commerce and Industry.

Mumbai and local representatives of Export Flanders, the Greater Mysore Chamber of Industry and the Bombay Chamber of Commerce and Industry. Indian business and industry are increasingly capable of competing in export markets, and a growing number of manufacturers are considering taking their first steps down this road. Naturally enough Europe attracts intense interest. Antwerp's logistical operators think that they can play a major role in advancing Indian ambitions in this respect. And indeed Antwerp, as a maritime gateway to the European Union, is an excellent location for logistical and distribution operations.

Apart from the customary meetings with shippers using the Port of Antwerp, the delegates were able to have talks with several leading political figures, including the Minister of Transport, the Secretary of State for Shipping, and established contacts with the various important bodies such as the Jawaharlal Nehru Port Trust and the Confederation

State-of-the-art technology at Burchardkai Container Terminal

THE completely reconstructed Berth 1 at Burchardkai Container Terminal was brought back into service by Hamburger Hafen- und Lagerhaus-Aktiengesellschaft (HHLA) early in November. This berth can be said to be the fount of all container handling on the Elbe, since it was here that the "American Lancer" was the first fully cellular containership to be despatched from the Port of Hamburg. The Free and Hanseatic City of Hamburg has now invested around DM40m in the infrastructure required for the new berth while HHLA has put up an additional DM60m for installing its new superstructure. The three new giant super-postpanmax container gantries with a portal track width of 35 m and 72 m high, or no less than 105 m with the jibs elevated,

form a "trademark" for the new facility. Overall length of the jib of these is 132 m, with 53 m extending out over the water. Being used here for the first time is what is known as "two-traveller" technology. The main traveller lifts the container from the ships deck or deposits it there. Semi-automatic twistlocks are fitted to the container or removed on an interim lashing platform. Here a second traveller removes or deposits boxes to/from the terminal, where they are accepted by van carriers running in six lanes. Both travellers can shift two 20' containers at once. With Berth 1 on stream, the terminal now offers ten berths and 29 container bridges along quays extending almost three kilometres.

Rail and Inland Shipping do well again

IN 1999, the share enjoyed by rail and inland shipping in Rotterdam container transport increased further. This was revealed by the figures published last week by ECT, that account for some seventy percent of container throughput in Rotterdam. Inland shipping rose from 35% to 36%. Despite the fact that rail capacity in Rotterdam is reaching its ceiling, it managed to increase from 13% to 14%. Road transport fell from 52% to 50%. This decrease coincides with almost 100,000 TEU (standard container units). By truck, this quantity would cover over 300 kilometres of road, the distance from Rotterdam to the Ruhr and back.

Modal shift

The Dutch government and the

Rotterdam port sector are conducting a policy geared towards reducing road transport's share; the realisation of a 'modal shift'. Since 1993, the truck's share in container transport has fallen, at ECT by 16% to 50%. This means that, despite a strong increase in the total quantity of containers handled, the absolute number of units transported by road has stabilised at about 2.4 million TEU. Actually, this is not only the result of increasing use of rail and inland shipping. The number of containers failing to pass the terminal gates, the sea-sea throughput, has also increased considerably.

Development "modal split" (ECT):

	Inland shipping	Rail	Road
1993	26	8	66
1994	27	9	64
1995	30	10	60
1996	31	11	58
1997	34	13	53
1998	35	13	52
1999	36	14	50

The figures relate to the Home terminal and the Delta terminals. The other terminals deal with less rail and road containers and, in addition, there is the necessary (primarily truck) traffic from and to the empty depots and the road transport of continental containers from and to the Rail Service Center Rotterdam. Although the figures given do not therefore relate to the Rijnmond region, they do give a good indication of trends.

For more information: Minco van Heezen, press officer. Tel. 010-252 1429

Algeciras ports: A record high in total throughput in 1999

ALGECIRAS - Just over 45.2 million metric tons of cargo were shipped through the Port of Algeciras Bay in 1999, slightly higher than the year before but more than enough to solidify its position as Spain's leading port.

Located 25 nautical miles east of Gibraltar, Algeciras is the leading container handler in the Mediterranean, a transshipment hub specializing in Far East traffic to and from Europe, West Africa and the United States. It is also a major hub for ferry services that transport passengers and vehicles between North Africa and the Iberian peninsula.

Tanzania delegation visits Rotterdam

ON February 20, a seven-member delegation from the Tanzania Harbours Authority visited the Port of Rotterdam, where the party was welcomed by Mr. Pieter Struijs, Vice Chairman/Executive Director Shipping, Rotterdam Municipal Port Management.

They exchanged views and information on the modernization of ports and the institutional aspects of port management. The delegation observed the port facilities on board an official launch, the "Nieuwe Maze".

Pictured from R to L:



Mr. van der Kluit, IAPH European Representative in Rotterdam; Mr. S.M. E. Luhigo, Director General; and Mr. W. Bgoya, Board Member, Tanzania Harbours Authority, together with other members who are also board members. (Photo taken by Capt. R. Bekker of "Nieuwe Maze")

Port of Algeciras Bay
PORT TRAFFIC SUMMARY

	1999	1998	Change
Cargo, Metric Tons			
Liquid bulk	17,203,880	18,451,404	-6.8%
Dry bulk	2,603,557	1,903,441	36.8%
Total bulk	19,807,437	20,354,845	-2.7%
Containerized	18,785,077	18,680,753	0.6%
Breakbulk	3,316,278	3,090,461	7.3%
Total general cargo	22,101,355	21,771,214	1.5%
Ship provisions	2,033,808	1,877,272	8.3%
Local traffic	1,285,247	1,201,837	6.9%
Fishing	15,833	14,901	6.3%
GRAND TOTAL	45,243,680	45,220,069	0.1%
Container Traffic, TEUs			
Transshipments	1,529,344	1,541,361	-0.8%
Imports	223,704	213,898	4.6%
Exports	79,509	70,629	12.6%
TOTAL	1,832,557	1,825,888	0.4%
Ships Calls			
Tankers	1,690	1,772	-4.6%
Container carriers	1,770	1,366	29.6%
Passenger ships	14,459	14,780	-2.2%
Others	2,474	2,002	23.6%
TOTAL	20,393	19,920	-27.4%

Last year's record shows a 6.8% drop in bulk liquid cargo caused mainly by the completion of an operation to transport water to relieve a temporary shortage at Ceuta, a Spanish enclave on the North African coast. Crude oil tonnage, however, rose 4.9%.

Dry bulk, on the other hand, posted a 36.8% increase, largely, says the Port Authority, because of "the intensified activity of the shipping company Gibraltar-Intercar."

In 1999, Algeciras solidified its posi-

tion as Spain's top ranked container port despite a slight drop in transshipments, which account for 85% of its container traffic. However, containers bound to and from destinations on the Spanish mainland posted substantial increases, which was more than enough to boost total throughput to a record high. (AAPA ADVISORY)

Oil Figures Disguise Record Year for Port of London

IN 1999 non-fuel trade through the Port of London hit a new record level of 29.5 million tonnes, exceeding the 1998 record by 1.2 million tonnes. The figures published in the Port of London Authority's (PLA) Annual Report and Accounts today (Tuesday May 16), show that unitised loads rose by nearly 10%, accounting for over one third of non-fuel trade.

Oil traffic, however, dipped due to a combination of the closure of the Shell refinery at Shell Haven and a temporary reduction of throughput at the larger BP refinery at Coryton.

The combined effect was that total tonnage through the Port was 52.4 million tonnes, as compared with 54.00 million tonnes in 1998 (excluding sludge traffic).

The closure of Shell Haven is estimated to reduce London's trade by over 7 million tonnes in the current year and the PLA's revenue by 14%. PLA made an overall profit of £1.775 million in 1999 but this included Shell oil revenue for much of the year and substantial landfill royalties.

The PLA took immediate steps in 1999 to reduce its costs and has now put in place additional measures designed to achieve break-even in operating terms by the end of 2000.

In his final annual statement (See Notes to Editors) before retiring from the Board in December 2000, PLA Chairman Sir Brian Shaw pays tribute to the skill and dedication of PLA staff. He acknowledges that their loyalty has been put to the test by the stringent measures the Board has felt obliged to take.

While stating that the difficulties are not capable of resolution by a "quick fix", he goes on to say "I am convinced that the Port, the PLA and its employees can look forward to growth and prosperity in the years ahead."

One of the reasons for optimism is the prospect of redevelopment of the Shell Haven site for port use. PLA is working closely with Shell and P&O who were given exclusive rights to develop a proposal for a major world class container terminal. Together, the parties are in exploratory discussions with the local planning authority and other agencies to facilitate what will be a massive and strategically important port site serving London and the South East.

Sir Brian looked forward to the PLA working with the Greater London Authority (GLA) and the Mayor of London on strategic planning matters affecting the tidal Thames. "We are greatly encouraged by those provisions in the Greater London Act which should lead to even greater use of the River for the transport of freight (including waste) and passengers and for leisure."

The Port of London Authority

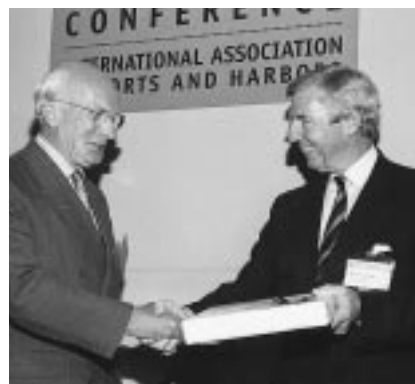
The Port of London Authority (PLA) is a Public Trust established in 1908 to "administer, preserve and improve the Port of London." Currently it is constituted under the Port of London Act 1968 and Harbour Revision Orders of 1975, 1992 and 1999. It has no equity capital and all its operations are financed from revenue with no outside support. The PLA Board comprises a Chairman and up to seven non-executive members appointed by the Secretary of State for the Environment, Transport and

the regions, and up to four executive members appointed by the Board.

The PLA has statutory responsibility for the conservancy and regulation of navigation of 150km of the tidal River Thames from the estuary to Teddington and owns much of the riverbed and foreshore to the high water mark. It provides navigational services for ships using the Port of London, including the maintenance of shipping channels, moorings, lights and buoys. The PLA is also the pilotage authority for the tidal Thames and is actively engaged in the promotion of the Port of London.

Sir Brian Shaw retires

SIR Brian Shaw retires as Chairman of the PLA on December 31, 2000 at the end of his statutory term. He has held the post of chairman since 1993 and has been a board member since 1987.



Sir Brian Shaw, in his capacity as chairman of the PLA, the host for the 1997 IAPH World Ports Conference, headed the Steering Committee and acted as a session chairman of the London Conference. Sir Brian (left) and Mr. Robert Cooper, IAPH President (1995-1997) are pictured at the close of the Conference on June 6, 1997.

Asia/Oceania

Eagle Farm Hat Trick

In this first two months of the year the Corporation signed up three new tenants at its Eagle Farm Estate.

In what is believed to be one of the largest industrial leases signed in Brisbane in recent years, Toll Holdings Limited took a ten-year lease on 6.7 hectares for one of its Toll North businesses, NQX Freight Systems.

Mr. Michael Fox, General Manager - Property for Toll Holdings Limited said the company's Eagle Farm facility would be the largest of the NQX terminals in Australia.

"The new Eagle Farm facility will incorporate a transport depot, storage and warehousing facilities of 20,000 m², a 1,200 m² workshop, extensive hard-stand area and 1,000 m² of office space."

Mr. Fox said Toll North was perhaps the largest transport company operating in Queensland and into the Northern Territory, and the current freight throughput of around 350,000 tonnes per annum was expected to increase in the short to medium term.

"By bringing our operations under the one roof we will be able to gain efficiencies across all aspects of the business, as well as enhancing the overall service we provide to our customers," he said.

The Eagle Farm facility will enable Toll to consolidate its substantial Brisbane-based network, bringing the operations of depots at Hamilton,



Coopers Plains, Moorooka and offices at Ascot to form what Toll describes as a "super depot."

Ten-year leases have also been signed with Asia Pacific Aerospace, a Rolls-Royce Authorised Maintenance Centre for helicopter gas turbine engines, and local concrete batching company, Northside Mini-Mix.

A Queensland-based company with an international clientele, Asia Pacific Aerospace, will be relocating its operations from the Brisbane Heliport to a 4,315 m² site at Eagle Farm under a land and improvements lease. The Port of Brisbane Corporation will be creating a \$1.5 million investment comprising a 1,000 m² warehouse and a 400 m² office facility.

Asia Pacific Aerospace will be located alongside Helitech Industries, who leased land at the Estate in June 1999 to establish a 5,500 m² rotor craft support base and a corporate office to service the Asia Pacific area.

Asia Pacific Aerospace Business Development Manager Scott Beveridge said there were certain features which had clinched the deal.



Left to right - Graham Mulligon (Corporation's chief executive officer), Terry Mallon (Toll North's operations director), John Tormey (Corporation's property consultant), Michael Fox (Toll Holding's General manager-property) and John Kerruish (Corporation's manager-property development) at the NQX Freight Systems site at the Eagle Farm Estate.

"We looked at quite a number of potential properties on the north and south coasts, as well as around Brisbane, for a similar ten-year lease of 4,000 m²," he said. "But like practically all businesses, we had our own special requirements, and we found the Port of Brisbane Corporation extremely accommodating to those needs. In our case, we needed to be able to test helicopter engines, and they were very helpful in this regard."

"It's also a very strategic location which enables us to have facilities in close proximity to the gateway arterial for road freight and the Brisbane Airport for international freight. Its location makes it ideal for light industrial and also high-tech companies such as ourselves and Helitech."

The owners of five-year-old concrete batching company Northside Mini-Mix were also impressed with the central location and will be opening a new facili-

ty at the Estate within one month.

Director Alan Clark said the company, which has plans to expand from its Narangba base to open a southern subsidiary known as Brisbane Mini-Mix, had taken a land-only lease on 4,000 m² of land at the Estate in another ten-year deal.

"This estate was certainly far more central than any of the others we considered in the same price bracket," he said. "Setting up at Eagle Farm means we will be able to cover both the northern and the southern suburbs, as well as the inner city areas."

Corporation chief executive officer Graham Mulligan said these deals meant that, just twelve months after beginning an intensive drive to market Eagle Farm Estate, the corporation had successfully leased around a quarter of the total 26 hectares available.

"Since launching our marketing strategy last March, we have attracted to the Estate four high-calibre players from growth industries. And we've already identified a fifth potential major tenant, with whom we are currently negotiating a ten-hectare lease.

"Interest in our other land holdings is similarly very high and we expect to be able to announce new developments in these areas soon."

Development of Container Ports in the Yangtze River Delta

Wang Xinnian, Deputy Director, Ningbo Port Authority

(English translation by Jiang Fengxiang, Foreign Affairs Dept., Ningbo Port Authority)

HERE is an urgent need to build a new deepwater hub port for container handling in the Yangtze River Delta to cater for China's rapid economic growth and the rapid expansion of its foreign trade.

With the world entering the information age and with the globalization of the world economy and trade, container transportation, as one of today's most advanced cargo transportation modes, is growing rapidly. It is estimated that worldwide container traffic through ports will reach 220 million TEUs in the year 2000 and 407,525 million TEUs in 2010, of which 55-60% will be moving via Asian ports. With its foreign trade rapidly expanding and with economic growth continuing at a substantial rate, China will be the largest container traffic generating country in the world.

The Yangtze Delta is the area with the most vigorous economy and the greatest potential for development in China. With the rapid expansion of China's export-oriented economy, container volumes generated in the area are growing at a fast pace. It is projected that export container volumes in the Yangtze Delta and the regions along the Yangtze River will reach 2.5 million TEUs in the year 2000 and 14.6 million TEUs in 2010. Since at present there is no deepwater hub port in the region for international container handling, a lot of containers destined for Europe and the USA have to be transhipped in Hong Kong and Singapore. Such routing of container is costly in terms of time and money and results in the diminished competitiveness of Chinese products in international markets. In order to be

able to stay abreast of the globalization of the world economy and meet the transportation requirements of China's foreign trade, it is a matter of great urgency to construct a deepwater container hub port at a suitable location in the Yangtze Delta.

Current Situation of Container Ports in the Yangtze Delta

The Yangtze Delta was the first region in China to embrace maritime transportation of containers. At the end of the 1970s, in order to keep up with the rapid development of foreign trade and adopt advanced international transportation modes, China's first container line from Shanghai to Australia was opened. During the ensuing 20 years, a number of specialized container terminals were constructed in the Yangtze Delta. In 1999 the combined designed container handling capacity for ports in the Yangtze Delta was 4.3 million TEUs, while the actual throughput was 5,369 million TEUs. At present, there are seven important container ports located



in the Yangtze Delta area, comprising Lianyungang, Shanghai and Ningbo along the coast and Nanjing, Nantong, Zhangjiagang and Taicang along the Yangtze River. Of these, the most important ports are Shanghai and Ningbo. Shanghai Port possesses three container terminals at present: (1) the terminal along the bank of the Huangpu River, which has seven container berths with a total quay length of 1,642 meters and a designed capacity of 1.45 million TEUs; (2) Waigaoqiao Terminal Phase 1, which has three container berths with a total quay length of 900 meters and a

designed capacity of 600,000 TEUs, and (3) Waigaoqiao Terminal Phase 2, which was completed in the second half of 1999 and has three container berths with a total quay length of 900 meters and a designed capacity of 600,000 TEUs. The container handling capacity of Shanghai Port will be 3.5-3.8 million TEUs after improvements are made. In 1999 the container throughput of the port was 4.21 million TEUs, accounting for 78.3 % of the total container throughput of all container ports in the Yangtze Delta. Ningbo Port currently has only three container berths at Beilun Terminal, which was constructed as the second phase project in Ningbo Port. The total quay length of the three berths is 900 meters and the designed handling capacity is 500,000 TEUs. The capacity can be increased to 700,000-800,000 TEUs after improvements are made. In 1999 the container throughput at Ningbo Port was 601,000 TEUs, constituting about 11.2% of the total container throughput of all container ports in the Yangtze Delta. Table 1 below shows the designed handling capacity for containers and actual throughputs at the Yangtze Delta container ports since 1990.

The following conclusions can be drawn from the data shown in Table 1:

- a. The Yangtze Delta is the most developed economic region in the Chinese Mainland. The average annual increase in foreign trade is 20%. This provides adequate container resources for the development of container transportation in this region.
- b. The average annual growth of container movements through the region's ports was 27% from 1990 to 1999, indicating that the momentum of container transportation is being maintained;
- c. The annual container throughput at Shanghai Port accounts for three fourths of the total container throughput in the region. Shanghai is the central port for container transportation in the Yangtze Delta;
- d. The development of container traffic in the ports along the Yangtze River is slow. This is due to the limited water depth of the waterway at the mouth of the Yangtze River and the container traffic on the Shanghai-Nanjing expressway;
- e. The development of container traffic at Ningbo Port has been rapid, after slow progress during the initial years. The major problems currently evident in the development of container ports in the Yangtze Delta are as follows:
 - (i) The actual container throughputs exceed the designed handling capacity of the ports, but construction of the required container transportation infrastructure lags behind the growth of container traffic;
 - (ii) The scale and potential of container terminals are not keeping pace with the needs of container transportation, and the locations of the terminals are not well planned. Since access to the ports is limited by the depth of water of the approach channels, it is difficult for the ports where more container volume is generated (Suzhou, Wuxi, Changzhou and Shanghai areas) to meet the requirements of large container vessels. Only Ningbo Port and Lianyungang Port have good approach channel conditions, but they lack sufficient container resources;
 - (iii) The areas covered by the distribution networks are small. Though in recent years the Shanghai-Nanjing and Shanghai-Hangzhou-Ningbo expressways have been

Table 1. Yangtze Delta Container Ports – Designed Capacity and Throughputs 1990-1999

Port	Item	1990	1995	1997	1998	1999
Yangtze Delta	Designed capacity ('000 TEUs)	880	1,960	3,280	3,700	4,300
	Throughput ('000 TEUs)	590	2,150	3,450	3,900	5,370
Shanghai Port	Throughput ('000 TEUs)	460	1,530	2,528	3,069	4,206
	Percentage of the container throughput in the Yangtze Delta	77.9%	71.2%	73.2%	78.7%	78.3%
Ningbo Port	Throughput ('000 TEUs)	22.1	160	257	353.5	601
	Percentage of the container throughput in the Yangtze Delta	3.7%	7.4%	7%	9.0%	11.2%
Ports along the Yangtze River	Throughput ('000 TEUs)	101.2	369.1	400	422.2	560
	Percentage of the container throughput in the Yangtze Delta	17.2%	17.2%	11.6%	10.8%	10.4%

completed, the areas they serve are still quite limited. Also, container transportation by rail is still in its infancy, although the rail network is complete and the areas covered are large;

- (iv) The existence of different administrations in the same area is hindering further development of container ports to a certain extent;
- (v) Comprehensive port services need to be improved.

Prospects for the Construction of Container Terminals in the Yangtze Delta Region

- a. Prerequisites for the construction of deep-water container hub ports. Looking to the future oceangoing container vessels getting larger and faster. Post-Panamax container vessels have become one of the mainstays of international container transportation. Today's large container vessels draw 14.5 meters and move at speeds of 25 knots. To accommodate such vessels, container hub ports must have access channels of sufficient depth, along with advanced and highly efficient terminal facilities. It is also imperative that their hinterlands have a strong economy. Meanwhile, complete distribution networks and high quality port services and so on are absolutely necessary.
- b. The need to construct a deepwater container hub port in the Yangtze Delta is generally recognized. However, different ideas have been put forward in Jiangsu, Zhejiang and Shanghai City as to where the port should be located.

Except for Lianyungang Port located in the northern part of Jiangsu Province, there is almost no other port construction taking place today along the rest of the Province's coastline, because there are significant changes occurring in siltation. In addition, the economy of the northern part of the Province is not yet well developed. For these reasons Jiangsu Province is in no position to construct a hub port anywhere along its coastline north of the Yangtze River. Taicang City, also in Jiangsu Province, is located on the southern bank of the lower reaches of the Yangtze River, only 50 km from Shanghai City. It enjoys good water conditions, including deep water close to the shore and smooth currents along the river. It has a coastline of over 20 kms where port facilities could be constructed and its advantageous position in the region is obvious.

Jiangsu Province hopes to speed up improvements to the approach channel at the mouth of the Yangtze River. It also requires that, after the completion of the first phase project, the second and third phase projects be undertaken immediately, so that the water depth of the channel can reach 12.5 meters as soon as possible. Jiangsu Province also hopes to construct Taicang Port as a hub port. Meanwhile, it can promote the development of the ports of Nanjing, Zhangjiagang and Nantong along the Yangtze River.

The competing demands for port development and municipal construction in Shanghai City are becoming increasingly acute. Space is at a premium. Faced with this situation, Shanghai City is eyeing the islands of Dayangshan and Xiaoyangshan located in Zhouhan City, Shengsi County, Zhejiang Province. These islands are the nearest islands to Shanghai City, only 30 km away from Shanghai's Luchaogang. Shanghai City has proposed that a 32 km long bridge be constructed across the sea to connect the islands of Dayangshan and Xiaoyangshan with Nanhui County of Shanghai City and that a new harbor be developed in Shanghai City. However, the project will be started from scratch and is unable to rely on funding from the city. In addition, large investments will be needed for this project to level existing hills, fill the sea, improve the channel and construct the bridge across the sea. Moreover, it is not completely clear what effects natural conditions will have on port operations (such as the number of working days, etc.) and what effects the construction project will have on the oceanic ecological environment. It is required that project feasibility be further demonstrated.

Although Zhejiang Province has a long coastline, the sites where a deep-water container hub port could be constructed are limited. The approach channel in Hangzhou Bay, in the northern part of Zhejiang Province, would not be ideal, just as the case with Jinshanzui in Shanghai City. The ports of Wenzhou and Haimen, located in the central and southern parts of Zhejiang Province, are estuary ports and without good approach channels. Besides, the economy of their hinterlands is not well developed. Another factor that should be taken into consideration is that, though Zhoushan Islands enjoy good coastline conditions, they lack land transportation facilities. The Beilun-Jingtang water area, situated in Ningbo and Zhoushan territories, enjoys a vast

water area and a long coastline with deep water alongside. It has the particular advantage of the unique deepwater approach channel. Located to the south of the mouth of the Yangtze River and very close to Shanghai, it has natural conditions exceptionally well suited to port construction. For these reasons the Beilun-Jingtang water area is recommended by Zhejiang Province as the preferred location for the construction of a new container hub port.

c. Advantages of Ningbo Port as the preferred location of a new container hub port:

- (i) Favorable geographical location. Ningbo Port is located at the junction of the T-shaped south-north navigation line along China's coastal line and the Yangtze River waterway. Situated in the Yangtze Delta, it enjoys not only this favorable geographical location but also a well developed economy. It is one of China's four deepwater ports singled out for construction by the State.
- (ii) Good foundations for further development. In the last ten years, Ningbo Port has developed rapidly. Currently, the Port has 24 berths capable of accommodating vessels up to 10,000 DWT and above. In 1997 the total throughput of the port was 82.18 million tons and in 1998 reached 87 million tons, ranking second among the ports of the Chinese Mainland. In 1999 the total throughput of the port was 96 million tons. Although container transportation at Ningbo Port was started quite late, it has developed very fast in recent years. The throughput was 200,000 TEUs in 1996, 250,000 TEUs in 1997, 350,000 TEUs in 1998 and 601,000 TEUs in 1999. This year's throughput is projected to be 800,000 TEUs.
- (iii) Excellent site for port construction. Protected by Zhoushan Islands as its natural shelter, Ningbo Port is well known for its deep water, mild currents, light wave action, non-freezing conditions, non-silting waters and large land backup areas. The water depth of the approach channel is over 18 meters. This fully meets the navigational requirements of mega-sized container vessels in all weather conditions.
- (iv) The number of annual working

days at Ningbo Port exceeds 340 days. The distribution network, based on the Beilun Harbor in Ningbo Port, has taken initial shape. The Shanghai-Hangzhou-Ningbo-Beilun Harbor District expressway was completed and put into operation in 1998. Overall, there are four highways and one railway from Beilun Harbor District to Ningbo. At present, the Hangzhou-Nanjing expressway and the Ningbo-Taizhou-Wenzhou expressway are under construction. Construction of the Ningbo-Jinhua expressway will be started later this year. Upon completion of these express highways, direct links will be available to the Beilun Harbor District. In addition to the expressways and highways, double tracking of the Ningbo-Hangzhou railway is underway. The sea-river direct going vessels through the Yangtze River to Ningbo are in trial-operation.

- (v) Ningbo Port is the most economical option for the construction of a container hub port in the Yangtze Delta region.

Container throughput at Ningbo Port was 601,000 TEUs in 1999, increasing by 70.3% over 1998's figure of 353,000 TEUs. It is projected to reach 800,000 TEUs in 2000. Moreover, container throughput in Chinese ports from 2001 to 2005 is estimated to grow between 41% and 65%. Based on an estimate of 700,000 TEUs, the forecasts for container throughput in Ningbo Port from 2001 to 2005 are shown in Table 2 below.

Table 2. Container Throughput Forecast for Ningbo Port 2001-2005 (*000 TEUs)

Growth rate	2001	2002	2003	2004	2005
20% forecast	840	1,000	1,200	1,450	1,740
30% forecast	910	1,180	1,530	2,000	2,600

The rapid and steady development of the economy and the foreign trade of Ningbo City as well as that of the whole of Zhejiang Province has triggered continuing expansion of the international intermodal and river-sea transportation of containers. It is absolutely conceivable that container throughput in Ningbo Port will reach 2 million TEUs in 2005.

At present, the berth length of the second phase project for the Beilun Harbor District in Ningbo Port is 1,314

meters, of which 900 meters constitute three container berths. The remaining 414-meter-long berths are used for handling coal. In accordance with the Ningbo Port master plan, the coal berths can be converted to container feeder berths after removal of the coal handling facilities. The investment is estimated at about RMB 500 million. The total handling capacity will be 1.3 million TEUs.

The total length of the third phase project for the Beilun Harbor District is 1,238 meters. Four container berths will be constructed with a designed handling capacity of 1.07 million TEUs. The final handling capacity will be 1.4 million TEUs. The total investment is estimated at RMB 2.3 billion. This project has been approved by the State.

The total length of the fourth phase project of the Beilun Harbor District is 1,200 meters. Here again, four container berths will be constructed with a designed handling capacity of 1.3 million TEUs. The total investment will be RMB 2.3 billion. This project has been submitted to the Ministry of Communications for approval.

As can be seen from the above, by taking advantage of the Port of Ningbo, an additional handling capacity of 3.2 million TEUs can be added within about five years by investing only RMB 5 billion. This is equivalent to an investment of only RMB 1,560 per TEU. Thus, it is obvious that the investment is less and the desired results are quick. There is no alternative from the viewpoint of economy.

The master plan for port construction in Zhejiang Province includes the interim and long-term construction projects of new container terminals on Daxie Island, located east of Beilun Harbor District, and on Jintang Island, located opposite Beilun Harbor District. A highway/railway bridge connecting Daxie Island with the mainland will be completed this year. A bridge connecting Jintang Island with Beilun is included in the short-term plan. Upon completion of the bridges, these two islands will immediately become good locations for container terminals. The container handling capacity to be developed will exceed 10 million TEUs.

In conclusion, the Yangtze Delta is in the vanguard of China's economic development. Therefore, the construction of a deepwater container hub port has become a necessity. Since Beilun Harbor in Ningbo Port enjoys favorable natural port conditions, it must be the best location for a new deepwater container hub port in the Yangtze River Delta.

Development of Indian Ports

NDIA has a very long coastline. There are 11 major ports, and 148 minor operable ports along the coastline. The major ports handle approximately 90 percent of all India port throughput. A new major port at Ennore, 25 kms north of Chennai is being constructed with the help of ADB Loan with a capacity to handle 16 million tonnes of coal at an estimated revised cost of Rs.927 crore. During 1998-99 the total cargo handled at major ports was 251.7 million tonnes, which is almost equal to the traffic handled in 1997-98. About 83 percent of the total volume of port traffic were in the form of dry and liquid bulk, while the remaining 17 percent consisted of general cargo, including containers. During April - November, 1999, 177.7 million tonnes of cargo were handled by the major ports, registering a 9.6 percent growth, compared to 162.1 million tonnes in the corresponding period of 1998-99. The highest growth was recorded in respect of vegetable oils followed by fertilizers and raw materials. (See Table below).

Indian ports continue to show lower productivity in comparison to efficient ports in the Asian region in terms of labour and equipment productivity norms. Nevertheless, the principal indicators of port efficiency, viz. pre-berthing detention, average turn-around time and output per-ship-berth-day at major ports have shown a marked improvement during 1998-99 as compared to the previous year. The average pre-berthing detention and the average turn-around time have come down from 2.4 days and 6.6 days in 1997-98 to 2.1 days and 5.9 days in 1998-99, respectively. Similarly the output per ship berth has increased from 4,634 tonnes in 1997-98 to 4,915 tonnes in 1998-99.

The existing port infrastructure is insufficient to handle trade flows effectively. As against the total capacity of 240 million tonnes on March 31, 1999, major ports handled 251.7 million tonnes at end-March 1999, resulting in pre-berthing delays and longer ship turn-around time. Further creation of capacity is being planned according to projected traffic requirements.

The ninth plan envisages an outlay of Rs.9,428 crore, for the port sector, with the annual plan outlay for 1999-2000 at Rs.1,624 crore. Private sector participation would serve to bridge the resources gap, which is estimated to be about Rs.8,000 crore during the 9th plan period. Guidelines have been issued regarding

Changes in Traffic at Major Ports

			Change			
			April-November*		over previous year	
	1997-98	1998-99*	1998	1999	1998-99	1999-2000@
<i>(Million tonnes)</i>						
1. POL	104.0	107.4	67.5	77.9	3.3	15.4
2. Iron ore	40.7	34.3	20.0	20.4	-15.7	2.0
3. Fertilizers and materials	8.9	9.0	6.0	7.9	1.1	31.7
4. Foodgrains	3.0	3.5	2.5	2.0	16.7	-20.0
5. Coal	38.9	39.0	26.7	23.0	0.3	-14.0
6. Vegetable oil	1.9	3.0	2.2	3.4	57.9	54.5
7. Other liquids	2.2	2.6	3.3	3.8	18.2	15.2
8. Containerised cargo	23.1	23.8	15.7	17.4	3.0	10.8
9. Others	29.0	29.1	29.1	21.9	0.3	20.3
Total	251.7	251.7	162.1	177.7	0.0	9.5

* Provisional

@ April-November

* These are excerpts from the Economic Survey for 1999-2000

private investment in the port sector. So far 12 proposals from the private sector aggregating 48.50 million tonnes capacity and involving an estimated investment of Rs.3,676 crore have been approved.

A Tariff Authority for Major Ports (TAMP) set up under the Major Port Trusts Act 1963 to fix and revise various port charges to be collected by private providers of port facilities has started functioning from April 1997. Although

the development of minor ports is the responsibility of State Governments, it is also receiving the attention of the Union Ministry of Surface Transport. To have an integrated approach towards the development of major ports and minor ports, the Maritime States Development Council (MSDC), has been formed. It is likely to emerge as a forum for framing an integrated policy for the entire Indian port sector, including the minor ports. The state governments of Gujarat, Maharashtra and Andhra Pradesh have embarked upon ambitious port development programmes through private participation.

An Empowered Committee on Environment Clearances (ECEC) has been constituted. In this regard, transparent and simplified guidelines for environment clearance have been issued. The ECEC has quickened the pace of according environmental clearance to port projects and ensuring that the goals of development and environmental protection are balanced.

(INDIAN SHIPPING)

Sail Training Ship "Akogare" World Sail 2000

ON Sunday, April 9, 2000, the city of Osaka's Sail Training Ship "Akogare" left her homeport of Osaka to complete an eastbound circumnavigation of the globe via Europe, first time for a Japanese tall ship. With warm farewell from some 5,000 citizens ashore and about 50 local yachts and boats afloat, STS "Akogare" having a complement of 39, including 22 trainees from age 16-67, headed for Honolulu, Hawaii, her first port of call.

She will then call at US West Coast, Panama Canal, US East Coast, Europe, the Mediterranean, Suez Canal, the Indian Ocean, and Singapore, returning to Osaka on Wednesday, December 20, 2000, after 256 days covering 27,000 n.m.

The city of Osaka's involvement in the maritime events dates back to 1983 when the city hosted "Osaka World Sail '83," the first tall ship festival in Asia, in which 10 tall ships from 7 nations paraded Osaka Bay into the Port of Osaka. Then, the city inaugurated an international two-handed yacht race from Melbourne, Australia, to Osaka in 1987, that has since been held every four years attracting sailors from around the world. Besides this event for sailors in particu-



lar, the city started a project to offer access to the ocean and the maritime heritage for the people of all walks by building a tall ship and conducting sail training programs.

Some 10 years after the tall ship, STS "Akogare," ("Yearning" in English, 52.16 m.long overall, 362 g/t) was built in 1993 by the city of Osaka as the first and only tall ship owned by a Japanese local government.

She commenced, in 1994, sail training not only for Osaka citizens, but also for

those across Japan. As of December 1999, she had sailed over 68,100 n.m., equivalent to the circumnavigation of the globe more than three times, with the number of trainees reaching some 10,000.

In addition to the ports around Japan, she has called at Shanghai in her maiden voyage, Guam, Fiji, New Zealand, Australia, Indonesia, and Hong Kong by 1999. In March 1995, she served as the start boat for the yacht race from Melbourne to Osaka and joined "Sail

Indonesia 95" in commemoration of the 50th anniversary of Indonesia's independence in August. In 1997, she played a role of the host ship in SAIL OSAKA '97, Asia's first international tall ship race hosted by the city of Osaka between Hong Kong and Osaka.

STS "Akogare" World Sail 2000

The objectives of STS "Akogare" World Sail 2000 are to:

- promote and encourage sail training and international exchanges;
- promote Osaka's international profile;
- participate in Tall Ships 2000, Sail Boston 2000 and Tall Ships 2000 Halifax with young trainees on board;
- pay courtesy calls to the tall ships having participated in SAIL OSAKA '97 and Osaka World Sail '83;
- participate in Sail 2000 Amsterdam and the 400th anniversary of relations between Japan and the Netherlands; and
- promote and deepen sister port exchanges in San Francisco and Le Havre.

STS "Akogare" World Sail 2000

Schedule as of April, 2000

Subject to change

Port (Country)	Arrival	Departure
Osaka	-	Apr. 9
Honolulu (USA)	May 6	May 11
San Francisco (USA)	May 26	June 1
Balboa Colon (Panama)	June 21	June 25
Boston (USA)	July 9	July 16
Halifax (Canada)	July 20	July 24
Amsterdam (Netherlands)	Aug. 24	Aug. 28
Le Havre (France)	Aug. 30	Sep. 8
Lisbon (Portugal)	Sep. 14	Sep. 19
Barcelona (Spain)	Sep. 25	Oct. 1
Piraeus (Greece)	Oct. 9	Oct. 15
Muscat (Oman)	Nov. 4	Nov. 9
Singapore	Nov. 29	Dec. 4
Osaka	Dec. 20	-

Right after the departure from Osaka, STS "Akogare" encountered a severe low pressure and all of the 39 members on board were shaken as if they had consecutive roller coaster rides of 5 - 6 m up and down for nearly two days. However, this experience made the trainees tougher. During the voyage,



they were impressed by the sunrise and sunset over the horizon, so many constellations in the night sky, dolphins and whales, migratory birds, and above all, the new friends who formed the team "Akogare." The ship is scheduled to arrive in Honolulu on May 6, due to leave for San Francisco on May 11. Please extend your warm welcome to STS "Akogare" at your port or at any nearest port.

Follow the trip at:

HYPERLINK <http://www.akogare.or.jp>
<http://www.akogare.or.jp>

Diet Approves Bill Amending Harbor Transport Legislation

A bill to partially amend the Harbor Transport Business Law, passed at a House of Representatives plenary session, was finally approved yesterday. (May 11, 2000)

The law, which features measures to both deregulate and stabilize (provide a safety net for) the harbor transport industry will be, according to its own provisions, implemented within six months of its promulgation, or no later than November.

The amendment stipulates (1) the abolition of the supply/demand adjustment system; (2) the replacement of the existing business license system with a business approval system; and (3) the replacement of the approval system concerning the determination or modification of freight rates and fees with a prior filing system at the so-called specially designated ports - the Keihin Ports (Tokyo, Yokohama, and Kawasaki), Chiba, Shimizu, Nagoya, Yokkaichi, Osaka, Kobe, the Kanmon Ports

(Shimonoseki and Kitakyushu), and Hakata.

In order to prevent unscrupulous operators from participating in harbor transport business and excessive dumping, both as a result of deregulation, the scope of reasons for disqualification will be expanded, panel provisions will be strengthened, and the Minister of Transport will be empowered to order the modification of freight rates and fees, according to the amendment.

Prior to the plenary session, the House of Representative's Committee on Transport on May 10 decided the following five additional resolutions.

The Ministry of Transport (MOT) will, taking them into consideration, forward various procedures including ministerial ordinances and notifications in preparation for the implementation of the law in the fall.

Additional Resolutions Regarding Bill to Partially Amend Harbor Transport Business Law

(1) Even when deregulation is implemented, efforts should be made to maintain the stability of harbor transport, such as labor relations, and in case problems arise, they should be properly addressed by fully listening to the opinions of related parties.

(2) Consideration should be taken in order to keep dockworkers from suffering excessive burdens caused as a result of deregulation, and fee revision order and emergency supervising systems should be strictly but dynamically operated in order to prevent dumping.

For this purpose, interested ministries and agencies should cooperate to provide necessary guidance to shipping companies and shippers.

(3) Efforts should be made to safely maintain and invest donations collected from related interests for the purpose of dockworker welfare funds.

(4) In order to improve port and harbor services to include loading/unloading on Sunday or at night, efforts should be made to promote the integration of or cooperation among harbor transporters and improve the necessary environments, such as the consideration of securing good working conditions for dockworkers.

(5) Ports other than those which have been specially designated should make efforts to properly operate according to the law so that the existing license system and the approval system concerning the determination or modification of freight rates and fees are strictly obeyed.

(Shipping and Trade News)

Kuantan Port News

Executive Director emphasises the importance of human resources

ALTHOUGH we are giving increasing emphasis on the application of IT to enhance productivity and efficiency in port operations and cargo handling, there is no compromise in our commitment to invest in the development of human resources.

There is a growing need for training and re-training of employees to acquire new skills, as well as sharpen and deepen their knowledge particularly towards developing a client-oriented organization. Kuantan Port is undergoing a significant expansion of its facilities and services to cope with the growing diversity and volume of cargo. In addition to the expansion of activities, there is a need to respond to the changing ship and cargo handling technology. Ships are getting bigger, faster and handling increasing volumes of cargo. Ships are also working under rigorous conditions to keep costs down and maintain tight schedules.

Undoubtedly, the growth and the changing character of demand will have a significant impact on the port services notably in the form of better skilled workers to handle the increasing number of vessels and cargo in an efficient, safe and effective manner.

We firmly believe that our staff and workers who are daily engaged in ship and cargo handling as well as in other related work in the port must be adequately equipped to handle the task and responsibilities they have been entrusted with.

A worker without skill and knowledge



Dato' Shamsudin Md. Dubi

is not only a liability to himself but a burden to the employer as well. By the same measure, a trained and skillful worker is not only worthy of himself but an asset to the employer.

KPC has embarked on a continuous program of training and re-training both through a formal and informal manner. The introduction of Quality Control Circles has resulted in direct participation of staff in productivity improvement programs which make retraining an on-going process. These changes will have a significant impact on the efficiency of the port and the team outlook of staff and workers.

Our efforts in raising the skill level of our employees will result in higher productivity and cost savings in the services rendered by KPC, which will ultimately be of direct benefit to all ports users.

Larger Vessel Call Recorded

THE number of ship calls at Kuantan Port last year registered a moderate growth of six per cent to 1,516 ship calls (compared to 1,419 ship calls in the previous year).

The total registered gross tonnage of vessels that called at the Port last year rose from 10.9 million tonnes to 13.4 million tonnes. The average size of vessels which called at the Port rose to 8,893 GRT in 1999 from 7,681 GRT in 1998, reflecting larger vessels now calling at

the Port.

Foreign trade vessels made 1,302 calls or 85 per cent of the total ship calls at the Port while the remaining was made up of domestic trade ships. 732 vessel calls at the Port were from member countries of the ASEAN while 570 ships calls were from other foreign countries.

The composition of the vessel traffic reflected that Kuantan Port was emerging as one of the international ports of call, especially for handling containers and petrochemical products.

By composition of vessel type, containerhips ranked with the highest number of calls with 323 ship calls. The average size of containership rose to 2.70 million GRT in 1999 from 2.07 million GRT in 1998.

Second highest number of calls was recorded in petrochemical carriers with a total of 293 ship calls. Petrochemical vessels recorded 15 per cent in the registered gross tonnage to 2,214 million GRT. This represented a 24 per cent surge in the registered gross tons of petrochemical ships and was consistent with the emergence of Kuantan Port as a petrochemical hub port.

Timber vessels made up 169 ship calls while palm oil tankers made up 164 ship calls (compared with ranked third with a total of 172 ship calls).

Port Klang Malaysia's One Stop Agency

THE "One Stop Agency" was mooted by Malaysia's Minister of Transport, YB Datuk Seri Dr Ling Lion Sik, essentially to facilitate the setting up of businesses within and in the hinterland of Port Klang to encourage an increase of throughput volume at Port Klang. This is the concept that the Port Klang Authority adopted when our One Stop Agency was launched on April 12, 1999.

The One Stop Agency was set-up to help entrepreneurs reduce red-tape, which is the norm while venturing into businesses in any part of the world. The core function of the One Stop Agency is to help parties who seek assistance in undertaking projects or businesses at Port Klang. The One Stop Agency when contacted will liaise, coordinate and follow-through with the relevant authorities for the required approvals.

As the Port Klang Authority is a regulatory body that looks after the administration of Port Klang, our One Stop



Agency will assist parties on businesses that will encourage growth in throughput at Port Klang. Assistance will also be given in terms of transshipment-related activities and port related activities.

Transshipment related activities include cargo consolidation, warehousing, distribution services, international procurement centers, value adding, bonded warehouses and licensed manufacturing warehouses. Port related activities include the establishment of representative offices, shipping agen-

cies, ship brokerage offices, custom brokers offices and main line operators offices.

With the assistance of the One Stop Agency time will be saved as formalities and bureaucracy are reduced and paperwork kept to a bare minimum. One Stop Agency also provides convenience as investors will not have to move from one place to another in order to get official formalities completed. One Stop Agency is the wise choice for assistance to set up businesses in Port Klang



PAT director general. A management tender is then expected to be called in mid-2001.

To make the proposition more attractive and feasible for private investors by reducing the financial burden, PAT will procure most essential equipment. This should enable the terminal to be operational by the end of 2001 – a year ahead of schedule. Meanwhile, cargo volumes through LCP are forecast to increase on average 14% a year between 2000-2002.

The Director General also revealed that until a terminal operator is selected, PAT will utilize the facility for passenger ships, conventional ships and feeder ships fitted with ship cranes. Operations will commence in April this year.

Privatization Plan Approved

THE Board of Port Commissioners has approved PAT's privatization plan. The necessary holding company and subsidiaries are expected to be formed later this year.

Under the plan, PAT's new structure will comprise a Self Regulatory Organization – PAT/SRO – which will remain a state enterprise, and two subsidiaries: Bangkok Port Co., Ltd. and Laem Chabang Port Co., Ltd..

According to the feasibility study, prospects for the two subsidiaries are rather bright. Operating profits are forecast to increase steadily over the next decade, generating attractive revenues and earnings per share.

PAT/SRO's responsibilities will include dredging, management of PAT assets and provision of utilities. The two subsidiaries will become PAT's principal lessees.

The State Enterprise Policy Committee is currently considering how best to establish PAT/SRO. PAT's action plan envisions forming the holding company and subsidiaries and selecting a strategic partner in September 2000. A private placement and an initial public offering are scheduled for June 2001 and late 2002, respectively.

PAT NEWS

PAT to be more competitive in year 2000

WITH a view to keeping abreast of free trade developments, changes in the shipping industry and Thailand's rising export trend, PAT has embarked on a course of comprehensively modernizing its operations along the lines of the world's leading ports in order to become more flexible and customer-oriented.

Under PAT's Year 2000 business plan, Bangkok Port (BKP), which currently serves mainly feeder ships, will be developed to provide faster, more convenient and more economical services. In addition to introducing several new value-added services, existing services will be certified according to ISO 9002, Thai Industrial Standard 18000, ISM Code, and other internationally recognized standards. And with the twin objectives of attracting new business and increasing customer satisfaction, PAT plans to develop a new distribution center and ro-ro ship facilities.

Laem Chabang Port (LCP) will be developed into a regional transship-

ment hub. To accommodate larger cargo volumes, LCP will be expanded to offer more facilities and services for post-panamax size shipping. Additional road, rail and waterway links will be established behind the port, its hinterland and neighboring countries. And in a concerted effort to promote sea tourism in Thailand, new passenger ship facilities will be developed.

At the same time, LCP will adopt modern quality management systems and encourage greater private sector participation in port services.

New terminal completed at LCP

CONSTRUCTION of LCP's new C3 terminal is now complete and progress is being made towards selecting a terminal operator.

Construction of the first terminal under the LCP Phase 2 Development was completed in early February. According to PAT Director General Mr.Thavorn Chunnanond, the new terminal brings port capacity to 2.25 million TEU/year and upon completion of Phase 2 in March 2001, total capacity will hit 5.15 million TEU/year.

However, before full operations can get under way, cabinet approval is required of the PAT's private management study undertaken under the Joint Venture Act B.E.2535, explained the

