

## IAPH Officers

President

Akio Someya

Executive Vice President

Nagoya Port Authority  
Japan

First Vice-President

Pieter Struijs

Executive Director

Rotterdam Municipal Port Management  
Netherlands

Second Vice-President

H. Thomas Kornegay

Executive Director

Port of Houston Authority  
USA

Third Vice-President

**(Temporarily Vacant)**

Conference Vice President

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Chief Executive Officer

National Ports Authority of South Africa  
South Africa

Immediate Past President

Dominic J Taddeo

President & Chief Executive Officer

Montreal Port Authority  
Canada

Secretary General

Satoshi Inoue

IAPH Head Office

Tokyo

Japan



### Klaipėda Port, Lithuania

**K**LAIPĖDA Port is the northernmost ice-free port on the eastern coast of the Baltic Sea. It is already a deepwater port with a depth of -14.5 meters.

The average annual throughput is 18.5 million tons of cargo. The port stevedoring companies are capable of handling up to 30 million tons of cargo per year.

Klaipėda is a multipurpose port handling all types of general cargo, such as metal, steel, oil products, fertilizers, timber, containers, refrigerated products, grain, railcars, trailers, trucks and passenger cars. Besides, the port is fully equipped for specialized cargo handling.

Every year over 7,000 ships from more than 50 different countries are served in the port.

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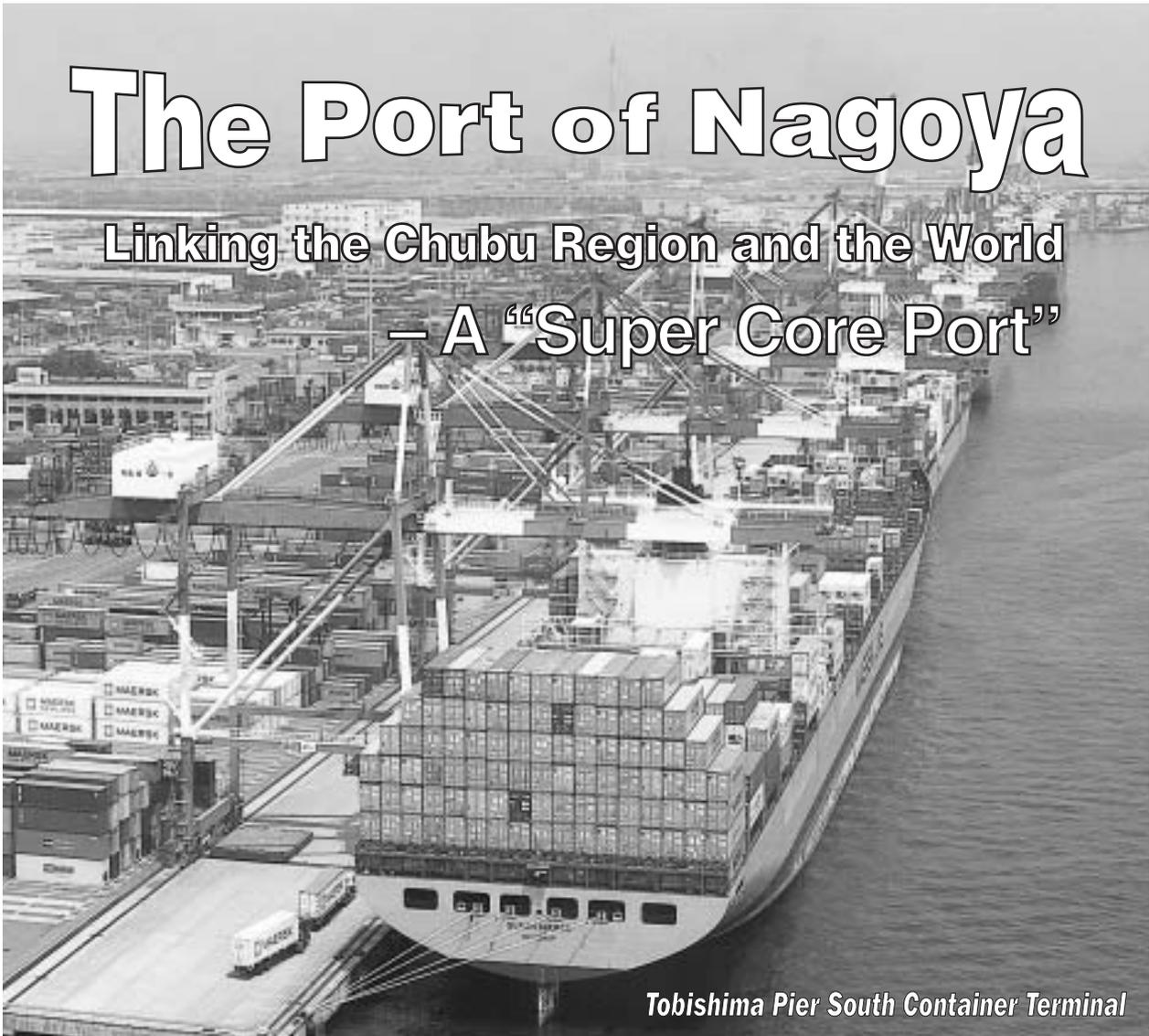
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# The Port of Nagoya

Linking the Chubu Region and the World  
– A “Super Core Port”



*Tobishima Pier South Container Terminal*

In 2001, the Port of Nagoya marked a record container throughput of 33.63 million tons. Handling containers of 1.87 million TEU annually, we play an active role as one of the leading international ports in Japan.

To meet the demand placed by increasing size of containerships in recent years, a new 16-m deep high-standard container berth will be completed in 2005 FY. The Port of Nagoya continues to enhance its distribution facilities to become a more competitive port – a “Super Core Port” – firmly linking the Chubu Region and the world.



Advanced transport network  
connecting the Port of Nagoya and its hinterland  
(Meiko Triton Bridges)

## **NAGOYA PORT AUTHORITY**

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# IAPH ANNOUNCEMENTS AND NEWS

## Minutes of the IAPH Kobe Exco Meeting 2002

October 14-19, 2002  
at the International Conference Center & the Portopia Hotel, Kobe, Japan



THE IAPH Executive Committee (Exco) Meeting 2002 was convened from October 14 through 19 at the International Conference Center and the Portopia Hotel in Kobe, Japan, covering the programmes as given in "Overall Working Program of The IAPH Kobe Exco and Other Committees Meetings". It was hosted by the City of Kobe, Mayor Mr. Tatsuo Yada and the Director General of the Port and Urban Projects Bureau, Mr. Yoshihiro Koshiba. 42 delegates and representatives from all over the world took part in the meeting as shown by the "IAPH Kobe Exco Meeting Participants List".

The Exco met at three half-day sessions in total on October 16 and 17, with the agenda as given in "Agenda for Exco Sessions at Kobe". Preceding the Exco sessions, several committee meetings were held on October 15; these were Port Safety, Environment and Marine Operation (PSEMO) Committee, Communication & Networking Committee, IAPH/IMO Interface Group, Finance Committee and Long Range Planning/Review Committee. Regional Exco meetings for the respective regions were held on the morning of October 16.

Featured during the Exco meeting this time in particular was the "International Port Symposium" which was offered for the whole afternoon of 18th October, jointly hosted by the Japan Port & Harbor Association and IAPH Japan Foundation, to commemorate the 50th anniversary of the 1st International Ports & Harbours Conference held in Kobe in 1952 when the idea of launching today's IAPH was unanimously decided. The City of Kobe was also kind enough to offer the attendants a technical tour of the port area on the morning of the 18th, as well as a mayoral dinner on October 17 at a hilltop restaurant with a wonderful evening view of the city.

Thanks to the hosts as well as all the participants, the Exco meeting successfully adjourned with fruitful outcomes, unanimously adopting the "Resolution of Thanks" to the hosts.

### Session 1

After an opening address by President Someya, all the participants offered silent prayers to mourn the late Mr. John Hayes. Then President Someya proposed to nominate Mr. Hayes as an Honorary Member, a motion that will be forwarded at the upcoming Durban Conference. The proposal achieved unanimous consensus among the participants.

Mr. Koshiba, Director General, Port & Urban Projects Bureau, City of Kobe followed President Someya by giving a welcoming address to all the attendants.

#### 1. Report from Secretary General

After confirming the establishment of the quorum for the meeting (12 pre-



sent in person, 8 present in proxy), Secretary General made a power point presentation about major activities of the association since the Abu Dhabi Mid-term Board meeting, inclusive of Membership movements. Details of his report are provided in

the section "Secretary General Report to the Executive Committee Meeting-October 15-18, 2002, Kobe, Japan"

#### 2. Finance matters

Mr. Cowie, Chair of Finance Committee, made his reports on the

following financial issues based on discussions with the Secretariat held in Tokyo prior to the Exco meeting:

- a) Prospect of Statement of Account 2002  
Mr. Cowie reported that the financial status of the association for the year 2002 had been sound and stable by referring to the Statement of Account "Prospect of the Year 2002" prepared by the Head Office. He also reported that a new format for the Statement of Account would be introduced from next year in accordance with the advice from the Finance Committee.
- b) Introduction of accrual basis accounting  
Mr. Cowie reported that a study was underway between Finance Committee and the Head Office aimed at introduction of accrual basis accounting that would replace the current cash basis accounting possibly by implementing a software package. He commented that it was reasonable to start the new accounting system from fiscal year 2004.
- c) Guidelines of portfolio for fund management  
Mr. Cowie added that at the request of Secretary General, Finance Committee would develop guidelines of portfolio for fund management.
- d) Membership dues structure  
Mr. Cowie briefly commented on the progress of the study concerning Membership dues structure. He suggested an investigation be carried out comparing the systems of other international organizations, since some of the systems already reviewed looked far more complicated than our present one.

All the reports and proposals in a) to d) above were approved by the Exco members unanimously.

### 3. Personnel issues

- a) President Someya reported that at the Asia/Oceania regional Exco meeting held on the morning of October 16, Datin Paduka O.C. Phang of Port Klang Authority had been nominated as the

lone candidate for the election of 3rd Vice President to succeed to the late Mr. John Hayes. He confirmed that she would have to be endorsed, first by the regional Board meeting, and finally by the full Board meeting, as the current By-Laws provide. He also indicated that both meetings would be made by correspondences and completed possibly by the end of January 2003. He added he would be coordinating regional issues for the Asia/Oceania region while the Vice Presidency remained vacant.

b) Latest status of Exco members  
By referring to a paper titled "Personnel Matters", Secretary General asked Vice Presidents from respective regions to confirm the latest status of Exco members of each region.

For Africa/Europe region, Mr. Struijs informed that the nomination to fill the vacancy caused by the resignation of Mr. Nygren from his port, would be discussed at the next regional meeting to be held in Amsterdam early next year.

For Americas region, Mr. Kornegay reported that Mr. Marchand of Georgia Ports Authority and Mr. Taddeo of Montreal Port Authority would be the nominees to fill the current two vacancies, both of which would be forwarded to the full Board meeting for endorsement at the Durban Conference.

For Asia/Oceania region, President Someya suggested that the nomination be carried out at a regional meeting to be held under the chair of the new Vice President immediately after 3rd Vice President has been formally elected.

### 4. Activity report on Committees and Interface Group

#### a) IAPH/IMO Interface Group

Mr. Struijs, the Chair for this Group, proposed a "Terms of Reference", as shown in "(Terms of Reference for) the IAPH/IMO Interface Group regarding Port and Maritime Security", for this Group specifically dealing with its activities on port and maritime security, in view of its recent substantial involvement in security issues with IMO and other international organizations. The

proposed Terms of Reference also stipulates rules, duties and procedures among Committees of IAPH in terms of security matters at large. The proposal was approved by the Exco members.

#### b) Port Safety, Environment & Marine Operations Committee

Chairman Mr. van der Laar made his verbal report on the current activities of the committee by stressing its involvement in IMO Maritime Safety Committee since last May. The committee had been working on, among others issues, port and maritime security, environmental management, mooring lines and ballast water. He requested that members of the association communicate on security issues which individual ports may have to IAPH/IMO Interface Group and/or his committee.

#### c) Activities of European Office

Mr. van der Kluit, Managing Director of the European Representative Office made his activity reports, given as "Report of activities over the period May 2001-October 2002", including his recent presentation at the Japan Seminar held in Tokyo the previous week. During his report, he indicated the need for more active members to assist him with his recent busy schedule, particularly in security matters with WCO, IMO and other international organizations.

#### d) Trade Facilitation

Introducing dialogues exchanged in letters between Mr. Arbós, Chair of the Trade Facilitation Committee, and Head Office, Secretary General explained about the Committee's enthusiastic involvement in the ebXML project of UN/CEFACT, and put forth for discussion by Exco members, the Committee's proposal of employing an IT expert forwarded to Head Office by Mr. Arbós. After intensive discussion among the participants, it was finally decided that the proposal might not be approved at this stage. Nevertheless, the efforts and contributions being made by the committee on the concerned ebXML issue were highly appreciated by Exco members attending.





e) Long Range Planning/Review Committee

Chairman Mr. Groseclose Jr. made a proposal to follow up the survey jointly reported by the then Trade Policy Committee and Long Range Planning/Review Committee at the Montreal Conference in 2001. He proposed a similar survey be made every even-numbered year by his committee to review interests and concerns of members at a wider scope, the results of which should be reflected in activities of Technical Committees and eventually on directions of the association. (Because of time constraints, the further discussion was postponed, continuing during Session 3 held on the afternoon of the next day.)

f) Communication & Networking Committee

Chairman Mr. Perrot expressed his concern about the need to improve communication among members. After exchange of some opinions, Secretary General reminded the participants of the Committee's earlier proposal for each IAPH member organization to nominate a contact person responsible for all correspondences among members, and/or between Head Office and members. Mr. Perrot suggested an idea that each such correspondent, once assigned, ought to distribute incoming IAPH related communications to the most appropriate person(s) within the member's organization. It was agreed that Terms of Reference for a correspondent would be drafted by Head Office and the Committee, and submitted to Exco members for comments.

5. Presentation for Shanghai Conference

Mr. Lu, Port Director of Shanghai Port Authority, made a power-point presentation for the Shanghai Conference. It was reported that both venues for the Conference and hotel accommodation had been secured but subject to change if a more suitable venue for the Conference would become available in the coming months, viewing the rapid development of business areas in Shanghai.

It was unanimously supported that the Conference period would be May

21st through 27th 2005.

Session 2

1. Revision of Constitution & By-Laws

Legal Counselors Mr. Mongeau and Mr. Morrison presented the latest draft revision of Constitution & By-Laws that reflected, through the great efforts of Mr. Welsh, Chair of Legal Counselors and Mr. Mongeau, all the discussion made in the past Exco meetings and subsequent thorough reviews done by the Head Office. Mr. Mongeau commented on all Articles and Sections that had been given any revisions/modifications, with reasons and backgrounds for such revisions/modifications. Although some further amendments were required by taking up opinions and advice from the floor, the presented draft as a whole was approved by the Exco members in the end.

Among others, two major revisions



for this time are; a) Review of criteria for a quorum at meetings, and b) Clarification in procedures for the election of regional Vice Presidents by fully respecting decisions of each region.

Legal Counselors confirmed that they would make a redraft, reflecting the above discussion agreed at the meeting, by the end of November or early December for circulation among the Board Members for their comments. Secretary General additionally commented that the real "Final Draft" reflecting the comments from the Board Members would be circulated among all members possibly by around early April next year, prior to the Durban Conference when the official approval of the revised Constitution & By-Laws were to be made at a Plenary meeting.



Session 3

**1. (continued) Long Range Planning/Review Committee**

Secretary General briefed attendees about his ideas to improve activities of Technical Committees by referring to his letter to Mr. Groseclose ("Proposed Subjects for the Long Range Planning/Review Committee" and its attachment "How to Improve Activities of Technical Committees (Preliminary Draft)"). In response to his proposal, the participants gave advice and opinions about matters of their concern. Taking all advice and opinions into account, Secretary General suggested that Long Range Planning/Review Committee and the Head Office would jointly work out to design a comprehensive framework with measures to be taken for the proposed improvement of Committees' activities, as well as major actions of Long Range Planning/Review Committee within the framework. His suggestion was supported by the Exco members and it was also confirmed that the draft framework would be presented at the Durban Conference for an official approval.

**2. Report on the preparation for the Durban conference**

Mr. Gama, the Conference Vice President, made a power point presentation to report the latest situation on the preparation for the Durban Conference. He reported that twenty-two speakers out of the planned

twenty-five had already either committed to appear or had been contacted. He asked for members' cooperation to bring as many of their colleagues and business partners as possible to the Durban Conference next May.

**3. Project for 50th anniversary of IAPH**

Mr. Perrot, Chair of CC & N, based on the conclusion at the meeting of CC & N held on 15th October, presented his memo titled "IAPH 50th Anniversary", to propose the set-up of a special committee called "The IAPH 50th Anniversary Committee". His proposal was approved by the Exco members and Mr. Taddeo of Montreal Port Authority was unanimously elected as Chair of the committee. As described in the memo, the committee is expected to submit a detailed programme of actions/events and the related budget for the 50th anniversary project at the Durban Conference.

**4. IAPH Award (Essay Contest)**

Secretary General, on behalf of Mr. Goon, Chair of Human Resources Development Committee, made a report on IAPH Bursary and Award scheme. For the Essay contest, there had been fourteen (14) entries from twelve members in nine countries as of the closing date 30th September.

**5. Formats for future Mid-term Board meeting**

Following the suggestions made by Officers at Abu Dhabi Mid-term Board meeting last April, Secretary General

proposed a model format for the future Mid-term Board meetings, where more will be allocated to presentations by Directors from respective regions. The proposal was approved by all Exco members.

**6. Future IAPH events**

Secretary General gave notice about future IAPH events by offering the "IAPH Calendar after the Kobe Exco, October 2002". The next Exco will meet in Rotterdam on 27th-30th October 2003. The Exco agreed that the offer to hold the Mid-term Board Meeting 2004 in San Diego, USA would be forwarded to the Board meeting at Durban.

**IAPH Event Calendar after the Kobe EXCO Meeting**

<b>2002</b>	<p><b>December, 9-12, 2002</b></p> <ul style="list-style-type: none"> <li>• African/European Regional and PAPC Conference</li> <li>Ngorongoro, Tanzania</li> </ul>
<b>2003</b>	<p><b>February, 19-21</b></p> <ul style="list-style-type: none"> <li>• African/European Regional Meeting</li> <li>Amsterdam, Netherlands</li> </ul> <p><b>January/February</b></p> <ul style="list-style-type: none"> <li>• Asian/Oceania Regional Meeting and ESCAP Seminar</li> <li>Penang, Malaysia</li> </ul> <p><b>May, 24-30</b></p> <ul style="list-style-type: none"> <li>• 23rd IAPH World Ports Conference</li> <li>Durban, South Africa</li> </ul> <p><b>October, 27-30</b></p> <ul style="list-style-type: none"> <li>• IAPH Exco Meeting</li> <li>Rotterdam, Netherlands</li> </ul>
<b>2004</b>	<p><b>April/May</b></p> <ul style="list-style-type: none"> <li>• IAPH Mid-term Board Meeting</li> <li>San Diego, USA</li> </ul> <p><b>End of October</b></p> <ul style="list-style-type: none"> <li>• IAPH Exco Meeting</li> <li>Nagoya, Japan</li> </ul>
<b>2005</b>	<p><b>January</b></p> <ul style="list-style-type: none"> <li>• IAPH Officer's Meeting</li> <li>Tokyo, Japan</li> </ul> <p><b>May, 21-27</b></p> <ul style="list-style-type: none"> <li>• 24th IAPH World Ports Conference</li> <li>Shanghai, China</li> </ul> <p><b>October</b></p> <ul style="list-style-type: none"> <li>• IAPH Exco Meeting</li> <li>Yet to be known</li> </ul>

**7. Resolution of Thanks (closing of the meeting)**

After having adopted a Resolution of Thanks addressed to the hosts, the meeting was adjourned.



# Overall Working Program of The IAPH Kobe Exco and Other Committee Meetings

## October 14 (Mon)

- 14:00- Registration starts
- 19:00- Evening Function for early arrivals (Every IAPH participant invited to attend.)

## October 15 (Tue)

- 7:30-9:00 Officers' Meeting (Legal Counselors requested to attend.)
- 9:30-12:00 PSEMO Committee Meeting
- 9:30-12:30 CC & N Committee Meeting
- 12:30-14:00 Lunch
- 14:30-17:00 IAPH/IMO Interface Group Meeting
- 19:00- President's Dinner (Every IAPH participant invited to attend.)

## October 16 (Wed)

- 7:30-9:00 Officers' Meeting
- 7:30-9:00 Long Range Planning & Review Committee
- 7:30-9:00 Finance Committee (Legal Counselors requested to attend.)
- 9:30-12:30 Regional Exco Meeting
  - African/Europe
  - Americas
  - Asia/Oceania
- 14:00-17:00 Exco Session 1

## October 17 (Thu)

- 7:30-9:00 Officers' Meeting (Legal Counselors and the Chair of the Finance Committee requested to attend.)
- 9:30-12:30 Exco Session 2
- 12:30-14:00 Lunch
- 14:00-17:00 Exco Session 3
- 18:30- Bus leaves for Mayoral Welcome Dinner (Every IAPH participant invited to attend.)
- 22:00 Bus arrives at PORTOPIA Hotel



## October 18 (Fri)

- 7:30-9:00 Officers' Meeting
- 8:45-9:00 Bus leaves for Kobe Technical Tour
  - Earthquake Memorial Park
  - Meriken Pier
  - Board the Official Launch
  - Alight the launch at K-CAT
  - Lunch
 (Every IAPH participant invited to attend)
- 12:30- Registration for the International Port Symposium
- 13:00-17:30 International Port Symposium
- 17:45- Cocktail and buffet reception (Every IAPH participant invited to attend.)

## October 19 (Sat)

- 8:45-9:00 Bus leaves for Kyoto Tour (viewing spots subject to change)
  - Gold Pavilion
  - Lunch
  - Nijo Castle
  - Kiyomizu Temple
  - Sanjusangen-do
  - Kyoto Station
- 18:30 PORTOPIA Hotel



# Secretary General's Report



**Satoshi Inoue**  
Secretary General

## Welcome to Kobe

It is my great pleasure to welcome you all to Japan, particularly in this beautiful port city of Kobe, the memorable place where the seed of IAPH was planted. It was exactly half a century ago here in Kobe that port executives from 16 maritime countries gathered at the 1st International Conference of Ports and Harbors and unanimously resolved the creation of a permanent organization of world port authorities, three years later leading to the foundation of IAPH in Los Angeles, USA.

On the occasion of the 2002 Exco Meeting in Kobe, I would like to present an overview of the Association's activities since my last report at the Mid-term Board Meeting in Abu Dhabi in April this year. First of all, my heartfelt appreciation goes to our host, Kobe Port Authority, for excellent arrangements for the meeting and warm hospitality extended to the IAPH delegates. Commemorating the 50th anniversary of the 1952 Kobe Conference, the Japan Port and Harbor Association with full support of the Japanese port community is going to organize the World Port Symposium in Kobe on October 18, 2002, to which all IAPH delegates are kindly invited.

## Passing of Mr. John Hayes

Our Third Vice President, Mr. John Hayes, Sydney Ports Corporation, passed away on August 20, 2002. It is our great sadness and an immense loss to IAPH as well as the world port community. On behalf of IAPH, President Someya and myself expressed our profound sympathy to the Port of Sydney and his bereaved family while attending the PIANC Congress in Sydney last month. In the meantime, the regional election of his successor is now in progress among regular members of the Asia/Oceania region.

## Collaboration with other organizations

We have been constantly active in collaborative works with our friendly organizations. In May, IAPH sent a Dredging Task Force expert and provided a financial support to the IMO's Workshop on marine pollution and port environment management for the Caribbean region held in Jamaica in conjunction with the LDC Scientific Group meeting. As for PIANC, they invited us to the Congress in Sydney, during which Presidents and Secretary Generals of the two organizations discussed various issues of mutual concern, including further cooperation between IAPH and PIANC. In September, First Vice President, Mr. Pieter Struijs, delivered his keynote speech at an international conference in Tallinn, Estonia, organized by the Baltic Ports Organization (BPO). At the invitation - the first ever - of the OECD, Paris, Secretary General together with Mr. Peter van der Kluit, IAPH Europe Office, and Mr. Frans van Zoelen, Rotterdam Port, made a half-day long presentation at a meeting of the Maritime Transport Committee in July.

## Revision of By-Laws

Based on discussions in Abu Dhabi, our Legal Counselors, Mr. Hugh Welsh, New York & New Jersey Port and Mr. Jean Mongeau, Montreal Port, worked hard to prepare the 3rd revised draft, which is now submitted to the Exco members for consideration. It is hoped that, taking into account discussions at the Kobe Exco meeting, the final draft will be ready for review by the Board of Directors earlier next year and further for adoption at the Durban Conference in May 2003.

## Works on Port Security

Work on anti-terrorism port security issues are well underway. In September,

IAPH was represented by Mr. van der Kluit and Mr. Ferry van de Laar, Amsterdam Port, at the 3rd meeting of IMO's Maritime Safety Committee on security issues in London. WCO recently established a Task Force on Security and Facilitation of the International Supply Chain, to which it has invited governmental members as well as non-governmental organizations such as IAPH. In consultation with Officers, Mr. van der Kluit was appointed as the IAPH representative and attended its first meeting in Brussels in September. Debates and issues will be presented in detail at the coming Exco sessions. Moreover, the task of IAPH/IMO Interface Group is to be proposed for endorsement by the Exco to include coordination of all the port security matters.

## Online Newsletter

As the third means for our regular communications, "IAPH Online Newsletter" has been electronically published since the first week of April this year. It is issued every two weeks via the Internet and directly sent to individuals of member organizations, the number of which has increased to some 670 from about 400 at the beginning. In addition to messages and news from the Head Office, we like to encourage in particular Chairs of Technical Committees to keep members informed of their planned meetings and progress in their work on a timely basis.

## Membership Status

As for Regular Members, two new members have joined us since the Abu Dhabi Mid-term Board Meeting - Port of Durres Authority, Albania and Port Autonome de San Pedro, Cote d'Ivoire - while fortunately no existing members left. As for Associate Members, while five members have left us, seven new members have joined us - National Technical University of Athens, Greece; Ritsumeikan Asia Pacific University, Japan; H. R. Wallingford, Ltd., UK; International Container Terminal Services Inc., UAE; Gwangyang City, Korea; and Mr. Zia Rizvi, Canada. IAPH membership now stands at a total of 347 members, 228 for Regular Members and 119 for Associate Members. I would appreciate your continued support and cooperation to invite new members to join us.

## Financial Prospects for 2002

As for its financial status, the Association is well balanced and in good shape. At the end of this term, revenue

is estimated to be JP¥139.6 million (US\$1.13 million at JP¥123/US\$) and expenses JP¥130.3 million (US\$1.06 million), leaving a balance of JP¥9.3 million (US\$77 thousand) for this term. More details of financial prospects for 2002 will be presented at the coming session. Thanks to members' cooperation, as of the end of September, 85.5% and 90.4% of the budgeted amount for membership dues revenues have been received respectively on SDR and JP¥ basis. By making further efforts, we are expecting the membership dues to be all paid in, fully meeting the budgeted amount, by the end of this term.

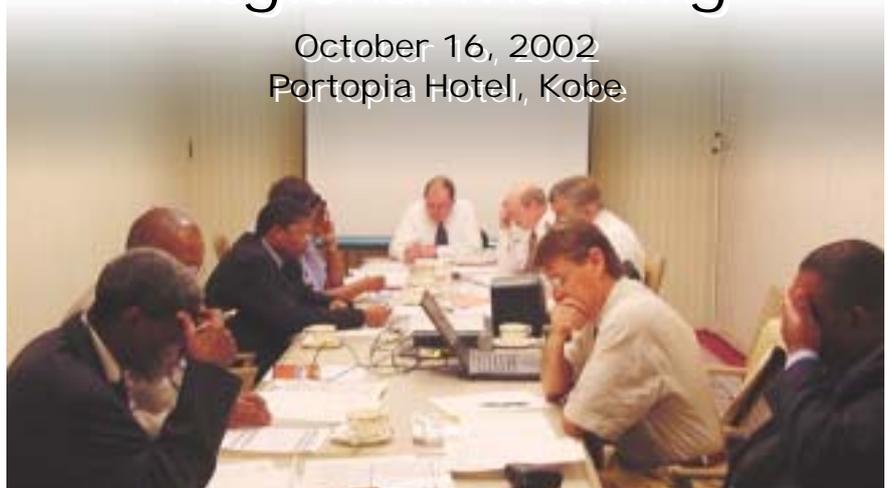
**Durban Conference**

Preparation for the Durban Conference in May next year has been moving ahead at full steam, which will be reported later by our Conference Vice President Siyabonga Gama. I am deeply grateful to him and his powerful team of National Ports Authority of South Africa for their dedication and hard work. Last week, in Tokyo, Mr. Gama kindly made his promotional presentation at the 15th IAPH Japan Seminar for local port and maritime business circles. As it is the first Conference ever held in the African Continent, I would like to reiterate my sincere request for your cooperation to ensure its great success, in particular by bringing all your colleagues and friends to Durban next May.

Last but not least, of course, your continued guidance and support to the Secretariat in Tokyo would be greatly appreciated. I would like to conclude my report, wishing you fruitful meetings as well as a pleasant stay in Kobe.

# African/European Regional Meeting

October 16, 2002  
Portopia Hotel, Kobe



**1. Opening, welcome, apologies for absence**

Chairman Pieter Struijs opened the meeting and welcomed those present (see attached list). Only two regional EXCO members were present: Mr. Siyam Siwe from the Port Authority of Douala and Mr. Luhigo of the Tanzania Harbours Authority. Mr. Struijs advised the meeting that Mr. Nygren has left the Port of Gothenburg. A candidate for this vacancy will be put forward at the conference in Durban in May 2003.

**2. Minutes of meeting in Abu Dhabi, April 22, 2002**  
(published in the July/August 2002 issue of Ports and Harbors)

The minutes were accepted without

comments.

**3. Matters arising from the minutes**

- Regional meeting in Tanzania, December 9-11, 2002

Mr. Luhigo provided details of the meeting and conference:

- a. the meeting venue in Ngorongoro is a 4-hour drive from Kilimanjaro International Airport; transport will be provided
- b. depart from the airport at 15.00 hrs at the latest, otherwise stay-over in a hotel in Arusha
- c. participants arriving outside the 'window' of December 8-12 are requested to advise the conference organizers of their traveling itinerary, so that appropriate arrangements can be made (addi-

**What International Infrastructure Management can do for you:**

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<b>Provide</b>	its management expertise and resources to assist you to add value to your infrastructure investments, and outperform your competitors in quality, efficiency and innovation
<b>Add</b>	value through investments in quality transport infrastructure around the world

For further information please contact: Mr Graham D. Mulligan - Managing Director  
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tional cost US\$350).

- d. Registration can be made on-line (<http://tanzaniaports.com/iaphpapc/home.htm>) or via e-mail ([prm@tanzaniaports.com](mailto:prm@tanzaniaports.com))
- e. A partner programme is 'under construction'
- f. Approximately 100 participants are expected

Mr. Peter Mollema will address "Port Community Systems" in session V, Peter van der Kluit will address Port and maritime security in relation to IMO in session VI.

A video presentation completed the presentation of the Tanzanian delegation.

The IAPH Head Office was provided with some 200 conference folders for circulation among the African/European members.

- Regional meeting in Amsterdam, February 20-22, 2003

The chairman presented a draft programme for the event that will be hosted by the Port of Amsterdam at the Krasnapolsky hotel and provided tentative details. After endorsement by the full board the programme will be circulated.

- Biennial conference in Durban, May 24 - 30, 2003

Mrs Phiyega of the National Port Authority of South Africa provided details on the preparations for the Durban conference. A maritime consultant has been employed, Mr. Brian Watt, ex CEO of the South African Maritime Authority.

Ex president Mandela may join the conference during the opening ceremony.

The Deputy President and Minister of Public Enterprises is scheduled to present a keynote at the opening ceremony.

Contact has been established with officials of Shanghai to discuss the details of the Shanghai evening on Wednesday May 28, 2003.

Technical tours on Friday to Durban and Richards Bay are included in the programme at no extra cost.

Approximately 93% of the speakers for the conference have confirmed their participation. Van der Kluit will contact the Deputy Secretary General of the WCO in follow up of the invitation to WCO.

Registration is open; early birds (before February 28, 2003) are offered a

reduced conference fee.

About 50% of the available exhibition space has been sold.

#### 4. Inter-Industry Shipping and Ports Contact Group, update

#### 5. Port and Maritime Security, update

- Co-operation with ILO
- Co-operation with WCO

#### 6. Places of Refuge, update

Due to time restraints these subjects were left undiscussed.

#### 7. European developments

Information was supplied on the EU transport policy that is aimed at promoting inland shipping and rail transportation in order to relieve congested roads. A subsidy programme "Marco Polo" has been established in support of the policy. The Amsterdam seminar will address this issue in more detail.

#### 8. African developments

Information was provided on Africa-wide developments aimed at the establishment of an African Union. A programme on new partnerships for African development is in the making and a working group for infrastructure that will address key infrastructure and ports has been established.

Although at an early stage yet, different port projects are being looked at from an African rather than local perspective with the aim of developing an African priority list.

Information was also provided about a PMAESA Port Security Seminar in Mombassa in July 2002 where the IAPH Position and Guidance Paper on Port Security was adopted. The seminar also worked at the development of customized interventions in the different countries.

#### 9. Any other business

The meeting was advised that the year 2002 is the 50th anniversary of the Kobe initiative of 1952 that laid the basis for the establishment of IAPH in 1955. This implies that IAPH will celebrate its 50th anniversary in 2005. An anniversary committee has been established under the chairmanship of Mr. Taddeo from the Port of Montreal. The Committee will comprise the IAPH President and Vice Presidents, the Immediate Past President, the Chair of

CC&N and two members from each region. This meeting has been requested to nominate two members of the Africa/Europe Region. The meeting nominated Mr. Luhigo for Africa; due to the absence of European EXCO members, a European member will be nominated at a later stage.

*Note: At time of writing these minutes it has become clear that Mr. Vergobbi from the Port of Dunkirk has been nominated as the European member.*

#### Participants:

- **Mr. P. Struijs** (chairman)  
Port of Rotterdam
- **Mr. F.M.J. van de Laar**  
Port of Amsterdam
- **Mr. P. Mollema**  
Port of Rotterdam
- **Mr. J. Perrot**  
Port of Le Havre
- **Mr. S.M.E. Luhigo**  
Tanzania Harbours Authority
- **Mr. F. Mziray**  
Tanzania Harbours Authority
- **Mr. S. Siwe**  
Port of Douala
- **Mrs. R. Phiyega**  
National Ports Authority of South Africa
- **Mr. S. Gama**  
National Ports Authority of South Africa
- **Mr. P.C. van der Kluit**  
IAPH Europe (minutes)

# Committee Report Combined Transport, Distribution & Logistics Committee

October 4, 2002

Freeport of Riga Authority, Riga, Latvia



## List of Participants:



- **Mr. José Luis Estrada**  
Planning Director, Puertos del Estado,  
Madrid, Spain, Chairman
- **Mr. Leonids Loginovs**  
Chief Executive Officer, Freeport of Riga  
Authority
- **Mr. Riho Rasmann**  
Chairman of Management Board, Port of  
Tallinn, Estonia
- **Mr. Vladas Stūrys**  
Director for Strategy, Klaipeda Port  
Authority, Lithuania
- **Mr. Vasile Pistolea**  
Expert, Maritime Training Centre,  
Constanza, Romania; Romanian Maritime  
Association President
- **Mr. Macario Fernandez**  
Director, Port of Santander, Spain
- **Mr. Costel Mitu**  
Head of Communication Department,  
Port of Constanza, Romania
- **Mr. Vigo Legzdinsh**  
State Secretary, Ministry of Transport,  
Riga, Latvia.

### 1. Welcome speech of Mr. Leonids Loginovs, CEO, Freeport of Riga Authority

Mr. Leonids Loginovs welcomed the members of the Committee to Riga and

gave the floor to the invited speaker – Mr. Vigo Legzdinsh.

### 2. Report on "Transport sector in Latvia" presented by Mr. Vigo Legzdinsh, State Secretary of Ministry of Transport.

Mr. Legzdinsh gave a power-point presentation on the transport sector in Latvia and advised that it was always international by nature, forming part of the world's economy. Therefore one of the main objectives of Latvia is to promote economy and services of transit.

An analysis of processes of cargo turnover through Latvian ports in years 1980-2001 shows significant increase (from 36 million tons in 1980 to 56 million tons in 2001). He stressed the importance for Latvia to have joined the INOCATE in 2001 due to the fact that the country forms part of the crude oil and gas transportation system. He pointed out that transit through Latvian ports was more than 75% railway volumes in 2001. More than 90% of these volumes are international cargoes.

Riga, the capital of Latvia, holds the only airport in the country where international traffic also takes place, showing the tendencies of steady growth. The transport sector accounts for up to 50% of GDP, and, the objectives of transport policy are related to the long term-programs.

The speaker informed about the prospective railway "Rail Baltica" - Helsinki-Berlin (via Riga) - destined for the integration of Europe. The feasibility

of the project is being studied on the governmental level of the countries to be involved. Meanwhile, Latvia intends to form part of the Siberian land bridge & transport corridor "North-South".

Mr. Estrada thanked Mr. Legzdinsh for the report and said he was impressed by the high rate of railway traffic in Latvia. He informed that in European Union the success of road traffic is tremendous and lately the EU is pushing short sea shipping and railway traffic. But to compete with road traffic is very complicated.

Mr. Legzdinsh distributed the materials regarding the activities of the Transport Ministry to the participants and wished success for the work of the Committee.

### 3. Welcome Words. Opening of the Committee meeting.

Mr. Estrada thanked Mr. Loginovs for hosting the Committee meeting and expressed confidence about its success. He also welcomed the members of the Committee and expressed his gratitude for being present in Riga.

Mr. Estrada said this was the first Committee meeting since he was nominated Chairman and acknowledged that he faced the problem of gathering together the Committee members due to changes in their contact details. The information regarding the meeting in Riga was put on-line at the Internet page of the IAPH and spread around the world.

### 4. Objectives of the Committee.

Mr. Estrada noted that the field covered by the Committee offered many opportunities, but the first steps to be taken, in his opinion, were to elaborate short and long-term objectives & tasks. Short-term objective is to submit a report on the coming IAPH World Ports Conference in Durban (May 24-30, 2003) with 10-15 case studies about intermodalism & logistics, reflecting the best experiences from ports around the world. This work might be systematic like other IAPH Committees act, for example Shipping Trends Committee.

Mr. Estrada advised that every member could select its experiences of the proper port or to look for relevant experiences of other ports (he has also sent letters of collaboration to several ports). For case study might be chosen not only big ports but also small ones. He noted that the objective was to present reality with a kind of pedagogical orientation to serve, as much as possible, to other world ports which are facing same problems. He suggested the

members to think about long-term objectives of the Committee. These could be analysed and decided in the next meeting and at the Durban Conference. The Committee members start and open an active interchange of opinions about possible examples to incorporate in the report.

The port of Riga could be a good example due to the fact that it handled all types of traffic. Mr. Loginovs pointed out that the Baltic region was one of the most hectic places in the world where 6 neighbor countries were competing for the cargoes. Mr. Loginovs talked also about the free zone of the port of Riga. He stressed the difference between Latvian and other free zones: "Law on free port of Riga" puts a company in a better position compared with those operating outside the area. It turned out to save up to 30% of costs when the construction of new terminals was carried out. If Riga continues to have this status it could offer better conditions than its neighbours.

Mr. Estrada was confident that Riga's case was very representative and unique: in Riga all the territory of the port was under free zone legislation and the interest is not only customs aspects, but added values. The port of Barcelona may also be chosen as a good case study because of its interesting logistics experiences.

Mr. Pistolea indicated that this theme represented a huge subject for investigation and recommended the study remained within the framework of the Combined Transport, Logistics and Distribution Committee. Riga is a gate to the enormous Russian Federation that tomorrow would become a great consumer. The railway traffic in Riga is a historical tradition; this explains the high percentage of cargo being carried by this transport means. Far East traffic to Europe through Siberian land bridge looks very exiting but today it is still a dream.

Mr. Loginovs explained that already 800 years ago the territory of the present Latvia was connected to the Great Silk Road and Vikings carried out the trade via the rivers Dvina and Dnepr.

In order to reach their final destination in the West – the cities of the Mediterranean – traders were obliged to use sea routes as well as overland paths. In this way, an entire network of land and sea routes emerged – from the shores of Japan and the Yellow Sea to the Mediterranean, from the Southern Urals to the Indian Ocean. Such was the Great Silk Road. Mr. Loginovs informed that last year Mr. Le Pen, Deputy Prime

Minister of China visited Freeport of Riga' and advised that an intergovernmental agreement was signed aiming to renovate the above-mentioned road.

Mr. Estrada indicated that the Baltic region was a privileged area for SSS development.

Mr. Loginovs stressed the fact that only several years ago Freeport of Riga started intercontinental transshipment of cargoes, in previous years the port worked as feeder port only.

Mr. Estrada asked whether ferry trains were operating in the Baltic region.

Mr. Stürys informed that Klaipeda had one in the Soviet era.

Mr. Loginovs explained that the problem was different rail gauges in different countries of the region; therefore it would never function on a large scale, in his opinion.

Mr. Estrada noted that, curiously, the rail gauges of Spain, Portugal and Russia were the same.

Mr. Pistolea informed that ports of Constanza had regular ferry train traffic with Batumi (Georgia) and Samsun (Turkey)

## 5. Exposing experiences, presentation of different subjects

### 5.1. The dry ports of Santander.

In continuation Mr. Fernandez gave a power-point presentation of Santander port, a medium sized port with great experience in intermodalism and very diversified cargoes - 24 different types of cargoes are handled.

Mr. Fernandez explained about the vehicle pre-delivery inspection system in the port territory and further distribution for all of Spain.

The speaker reported that in Santander the modern port model is being implemented: port as a conjunction of logistics operations.

Mr. Fernandez also shared the port's experience regarding the development of logistics platforms that are functioning as a union of the following components:

Logistics Activities Area around the port:

Dry ports in centre and western part of Spain (Madrid, Guadalajara, Zaragoza, etc.).

The case of the port of Santander in the field of intermodalism and logistics could be also another example to put in the report.

### 5.2. The Spanish ports experiences

Mr. Estrada thanked Mr. Fernandez for the presentation. Further Mr.

Estrada gave a brief power-point presentation of Spanish ports system that comprised 50 ports managed by 27 Port Authorities (almost 350 million tons of cargo handled in 2001).

Chairman explained that Port Authorities are autonomous but they are coordinated by Puertos del Estado, which was pushing governmental policy. Often this resulted in complications due to the fact that the autonomous government managed the port and has high degree of independence, e.g., it nominates the President of the port.

Puertos del Estado is conducting the policy of consensus between state and regional procures on each Port Authority.

### 5.3 The case of the Dry Port of Madrid

Mr. Estrada continued with explanations about Dry Port of Madrid – a new concept in logistics – promoted by Puertos del Estado and the Port Authorities of Algeciras, Barcelona, Bilbao and Valencia, which manage the four most important container ports in Spain.

Dry port of Madrid manages the platform operations including rail services.

Mr. Estrada stressed the fact that ports in Spain are having some difficulties with railway traffic because of the state monopoly on railways.

Participants exchanged opinions regarding privatisation of railways and supported the idea of further liberalization of railway service.

Mr. Estrada distributed his presentation between the participants.

### 5.4. The case of the logistics activities zone in the Port of Barcelona

Mr. Estrada gave a power-point presentation on the development of logistics activities zones (ZAL) in the Port of Barcelona.

The Logistics Activities Zone (ZAL) consisted of an innovative and well-developed logistics platform integrated into a port environment that provided an optimal infrastructure and offered a wide variety of services. ZAL was a place that favoured the integration of distribution and transport activities with post-industrial and pre-commercial handling as well as other activities that added value to the products of companies located there. At the time, this represented a unique initiative in Southern Europe.

In 1992, CILSA (Intermodal Logistics Center, Inc.) was created as

the company to oversee the design, promotion and administration of the future ZAL. The development of this zone, with over 200 hectares of total extension, was begun in two phases: the first was named ZAL I, with 68 hectares, and the second was aptly named ZAL II, with 140 hectares on the other side of the Llobregat river.

On one hand, the potential clients of the ZAL included freight forwarders who took care of external trade and customs operations for their clients (including transport, storage and distribution in the destination country) and logistics operators who offered outsourcing services or any other services related to the flow of materials (stock management, warehouse management, picking, value added operations such as merchandising, product customisation, re-packaging, etc.). On the other hand, ZAL's potential clients included manufacturing companies with their own logistics for distributing finished products.

Companies of great national or international prestige began stationing their facilities in ZAL in order to improve their macro-regional distribution (spanning beyond the borders of the Spanish national territory). One special selection criterion, which was applied when evaluating the profile of these potential clients, was the current or future volume of maritime traffic they would move.

This latter fact, not very common to the world of real estate, constituted the essence of ZAL, whose basic mission was to help the Port become a competitive dimension of the new international economic scene.

The Port Authority of Barcelona has a 51% holding in CILSA.

The cases of the Dry Port of Madrid and the Logistic Zone Activities (Z.A.L.) in Barcelona could be two other good examples for the report.

Mr. Estrada distributed his presentation and a specific brochure about the ZAL among the participants.

### *5.5 Freight logistics in Australia: an Agenda for Action.*

Mr. Estrada explained to the assistants that Mr. John Hirst, Executive Director of The Association of Australian Ports and Marine Authorities, had sent to him the paper "Freight logistics in Australia: an Agenda for Action", that is a summary of the recent study undertaken by both Federal and State Governments and a wide range of industry representatives, which include people from logistics companies, manufacturers, education, transport companies, retailers, customs brokers and freight forwarders, shipping companies, ports, consulting engineers, etc.

This study is important in its own right, but also feeds into a wider initiative being managed by the Federal Government to develop better physical freight transport links in Australia.

Mr. Estrada gave a copy of the paper to the participants. All of them acknowledged the document was interesting.

### **6. Guidelines for the development of logistics zones activities in the ports.**

Mr. Estrada informed that Puertos del Estado had published the book "Guidance for the development of logis-

tics activities zones in ports", into which 10-years of Spanish ports experience has been condensed.

The book concentrates on the Spanish experience as it applies to planning, design, construction, managing and control of a logistic area in a Port.

Puertos del Estado and IAPH through the Combined Transport, Logistics and Distribution Committee will translate the book into English for the 23rd IAPH World Ports Conference in Durban. Mr. Estrada handed out copies of the book in Spanish. Also Mr. Estrada gave to the participants a copy of the work "The future Role of Ports in Combined Transport and Distribution Centres", which was made by the Combined Transport Committee in 1996. It is a very good work as a reference and starting point for the present task of the Committee.

### **7. Conclusions and close of the meeting**

All participants agreed to the idea of the Chairman to prepare case studies for the coming 23rd IAPH World Ports Conference in Durban in May and to clarify the ideas in order to initiate deep strategic long-term work.

Chairman advised that the Committee should have one more meeting before the 23rd IAPH World Ports Conference in Durban.

The majority of members supported the idea of Mr. Pistolea to hold the meeting at the end of January in a Spanish port.

Mr. Estrada thanked members for their attendance and expressed his gratitude to Freeport of Riga Authority for hosting the Committee meeting.

# IAPH/IMO Interface Group

October 15, 2002  
The Portopia Hotel, Kobe



at least from available data at this early stage, the WCO activities seem to complement those by IMO, ILO and Industry.

The Group was further informed about the Container Security Initiative (CSI) of the US Customs. CSI aims at co-operative agreements between US Customs and port states that export containers to the USA. The agreements result in US Customs officials being posted in overseas ports and co-operating with the national customs authorities in screening US bound containers and identifying high risk containerized cargoes through mutually shared intelligence. Thus container flows to the USA are checked and it is ensured that containers ultimately shipped to the USA are 'clean', enabling fast clearance procedures in US ports.

So far a number of countries, including the Netherlands, France, Singapore and Italy have signed CSI agreements with US Customs. The European Commission is strongly opposed to these unilateral agreements, since it fears that they may lead to distortion of competition. Hence the Commission is trying to reach a European agreement with US Customs, covering all EU ports.

A further initiative of US Customs is the Customs-Trade Partnership Against Terrorism, C-TPAT.

C-TPAT is a joint government (US Customs)-business initiative to build co-operative relationships that strengthen the overall supply chain and border security. It is recognized that US Customs can provide the highest level of security only through close co-operation with the ultimate owners of the supply chain: importers, carriers, brokers, warehouse operators and manufacturers. Through C-TPAT, Customs ask businesses to ensure the integrity of their security practices and communicate their security guidelines to their business partners within the supply chain.

Information on CSI and C-TPAT can be obtained from the US Customs website:

<http://www.customs.ustreas.gov>

The chairman advised the Group that IAPH has been contacted by IHMA to hold a joint seminar/workshop on port security in February/March 2003 (see minutes of PSEMO). The Group endorsed the Committee's suggestion to hold that

## 1. Opening, welcome and establishing of agenda

Before opening the meeting, chairman Pieter Struijs referred with sadness to the untimely death of Mr. John Hayes and asked for a moment of silence in memory of Mr. Hayes.

He then opened the meeting and welcomed those attending.

## 2. Minutes of Meeting in Abu Dhabi, 21 April 2002

The draft minutes of the meeting in Abu Dhabi were endorsed and accepted with thanks.

## 3. Membership matters: vacancy Mr. Hayes

It was decided to deal with this issue at a later stage.

## 4. IMO matters:

### 4.1. Report on Intersessional Working Group on Maritime Security, 9-13 September 2002

See relevant part of minutes of PSEMO

It was decided that Vice Chair Van der Kluit would circulate relevant IMO documents, notably MSC 76/4/1 and MSC 76/4/1/Add.1.

*Note: e-mailed on 29 October 2002*

### 4.1.1. Co-operation with ILO, report on exploratory meeting of September 12

On September 12 and October 3 ILO met with representatives of IMO and a number of international organizations, including IAPH, to explore the possibilities of a joint exercise aimed at producing a guidance docu-



ment on Port and Port Facility Security in so far this was not covered in the IMO proposals. In view of the fact that IMO has stepped ashore much further than the originally planned limitation to the ship/port interface, some overlap could be expected, but the participants were unanimous in their agreement to go ahead anyway. ILO has agreed to submit a paper to the Diplomatic Conference in December 2002 with an outline of the planned activities. A further meeting is scheduled for early February, possibly at the offices of ILO in Geneva. The Interface Group supported and endorsed future participation of IAPH in these activities.

*Note: The ILO submission was circulated among the members of the Interface Group on 31 October 2002. (See page XX.)*

During the discussion questions were raised about possible duplication with the work currently being carried out by a Taskforce on Security and Facilitation of the World Customs Organization, in which IAPH participates. The Group was advised that,

event in New York, USA, so as to have the potential benefit of the expertise of US authorities and ports.

See also minutes of PSEMO

#### 4.2. Joint ICHCA/IAPH submission to DSC on fumigated solid bulk cargoes

See minutes of PSEMO.

#### 4.3. IAPH participation in drafting of "Manual on loading and unloading of solid bulk cargoes for terminal representatives"

See minutes of PSEMO

#### Report on other IMO events, if any

- MEPC, Ballast Water Management, see minutes of PSEMO.
- Mooring lines, see minutes PSEMO

Chairman Pieter Struijs underlined the importance of the IAPH representation with IMO and invited members to actively support Mr. Van der Kluit and Mr. Van de Laar in their work at IMO.

#### 5. Information on intensified co-operation with other organizations:

##### 5.1. Report of the fourth meeting of the Inter-Industry Shipping and Ports Contact Group, London, 28 August 2002

See Minutes of PSEMO

The Group decided to formally nominate Mr. Van de Laar and Mr. Van der Kluit as IAPH Representatives to the Inter-Industry Shipping and Ports Contact Group.

##### 5.2. Report on progress revision ISGOTT (International Safety Guide for Oil Tankers and Terminals)

See minutes of PSEMO

#### 6. Any other business

The Group discussed a draft paper containing the Terms of Reference (TOR) of the Group regarding Port and Maritime Security. After some re-drafting the TOR was endorsed and submitted to the IAPH Secretariat for further processing and subsequent endorsement by the plenary EXCO meeting.

Mr. Van de Laar mentioned the discussion on the Port Safety and Environment Management Code and the Group endorsed the conclusions of the PSEMO Committee (see minutes PSEMO).

As to the vacancy for Mr. Hayes, Chairman Pieter Struijs invited members to nominate candidates.



#### 7. Closing of meeting

Chairman Pieter Struijs thanked the participants for their contributions to the discussions, and advised that the next meeting of the IAPH/IMO Interface Group will be held in Durban, prior to the IAPH Conference, and then closed the meeting.

#### Participants

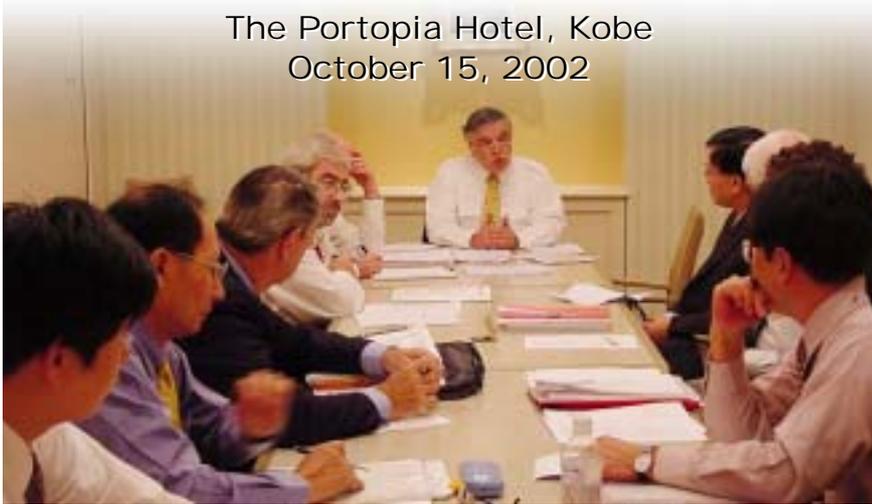
- Mr. P. Struijs, Chairman  
Port of Rotterdam
- Mr. F.M.J. van de Laar  
Port of Amsterdam
- Mr. P. Mollema  
Port of Rotterdam
- Mr. Yu-I Teng  
Kaohsiung Harbour Bureau
- Mr. Hung, Lu Chi  
Kaohsiung Harbour Bureau
- Mr Akio Someya  
Port of Nagoya

- Mr. T. Kornegay  
Port of Houston
- Capt. A.W. M. Al Diwani  
Abu Dhabi Seaport Authority
- Mr. Hasan M. Al Qumzi  
Abu Dhabi Seaport Authority
- Mr. Y. Fujita  
Japan Ministry of Land, Infrastructure and Transport
- Mr. T. Asai  
Japan Ministry of Land, Infrastructure and Transport
- Mr. J. Perrot  
Port of Le Havre
- Mr. Ahmed Tajuddin Ismail  
Port Klang Authority
- Capt. Takehiko Nakayama  
Port of Nagoya
- Mr. Rinnosuke Kondoh  
IAPH Tokyo
- Mr. Satoshi Inoue  
IAPH Tokyo
- Mr. P.C. van der Kluit, Vice Chair  
IAPH Europe (minutes)



# Port Safety, Environment and Marine Operations Committee

The Portopia Hotel, Kobe  
October 15, 2002



## Opening and welcome

Chairman Van de Laar opened the meeting and welcomed the participants, especially those that attended the Committee meeting for the first time.

Apologies for absence were received from: Mr. Regelink, Mr. De Goeij, Mr. Subramaniam and Committee Vice Chairman, Mr. Hirst.

## Minutes of Abu Dhabi meeting

The Minutes of the Committee meeting in Abu Dhabi in April 2002 were endorsed with minor textual corrections.

The Chairman urged new Committee members to provide him with their contact details. Members in general were requested to provide updated contact details as and when necessary.

## Port and Maritime Security

The Chairman provided the meeting with an update on the developments in IMO regarding port and maritime security. In a number of IMO meetings since 11 September 2001 a draft International Code for the Security of Ships and Port Facilities (ISPS Code) has been developed. Main documents available at this stage are MSC 76/4/1 and MSC 76/4/1/Add.1. MSC 76/4/1 contains the report of the last meeting in September of the Intersessional Security Working Group, the proposed amendments to SOLAS and part A of the ISPS Code (the part containing compulsory provisions for the ship and the ship/port interface).

Part B in document MSC 76/4/1/Add.1 is recommendatory and contains guidance

on the implementation of the requirements of part A.

IAPH and others feel that part B covers much more of the Port facility than the ship/port interface, as was earlier agreed. The part of the Port Facility other than the ship/port interface and the port area as a whole were supposed to be covered by a joint IMO/ILO/Industry working group. Unfortunately, a statement to that effect by IAPH at the September meeting of the ISWG was only supported by Intertanko, PMAESA and ICFTU. Given that low level of support, the Committee agreed that IAPH can do nothing but accept this as a 'fait accompli'. The Committee also agreed that co-operation with ILO on the development of comprehensive guidance on port and port facility security not covered by the IMO documents should be continued.

It was felt that this guidance should differentiate between the different types of Port Facilities: container terminals, oil berths, dry bulk terminals, general cargo berths etc.

*Note: On the basis of two exploratory meetings with interested parties ILO submitted a document to the Diplomatic Conference outlining these plans. Copy is annexed to these minutes.*

The chairman then described the near-term activities regarding this issue. In December, MSC 76 and a Diplomatic Conference will take place.

It is expected that the Diplomatic conference will endorse the proposals regarding the amendment of SOLAS and part A

of the ISPS Code. The legal instrument thus created need then be implemented by member states within 18 months (mid 2004). Member states are obliged to have the legal possibilities in place to enable implementation into their national law.

The chairman also outlined some problem areas in the ISPS Code. Although a prominent role has been attributed to a so-called "Recognized Security Organization" (RSO), the Code does not provide criteria for the RSO personnel that have to carry out security assessments. These criteria have yet to be established and may be available through IAASP, based on their practical experience. This appears to be an issue that needs to be addressed in the IMO/ILO/Industry Guidance.

Mr. Van der Kluit advised the Committee on the establishment of a Task Force on Security and Facilitation at the World Customs Organization in which he participates as representative of IAPH. The Taskgroup will address WCO instruments with the aim to improve the security in the logistic chain. Van der Kluit is involved in the updating of existing MOU's and drafting new MOUs between WCO and organizations representing elements of the logistic chain (shippers, packers, transporters etc.).

Finally the chairman asked the Committee members to provide him with details of existing security plans.

## International Port Safety and Environment Protection Management Code

The Chairman briefly described the history of this issue. The latest version of the Code had been received from PEMSEA and had been circulated prior to the meeting, but not every member had been able to retrieve it from his e-mail box. The Chairman took it upon himself to send it once more for comments. It appeared that IAPH conditions to support the document had been met, although some editorial improvements could be suggested. The fact that 'certification' should be on a voluntary basis should receive more emphasis. Furthermore the statement in the preamble to the Code that "...organizations representing the port industry have reviewed the Code and have adopted it as their standard" is considered too strong.

The Chair urged members to submit comments before 15 November 2002, so that a formal reaction can be sent to PEMSEA via the IAPH/IMO Interface Group and Tokyo Head Office.

## Mooring lines

The Chairman recalled the history of this item that started a few years ago with a submission by Canada and

Australia to IMO, requesting urgent attention to the safety of mooring lines, following a series of serious and fatal accidents. Subsequently, the DE sub committee was charged with addressing the matter.

IAPH and IHMA both carried out surveys among their members that proved that failure of mooring ropes is a world-wide problem. A first attempt to submit the results of the survey to DE had failed and the chairman will now liaise with IHMA to arrange for the timely submission of the results and a covering note.

### Ballast water

Mr. Kornegay, who attended MEPC 48 earlier this month, provided the Committee with information on the latest developments. The Ballast Water Working Group continued its work on the draft text for the Convention that is still planned for 2003. The WG identified a number of major issues that need yet to be resolved. Mr. Kornegay expressed fear that the proceedings in MEPC may result in a delay of two years. He noticed that the developments on standards for treatment on board are promising, although at present, ballast water exchange at sea (200 nautical miles from land, except when that distance is not available, such as in the Mediterranean) is still the only real option, and will be for some time.

He advised the Committee that when standards for on-board treatment of ballast water have been established in IMO, the USA will most probably set higher standards. This will create a problem for shipping: ships that comply with international regulations, will have problems in US ports. This potential problem has already been identified by ICS, which requests countries that set higher levels to provide reception facilities. Mr. Kornegay advised that the USA will definitely not comply with that request.

As to IAPH's concern about the possible risk of reception facilities becoming mandatory, Mr. Kornegay advised that the present draft convention text only mentions that "reception facilities may be used when available"

### ISGOTT (International Safety Guide for Oil Tankers and Terminals)

The Chairman explained that the current version of ISGOTT will be updated, taking into account the latest developments. A joint working group of IAPH, OCIMF and ICS is working on the revision. He referred to his article in Ports and Harbors in which he asked for suggestions for amendments as well as input from expert members on the revision process.

*Note: The ISGOTT (ISBN 1 85609 0817) is available from:*

*Witherby & Co. Ltd  
32/36 Aylesbury Street  
London EC1R 0ET*

### Fumigation

The Committee was advised by Mr. Compton that the joint submission of ICHCA and IAPH to IMO's DSC on the risks of fumigated solid bulk cargoes in ports has resulted in the decision to bring these risk to the attention of parties concerned. The way in which this will be done is yet unknown. Mr. Compton represented IAPH at the meeting of DSC.

### Manual on Loading and Unloading of Solid Bulk Cargoes for Terminal Representatives

The Committee was advised by Mr. Compton that the draft manual, to which IAPH had made a contribution, was discussed in the recent meeting of IMO's DSC. Although the drafting of the manual had been ordered by MSC the subcommittee felt that it was a superfluous exercise. It decided to revert the matter back to MSC with the suggestion to take the issue off the agenda.

The Committee advised that the word "manual" ought to be replaced with "guidance". It also suggested that in case MSC would drop the subject, IAPH should continue to work on it in co-operation with the International Bulk Terminals Association. IAPH could present this view in MSC 76 if the proceedings would give rise to that.

### Inter-Industry Shipping and Ports Contact Group

Mr. Mollema provided the Committee with information on the latest meeting of the Group in August 2002. Security matters dominated the agenda, as well as the ballast water issue and safety issues of mooring lines and fittings.

The next meeting of the Group is scheduled for 6 February 2003 and will be hosted by the Port of Rotterdam.

### Committee report to the IAPH/IMO Interface Group (later that day)

The Committee authorized the chairman to report the items discussed and the positions taken to the Interface Group for endorsement where required.

### Any other business

Mr. Compton reported on the latest development on vertical tandem lifting (VTL) of containers. ISO standards have recently been amended to allow for VTL (max. 3 containers vertical, total load not

to exceed 20000 kos)

ICHCA's International Safety Panel has also recently finalized a guidance document on VTL that will be published in the near future.

Mr. Mollema advised the meeting that IHMA had been seeking co-operation with IAPH in organizing a joint security seminar in February/March next year. Mr. Struijs suggested to hold the seminar in the USA, New York, so that participants could benefit from the security expertise and experience available in that country. The Committee supported that suggestion.

*Note: Information received after the meetings in Kobe revealed that IHMA is not in favour of the USA as venue, since it has very few USA members. Furthermore, Lloyds List is preparing a security seminar in London during the week of 10-14 February 2003 and has asked IHMA to join forces. IHMA has asked IAPH to join in as well and fill the first two days on issues related to port security. No decision yet on 1 November 2002.*

### Close of meeting

The chairman thanked the participant for their contributions and announced that the next meeting of the Committee would take place in Durban, prior to the IAPH conference.

### Participants:

- **Mr. F.M.J. van de Laar** (chair)  
Port of Amsterdam
- **Mr. John Nicholls**  
TT Club/ICHCA
- **Mr. Mike Compton**  
Circlechief AP/ICHCA
- **Mr. Pieter Struijs**  
Port of Rotterdam (part of meeting)
- **Mr. Peter Mollema**  
Port of Rotterdam
- **Mr. Takehiko Nakayama**  
Nagoya Port Authority
- **Mr. Tadashi Asai**  
Japan Ministry of Land, Infrastructure and Transport
- **Mr. Siyabonga Gama**  
National Port Authority of South Africa
- **Mr. Yoshihisa Fujita**  
Japan Ministry of Land, Infrastructure and Transport
- **Mr. Hung Lu Chu**  
Kaohsiung Harbor Bureau
- **Mr. Thomas Kornegay**  
Port of Houston Authority
- **Mr. Jules Yap**  
PSA Corporation
- **Mr. Peter van der Kluit**  
IAPH Europe, Minutes

## Activities Report



# The First Meeting of WCO Task Force

## on Security and Facilitation of the International Trade Supply Chain

September 5-6, 2002, WCO, Brussels

**T**HE World Customs Organization (WCO) held the first meeting of the "Task Force on Security and Facilitation in the International Trade Supply Chain" (hereafter referred to as the Task Force) in Brussels on September 5-6, 2002. Based on its Resolution calling for co-operation between customs, business and other international organizations, the Task Force has been established to develop the actions and security provisions identified. (See below) 71 representa-

tives of 47 customs administrations and 26 representatives of 14 business and international organizations attended the meeting. Representing IAPH, Mr. Peter van der Kluit, Managing Director of IAPH European Office, participated in the meeting.

Mr. Kunio Mikuriya, WCO Deputy Secretary General, opened the meeting. He said that security had become a major issue for customs administrations since September 11, 2001. Controls, which had been predominantly import-

based, were becoming more aligned to export and transit traffic. Risk management to deal with the small percentage of illicit trade, and co-operation and a multi-agency approach, were becoming increasingly important. Mr. Mikuriya spoke of WCO programs which were relevant to security, including the international standards contained within the revised Kyoto Convention, the Business Partnership, and BASC. Specific issues which were being addressed include the WCO Data Model, the Unique Consignment Reference, Advance Passenger Information, the bi-lateral and multi-lateral exchange of information, the revision of the Nairobi Convention and revisions to the RILO network and CEN.

### Outcome and Decisions

#### - The Data Model

Agreement on those data elements necessary for security is a top priority. It needs to be completed by the Council Sessions in June 2003. The secretariat should actively pursue this. An exchange of views by e-mail followed by a report by

### Resolution of the Customs Co-operation Council\* on Security and Facilitation of the International Trade Supply Chain June 2002

#### THE CUSTOMS CO-OPERATION COUNCIL NOTING

- (1) the increased global concern with respect to acts of international terrorism and organized crime, including money laundering;
- (2) the importance and vulnerability of global trade;
- (3) the need to secure and protect the international trade supply chain from being used for acts of terrorism or other criminal activity while ensuring continued improvements in trade facilitation without unnecessarily increasing costs; and
- (4) the critical role and special expertise of Customs administrations in protecting society, combating commercial fraud, facilitating regional and international trade, and controlling the cross-border movement of goods and conveyances.

#### BELIEVING

- (1) in the need to ensure that the world Customs community makes a dynamic and vigorous contribution to securing and facilitating world trade;
- (2) that the WCO must and can assist in enhancing the capability of Customs administrations to increasingly collaborate to enhance the enforcement and facilitation capabilities of Members by encouraging greater harmonization, standardization and international guidelines which will create a basis for better international co-operation;
- (3) that Members must co-operate as necessary to develop mechanisms to assist in the exchange of information between them;
- (4) in the importance of co-operative relationships between and among Members, other government agencies, relevant international bodies and the private sector;
- (5) in the importance of advance transmission of standardized Customs data to identify those goods and conveyances that may pose a security risk and to facilitate the movement of legitimate trade;
- (6) in the importance of the effective implementation of risk management, risk assessment and targeting techniques;
- (7) that all Contracting Parties to the International Convention on the Simplification and Harmonization of Customs Procedures (Kyoto Convention) must accede to the Protocol of Amendment which embodies the principles of modern Customs procedures and administration; and that on entry into force of the Protocol, all other Members who are not Contracting Parties should be urged to accede to the Kyoto Convention as amended; and
- (8) that the implementation of pilot projects between or among Members, aimed at enhancing the security and facilitation of international trade, should be encouraged.

\* Customs Co-operation Council is the official name of the World Customs Organization(WCO).

the secretariat to the 2nd meeting of the Task Force is required.

### - Legal issues

There is a need to draw up Guidelines to help administrations in relation to commercial information, including nominal data. The questions of how to satisfy data protection in information exchange and whether a regional or a multi-lateral route is more appropriate must be discussed and resolved by April 2003.

### - Mutual Administrative Assistance Instruments

These need to be reviewed to ensure they meet security needs. The WCO MAA Project Group will take this forward.

### - Re-examination of the Kyoto Convention

To date there are only 12 accessions; 40 are needed before it comes into force. Until then, no revision is possible. It is possible, however, to revise the Annexes and Guidelines to take account of increased security concerns. This should be completed by the 4th Task Force

Meeting.

### - 1972 Container Convention

The 30 Contracting Parties should be contacted by the Secretariat for their views. The Secretariat will then submit a position paper to the 2nd Task Force Meeting.

### - The Supply Chain

It is necessary to identify who the key players are, how best to liaise with them, and how to use the initiatives of other organizations and business. The WCO Business Partnership should redirect its activity to meet security needs.

### - Capacity Building

The tools and resources required to develop an appropriate capacity building program, as referred to in the Resolution, must be identified. This is a long-term project. The High Level Working Group on Capacity Building will be tasked to place security as a prominent consideration within its work.

### - Database of Technical Aids

The existing WCO Directory needs to

be enhanced by information from both Customs and trade sectors.

### - CEN/RILO

These will require development in the future. The current requirement is for the Secretariat to produce a paper on the present situation to the 2nd Task Force Meeting

### - Promotion

How can we best use the media, involve business, and attract government support for the initiative? All representatives may make suggestions to members of the Promotion Syndicate, or the Secretariat.

Mr. Mikuriya re-affirmed the need for the Secretariat and Members to work efficiently during the intersession to develop further the key tasks identified during the meeting. In closing the meeting, he thanked all delegates and the Secretariat for their contributions and noted the excellent progress made towards the objectives as outlined in the Resolution.

### RESOLVES AS FOLLOWS:

The Secretary General shall:

#### (1) Ensure that:

- i. by June 2003, the WCO Data Model is reexamined to ensure it includes a standardized set of data elements necessary to identify high-risk goods;
- ii. by June 2003, Guidelines are developed to assist Members in developing a legal basis and other necessary steps to enable the advance electronic transmission of Customs data;
- iii. by June 2003, Guidelines are developed for cooperative arrangements between Members and private industry to increase supply chain security and facilitate the flow of international trade;
- iv. the expeditious use by Members of the tools contemplated in items i to iii is promoted;
- v. Members' needs for assistance in establishing supply chain security regimes are identified and a capacity building strategy is developed to assist Members in implementing this Resolution;
- vi. donors are identified and invited to contribute financial, human and other resources to advance the development and implementation of supply chain security regimes;
- vii. measures are taken to strengthen the assistance offered to Members wishing to improve the security and facilitation of the international supply chain by, for example, enhancing import, export and in-transit control efforts, improving automation, using risk management and risk assessment techniques to select goods and conveyances for examination, improving technology, and ensuring the integrity of their personnel; and
- viii. a data bank is created on advanced technology and techniques to enhance supply chain security and facilitation.

#### (2) Provide for the development and implementation of the measures contemplated in this Resolution, in the framework of the WCO Strategic Plan and with the assistance of a task force of experts from within the Council Membership who, taking into account the differing capabilities and needs of Members, shall:

- i. work with other competent authorities (such as the European Union, Port Authorities, Border Agencies, Transportation Authorities and Customs Unions that have competency in this area); and
- ii. consult with, and involve, trade, non-governmental and intergovernmental organization stakeholders.

#### (3) Beginning in December 2002, report regularly to the Policy Commission and the Council on the progress made with the development and implementation of this Resolution. The Policy Commission and the Council will determine further action to be taken.

P. GORDHAN,  
Chairperson.

# IAPH View on Port Security referred to in ILO Submission to IMO

THE 76th session of the Maritime Safety Committee will be held at IMO Headquarters from December 2 to 13, 2002. Concurrently with, but separately from, this session of the Committee, a Conference of SOLAS (Safety of Life at Sea) Contracting Governments on Maritime Security will be held from December 9 to 13, 2002. Representing IAPH Mr. Fer van de Laar, Chair of IAPH Port Safety, Environment and Marine Operations Committee, Port of Amsterdam, and Mr. Patrick Verhoeven, Secretary General of ESPO, will attend the conference.

We have been allowed the liberty to reproduce ILO's position paper "Consideration of Proposals and Information on Maritime Security issue" which was submitted to IMO. IAPH's view on the issue is referred in III. 14.



IMO

## IMO DIPLOMATIC CONFERENCE ON MARITIME SECURITY

December 9-13, 2002

PREVENTION AND SUPPRESSION OF ACTS OF TERRORISM AGAINST SHIPPING  
CONSIDERATION OF PROPOSALS AND INFORMATION ON MARITIME SECURITY ISSUES

INFORMATION ON THE WORK OF THE ILO  
Submission by the International Labour Organization

### Summary

This paper briefly outlines progress on the current work by the ILO on the questions of seafarers' identification and on port security. A Protocol to the Seafarers' Identity Documents Convention, 1958 (No. 108) or similar revising instrument will be on the agenda of the June 2003 Session of the International Labour Conference. The ILO will also revise its guidance on Safety and Health in ports to add security issues. A meeting of experts is to be convened in December 2003 to review and approve the guidance on Port Security and Safety and Health in Ports. The ILO will be sending a tripartite delegation to the Diplomatic Conference, which will be able to provide more detailed information on progress on the question of seafarers' identification if necessary.

Action requested: paragraph 17.

### I Introduction

1. The Director-General of the International Labour Organization (ILO), concerned by the impact of the events of 11 September 2001 for seafarers and port workers, wrote to the Secretary-General of the IMO in November 2001 proposing to work together with the International Maritime Organization (IMO), within the limits of the respective mandates of each Organization, to address the crisis. The Secretary-General of the IMO had responded positively to the

request of the ILO Director-General, communicating the text of the IMO Assembly resolution (A 22/8/1) and stating that the co-operation offered was in line with the resolution adopted by the Assembly. He also addressed a letter to the ILO Director-General following the first meeting of the Intersessional Working Group on Maritime Security (ISWG) requesting the ILO to take urgent action on seafarers' identification. The ILO has been participating in all meetings of the IMO concerning Maritime Security. As part of its response, the ILO has pro-

posed action concerning seafarers' identification and port security. Concerning the latter it has convened two informal consultation meetings on port security to assist in the preparation of guidance on the development and implementation of a comprehensive port security strategy. The information below expands on these two elements.

### II Progress report on seafarers' identification

2. In March 2002, following the IMO's inter-sessional working group which met in February 2002, the Director-General of the International Labour Organization submitted a paper to the 283rd Session of the Governing Body of the ILO requesting it to place an urgent item on the agenda of the 91st Session (June 2003) of the International Labour Conference concerning improved security of seafarers' identification with a view to the adoption of a Protocol to the Seafarers' Identity Documents Convention, 1958, No.108. The ILO Governing Body placed the question of improved security of seafarers' identification as an urgent item on the agenda of the June 2003 Session of the International Labour Conference. The Governing Body decided that the question should be governed by the single discussion procedure. At that Conference, the text of a protocol to the ILO's Seafarers' Identity Documents Convention, 1958 (No 108), or of a similar revising instrument, will be proposed for adoption.

3. In accordance with its statutory procedures for the preparation of international labour standards, the ILO has dispatched to its Members a report on the subject<sup>1</sup>, with a questionnaire seeking their views on the numerous issues involved and suggesting the text of possible provisions for the new instrument. In preparing the questionnaire, the ILO held an informal Consultation on 9 and 10 May 2002 consisting of the Governments of major shipping nations, representatives of the Shipowners and Seafarers and representatives of intergovernmental organizations, particularly the IMO and the European Union. Further consultation meetings were held in the framework of the High-level

<sup>1</sup>: The report is accessible on the ILO website at [www.ilo.org](http://www.ilo.org)

Tripartite Working Group on Maritime Labour Standards on 25 June and 13 September 2003. The IMO was specifically invited to attend and it participated in the consultation meetings.

4. On the recommendation of the first meeting of the ISWG, the MSC recommended that the ILO consider including in the seafarers' identity document information of the seafarer's qualification and similar information currently included in certificates issued in accordance with the STCW Convention, 1978 as amended. The report prepared by the ILO and sent to its member States includes elements concerning this request as well as the views expressed by the Shipowners and Seafarers groups. A question has been included in the questionnaire on this matter.
5. On the basis of the replies to the questionnaire (to be received by 31 December 2002 at the latest), the ILO will prepare the proposed instrument for adoption in June 2003. The IMO will receive, in accordance with standard procedures, an invitation to attend the June 2003 International Labour Conference. Its attention will be drawn to this particular agenda item of the Conference.

### III. Progress report on ILO action concerning Port security

#### *ILO instruments concerning or of relevance to ports*

6. The International Labour Organization has adopted a number of specific instruments concerning ports. They are: the Dock Work Convention, 1973 (No.137) and the Dock Work Recommendation, 1973 (No.145)<sup>2</sup>; the Occupational Safety and Health (Dock Work) Convention, 1979 (No.152) and the Occupational Safety and Health (Dock Work) Recommendation, 1979 (No.160). The ILO has also published a Code of Practice on Safety and Health in Dock Work and the Guide to Safety

and Health in Dock Work.

7. These instruments are intended to extend protection to port workers. They may be of relevance to the issues under discussion. For instance, the Dock Work Convention was adopted to take account of changes in cargo-handling methods and techniques. It also provides for the establishment, maintenance and periodic review of registers of all occupational categories of dockworkers. Detailed guidance is provided in the accompanying Recommendation concerning the continuous collection of information, including in particular on a) statistics of freight movements through ports, showing the methods of handling used; b) flow charts showing the origin and the destination of the main streams of freight handled, as well as the points of assembly and dispersion of the contents of containers and other unit loads; c) estimates of future trends, if possible similarly presented; d) forecasts of manpower required in ports to handle cargo, taking account of future developments in methods of cargo handling and in the origin and destination of the main streams of freight. Concerning the register of workers, the Recommendation provides that no person should normally be employed as a dockworker unless that person is registered as such.
8. Preparatory work is underway in the ILO to revise the Code of Practice and the Guide on Safety and Health in Dock Work. In view of the need to adopt measures to address port security, the ILO has considered including in the revised consolidated guidance document, requirements relating to the security and safety of port areas and of all persons working in ports.
9. The ILO also has also adopted other instruments that promote safety such as the Prevention of Major Industrial Accidents Convention, 1993 (No. 174) and its accompanying Recommendation (No.181) for the prevention of major accidents involving hazardous substances and the limitation of consequences of such accidents. Both of these instruments apply to major hazard installations including, ports, port facilities and offshore installations. These instruments are concerned with the prevention of large-scale disasters such as fires and explosions. They are complemented by a Code of practice on the Prevention of Major Industrial Accidents and a Manual on major haz-

ard control to assist countries in developing policies in this area.

10. The ILO has also developed and is implementing a global Portworker Development Programme which provides training for portworkers on all aspects of cargo-handling. It envisages integrating this Programme with training modules on security using its training centers for the dissemination of security awareness raising and training on security issues.

#### **Addressing port security**

11. The Port Authority, or the equivalent body, is normally the statutory authority entrusted with the responsibility for the overall security and safety of port areas and the ships in the port. This includes among others, safety of port workers and other personnel working and having access to port areas, risk management and disaster preparedness and response. Where individual security plans for port facilities or the ship/port interface are developed, they should form part of an overall port security plan. Port facility security plans, port vulnerability assessments and other port security issues should normally be coordinated by the Port Authority or other equivalent body and should preferably be covered by a single overarching port security instrument. A comprehensive port security and safety management system should also be implemented for overseeing all port operations.
12. It is to be recalled that the twenty-ninth session of the Facilitation Committee (FAL) assigned to the Ship/Port Interface Working Group (SPI) the task of reviewing, inter alia, IMO MSC/Circ.443 (Measures to prevent unlawful acts against passengers and crew on board ships). The SPI submitted its report to the FAL Committee and recommended that security considerations should not be restricted to passenger ships and ferries including their passengers and crew and related terminals. Security considerations should, in its view, cover all ships, persons on board (passengers and crew), offshore terminals and the whole port area including port approaches, port operations and persons ashore (port personnel or nearby inhabitants). The SPI also recommended a port security management system covering all port operations and proposed its possible consideration by a joint IMO/ILO port security working

<sup>2</sup>: A general survey in accordance with Article 19 of the ILO Constitution concerning law and practice in regard to matters dealt with in these instruments was prepared by the Committee of Experts on the Application of Conventions and Recommendations and discussed by the International Labour Conference at its 90th Session (June 2002). See General Survey of the reports concerning the Dock Work Convention (No.137) and Recommendation (No. 145), 1973, Report III (Part B), ILC, 90th Session, 2002.

group.

13. The first meeting of the ISWG (11-15 February 2002) considered the development of a ship security code and a port facility security code. The 75th session of the MSC considered reports of both the ISWG and the SPI working group and endorsed the recommendations made to it for submission of a draft resolution to the Diplomatic Conference calling for the setting up of a Joint IMO/ILO Working Group on Port Security.
14. The second intersessional meeting of the ISWG (9-13 September 2002) discussed in detail the requirements for port security. The ISWG developed, inter alia, requirements for port facility security to be included in Chapter XI-2 of the Safety of Life at Sea (SOLAS) Convention, with both a mandatory (Part A) and a recommendatory (Part B) to form a new International and Port Security Code (ISPS). The question of whether the ISPS Code should cover the security of the ship and the immediate ship/port interface or go beyond the latter was discussed. During this second meeting an observer representative from the International Association of Ports and Harbours (IAPH), stated that the port industry and in particular port facility managers had procedures and systems currently in place, which took care of the majority of the safety and security concerns in ports. According to IAPH, safety was directly related to security and any security plan should therefore only be complementary to the safety-related contingency plans. In their opinion, the guidance given in Part B of the draft ISPS Code was too detailed and would go beyond the perceived ship/port interface. They considered that guidance on this part should be kept to a minimum and that it should be left to the proposed Joint ILO/IMO Working Group to develop detailed provisions. INTERTANKO, PMESA and the ICFTU supported the view expressed by IAPH.
15. In order to determine what additional requirements might be necessary to complement the draft ISPS Code provisions on port security, the ILO convened an informal side meeting with participation from IMO on 12 September 2002 at the IMO headquarters. Representatives from Governments, industry and the ICFTU attended the informal meeting. There was a broad exchange of views on the

way forward, taking into account the work and progress made at the ISWG on amendments to SOLAS. It was suggested that, although much had been done by MSC, there were gaps in the security requirements of the transport chain especially with regard to the identification of port workers, transaction partners and comprehensive training of all partners. There was also a need to sensitize workers with information on security and to promote a new safety and security culture. It was recognized that comprehensive generic guidance on maritime security in ports had to be developed that might take the form of a joint ILO/IMO document. The second intersessional meeting of MSWG expressed a desire for the ILO to submit a document on the action it proposes to take to the IMO Diplomatic Conference in December 2002.

16. The ILO convened a further informal consultation with IMO participation on 3 October 2002 at the Headquarters of the International Transport Federation (ITF), London. Port representatives also attended it from Governments, industry and trade unions. The meeting considered that port areas were different from each other and in certain cases they extended over wide areas including inland areas. There could therefore be no one-size-fits-all approach. The approach to be taken was to look at port security from the landside interface rather than from the ship/port interface. The meeting discussed details of the work to be undertaken to comprehensively address the security requirements of all port areas and adjoining environs including industrial complexes. The view was expressed of the need for generic guidance concerning an overall port security plan that would provide the landside interface with the ship and port facility plans. This would provide for a seamless integration of contiguous security plans and represent an important step towards a total transport solution. Five major areas of focus were identified as follows: 1) seamless integration of contiguous security plans; 2) definition of port, scope of port security plans; 3) security assessments and content of generic port security plan; 3) organizational issues, including port authorities as addressees of the guidance and other transaction partners (maritime and non-maritime), establishment of a port security committee, coordination

issues; 4) all aspects of personnel issues, including access control, identification, awareness raising, training and qualifications, impact on labour; 5) linkage between security and safety; 6) disaster preparedness, response and crisis management. The guidance should permit adaptation commensurate with the risk profile of the port and should involve all relevant organizations. The possible guidance to be developed would be harmonized with the IMO's ISPS Code so as to provide a seamless arrangement. Technical assistance for developing and transition countries would be necessary. The assistance could be in the form of a training programme developed as part of ILO's Portworker Development Programme (PDP) as well as advisory services for implementation.

17. The results of the above two meetings have provided a number of elements for taking forward the work to develop an overall umbrella port security regime. The proposal at this stage would seek to develop the necessary guidance on the basis of the issues identified above. This work could be taken forward by an ILO/IMO Working Group were this to be approved by the Diplomatic Conference and the ILO Governing Body. The point of departure would be the template provided by the ISPS Code.
18. The International Labour Organization has brought to the attention of the ILO Governing Body the on-going work in the IMO to adopt comprehensive ship and port facility security requirements. At its 283rd Session (March 2002), the ILO Governing Body approved the holding of a Meeting of Experts on Security, Safety and Health in Ports. The ILO Governing Body will at its 285th Session (November 2002) take a decision on the financing of that meeting which has been scheduled for December 2003. The ILO plans to hold a third informal meeting on port security in February 2003 and will submit a report to the March 2003 Session of the ILO Governing Body which will include information on the outcome of the Diplomatic Conference and on any action that may be requested by the latter.
19. The Diplomatic Conference may wish to take note of the progress summarized above concerning seafarers' identification and port security.

## Places of Refuge Follow-up by collecting data

Frans van Zoelen

Vice-Chairman, Legal Protection Committee

FOR the 84th session of the Legal Committee of IMO which was held in April 2002, the IAPH submitted its legal position paper on the subject of Places of Refuge. This subject, which is particularly important for ports, was reported in Ports and Harbors of May 2002 issue in which IAPH's submission was further elaborated.



IAPH also participated in and followed the work of the IMO Sub-Committee on Safety of Navigation of the Maritime Safety Committee concerning the guidelines on Places of Refuge.

On the agenda of the 85th session of the Legal Committee of IMO, which was held from Tuesday October 22 till October 25, the subject of Places of Refuge came on the table again.

Attention was paid to the question put forward by the Sub Committee on Safety

of Navigation of the Maritime Safety Committee in relation to the legal issues of this subject. The Sub Committee asked the Legal Committee to consider the issues relating to the liability and compensation for damage arising from entry of a ship in need of assistance into a place of refuge. Particularly the Sub Committee also asked to identify the possible need for any additional instrument to cover gaps in areas that are not addressed in existing instruments for liability and compensation. The last issue touches the same ground as the contents of IAPH's submission to the 84th session of the Legal Committee.

It is expected that CMI will pay attention to specific questions concerning liability including the liability questions to a Government if a ship is refused entry into a Place of Refuge.

During its participation in the 85th session of IMO Legal Committee, IAPH asked that attention be paid to the specific question put forward by the Sub Committee on Safety of Navigation: the need for addition-

al instruments concerning gaps which are not covered by existing instruments for liability and compensation related to damage caused by a ship in distress after it has been allowed entry into a Place of Refuge. The background is that the existence of a sufficient framework will optimize the reaction towards a ship that is seeking assistance.

It is expected that these specific liability questions will come back in the 86th session of the Legal Committee of IMO, which will take place in the course of April 2003.

Using momentum

In order to use this momentum it is now of great importance that the argument for the need of such an additional instrument is based on facts and examples. Therefore, it is necessary to take stock of those cases in which ports did not succeed in getting compensation for damage caused by a ship in distress after it was given access to a port.

It goes without saying that if practice, shows serious compensation problems the need for an additional financial instrument can be discussed more effectively.

The Committee of Legal Protection of IAPH therefore invites member ports to submit data on above mentioned examples as soon as possible to Frans van Zoelen (zoelenf@port.rotterdam.nl).

## 15th IAPH Japan Seminar

October 11, 2002, Hotel Azur, Tokyo



THIS is a local event organized by the IAPH Foundation, a Japanese institution created in support of the cause of IAPH and promoting IAPH activities among the resident members and related industries, public or private. For the past decade, the IAPH Japan Seminar has been organized once a year, in even-numbered years for the promotion of IAPH activities as well as the forthcoming IAPH World Ports Conference, and odd-numbered years for reporting the outcomes of the conference, respectively. This year, as the EXCO meets in Kobe, the seminar was held in the afternoon of October 11 prior to the EXCO meeting at the Hotel Azur. Some 100 attendees were

present from the governmental, port and shipping sectors.

Following a welcome address by Mr. Shingo Fujino, newly appointed President of the IAPH Foundation, Mr. Susumu Murata, Deputy Director-General (Technical), Bureau of Ports and Harbours, Ministry of Land, Infrastructure & Transport, made an address as guest of honor.

Mr. Siyabonga Gama, IAPH Conference Vice President, Chief Executive Officer, National Ports Authority of South Africa (NPA), made a presentation on NPA and the 23rd IAPH World Ports Conference in

Durban to attract people to the conference.

Mr. Ching-Tern Huang, Director, Kaohsiung Harbor Bureau, made a presentation under the title of "The Port of Kaohsiung at the Dawn of the 21st Century - Challenges and Strategies" emphasizing great likelihood of Kaohsiung becoming a major Asian Hub port.

Finally, Mr. Peter van der Kluit, IAPH Liaison Officer with IMO and Managing Director, IAPH European Representative Office, gave a presentation, "IAPH and International debate on Security" summarizing actions by IAPH and International/Intergovernmental organizations and changes in our business after September 11.

After presentations, a lively discussion period continued beyond the allotted time.



## World Port Symposium in Kobe

Held in commemoration of the 50th anniversary of the Kobe Conference

October 18, 2002, Kobe International Conference Center, Kobe



**T**HE World Port Symposium in Kobe was held in Kobe on Friday October 18, 2002 to mark the 50th year of establishment of the International Port and Harbor Conference. The symposium saw the attendance of some 300 people from the port and harbor sector.

Organized in Kobe by the Japan Port and Harbor Association (JPHA), the original conference made a decision, back in 1952, on the establishment of the International Association of Ports and Harbors (IAPH).

In the first part of the function, the kodan story teller Ms. Kanda Kurenai narrated, in a delightfully rhythmic tone, just how Chairman Mr. Manabu Matsumoto of the Japan Harbor Transportation Association (JHTA), Mayor of Kobe City Mr. Chujiro Haraguchi and Vice Minister of Transport Mr. Ryu Akiyama devoted themselves to having a World Port Conference held in Kobe, inter-

weaving the narration with stories about the Bushido (Japan's feudal military code of behavior)-based activities of Imperial samurai in the closing days of the Tokugawa shogunate.

In a keynote lecture entitled "Strategies of Ports and Harbors As A Logistics Hub," delivered by Executive Director Mr. Pieter Struijs of Rotterdam Municipal Port Management during the second part, he said, "It is important for all ports and harbors of the world to formulate individual strategies befitting each of them by properly grasping their own intrinsic conditions, such as the state of ports and harbors, hinterlands, access to inland areas, etc."

In a lecture entitled "Strategies of Corporations Doing Business Worldwide," Sony Corporation Advisor Mr. Yasumasa Mizushima said, "The important thing is to properly build up "time vs. cost trade-off relationships."

At the end of a keynote lecture entitled "Ports and Harbors' Environmental Considerations," Executive Director Mr. Masataka Maeda of the Waterfront Vitalization and Environmental Research Center, made presentations on examples of the measures taken in various parts of Japan for the preservation of the natural environment.

In the panel discussion which took place in the third part of the function, the participants exchanged their opinions concerning competition and co-operation between ports and harbors and the natural environment surrounding them.

Mr. Pieter Struijs presented an overview to the effect

that geographical conditions play a critical role for ports and harbors to achieve the status of a hub port. One of the important things is for them to upgrade the quality of service in all aspects, including costs and safety initiatives.

Mayor of Kobe City Mr. Tatsuo Yada made presentations of examples of Kobe Port's efforts to fulfill the role of the port as a hub port. "The port is making efforts in the aspects of both hardware and software. These efforts include the upgrading of the port to a high standard 14-meter-deep container port, safety measures and the shortening of lead times, among other things," he said.

Advisor Mr. Mizushima offered his opinion, saying that in order to shorten cargo work times, it is important for all port and harbor-related Japanese organizations to promote liaison and coordination with one another. "With the structure of physical distribution service now undergoing significant change, it is necessary for Japanese ports to transform themselves into more import-oriented ports," he said.

Mr. Thomas Kornegay, Executive Director, Port of Houston Authority, offered his opinion to the effect that with the economic situation now undergoing rapid change, it is considered important for all ports and harbors to grasp the situation of the marketplace they serve and make themselves ready to promptly respond to different types of competition that may occur. Concluding a long-term contract with port users is considered one idea to protect long-term port and harbor-related investment expenditures, he said.

Concerning objectives that can be achieved through cooperation between ports and harbors, opinions were presented by panelists to the effect that these objectives can possibly be achieved by exchanging ideas and technologies between port service providers as well as by improving the existing relationships between them.

In closing, Mr. Takashi Hashikawa, who chaired the executive committee of the symposium, reported the World Port Symposium in Kobe 2002's Declaration to the world.

## Visits

**P**RIOR to the EXCO meeting in Kobe, Mr. Pieter Struijs, IAPH 1st Vice President, Executive Director of Rotterdam Municipal Port Management, made his first visit to Port of Nagoya on October 14. He exchanged views on current issues at IAPH with IAPH President, Dr. Akio Someya.



**O**N October 22, IAPH President, Dr. Akio Someya welcomed Mr. Lu Haifu, Port Director of Shanghai Port Authority. Mr. Haifu discussed about the status of vehicle transport at the Port of Nagoya and redevelopment in the waterfront area for future planning at the Port of Shanghai. After meeting with Dr. Someya and port officials, Mr. Haifu enjoyed a visit to the port and the aquarium.



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## Competition and Globalisation

### The view of the Antwerp Port Authority on Competition in and among ports



Eddy Bruyninckx

Chief Executive Officer, Antwerp Port Authority

#### 1. Introduction

This paper aims to clarify the view of the Antwerp port authority on competition and globalisation. It was originally prepared for the ITMMA Conference on Competition and Globalisation and is reproduced by courtesy of the author and the organiser, the Institute of Transport and Maritime Management Antwerp. In this paper, I would like to focus on the general trends in the maritime and logistical sector, on the way the main players have reacted and on the position of the Antwerp port authority. The different strategic options chosen by the parties interested in landside and seaside competition, not only by the port authority, are examined in detail.

#### 2. Globalisation

During the last decade, the maritime as well as the logistical sector have been characterised by two main trends: the globalisation of the economy linked to the increase of world trade and containerisation.

The increase of world trade in history and especially during the nineties is a

remarkable phenomenon. Normal economic evolution presupposes an elasticity of 1.5 to 2 between the development of GDP and international trade. This is demonstrated, e.g., by the effects of the 'silver fifties' and the 'golden sixties', when the economies of the industrialised countries grew with almost 5 to 6% annually and the world trade increased tremendously by 8.5% each year. After the oil crisis and the stagflation of the seventies, the growth figures slackened in the industrialised world. However, it is remarkable to see that during the nineties, international trade increased much faster than GDP. During the nineties, the elasticity between the development of the GDP and international development increased to a level of 2.5 to 3. This, somewhat unexpected development, is a direct result of the globalisation of trade and the effects of containerisation.

Indeed, the major force behind the unexpected growth is the globalisation of the world economy. Important economies of scale are realised by concentrating the production of commodities in countries and continents with specific comparative advantages. Next, components are transported to the final

destination in order to be assembled in assembling factories or distributed towards the most important consumption areas. The ever growing volumes of goods that have to be transported from one continent to another, offer new perspectives to the shipping industry. In addition, as a result of the container revolution, the price of the intercontinental transport was reduced. Thus, containerisation played an important facilitating role to the globalisation trend of the post-1975 era. The impressive conquest of the container in the transport business is comparable with the transition from the sailing ship to the steamship in the nineteenth century.

#### 3. The main actors in the field

The reaction of the main actors in the field on the increasing demand for transport was a decision to grow and to become global players. The most important incentive originated from the shipping companies. However, to grow substantially in volumes shipped and to globalise their main strategy was not self-evident in the capital intensive shipping industry. Several strategies have been adopted in the past in order to realise the ambitious objective of globalisation. First, global alliances have been developed in order to pursue the benefits of scale economies. At the same time, an increasing quality of the rendered services is pursued by supplying a global network, characterised by high sailing trip frequencies.

As a result of the efforts of the partners in the alliance, this objective could be partly attained, using a reasonably limited number of financial resources. Nevertheless, the alliances that had been developed originally, proved to be characterised by an unstable structure: the collaboration between the partners was limited to the operational aspects of shipping and the different partners in the alliances often continued to follow an individual commercial strategy. As a result, as alliances were considered not very stable and effective in order to realise more ambitious objectives, a remarkable number of mergers and acquisitions were realised. Indeed, a more fully integrated collaboration was possible by means of a merger

with other companies or by acquiring a similar company.

Next to the process of 'horizontal integration' that has been described above, a process of 'vertical integration' is observed since 1990. Here, the aim is to influence the entire logistical chain, e.g., by rendering door-to-door services, by controlling the hinterland transport and by supplying additional logistical services. The incentive behind this trend is the limited profitability of the container shipping industry. By broadening the existing and traditional set of services, the shipping companies aimed to realise three objectives: (1) gaining a direct control over the quality of the product, (2) sharing commercial risks and finally (3) realising a better relationship with their customers. As a result, logistics and transport became key elements in the competition strategy of many companies. Shippers and logistical service providers pay more attention to integrated logistical concepts comprising the entire 'production to consumer'-chain. It is interesting to see that next to cost efficiency, which is still very important, more and more attention is paid to concepts such as reliability and the certainty that delivery times can be met and will be respected.

The other players in the logistical chain, i.e. the stevedores, the cargo handlers, the haulage companies and the logistical service providers, have also been confronted with these developments and were not immediately able to provide an answer. With a substantial amount of backlog, they started to think in terms of expansions. Take-overs and mergers are rather limited in this specific line of business of the Northern Range and are restricted to the development of satellite-companies in neighbouring ports. The process of consolidation also takes place at the land side with the raud haulage companies rendering logistical services, evolving from classical expedition companies to fully developed logistical service firms.

In this context, a number of remarks have to be made. The exponential growth and the integration of the European transport sector might assume that within a few years time, more severe competition will exist between integrated logistical networks, controlled by a limited number of mega-players rather than between port authorities and local players. A second remark concerns the direction of the consolidation efforts: "from the sea to the land". In conformity to the

Darwin-theory that states that amphibians concurred land from the sea, the shipping companies seem to launch a vertical integration effort. Partly, this can be explained by the high degree of specialisation that does not allow to move in the opposite direction. Finally, the capital intensity is a major impediment for a different trend: the consolidation effort moves from the sea to the port and finally to the land.

#### 4. Competition in the port sector

Generally speaking, the starting point of the port authorities' policies is the preservation and the strengthening of the competitive position of the port. Typical for Antwerp is the expansion of a diversified port economy to the largest extent possible as this stimulates stability and creates synergies, strengthens the economic structure of the port and as a consequence its attractiveness. Port authorities are given a number of possible choices which are of vital importance to their future and a number of fundamental questions need to be answered: how to organise the competition in the port and how to respond to the demand of the ship owners to develop dedicated facilities.

Perhaps the most important responsibility of the Western European port authorities is the organisation of the competition aspect of stevedoring companies in the port area. Here, two options are open: on the one hand, the organisation of sufficient competition within the own port or not and on the other hand being alert for existing external pressures. In the Antwerp port, several medium sized enterprises exist and the port authority is also very observant for outside pressures.

Based upon a large body of academic literature and on practical knowledge, it can be argued that a port will be successful only in a limited number of commodity flows. Competition therefore exists not only between ports but also between selected traffic categories and as a result between port operators within the port.

The port of Antwerp is subject to strong competition of other ports in (and even outside) the Hamburg-Le Havre range, depending on the sailing routes and the commodities. However, it can be stated that the 'external competition' in the range is less fierce than can be expected at first sight. The container hinterland of most of the large

container ports is limited to a few hundred kilometres, often even less. All ports in the range, including Antwerp, have their own specific qualifications and competencies related to individual sailing regions and cargo generation effects. As a result, competition is based upon using its core competencies.

Concerning the competition among ports, the port of Antwerp advocates free and fair competition between the different ports in the region. This is only possible if no price or quantity agreements exist between the different port authorities. Antwerp will never accept any physical and artificial task agreement to be installed, but on the other hand attempts to have the same working conditions (draught of water) and a level playing field as its neighbouring and competing ports. As such, the different clients are able of choosing the port that fits best their needs and that provides the closest route to the natural hinterland of their goods.

Port and terminal operators are the active agents that control competition. Strong competition exists between different terminals and operators to obtain a specific traffic flow. Intra-port competition or competition on an operator level among private port operators involved in cargo handling, terminal-operations and stevedoring activities can serve as a tool to improve efficiency and was instrumental to the success of the port of Antwerp.

In the battlefield of take-overs and mergers, port authorities find themselves in a somewhat uncomfortable position. Besides, it would not be correct to judge the port authorities in the range by the same standards as the other players in the maritime-logistical environment. In North-Western Europe, most ports are of the landlord type, managing and developing basic infrastructure, but exercising little or no activities in the commercial sphere. Their management mandate is limited to a great extent to the immediate port area. Moreover, these port authorities in the range are working within the so called 'Hanseatic tradition', which means that almost all of them are governed by local communities – most of the time the proper town government or the city-state. The result is that they use a different logic than privatised ports. Not merely profit maximisation, but also the general interest for the community in the form of employment, added value and stability are at the centre stage of interest with most of the port authorities and also the port of

Antwerp.

For a very long time the port authority leaves the port activities to private port operators. Our only involvement is the leasing of land to these private companies. But providing land to a particular private company means much more: a concession agreement is more than a mere financial contract between a private company and the port authority. This formula allows to introduce and impose general and also very particular conditions based on one basic concern: the improvement of the welfare of the people and the port, be it on environmental aspects, safety aspects or on social economic aspects as employment, cargo throughput etc. Of course, in granting the land to port operators, the aim of maintaining a sufficient field for competition in the port also plays a crucial role. In addition, a number of preconditions have to be met and are integrated in the agreement e.g. with respect to future volumes being handled at the terminal or facility.

##### 5. The importance of internal competition

The port of Antwerp is convinced that a structured internal competition is the optimal structure for guaranteeing a reasonable price and quality level to the customers. The most competitive price setting by the terminal operator allows to compensate the longer trip on the river Scheldt. Until recently, Antwerp was not a hub-port in container shipping but rather a port that was called by one or more strings of the different shipping lines and their alliances. The possibility to choose among different stevedoring companies active in the port was an additional element for the shipping companies to include Antwerp in their sailing schedule and to become a 'mainport'. Internal competition resulted in an unsurpassable price/quality level and productivity of the service according to recent Drewry-studies and other reports from international experts.

The port of Antwerp strongly believes that competition among a number of players in the field of conventional general cargo and breakbulk made the port of Antwerp the "number 1"-port in Europe as competition provoked a very attractive price-level, high productivity and appropriate "state-of-the-art" equipment and handling facilities for all kind of commodities.

The port of Antwerp evolved quickly

from a situation with strong internal competition and a large number of small players to a situation where 85% of the handled volumes are handled by one operator. We welcomed a foreign, world-player to compete with our local merged or not-merged companies by also granting them a concession for a container terminal. We have shown considerable realism for the existing evolutions and included elements in the concession agreements that allow to guarantee port capacity at all times. This was the most convincing illustration of the belief of the members of our board in the advantages of competition within the port. This is based on only one concern: to improve or at least maintain the attractiveness of the port for its clients and users and as a result improve local welfare.

For the Antwerp port authority, the developments of the past years have provided a strong signal to evaluate its policy on competition. The container business intended to create a large stevedoring company with sufficient 'scale and scope'. On the other hand the port authority attempted to keep internal port competition stable. By creating a local 'oligopoly', the port authority aims to combine the objectives of the Antwerp port policy: the creation of stevedoring companies with sufficient financial resources to grow and with a strong negotiation position to the customers. However, at the same time, port internal competition needed to remain intact, though less fragmented than before. The essence of the problem is that the container shipping companies need to have alternatives available within the port area and that a conflict between the shipping company and the stevedore may not result in a loss of cargo for the port as a whole.

##### 6. Dedicated terminals

Obtaining dedicated facilities in the mainports is an important step for most large containership owners in their pursuit for more control on the service level and more control in the logistical chain. The logic behind this is that one of the main factors in controlling and improving the efficiency of the ship owner is exactly the service provided by the stevedore. For the global stevedores, building a terminal network in all important ports is a fundamental option.

Granting dedicated facilities to ship owners, however, can generate value

added for the port authority. Ship owners like MSC and Maersk/Sealand have a market share of respectively 27% in Antwerp and 25% in Rotterdam. The huge capital investments in terminals more or less anchor the cargo flows in the port. This is a major advantage for the port.

The Antwerp Port Authority however grants dedicated or semi-dedicated terminals only under very stringent conditions. It is, for the port authority, of huge importance that the candidate shows sufficient importance in the market and that the most will be made of the new terminal. A second condition is that the handling capacity for other ship owners must not be jeopardised. A third condition is that the substantial know-how of the local stevedores is valorised by means of joint ventures.

In Antwerp, the creation of a joint venture between MSC and Hesseoordnatie/PSA, was the starting point for a new wave of innovations in terminal management. Dedicated terminals are inevitable, but the number of players eligible for these terminals is limited. Therefore, the decision of the top 20 ship owners to get involved in dedicated terminals in a limited number of ports, will just be as inevitably as to strengthen and speed up the development of port networks.

Nevertheless, it has to be stressed that an extreme internal competition can also provoke important disadvantages. As a consequence of low return on investments, the possibilities for new investments can be narrowed and this might bring productivity and thus the attractiveness of the port under pressure.

##### 7. Co-operation or competition?

Competition is essential for the survival of a cost effective port, but for ports with a shared hinterland such as the ports located along the River Scheldt it is also crucial to be as cooperative as possible. Issues such as an improved maritime access, good hinterland connections and excellent labour relations are essential elements for a good and workable port system. However, the port of Antwerp will never accept fixed working relations and a dedication of certain product types to specific ports because "goods have to follow their natural hinterland".

A modern definition of co-operation includes the specialisation and complementarity of the different operations performed by the partners. As such the

specificity of the partners in a port network structure is ensured. However, the autonomy has also to be guaranteed. By contributing the core strengths of each partner, a win-win situation is created. A close co-operation between seaports in a network structure however has primarily to be build on the 'minimisation of transport costs'-aspect. This includes not only the minimisation of transport costs (e.g., the comparison between cheap maritime transport and more expensive road transport) but especially also the minimisation of transport externalities: eco-costs can be minimised as a result of using a shorter land transport distance. This is one of the main strengths of the port of Antwerp. As a result of its location, a shorter land transport trip has to be organised as compared to other ports in the region and less transport externalities, in the form of, e.g., air pollution, are created. These cost also can be minimised as a result of following "natural hinterland" connections of the goods transported.

## 8. Conclusion

Basically, the port of Antwerp is confronted with all kinds of competition and cooperation. There is a substantial internal or intra-port competition, where a number of players are engaged in, sometimes, fierce competition. As mentioned before, the aim of this competition among port operators is to increase quality at a fair price. As a result, this can be considered as 'healthy' competition. Of course, the port of Antwerp is also influenced by inter-port competition of national and international ports in specific commodities and on particular sailing routes. Not only the ports of the Hamburg-Le Havre range should be included in the analysis but also the ports of, for example, the Mediterranean such as Gioia Tauro. The developments in these ports largely influence future competition in the port sector. Therefore, including these ports is essential for an objective analysis of future competitive structures.

Next, the external aspects of port competitiveness are of a major importance to the port. Indeed, the external pressures and opportunities are organising the playing field in which the port is able to operate. In this respect, the start and the completion of a number of infrastructural needs for the port of Antwerp (such as the Iron Rhine, the deepening of the Scheldt and the improvement and expansion of road and rail connections) is essential.

# Color Scheme Project of The Port of Shimizu

by  
Waterfront Vitalization and Environment Research Center  
(WAVE)



THE Port of Shimizu is located on the western coast of Suruga Bay, in the approximate center of Honshu. With the vista of Mt. Fuji in the distance, the highest and most beautiful mountain in Japan, the Port has one of the most magnificent views in Japan. It is protected by the Miho Peninsula with its colorful green pine forest and white sandy beaches, which serves as a natural breakwater. In this issue, we will introduce the "Color Scheme Project of The Port of Shimizu", which intends to create a port with an attractive view using sophisticated colors and an ideal administrative method.



## Beginning of the Port Color Scheme Project

Ports continued to develop on the "hardware" side. As an infrastructure that supported Japanese industries, they improved loading and unloading facilities and other facilities such as warehouses, factories, and storage tanks. Because so much attention was paid to the improvement of the "hardware" facilities, the vista surrounding the ports became bleak, old warehouses and factories stood in rows, creating an atmosphere people preferred to keep away from.

In the questionnaire survey that the City of Shimizu conducted in 1985 regarding the creation of a view, people

chose the view of port as one of the most disliked sights. This raised a question on how the space surrounding the port ought to look like. In 1990, the Ladies Marine Forum, after a year's field research, proposed a "color scheme project that matched the function and feature of the area, that harmonized with the natural view" in order to color coordinate the Port of Shimizu. The Forum is composed of women who people think to have least interest in ports and harbors. They became aware that the port and the harbor facilities such as warehouses were repainted periodically, that is, every 5 to 7 years.

In the following year, the color scheme plan was discussed at the Selection

Committee and a rough draft, which was to be the basis of the present Color Scheme Project, was made. This was the origin of the Color Scheme Project of The Port of Shimizu.

Under such a movement, the creation of a port using color coordination started at the Port of Shimizu to transform it into a port "full of individuality and attractiveness, with vitality and charm".

Colors for Ports

Colors have an important role in improving the exterior space where people receive strong stimuli, images are enhanced, and the shapes of objects are formed.

The symbol colors of the Port of Shimizu are aqua blue and white. These two colors were decided after examining the colors used on the existing facilities at the Port of Shimizu and from the result of the questionnaire answered by citizens and companies. Approximately 90% answered that they preferred the color blue as the image for the Port of Shimizu. Furthermore, after taking into consideration the natural condition of the Port of Shimizu surroundings such as the sky, ocean, and Mt. Fuji, the colors of aqua blue and white were decided as the symbolic colors for the Port. Moreover, the color of aqua blue signifies "innovation and new" and it agreed with the future vision required of the Port of Shimizu that hopes to be the "port of an international city that nurtures marine culture".

The Color Scheme Project of The Port of Shimizu does not intend to repaint the entire area uniformly with designated colors. The Project divides the port into 8 zones according to each feature, with individuality in each vista. In order to enhance the color scheme of each zone,



Before repainting



After repainting



the base color, the accent color and the accessory color are designated in accordance with the symbolic colors. The Project provides a color palette to each zone and takes into consideration the use of facilities and of the area. The color scheme and designs are also intended to enhance the image of companies. The Project includes objects that symbolize the Port of Shimizu, such as gantry cranes and chimneys, as well as all the buildings and edifices in the harbor area.

Project without Subsidy

One other feature of repainting the Port of Shimizu is that the Color Scheme Project has no subsidy. All the participating companies cooperated as a voluntary activity to create the new vista of the Port of Shimizu.

Therefore, the expenses for the Color Scheme Project are limited only to the operational cost of the Council, which drives the Project, and the Advisors Meeting, which is equivalent to an exec-

utive body. The Project is able to do the work with very little expense. The Advisors Meeting, an executive body, proposes the color scheme and designs in accordance with the Color Scheme Project, with color specialists taking into consideration the wishes of companies. The specialists discuss coloring and designs repeatedly, using computer graphics, with companies.

In this way, respecting the company image, the coloring and designs that meet the requirements of the Color Scheme Project are completed. They are sufficient to make companies understand repainting, which plays a role in improving the company images besides the revitalization of local area through the enhancement of the view.

Cooperation among Government, Private Sector and Academia

The Color Scheme Project of The Port of Shimizu is composed of Shimizu Port and Harbor Bureau of Shizuoka Prefecture, which is a "government body," 114 companies that do business at the Port of Shimizu, which are "private," and specialists who belong to "academia." The Project is balanced by participation of these three sectors.

When the Color Scheme Project began, only 40% of the companies were willing to cooperate with repainting in accordance with the Project. The remaining 60% were against it. The reason for not being in favor was that the designated colors differed from their company colors. Their interest seemed greater in their own company than that of the view of the entire Port of Shimizu. However, 9 years after the decision to proceed with the Project, there is hardly any adverse opinion from the participating 114 companies. Some of the companies even



come to consult the Project about color schemes of a facility within their factory, which is not bound by the Project, and design for vegetation within their compound. The awareness of the private sector has changed. When scaffolding is put up to start repainting at a different company, the design of the facility being renewed seems to become the topic of conversation at that company.

The reason why the Project is so widely understood now is the result of trust formed through careful adjustments made by both "government" and "academia," which responded with unflinching patience and courtesy to the questions and consultation from the companies. Each came to respect the others' feelings.

### An Episode - Overcoming the Regulation

Today, the Color Scheme Project of The Port of Shimizu has overcome various obstacles. Let us introduce one of the episodes to you.

A company with a factory in the Miho District of the Port of Shimizu had a chimney that was 145m high. The chimney had to be painted red and white, according to aviation regulations, as a daytime obstacle. Even if it was a symbolic edifice of the Port of Shimizu, repainting according to the Color Scheme Project could not be carried out because it was restricted by regulation.

However, the awareness of the Color Scheme Project had already infiltrated people's thoughts, and both the Shimizu Port and Harbor Bureau and the companies agreed that they wanted somehow to repaint the chimney. They asked the Tokyo Regional Civil Aviation Bureau about the possibility of repainting the chimney aqua blue. First, the Port of Shimizu had to be designated by the ordinance that it was an area receiving law protection for views. Second, if the red and white colors were to be repainted into different colors, a beacon sign to indicate that it was a daytime aerial obstacle had to be affixed. Moreover, if the beacon was to be affixed, agreement of the residents living within the diameter of 5km of the chimney had to be obtained. This meant an agreement from approximately 65,000 families, roughly 90% of citizens living in the Shimizu City, was needed. Both conditions were not easy to meet.

Taking action, Shimizu City drafted "Shimizu Municipal View Ordinance" and immediately brought it to the city assembly for discussion, passed it speedily in only two months and designated

Shimizu City as an area for view protection. Next, with the chairman of the Self-Government Council Association, who is a member of promotional council, as the leader, the council collected, making an all-out effort, agreements from 65,000 families, 90% of Shimizu City, in only one month. It applied for permission to Tokyo Regional Civil Aviation Bureau to repaint the chimney and the application was accepted. This would have been impossible had it not been for the cooperation of local government, the private sector, and academia. The permission to repaint the chimney in accordance with the Project was granted soon after from the Tokyo Regional Civil Aviation Bureau. It was given on December 24, the Christmas Eve. It must have been a super Christmas present for the Shimizu City.

The company that possesses this chimney had to bear the cost of affixing aerial obstacle beacon sign as well as other expenses, such as the electricity bill, besides the repainting costs. But, the company still continues to participate actively in the Project. Even from this episode, we can see that companies and people have fully recognized the Color Scheme Project and that the revitalization of the city is progressing ideally. Recently, there seems to be an inquiry from the bridge construction, located outside the area covered by the Project, executed by the Ministry of Land, Infrastructure and Transport, that it is considering painting the bridge girder in accordance with the Project.

### Future of Color Scheme Project of The Port of Shimizu

The Project introduced here is a first stage plan. It will last until 2003, approximately 10 years since the drafting of the plan. So far, the Project has not neglected to examine the details and, with a slight modification such as adding a color, it has continued to target a more beautiful port.

From the questionnaire survey conducted in 1996, circulated to citizens and companies, we can tell that the port has undergone change by changing the colors. The number of people who dislike ports has gradually decreased. Recently, a shopping center opened and improvements were made to the plaza to hold events and to promenade. The Port of Shimizu is helping enthusiastically in the development of Hinode District where people gather to enjoy the view and each other's company.

The details of the second stage plan

are still undecided, but the expansion of the area and the extension of the objects covered under the Project are being considered. People of the Shimizu Port and Harbor Bureau, who responded to the interview, and Ms. Higashi have a strong vision of "the Port of Shimizu as the most beautiful port in all Japan." The expectation for the New Color Scheme Project is increasing.

### Conclusion

Today, when the present state of conducting public works is questioned and a reduction in their cost is sought, a new municipal development that accompanies improvements such as in the past will be limited. In such an age, the "Color Scheme Project of The Port of Shimizu" is an example of success. It is making progress in the city's development with the port as the core. There is a possibility of it becoming a model for future city developments. The Color Scheme Project of Shimizu noted that periodic repainting of facilities was required. Here the wish of the private sector was respected, and the work proceeded without giving unnecessary burden to companies. The secret of this success probably lies in the policy that it can be advanced without forcing the issue. Moreover, colors have a very large role in producing the view and atmosphere desired while maintaining the function of facilities considered for painting. In this sense, the Project was truly a city development in which women's sensitivity was put to good use.

How about visiting the Port of Shimizu, with its beautiful views, that can push forward such a development? Please confirm with your own eyes the gantry cranes and chimneys that harmonize with the natural background. For those of you who are too busy to make a trip, we will let you know a place where you can enjoy the Port of Shimizu just a little bit. When you get on a Tokaido Shinkansen, sit by a right side window of trains heading to Tokyo and by a left side window on trains leaving Tokyo. When the train passes Shimizu City, you will be able to see gantry cranes with pure white and aqua blue stripes from the window.

Received Cooperation from/photograph provided by: Shimizu Port and Harbor Bureau of Shizuoka Prefecture and Assistant Professor Keiko Higashi of Tokai University Junior College

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# WORLD PORT NEWS



## WCO: Symposium on Supply Chain Security and Trade Facilitation

**A**T a symposium organized by the WCO and the International Chamber of Commerce in Brussels during October 14 and 15, senior Customs administrators, business leaders and representatives from inter-governmental and trade organizations, including the International Maritime Organization (IMO), International Council of Shipping (ICS) and the International Association of Ports and Harbours (IAPH), discussed an approach to assist in the implementation of joint measures to improve security of the international trade supply chain.

The Chairperson of the WCO Council Mr Pravin Gordhan outlined the key elements of the June 2002 WCO Resolution regarding security and facilitation which represents the international Customs response to the threat posed by terrorism. He emphasised the changed customs environment and the integrated actions now required by governments to provide the various building blocks which would assure the integrity of the international supply chain and also provide the conditions to stimulate international trade.

Delegates expressed the need for the WCO to take the lead in achieving co-ordination amongst the many public and private sector stakeholders involved in the international trade supply chain. They agreed that a multilateral approach is necessary to tackle this global concern and that the exchange of information and the use of intelligence-based risk management supported by the use of modern information technology should provide the core elements of new standards to be developed by the WCO. Ultimate success will depend on the partnership between Customs and the trade to collect the necessary information to drive these processes.

The use of modern technology to aid the physical inspection of consignments was also seen as vital to carry out Customs responsibilities and in this con-

nection it was necessary to take account of the need to avoid marginalisation of developing economies.

As the new standards were developed, close partnership and a continuing dialogue at the international and national level between Customs and those public and private sector stakeholders

involved in international trade was seen as vital. Appreciation was expressed for the efforts made by the WCO so far and participants invited the WCO to continue its efforts to develop an appropriate strategy that would result in a safe and cost-efficient international trade environment.

## Upcoming Conferences

### Intermodal Africa

**Hosted by Kenya Ports Authority  
Endorsed by PMAESA,  
PMAWCA and PAPC**

**February 12-13, 2003  
Mombasa, Kenya**

**T**HIS two-day event comprises both a conference and concurrent exhibition. Issues for discussion include the opportunities and challenges in the future of port development - special focus on East African Ports; global economic development - insight of trends and challenges; globalisation and liberalization of trade - impact on ports and shipping, IT in an era of speed - providing integrated logistics solutions; increasing the role of intermodalism supporting the future ports; the role of ports as an integral part of the logistics chain - strengthening its synergy; facilitating trade growth and maintaining ports competitiveness; key elements in providing an effective logistics management; ports and shipping - key elements in meeting the growing demands of customers; and port planning and operations - an insight in maintaining a cost effective operation and upgrading its efficiency.

**Registration Fee: US\$895.00**

For further information:

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Transport Events Management Sdn Bhd.,  
53-2 2nd Floor, Jalan USJ 9/5S.,  
47620 Subang Jaya, Selangor Darul Ehsan,  
Malaysia  
Tel: +60 3 8023 5352  
Fax: +60 3 8023 3963  
E-mail: jane@transportevents.com  
Website: <http://www.transportevents.com>

### Maritime Education, Training & Recruitment and CBT@Sea

**February 11-13, 2003  
London, U.K.**

#### Session 1: Training Costs & Funding

- How to Obtain EU Funding for Staff Training
- Cost Effective Training

#### Session 2: Future Provision

- Does the Shipping Industry lack Management Skills?
- How the Shipping Industry Can Improve Recruiting Methods
- Postgraduate Education in Maritime Economics and Logistics (MEL) at Erasmus University Rotterdam: The case study of the NOL/APL in-company Masters
- Training for Maritime Security: The Impact of New Security Legislation
- Chairman's Opening Remarks

#### Session 3: Recruitment

- Recruitment & Retention
- Making Recruitment Work: The Benefits of Psychometric Testing

#### Session 4: Technology & Training

- Developing a Strategy for Blended Learning

**Registration Fee: £527.58**

(£449 for 1.5-Day Maritime Training Conference + VAT@17.5% = £78.58 included)

For further information:

Informa UK Limited  
PO Box 406  
West Byfleet KT14 6NN, U.K.  
Tel: +44 (0) 1932 893 860  
Fax: +44 (0) 1932 893 893  
E-mail: [cust.serv@informa.com](mailto:cust.serv@informa.com)  
Website: <http://www.lloydslistevents.com>

## 7th China Chemical Logistics & Distribution

March 6-7, 2003  
Shanghai, China

### Conference Highlights:

- Latest Government Policies and Regulations on :
  - Hazardous Chemicals Transportation, Distribution & Storage
  - Accident and Emergency procedures
- Development of Major Chemical Hubs in:
  - Guangzhou
  - Shenzhen
- Executing Responsible Care – Case Study: Chevron Phillips Chemicals
- Implementing Successful Logistics Chain – Case Study: BP Malaysia
- Logistics challenges facing Local 3PL – Case Study - Sinochem Shipping & Enterprises Company
- Total Supply Chain Management

### Registration Fee:

**Early Bird Fee (before Jan 20, 2003):**  
USD1,195  
**Regular Fee:** USD1,395

### For further information:

Cynthia Yeo, Event Manager  
Center for Management Technology  
80 Marine Parade Road #13-02  
Parkway Parade, Singapore 449269  
Website: <http://www.cmtevents.com>  
e-mail: [Cynthia@cmtp.com.sg](mailto:Cynthia@cmtp.com.sg)  
Tel: +65 6346 9132  
Fax: +65 6345 5928

## The Fourth International Marine Salvage Conference

March 19, 2003

International Maritime Organisation,  
London, U.K.

**F**OLLOWING on from the ISU's highly successful and well-attended Third

Conference in 2001, The Fourth International Marine Salvage Conference will focus on places of refuge, Salvage Response Plans and other issues of concern to salvors and governments.

### Conference sessions will review:

- European perspectives on marine casualties and salvage
- The United States approach
- Places of refuge
- Cooperation in practice: salvage of the Nino

This event is expected to attract a very large gathering of salvors, shipowners, insurers, maritime lawyers and representatives of governmental agencies and other organizations.

### For further information:

TRS Public Relations Ltd., Mulberry House,  
Chequer Lane, Ash, Canterbury,  
Kent CT3 2ET, U.K.  
Tel: +44 1304 813366  
Fax: +44 1304 83365  
E-mail: [trspr@trspr.co.uk](mailto:trspr@trspr.co.uk)  
Website: <http://www.marine-salvage.com>

- Safety and Hazardous Material Handling
- Bulk, Breakbulk and Neobulk Operations
- Negotiation Skills
- Strategies to Enhance Productivity

**Registration: \$1,775.00.**

### For further information:

American Association of Port Authorities  
1010 Duke Street, Alexandria, VA 22314  
Tel: +1 (703) 706-4717  
Fax: +1 (703) 684-6321  
Website: <http://www.aapaports.org>

## Ports and Habitats

### - Partners in Development -

March 20, 2003  
Brussels, Belgium

### Organized by:

- PIANC – International Navigation Association
- EuDA – European Dredging Association
- IMI – Institute for Infrastructure, Environment and Innovation

### Supported by:

- ESPO - European Sea Ports Organization

The European "Habitats" Directive (92/43/EC) calls for the establishment of a network of protected natural sites, also known as the Natura 2000 network.

This Directive, (as well as the Birds Directive) includes specific provisions on how to mitigate the impact of expansion plans and projects in protected areas. It foresees options to compensate for loss of valuable nature or protected species.

European Seaports operating in the vicinity of such designated sites must take the Habitats Directive into account.

- This Seminar is the follow-up of the first PIANC – Paralia event "Ports vs. Nature?" of January 2002, which concen-

## Upcoming Seminars



## Marine Terminal Management Training Program

February 3-7, 2003  
Long Beach, California

### Topics of Discussion:

- Surviving the Competitive Marine Terminal Industry
- Marine Terminal Design and Container Handling Systems
- Port and Terminal Security



International Association of Ports and Harbors

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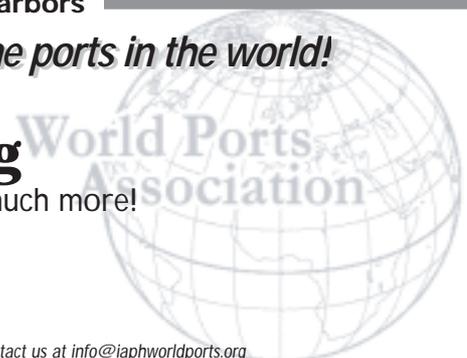
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- The latest news and information on the world maritime scene
- Calendar of the forthcoming IAPH events and other maritime-related events
- Links to IAPH members' websites and others'
- IAPH publications on-line \*
- Online Open Forum \*

\* limited to IAPH members only - if you need assistance in entering the Members Area with password, please contact us at [info@iaphworldports.org](mailto:info@iaphworldports.org)



trated on some preliminary approaches by European Ports (PIANC – IMI/Paralia).

- This Second Seminar aims to establish more practical guidance on implementation aspects of the Habitats Directive in port expansion projects based on recently gained experience and further developed views.

The program is of special interest for European ports and especially those that are in the proximity of estuaries, deltas or other coastal habitats. The Seminar will focus on implementation aspects of the EU Habitat Directive.

The issues that will be addressed cover:

- Project organization and experience
- Innovative solutions for mitigation and compensation
- Monitoring and evaluation
- Management schemes

The seminar also relates to "Sustainable Port Development" – Accommodating the Human and Natural Habitat, November 22, 2002, Genoa, Italy, organized by ESPO.

**Registration fee: 200.00 euros**

For further information:

PIANC – International Navigation Association  
Graaf de Ferraris, 11th Floor, POB 3,  
Bld. du Roi Albert II,  
BE – 1000 Brussels, Belgium  
Tel.: +32 2 553 71 60  
Fax: +32 2 553 71 55  
E-mail: info@pianc-aipcn.org  
Website: www.pianc-aipcn.org

For background information you may also

consult the following websites:  
www.european-dredging/info.be  
www.imiparalianature.org  
www.espo.be

port managers and policymakers, particularly in Belgium and Poland, are dealing with the new challenges in this field.

This book covers topics such as:

- Port competition and generalised costs;
- Port competition and the distribution of economic rent in a logistics-restructured market environment;
- The role of intermodal transport and logistics services in improving port competitiveness;
- Strategies for setting up logistics centres in ports and in the hinterland;
- Location analysis for intermodal terminals;
- The logistic performance of the inland navigation sector;
- Inland container shipping in Europe;
- Port restructuring.

**Price: Price: 19.90 euros**

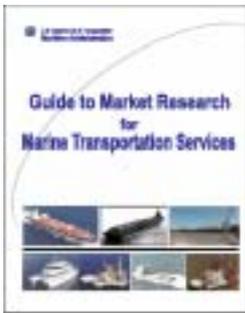
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ITMMA House, Keizerstraat 64, B-2000  
Antwerp, Belgium.  
Tel. +32 (0)3 275 51 51 - 275 51 52  
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E-mail: theo.notteboom@ua.ac.be

## New Publications

**MARAD:**

### "Guide to Market Research for Marine Transportation Services"



THE Maritime Administration (MARAD) on November 6 released a new publication, Guide to Market Research for Marine Transportation Services. The Guide contains market research procedures for the determination of market potential for new or enhanced marine transportation services. Market research is the critical first step in developing a new service because it provides project managers with customer feedback on a proposed service at a time when changes that enhance market potential can still be made.

While the Guide is likely to be widely used in connection with MARAD's Title XI Ship Financing Guarantee program, the procedures are equally applicable to any marine transportation investment project.

The Guide is available in both hard copy and CD-ROM versions from MARAD's Office of Statistical and Economic Analysis. It may also be found on MARAD's website.

For further information:

MARAD's Office of Statistical and Economic Analysis  
Tel: (202) 366-2267  
Website: http://www.marad.dot.gov/marad\_statistics.

**ITMMA:**

### "Current Issues in Port Logistics and Intermodality"



SEAPORTS find themselves embedded in ever changing and world embracing logistics chains and networks. Structural changes in logistics and the increasing importance of containerization and intermodality continuously challenge port managers and policymakers. The logistics environment leaves port managers puzzled with the question how to respond effectively to market dynamics. This book consists of a set of papers prepared by Belgian and Polish academics on issues related to port logistics and intermodality. It not only examines the role of port logistics and intermodal transport from a conceptual point of view, but also explores how market players,

**WIT Press:**

### "Coastal Environment: Environmental Problems in Coastal Regions IV"

THIS is the proceedings of the Fourth International Conference on Environmental Problems in Coastal Regions, held on the Greek island of Rhodes, September 16-18, 2002 featuring over 40 papers presented at the conference.

Contents

- Section 1: Environmental Management and impact
- Section 2: Oil slicks and spills
- Section 3: Erosion and drift
- Section 4: Sediment transport
- Section 5: Hydrodynamics and transport modeling
- Section 6: Water quality issues
- Section 7: Atmospheric pollution and control
- Special Session

**Price: \$247.00 / £159.00 / 258.77 euros**

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Cover of the Month

## KLAIPEDA PORT

### Towards Tremendous Sustainable Progress



IN 1991 when the name of Lithuania reappeared on the world map, the country stepped into a new highway of development, facing both great challenges and moments of triumph. Even though it is a small country with a population of about 3.62 million and area of 65.3 thousand square kilometers, Lithuania has been regarded by the international business community as a potential market and a reliable business partner ever since.

The country is situated on the eastern coast of the Baltic Sea and the maritime industry plays a significant role for its economy. Lithuania boasts of having the port of Klaipėda with its extensive potential and the tremendous importance to the entire region. Its economic performance contributes to Lithuania's Gross Domestic Product (GDP) up to 3% and over 2.5% of the country's jobs are created here. Moreover, one extra ton of cargo attracted to Klaipėda Port accounts for approximately 40 litas of economic profit. It is notable to the port's significance that the largest volumes of transit cargo (comprising over 50% of the total transported via Lithuania) are transhipped via Klaipėda.

Klaipėda Port benefits from its favourable geographical location to a great extent. It is the northernmost ice-free port on the eastern coast of the Baltic Sea. Klaipėda is a large multimodal transport junction connecting sea, land and railway routes, bridging the eastern industrial hinterlands to the Western countries in the shortest possi-

ble ways. Klaipėda Port is also the main hub of the 9B branch of IX international multimodal European transport corridor. Moreover, the port is known for its many regular shipping lines connecting it with many countries throughout the world. Every year over 7,000 ships from more than 50 different countries are served in the port.

The Klaipėda seaport is the centre of shipping, cargo and other related services. At present, there are eleven stevedoring companies, four ship repair and shipbuilding yards, various freight forwarding and shipping agencies serving vessels, cargo and passengers. Being a multipurpose port, Klaipėda handles all types of general cargo, such as metals, steel, oil products, fertilizers, timber, containers, refrigerated products, grain, railcars, trailers, trucks and passenger cars. Besides, the port is fully equipped for specialized cargo handling. It has modern specialized terminals for liquid and bulk fertilizers, metals and oil products. The annual cargo throughput is on the constant growth totalling 17.2 to 19.0 million tons from 2001 to 2002, respectively. The annual capacity of the port's stevedoring companies, however, allows for handling up to 30 million tons of cargo.

Since 1991, striving for the port's sustainable competitiveness and increase in cargo flows, the Government of the Republic of Lithuania has carried out a number of ambitious port infrastructure development projects, rail/motor network upgrading as well as administra-

tive, legal and regulatory improvements.

The year 2002 was a landmark in the port development history - the completed *Port Entrance Reconstruction Project* has been the most significant project so far. The project comprised the extension of the breakwaters and the deepening of the port waters up to -14.5 meters, hoisting the port to a level of higher quality by securing navigation safety and enhancing its competitiveness. From now on the port is able to receive bulk carriers with a capacity of 50,000 - 60,000 tons and "Panamax" type vessels with a capacity of 90,000 tons.

Since 1996 the passenger traffic has experienced an extensive increase, fulfilling the expectations for Klaipėda to become an important passenger port. Therefore, in the heart of the remarkable historical downtown of Klaipėda, in early 2003 a new cruise vessel terminal will welcome tourists and visitors. It will enhance the expansion of tourism in the entire region.

In recent years, the port has also seen the implementation of such a significant project as the construction of a container terminal, the annual capacity of which totals 150,000 TEU. Since then, it contributed to the increase of container traffic by 30 per cent annually. Moreover, the reconstructed railway ferry terminal is also crucial within the transportation logistics chains, since the terminal enables rapid transportation of railcars avoiding their loading/unloading-related delays.

Over 80% of the total volume of cargo transhipped via Klaipėda Port is delivered by railway. Therefore the upgrading of the port access railway is carried out concurrently with the growth of transportation. The hinterland railways and the motorways are also being improved to be in line with the increased stevedoring capacities.

In view of Lithuania's forthcoming EU accession, the Lithuanian Government aiming at approximation of the EU legislation and compliance with international maritime regulations, re-organized the *Klaipėda State Seaport Authority* (which, as the state port governing body, has been operating from 1991) by establishing *Lithuanian Safety Shipping Administration*. The new port management system resulted in the increased effectiveness of the port administration, consequently in greater efficiency of port operations and their safety. Currently, the *Klaipėda State Seaport Authority* implements quality management systems of ISO 9000 and ISO 14000 standards.

The year 2000 is notable for the inau-



guration of the port's first representative office in Moscow, Russian Federation. Its satisfying results have proven the necessity to establish port representative offices in Hamburg, Germany and Minsk, Byelorussia.

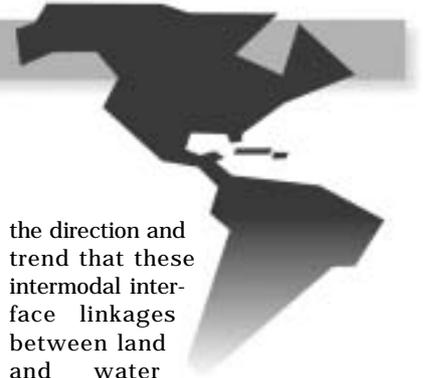
Looking ahead toward future development, the port fosters some even more ambitious projects. The feasibility study on the expansion of the northern part of the port (which is presently undeveloped) to a deepwater harbour is being carried out. This study is expected to substantiate the expectations on future cargo volumes, thus proving the necessity to construct a deepwater harbour with a depth of -17 meters.

Environmental protection has remained and will remain one of the highest priorities of Klaipėda Port. In 1999 the port acquired the latest oil spill clean-up equipment and elaborated *National Oil Spill Contingency* and *Port Waste Management Plans*. Furthermore, the construction of a contaminated soil disposal site, which is scheduled for 2005, will provide an adequate solution for proper treatment and disposal of dredged contaminated sediments.

The multilateral development approach of Klaipėda Port helps it to assure the smooth implementation of its strategic goals, i.e., the enlargement of cargo handling capacities and attraction of new cargo flows. For that purpose, the benefits of free economic zones are also taken into full account seeking for further business expansion and new cargo flows. The Klaipėda Free Economic Zone (with an area of 205 hectares) that came into being this year, by its numerous advantages enhances the business climate to the entire region.

Klaipėda Port has become an integral transport centre and logistic platform for international trade. With its effective operations, reasonable and flexible port dues, wide range of port-related services, high expertise and extensive experience of port companies, Klaipėda is proud to be able to fully satisfy today's demanding clients.

## The Americas



### MARAD: Releases U.S. Port Report

U.S. Maritime Administrator Captain William G. Schubert on November 1 announced the findings of a Maritime Administration Report Intermodal Access to U.S. Ports. The report, based on a survey of 70 percent of American ports, focused on the state of roadway, rail, and waterside access. It found that while intermodal connections at U.S. ports may be good enough now to keep cargo moving, they probably won't be in a few years. Expected increases in cargo traffic will strain the system especially in already congested metropolitan areas and major trade corridors.

"Getting a ship into port is only part of the story," said Maritime Administrator Captain William G. Schubert. "If the goods can't move quickly away from the water, then our transportation system isn't doing the job." He noted that most ports anticipate greater cargo flows in the future.

An emerging need for all U.S. Ports, especially container ports, is for real-time traffic information. Radio transmission and web-based information on traffic conditions is of increasing importance to ports and transportation providers as they manage the inland movement of marine cargo. This is reflected in the large number of ports reporting unacceptable conditions in these emerging elements of the intermodal access system. Significant access issues are found on the local access roads to ports, and at-grade rail crossings. Truck-only routes are of increasing significance as cargo volumes grow and there is a critical need to separate freight and passenger traffic on local roads and on state/interstate roads.

The Report also revealed the positive results of intermodal access investments. More than 90 percent of the ports reported acceptable or higher conditions in terms of the availability of on-dock rail facilities and aids to navigation on the waterways.

MARAD will continue its assessment on the access to the marine ports and terminals, on an annual basis, to address the magnitude of intermodal access issues that impact the flow of commerce. This will complement other Departmental initiatives in identifying

the direction and trend that these intermodal interface linkages between land and water impact congestion on our transportation system that threatens our economy and well being.

### DRPA: 2002-2003 Cruise Terminal Schedule



THE Delaware River Port Authority announced on September 16 its 2002-2003 cruise season. The announcement was made at the Philadelphia Cruise Terminal at Pier 1 as workers installed an adjustable elevated passenger boarding platform to accommodate some of the larger ships that are expected this fall and next year.

The fall cruise season starts Tuesday, Sept. 17, with the arrival of the P & O Aurora to the Packer Marine Terminal. The Aurora is making a port of call, visiting Philadelphia for the day so that passengers already on board can shop, dine and visit historic sites. It will not be picking up new passengers.

Next month, the Philadelphia Cruise Terminal at Pier 1, located at the end of Broad Street in the Philadelphia Naval Business Center, welcomes the newly christened Carnival Legend. The ship, which can accommodate 2,124 to 2,800 passengers, is the largest ship to visit the cruise terminal. It will arrive on Tuesday, October 22 for a preview for travel agents, media and local officials. The next day, the Legend - a Carnival Cruise Lines Spirit class ship - will sail



Captain Allen Domaas, FRPA's President and CEO, hands cheque to Ms. Lucille Johnstone, Chair of Fraser River Discovery Centre

for Bermuda.

The Legend's visit and other ship calls confirmed for 2003 and beyond are made possible by a series of capital improvement projects that DRPA has completed or nearly completed:

- Adjustable elevated passenger boarding platform, called an "FMT." Cost: \$1.8 million. The FMT allows passengers to board and disembark the ships through the main passenger door. Because ships vary in size and main passenger door location, the FMT can be adjusted on hydraulics to accommodate ships of any size. This allows passengers to disembark from the most convenient door.
- Mooring dolphin. Cost: \$600,000. The mooring dolphin extends the length of the pier an extra 100 feet to a total of 1,050 feet to accommodate larger ships, such as the Carnival Legend. A mooring dolphin is a group of pilings driven into the water and capped with concrete against which a ship can rest.
- Elevated passenger boarding platform. Cost: \$1.3 million. The platform, completed in 2000, allows passengers to board the ship on an elevated passenger walkway away from the pier level where loading and unloading of ship stores and luggage take place.
- Plans are underway for a headhouse connecting the cruise terminal building with the elevated boarding platform.

"This is an exciting time for the Port of Philadelphia and Camden because we've spent the last two years investing in our facility and intensifying our marketing, and now those investments are paying off with at least 12 cruises out of Philadelphia next year," said Melissa Grimm, director of the Port of Philadelphia and Camden, a department of DRPA.

DRPA has teamed with the Greater Philadelphia Tourism & Marketing Corporation in an aggressive marketing campaign to attract cruise lines to the region. Additionally, GPTMC is enhancing landside tour options for cruise passengers who may want to visit

Philadelphia before or after their cruise.

For information on cruising from Philadelphia, visit [www.cruise Philly.com](http://www.cruise Philly.com) or call Jim Cooney at 856-968-2048.

The Philadelphia Cruise Terminal at Pier 1 is operated by the Port of Philadelphia and Camden, a department of the Delaware River Port Authority. DRPA owns and operates the Benjamin Franklin, Walt Whitman, Commodore Barry and Betsy Ross bridges, the PATCO Speedline and the AmeriPort Intermodal Rail Center and the RiverLink Ferry. DRPA has taken a leadership role in the industrial and commercial revitalization of the Philadelphia-Camden Waterfront.



### Fraser River: Boosts Educational Programs at Discovery Centre

THE Fraser River Port Authority made a \$4,000 contribution towards the Fraser River Discovery Centre's educational programs at an annual fundraising gala for the Centre held on October 24, 2002, an event attended by Mayor Helen Sparkes, MP Paul Forseth and other community leaders. The Port Authority's President and CEO, Captain Allen Domaas, presented the cheque to the Discovery Centre's Chair, Lucille Johnstone, citing the enormous value of the Centre's work to promote public awareness of the Fraser River among Lower Mainland residents.

"We believe the Centre's dedication to promoting public awareness of the Fraser River is vital to its environmental health and to the strength of waterborne commerce," said Domaas. "And since education is best done with the young, who are the next generation of stewards, we're donating money for the Centre's educational programs for

school-aged children." Captain Domaas also praised the Centre's volunteers for their role as ambassadors of the river.

The \$4,000 came from the proceeds of harbour tours which were sponsored by the Port Authority during this summer's FraserFest.

The Fraser River Discovery Centre, located at Westminster Quay, is open daily (except Mondays) from 9 to 4 and offers exciting displays as well as a resource centre, meeting facilities, and a theatre. The Centre also offers educational programs for grades 3 to 5.

The Fraser River Port Authority has a mandate to promote waterborne commerce and trade within Fraser Port, which extends along the main arm of the lower Fraser River, from the mouth at Sandheads to Kanaka Creek and Pitt Lake. More than 22 million tonnes of cargo move through Fraser Port terminals each year, creating more than 10,700 local jobs.



### Houston: Port Authority Commission partners with NASA for additional security measures

THE Port of Houston Authority (PHA) Commissioners approved a recommendation for the PHA to sign a memorandum of agreement with the National Aeronautics and Space Administration (NASA) to find mutually beneficial ways to enhance security at PHA facilities and on the campus of NASA's Johnson Space Center (JSC). The efforts will include reviewing features of a PHA security command center that would be modeled after JSC's mission control and emergency operations centers. PHA and

NASA will also explore opportunities to provide security backup to each other's command stations through various technologies.

"We highly regard NASA's extensive experience in designing and operating technologically advanced and highly effective control centers and strongly believe that our collaboration is going to achieve stellar results," stated Chairman Edmonds. "The spirit of cooperation among federal, state, and local agencies is crucial to ensuring the security of people in our organizations and in the surrounding communities". He also noted that the PHA and NASA partnership is another step toward exploring all possible ways to mitigate safety risks as the Port of Houston conducts its global trade and commerce activities.

A related recommendation approved by commissioners involved the awarding of a professional service contract to CH2M Hill for a security risk assessment of the Port Authority's terminals. Through the assessment, CH2M Hill is expected to make recommendations that address physical risk, entry/exit controls, building access controls, property protection, site safeguards, security plans, policies and procedures for protection strategies. The cost of the assessment will be covered by a \$300,000 grant from the U.S. Transportation Security Administration and the Maritime Administration (MARAD). CH2M is currently performing a security risk assessment for the ports of Corpus Christi and Freeport.



## Los Angeles: Approves \$2.8 Million Funds for Clean Air Program

AS part of its on-going efforts to improve the air quality in the Port of Los Angeles, the Board of Harbor Commissioners has approved and funded the Port of Los Angeles Clean Air Program (POLACAP). This program encompasses numerous initiatives by the Port, and provides \$2.8 million in funding for many innovative terminal and ship operations programs aimed at reducing polluting emissions.

Mayor Jim Hahn commended the Board and the Port for adopting a creative set of initiatives designed to reduce pollution. "I am committed to no net increase in air pollution emissions

from the Port in order to protect the health of Los Angeles residents," Mayor Hahn said. "When I made that pledge, I was confident that Port staff and my appointees to the Commission would find innovative ways to make Port operations cleaner and more efficient. This is a great beginning, and I remain confident we will find more cost-effective pollution control methods as we change the way we do business at the Port."

"Mayor Hahn and the Board of Harbor Commissioners want to send the message that we are serious about reducing air pollutants in the Port of Los Angeles," commented Commission President Nick Tonsich. "Programs of the caliber being presented by the Port do not happen without the strong cooperation of our customers and guidance of our in-house and local agency environmental experts. We realize that these clean-air initiatives have a financial impact on our customers and we are subsidizing these programs for the sake of cleaner air," concluded Tonsich.

Of the \$2.8 million approved for the Clean Air Program, \$1 million has been set aside as matching funds for a grant by the California Air Resources Board under the NOx and PM10 Reduction Program, also known as the State Mitigation Program.

These matching funds will be used to reimburse terminal operators using emulsified diesel fuel for the incremental cost of using this fuel. It is estimated that use of lower-emission emulsified diesel fuel costs nearly thirty-cents per gallon more than conventional diesel fuel.

The Port of Los Angeles has identified and implemented several other emission-reducing initiatives that are part of the Port's overall Clean Air Program. These initiatives include:

### Marine Vessels

- Vessel Speed Reduction Control Measure
- Vessel Clean Fuel Use During Berthing
- Ship Retrofit Program
- Ship Emission Research

### Tugboats/Workboats

- Repowers/Retrofits
- Electrical Infrastructure

### On-Dock Equipment

- Fuel Emulsification
- Biodiesel
- After Combustion Treatment

### Locomotives

- Diesel Fuel Emulsification
- Repowers/Remanufacture

Additional measures will be added to the Port of Los Angeles Clean Air Program as results from environmental studies currently underway become available.

**THE PORT AUTHORITY  
OF NEW YORK & NEW JERSEY**



## NY/NJ: Announces major improvements for Staten Island Container Terminal

THE Port Authority of New York & New Jersey announced a major wharf expansion project at the Howland Hook Marine Terminal that will improve productivity and allow up to four 725-foot cargo ships to load or unload at the same time.

To further support new growth at Howland Hook, one of the East Coast's maritime success stories, the Port Authority also announced that construction will begin in November on a rail link between Howland Hook and the nation's rail freight system, providing the first direct connection between the Staten Island terminal, shippers and consumer markets throughout the continental United States. In addition, a new ship-to-rail transfer point will be built, providing faster cargo movement and making the terminal even more attractive to shippers exporting chemicals, scrap metal or other goods, or importing consumer items such as electronics equipment or clothing.

Port Authority Chairman Jack G. Sinagra said, "The Board's \$350 million in investment in Howland Hook clearly shows its importance as a key maritime facility in the Port of New York and New Jersey. Our Port supports approximately 225,000 port-related jobs in New York and New Jersey and contributes to billions in economic activity throughout the region."

To improve the terminal's capacity to handle more ships, the Port Authority has awarded a \$35 million contract to expand Howland Hook's wharf to provide additional space for ships to dock. The contract, awarded to Granite Halmar Construction Co. of Mount Vernon, N.Y., calls for expanding and strengthening the terminal's existing wharf, and installing crane rail systems.

The Howland Hook wharf extension project will extend the terminal's wharf approximately 500 linear feet - 300 feet on the north side of the current berth and 200 feet to the south. The new

wharf will be approximately 3,000 feet long and will be capable of accommodating up to four 725-foot ships.

Port Authority Port Commerce Director Richard M. Larrabee said, "On a peak day, as many as four ships with an average length of 725 feet call on the terminal. When this occurs, one ship must wait for berth space until another ship completes its cargo activity and departs. This adds costs to the shippers and causes inefficiencies at the terminal. This wharf extension project will improve the overall productivity of Howland Hook."

The project also calls for strengthening a 945-foot portion of the existing wharf to allow for future berth deepening up to 50 feet to accommodate larger vessels and support the weight of four new electric post-Panamax cranes planned for the terminal.

Construction of the rail connection will link Howland Hook with two of the nation's major freight carriers, Norfolk Southern and CSX. Cargo bound from Howland Hook, for example, will be carried on existing Staten Island Railroad tracks across the Arthur Kill. Freight trains will then follow a link to be constructed in Elizabeth, N.J. that will join the Chemical Coast Line, a major national freight line used by Norfolk Southern and CSX.

The Port Authority also will build a new ship-to-rail transfer terminal at Howland Hook on the former Procter and Gamble property purchased by the Port Authority in 2000. Construction will begin in 2003 and will be completed by the end of 2004.

Howland Hook is a 187-acre marine terminal in Staten Island. In 2001, the terminal handled nearly 300,000 international cargo containers.



try growing and bringing economic vitality to this region," said Port of Seattle Commission Chair Bob Edwards. "Every time a cruise ship comes to Seattle it injects about \$800,000 into the local economy," Mr. Edwards said. "That money creates jobs and supports our tax base."

In 2003, the Port expects more than 100 cruise ships and over 400,000 passengers to come to Seattle.

"That's a dramatic increase from 1999, when we saw just six ships and 7,000 passengers," said Port of Seattle CEO M. R. Dinsmore. "Cruise ships add a new element to our strong maritime tradition in Seattle and help build our

tourism and hospitality industries, as well," he added.

The new cruise terminal will include a 90,000 square foot, metal building, abundant on-site parking, a pair of gangways, security equipment, fencing, signage and facilities for the Immigration and Naturalization Service and U.S. Customs Service. The pier at terminal 30 is long enough to berth two cruise ships at a time.

Terminal 30, which became available in June 2002 when the container lines calling there moved to Terminal 5, offers several advantages over Pier 90, which had previously been identified as the site of the second cruise terminal.

"It's close to the airport, downtown and Pioneer Square," Mr. Dinsmore said. "It also has ample acreage for all of the activities that support cruise operations."

The new cruise facility will be ready for the 2003 cruise season and will serve vessels operated by Holland America Line and Princess Cruises. The Port's first cruise terminal at Bell Street Pier opened in 2000, and serves ships operated by Norwegian Cruise Line and Royal Caribbean International.



### The European Commission meets with US Customs Officials on US CSI

**E**SPO reports that the European Commission met, for the second time, on October 22 in Brussels with US Customs officials to discuss the US Container Security Initiative.

A first meeting of officials was held in Washington on July 31, after Frits Bolkestein, European Commissioner for Taxation and Customs, and Pascal Lamy, European Commissioner for Trade, wrote jointly to US Treasury Secretary Paul O'Neill and US Trade Representative Robert Zoellick on July 11. Commissioner Bolkestein will discuss the CSI initiative with US Homeland Security Advisor Tom Ridge in Brussels on November 4.

The Container Security Initiative (CSI)

was launched by US Customs after the attacks of September 11, 2001. The major concern of the US is the possibility of containers being used for terrorist attacks, either through weapons of mass destruction directed to ports of the United States or to the maritime transport chain itself. The USA have already signed agreements with Germany, Belgium, the Netherlands and France. Discussions with the UK are almost finalised. Italy and Spain are currently conducting negotiations. The European Community shares the objective of improving maritime transport security and protecting trade against any threat of terrorist attack. The reality of such a threat materialised only a short time ago when a ship under

## Port of Seattle

### Seattle: Port Commission approves \$16.5 million investment in second cruise terminal

**T**ERMINAL 30, on the East Duwamish Waterway, will be the site of the Port of Seattle's second cruise terminal. Port of Seattle Commissioners voted today to invest \$16.5 million to convert the vacant container terminal for use as a passenger facility.

"It's exciting to see the cruise indus-

French flag was attacked off Yemen. The Commission therefore agrees that it is important to take concrete steps to ensure a common level of security control on both sides of the Atlantic in such a way as to mutually guarantee standards for a uniform treatment of all exports involved.

At the October 22 meeting, both the EU and US delegation recognised the importance of co-operation to ensure both better security and facilitation of legitimate trade. In the discussion a number of major principles for future co-operation were stressed, most particularly reciprocity, common standards for the selection and performance of controls to increase security and at the same time facilitate legitimate trade.

Different views still exist on a few points such as the proposed US 24 hours rule. This proposed rule requires carriers to provide US Customs with cargo manifest information 24 hours before the related cargo is loaded on board a vessel, destined for the United States, at the foreign port. Both parties convened to carry out further analysis on these aspects and to quickly find solutions to bridge such difficulties. Both parties also agreed to quickly explore the possibilities of signing a declaration of principle to co-operate on a mutually acceptable container security system covering the whole EU which would integrate the needs for securing international trade in containers.

In addition, a group of technical Customs experts will meet to deepen the discussion of specific areas that might also facilitate future discussions within the World Customs Organisation (WCO) Task Force on Security and Facilitation in the international supply chain (most of the work of the Task Force needs to be finalised before June 2003).



for ABP Ports of Barrow & Silloth.

Construction of the new facility was funded by ABP and Prime Molasses, which was awarded a £220,000 Freight Facilities Grant by the Department for Transport for taking freight off the roads. In the past, molasses were shipped from Continental Europe to Liverpool and Grangemouth, and then transported by road to animal-feed mills and farms throughout North-West England. It is estimated that, with Prime Molasses importing closer to end-users, there will be a total of 11,000

fewer lorry deliveries over a five-year period.

Commenting on the new facility, Mr. Lerenius said:

“Prime Molasses offers an innovative and responsive service to the UK feed trade, and we welcome the company’s initiative to establish a new, independent supply of molasses to Cumbria and the North West. The environmental benefits of short-sea shipping are well known, and Silloth’s location makes it an ideal port-of-call for customers seeking to ship goods close to end-users in North-West England.”

Mr. Graham Hilton, Managing Director of Prime Molasses, said:

“This is a key project for Prime Molasses, which allows us to enter the North-West market in a way that delivers both economic and environmental benefits. I am delighted that this project also allows us to participate in the regeneration of Cumbrian agriculture, after everything it has suffered in the last two years.”

It is estimated that the new facility will have a throughput of around 30,000 tonnes per year.

### ABP Southampton: Third cruise terminal planned

ASSOCIATED British Ports (ABP) has announced on November 1 that it is to provide a third cruise terminal – capable of berthing the largest cruise ships in the world – at its Port of Southampton, in response to demand from the port’s cruise customers.

Southampton, the cruise capital of the

UK, has gone from strength to strength in the cruise sector during recent years, and the new terminal will provide much needed extra capacity for the south-coast port.

The terminal will be constructed, at a cost of £1.5 million, on the site of the former banana terminal at 101 Berth in Southampton’s Western Docks, adjacent to the public Mayflower Park, and will become a key feature of the city’s busy waterfront.



### ABP Silloth: Major new facility opened

THE Silloth Molasses Terminal, a brand-new storage and distribution centre for molasses imports, was officially opened on October 29, 2002 at Associated British Ports’ (ABP) Port of Silloth by Mr. Chris Holmes, Chief Executive, Carr’s Milling Industries PLC, at an inauguration ceremony hosted by Messrs. Bo Lerenius, Group Chief Executive, ABP Holdings PLC, and Steven Young, Port Manager



Mr. Andrew Kent, ABP Port Director, Southampton, said:

"We are fortunate to have existing modern buildings alongside a deep-water quay, which can be adapted to provide a first-class facility capable of handling the world's largest cruise ships. This new facility is a further investment by ABP in Southampton's success and will bring substantial benefits to the region's economy."

Construction of the third cruise terminal is expected to be completed during the course of next year. Work is also already underway on a £7 million major reconstruction of the port's cruise terminal at 106 Berth, under a new 10-year agreement with P&O Cruises. P&O Cruises has recently announced it will increase the capacity of its Southampton-based UK fleet with the introduction of the vessels *Oceana* and *Adonia* in 2003.

Southampton accounts for over 40 per cent of the UK's turnaround cruise market and is set to handle more than 200 cruise calls next year.



## Algeciras: APBA decides Intervention 2

THE Port Authority Administration Board of Algeciras Bay held an extraordinary session to decide the 2nd intervention work of the first phase of Campamento port development to Necso Entrecanales Cubiertas, S.A. The Port Authority is to invest almost 30 million euros in this project alone.

The project consists basically of 1,400,000 cubic metres' dredging work to create an inner basin for the land used for the construction of La Condamine (Monaco) Port's floating dock. At the same time, a 618-metre quay is to be built with draughts of between 14.5 and 17.5 metres on the same surface. The company's proposal contemplates the construction of a dry dock, which will require rebuilding the area's waterproofing system, and emptying of the old Crinavis reservoir. The project execution deadline has been fixed at 19 months by the company.

This work, together with the first intervention work of the 1st Phase - soon to be completed after a 6.5 million-euro APBA investment - will receive a Government Cohesion Fund

subsidy of 16.6 million euros for expanding the Campamento port infrastructure.

The global project to develop Campamento facilities, located to the north of Algeciras Bay between the boroughs of San Roque and La Linea, is split into four phases with a projected investment of 180 million euros from APBA. On completion, it will provide a 65-hectare surface area, comprising quays with draughts of between 14.5 and 17.5 metres.

The Port of Algeciras Bay's facilities, with more than 2.15 million TEUs in 2001, are leading the way for Spanish ports in container and cargo throughput, and is one of the Western Mediterranean's major cargo transhipment ports.



## Antwerp: 3 candidates for the last concession on the Deurganck dock

NOVEMBER 8 was the application deadline for concessions for the last part of the Deurganck dock, with the objective of operating it as a container port. The Port Authority has received applications from Hesse-Noord Natie, P&O Ports and Maersk Benelux. It has also received letters from several shipping companies, outlining their vision for the role that the Port of Antwerp will play in their activities during the coming years.

The MSC-HNN consortium as such has not submitted an application. According to its representatives, "after serious consultation and in-depth examination." In this connection it should be remembered that discussions between the Antwerp Port Authority, Hesse-Noord Natie and MSC were also held before the invitation to tender was issued for the first phase of the Deurganck dock. On that occasion, both the Port Authority and Hesse-Noord Natie tried to convince MSC to continue making use of the Hesse-Noord Natie concession in the Delwaide dock, so that the Deurganck dock could be reserved mainly for new shipping activities or for large-scale restructuring of shipping operations. However, MSC considered that the capacity of the Hesse-Noord Natie terminal in the Delwaide dock was not enough to allow for further expansion of its shipping activities.

In the meantime, however, important

events and developments have taken place, including the stoppage of work on the Deurganck dock and the resulting considerable delay in the terminal becoming operational. There also remains a certain amount of uncertainty for MSC as regards whether the work can go ahead unhindered, in view of the court cases that are still pending.

Furthermore, there are the altered circumstances in the Delwaide dock as a result of the merger between Hesse-Noord Natie and Noord Natie, which now offers the possibility for MSC to make integrated, optimised use of the extended quays and the greater back-quay area.

The merger between the two companies also permits more rational use of their respective facilities, and so has done away with problems of limited handling capacity, at least for the time being. In view of all this, MSC has decided to play safe, and has asked to be allowed to take over the HNN concessions in the Delwaide dock and to use and organise them as its home terminal.

The Port Authority for its part rather welcomes this alternative proposal by MSC, for various reasons. First and foremost, it is happy that Antwerp's largest shipping customer has remained its faith to the port, even in very difficult circumstances. Furthermore, it is pleased that the Delwaide dock will not only continue operating in a unique way as a container dock, but will also be significantly upgraded, with a phased programme of reinvestment in state-of-the-art equipment. Finally, the option chosen by MSC will enable the new capacity in the Deurganck dock to be reserved for new shipping activities that may be attracted to Antwerp. In this connection, it is absolutely essential for work on the Deurganck dock to go ahead rapidly once more.

It goes without saying that the proposal by MSC will first have to be further examined. What is certain already is that this alternative will make the need for deepening the Scheldt even more acute and urgent; operating from behind the locks, the shipping company cannot function properly within the present time windows.

The Board of Directors has therefore instructed the Chairman and the CEO to examine all the possible consequences of the MSC alternative, to assess the applications and letters for obtaining a concession in the Deurganck dock, and to report on these matters at the next board meeting.

**Italy: Joins U.S. Customs CSI**

U.S. Customs Commissioner Robert C. Bonner and Mario Andrea Guaiana, Director, Italian Customs Agency, announced on November 7 that the government of Italy has agreed to participate in the U.S. Customs Container Security Initiative (CSI).

CSI is a U.S. Customs initiative designed to prevent the smuggling of terrorists or terrorist weapons in ocean-going cargo containers. Under terms of the declaration announced today, U.S. Customs officers will be stationed at the Italian ports of La Spezia and Genoa.

"I applaud the government of Italy for joining the U.S. Customs Service Container Security Initiative (CSI)," said Commissioner Bonner. "This joint declaration with Italy is yet another example of the joint efforts and continuing strong resolve in the international fight against terror. This will provide a significant measure of security for the global trading system as a whole."

Globally, over 48 million full cargo containers move between major seaports each year. Each year, more than 16 million containers arrive in the United States by ship, truck, and rail.

"We recognize the importance to deter and interdict any terrorist attempt to disrupt global trade or to attempt to make use of commercial shipping to further their own schemes," said Mario Andrea Guaiana, Director, Italian Customs Agency. "We support CSI in safeguarding global trade by enhancing cooperation at our seaports in identifying and examining high-risk containers and ensuring their in-transit integrity."

This agreement intensifies bilateral Customs cooperation within the framework of the Customs mutual administrative assistance agreement to station, on a pilot basis, starting at the ports of La Spezia and Genoa, officers of the U.S. Customs Service to further this enhanced cooperation.

The U.S. Customs Service has signed Container Security Initiative declaration of principles with the governments of Canada, The Netherlands, Belgium, France, Germany, Hong Kong, and Singapore.

In September, the U.S. Customs Service and Japanese Customs and Tariff Bureau announced in Tokyo the sealing of the declaration of principles to participate on a pilot basis in the Container Security Initiative (CSI). In October, China joined CSI in principle.

The CSI supports the "Cooperative G8 Action on Transport Security" adopted by the 8 most important industrialized nations (G8) at their Kananaskis, Canada, meeting on June 26, 2002.

Launched by U.S. Customs in January 2002, CSI consists of four core elements. These include: (1) using automated information to identify and target high-risk containers; (2) pre-screening those containers identified as high-risk before they arrive at U.S. ports; (3) using detection technology to quickly pre-screen high-risk containers; and (4) using smarter, tamper-proof containers. The initial objective is to implement CSI at the ports that send large volumes of cargo containers into the United States, in a way that will facilitate detection of potential security concerns at their earliest possible opportunity.

One element of CSI involves placing U.S. Customs inspectors at foreign seaports to target and pre-screen U.S.-bound cargo containers before they are shipped to America. Since approximately 68 percent of the 5.7 million sea containers entering the U.S. annually arrives from 20 foreign seaports, U.S. Customs is initially focusing on these "mega" ports as check-points in the global trading system.



**Marseille: Twelve new maritime services created in 10 months**

SINCE the beginning of the year, twelve new maritime services have been created out of the port of Marseilles, that is more than one per month.

This result already exceeds that of 2001, when ten lines were created during the whole year.

It demonstrates the confidence shown by the maritime operators in Marseilles as a port and the capacity of the Port Autonome de Marseilles to attract economic activity.

Among these twelve services, nine serve Algeria, which confirms this country as the leading client of the port of Marseilles. Moreover, there was a 30% increase in container traffic with Algeria during the first six months of 2002.

The latest services, created in October, serve the West Coast of the United States and the Far East.

Ten of those services leave from the Eastern docks (Marseilles). They are mainly container services (7) or semi-containers (2), with three ROROs.



**Nantes - Saint Nazaire: Information Technology Traces Containers**

SEVERAL professional organizations\* at the Port of Nantes - Saint Nazaire have decided to found a joint venture company, to be responsible for developing port community information technology. It is proposed that the Port Authority, which initiated the project in conjunction with UMBL and has funded the three-year launch period, take a stake in the new firm. The company will begin operation on 1st January 2003 and will be run by Sophie Lemert, who is currently employed by SOGET, a specialist information technology company which designed the ADEMAR (Accélération Des Expéditions Mariitimes - Acceleration of Seafreight Operations) software, initially for the Port of Le Havre.

ADEMAR forms the basis of the local port community information technology. Shared by all the port community professionals (shipping agents, ship's agents, ship brokers, cargo handlers, Customs ...) utilizing the latest technologies (extranet or dedicated network), this port community information technology makes it possible to physically track each container and to monitor its documentary status, from when it arrives at the terminal, outbound or inbound. Via the information technology network, all the port professionals thus have direct access to data on the physical and administrative status of any "box" transiting the Port. This new information system should put an end to a good many manual procedures, notably Customs declarations.

- \* UMBL: Union Maritime de la Basse-Loire (or Lower Loire Maritime Union)
- SEMP: Syndicat des Entreprises de Manutention Portuaire (or Association of Port Cargo Handling Firms)
- SACN: Syndicat des Agents Consignataires de Navires (or Association of Ship's Agents)
- TLF: Fédération des Entreprises de Transport et Logistique de France (or French Federation of Transport and Logistics Companies)

Asia/Oceania



**Auckland: Another bumper cruise season for Auckland**

THE arrival of the Seven Seas Navigator at the Port of Auckland on October 22 marked the beginning of another bumper cruise season for Auckland. The 500-passenger Radisson ship is one of 21 cruise ships visiting Auckland over the 2002-03 season, up from 17 last season. Multiple calls by some ships mean a total of 37 will call at the Port of Auckland, on a par with last season's record of 38.

The cruise ships are expected to bring 53,000 passengers to Auckland during the 2002-03 season.

"Passenger numbers for both this season and last are significantly up compared with the final figures for 2000-01, which were 33,000 nationally and 32,000 for Auckland," said Cruise New Zealand Chairperson Craig Harris.

Last season (2001-02) was a record with 55,000 passengers visiting Auckland. The 2002-03 season will end

on May 1, 2003 with a visit by P & O Cruises' newest vessel in the Princess fleet, the 700-passenger Pacific Princess.

**Economic impact**

A report by Market Economics Limited for Cruise New Zealand predicts that the direct spend by the cruise ship industry in New Zealand in the coming season will be \$172 million - slightly down on last year's \$181 million. Forecasts are not yet available for the direct spend in Auckland, however in previous seasons this has been more than half the national total.

**Improvements at the Overseas Passenger Terminal**

Mr. Will Harvey, Ports of Auckland General Manager Port Services, said

measures were in place to ensure smooth processing and passenger flows at the new Overseas Passenger Terminal in what will be a very busy season. This is the terminal's second season.

"The passenger terminal is a high-use area - particularly this season because it coincides with America's Cup racing - so the company is working closely with ships' agents to foresee possible congestion problems and establish guidelines to make the processing of passengers and their baggage as efficient as possible."

Six cruise ships will berth at Queens Wharf because on several days during the season more than one ship will be in port at the same time. Mr Harvey said an agreement had been made with ships' agents which ships would go to Queens Wharf.

**China: Joins the U.S. in CSI**

PRESIDENT George W. Bush and President Jiang Zemin announced at the President's ranch in Crawford, Texas on October 25 that China is joining in principle the Container Security Initiative (CSI), and thereby joining the United States in safeguarding the global maritime trading system from terrorism. CSI is a key initiative designed to prevent global sea cargo from being exploited by terrorists to inflict harm on America and other nations of the world.

"I am very pleased that the Chinese government has agreed in principle to join with the United States in the Container Security Initiative," U.S. Customs Commissioner Robert C. Bonner said. "We will be working with



**Tokyo News Service's Website**

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

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



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

**Information posted:** 1. Sailing schedules a. Liner shipping schedules (export/import) to and from Japan b. Liner schedules (export) from Asian countries other than Japan c. Feeder schedules to and from Singapore  
2. Ship details 3. Telephone and fax numbers of shipping firms and agents 4. Surcharges 5. News (in preparation)

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the appropriate Chinese government officials to implement the program as quickly possible. This is an important step, not only for the protection of trade between the U.S. and China, but for the protection of the most critical component of the world trading system as a whole - containerized cargo."

Launched by U.S. Customs in January 2002, the CSI is designed to enhance the security of global maritime shipping, a vital link in world commerce. Some 48 million full cargo containers move annually among the world's top seaports, and nearly 50 percent of the value of all U.S. imports arrive via sea cargo containers every year.

A core element of CSI involves placing U.S. Customs inspectors at foreign seaports to screen U.S.-bound cargo containers before they are shipped to America. U.S. Customs officials, working with their foreign counterparts, would be in a position to detect Weapons of Mass Destruction and other instruments of terror at these foreign ports. Because roughly 68 percent of the 5.7 million sea containers entering the U.S. annually arrive from just 20 foreign seaports, Customs is initially focusing on these "mega" ports as crossroads in the global trading system.



### Indonesia Port Corporation II: Develops ports in West Java

A masterplan study will be conducted on the comprehensive development of Tanjung Priok Port, Jakarta and Bojonegara Port in Banten Province. The study will cover, among others, proper allocation of functions of the two ports, port development strategy, demand forecast and port management systems. The study will also consider the establishment of an effective cargo distribution system and the development of an alternative container port alongside Tanjung Priok that would address congestion problem, allow the efficient movement of cargo and accommodate the increasing demand for cargo facilities.

The Japan International Cooperation Agency (JICA), the official agency that is responsible for the implementation of the technical cooperation programs of the government of Japan, will undertake the study in close coordination with Indonesia Port Corporation.



### Kobe: Completion of Container Terminal PC13 and Commencement of Container Operations by APL



OPENED for public use on July 1, 2002, No. 13 Container Terminal (PC13) on Port Island in Kobe started to provide efficient cargo services since the first vessel called the terminal on July 8. In celebration of the opening of the terminal, a commemorative ceremony was held on September 12.

PC13 was the first container facility in Japan designated for construction and improvement according to a "new scheme" (whereby a container terminal would be jointly constructed/improved by three business entities: i.e., the central government, Kobe City and Kobe Port Terminal Corporation). However, while it was under construction, the terminal suffered serious damage from the Hanshin/Awaji Earthquake, which hit the area in 1995. The terminal was therefore rebuilt as a reinforced earthquake-proof structure.

The opening ceremony saw the attendance of some 150 people including guests and specially invited visitors. At the beginning of the ceremony, president Motonori Hashima of the Kobe Public Container Corporation, representing the hosts, explained how PC13 Container Terminal came about and presented an outline of the container facilities.

Following his explanation, Vice President James H. Macadams III of APL Japan, delivered the following address:

"It was a little over 130 years ago, around 1867, that the paddle side-wheel steamer Colorado (later re-christened California) entered Pacific service between San Francisco, Japan and Hong Kong for the first time ever. For the one hundred or so years thereafter, APL's freighter and passenger ship service on the U.S.-Japan route continued without interruption. In the beginning of the



1970s when APL changed its freighter service from bulk carrier to container-ship, APL and the port of Kobe started handling containerhips at PC2 Container Terminal for the first time and continued the service at PC5 Terminal thereafter. APL now annually handles some 200,000 TEUs of containers, which accounts for a little more than 10% of the total TEU throughput moving via the port of Kobe. With the world economy undergoing rapid change as at present, both APL and Kobe Port's customers are pursuing their initiatives to meet new challenges as they are confronted with severe competition from developing economies in Asia and elsewhere."

"Hoping that the existing partnership between Kobe Port and APL will be maintained for at least another 130 years in the future, we at APL want to continue doing business at the port of Kobe and develop the partnership with the port even further," said the Vice President.

Following him, Mr. Hideya Fukumoto, Manager of Administration Division, Ports and Harbors Bureau, Ministry of Land, Infrastructure and Transport, read a message from the Minister Chikage Ogi. The message reads as follows:

"The port of Kobe successfully rehabilitated its port facilities in just two short years after they were dealt a deadly blow in the Hanshin/Awaji Earthquake. I would like to pay my respects to all those concerned for their hard work in the restitution of the port facilities. The PC13 terminal facilities, able as they are to accommodate ever-larger containerhips, answer the need for high efficiency cargo work, can be rightly said to epitomize Japan's ports."

Following him, mayor Tatsuo Yada of Kobe City delivered a congratulatory address, saying, "We would like to have APL make full use of PC13 Container Terminal so that their use of the terminal will lead to the prosperity of the port of Kobe."

Lastly, six persons representing the parties concerned as well as close guests conducted a ribbon cutting to bring the opening ceremony to a close.

For the port of Kobe to resume activity as a hub port in Asia in the future, it is

necessary that the port should transform itself into a more competitive and convenient port by setting reasonable port fees and charges. PC13 Container Terminal is expected to develop further, opening the way for a new phase of container transport.

At present, the construction/improvement of Container Terminal PC18 according to said new scheme is in progress, and this effort is expected to be completed in April 2003. With this as a turning point, the port of Kobe is expected to fully recover from the damage by the earthquake and make greater strides in the field of port logistics in the 21st century.



## MPA: Singapore hosts 28th annual APA meeting

SINGAPORE hosted the delegates of the 28th ASEAN Ports Association (APA) annual meeting from October 21 to 23, 2002, held at the Marina Mandarin Hotel. The opening ceremony was officiated by Mr Peter Ong, Permanent Secretary, Ministry of Transport. Mr Ong also delivered an opening address. Held for the second time in Singapore, some 60 senior officials from the member countries' port authorities and terminal operators gathered at this meeting. The Singapore delegation was led by Capt Khong Shen Ping, Director for Port, Maritime and Port Authority of Singapore (MPA).

During the three-day meeting, several major issues were discussed. These include the Manual for the Best Practice on Port Operations Standards, Port Safety and Security and Logistics, as well as the schemes for the training and attachment of port personnel among ASEAN ports.

The APA is a regional association with members comprising port authorities and terminal operators from Brunei, Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam. The Association's objectives are as follows:

- To provide the ASEAN ports and harbor organizations with a vehicle for regional cooperation in port and harbor development, operations and management; and
- To promote and protect the interest of member ports.

The APA annual meetings serve as

the policy-making body of APA, reviewing the progress of the Association's works and projects, deciding on vital issues on hand, and addressing other areas of concerns such as approving the proposed APA Budget, examining and adopting the reports of the various Technical and Working Committee meetings held prior to the annual APA meetings.

The MPA is committed to providing the ASEAN ports and harbor organizations with a platform for regional cooperation in port and harbour development.



## Sydney: Shaping the Ports of Sydney - Celebrating 100 Years of People and Maritime Heritage

ON November 6 a significant maritime narrative was unveiled to salute the evolution of the "working harbour and bay," its people, and its valuable contribution to Sydney and the State.

On behalf of Sydney Ports Corporation, the NSW Treasurer, Minister for State Development, the Hon. Michael Egan, MLC, launched the book, "First Future Port - Celebrating 100 Years" at the Australian National Maritime Museum, citing the research as a valuable piece dedicated to the preservation of our maritime history and heritage.

Sydney Harbour in the 21st century is a scene of constant maritime traffic, container ships, ferries, water-taxis, yachts, cruise ships, fishing boats and runabouts. Historically, Sydney is a maritime city - even before Europeans arrived and the city was built, the Eora people lived, worked, and celebrated at the water's edge.

"The launch today celebrates 100 years of service to Sydney Harbour and those that helped shape Sydney Ports Corporation and its predecessor organisations, Sydney Ports Authority, the Maritime Services Board and the Sydney Harbour Trust," Mr Egan said.

The first Harbourmaster was appointed to control the Port of Sydney in 1811. However, it was not until 1901, when the privately owned wharves were transferred to a public authority for management of the Harbour's port facilities, that the makings of Sydney Ports Corporation as we know it today began

to evolve.

The Sydney Ports Chairman, Mr David Field also reiterated the Corporation's key role in the protection of the marine environment and ensuring the ports' operations are managed in an economically, socially and environmentally responsible manner. "Together with the NSW Government, the preservation and retention of Sydney Harbour as the working Harbour both from an economic and heritage viewpoint is advocated," Mr Field said.

## Summary evolution timeline of Sydney's ports

- pre European arrival - Eora people lived, worked, and celebrated at the water's edge.
- 1770 Captain James Cook landed at Botany Bay.
- 1788 Captain Arthur Philip and the First Fleet landed at Sydney Cove.
- 1799 first coal export.
- The first Harbourmaster was appointed to control the Port of Sydney in 1811.
- 1825, introduction of the first Act regulating shipping in NSW, pilotage made compulsory and special pilotage board established to govern pilots.
- 1901 the State government resumed the wharves and created the Sydney Harbour Trust in response to the outbreak of diseases caused by infestations of the wharves by rat plagues.
- The 1936 the Sydney Harbour Trust was replaced by the Maritime Services Board of NSW, controlling management and navigation laws for all the ports of NSW.
- 1955 Caltex established oil refinery at Kurnell.
- By the 1960's containerisation of cargo and roll on/roll off facilities established at Darling Harbour and White Bay.
- 1973 Glebe Island container berths were opened for trade.
- Approval was given to develop a port in Botany - 34 hectares of land was reclaimed at Botany Bay by 1972.
- In 1979 the first bulk liquids berth opened at Port Botany and Port Botany's Brotherson Dock was commissioned, doubling the container handling capacity of Sydney ports.
- 1982, CTAL terminal at Botany Bay commissioned.
- The Sydney Ports Corporation of today was born in 1995 after the MSB was dissolved to allow for the creation of three stand-alone port corporations of Newcastle, Port Kembla and Sydney.

The book can be located at the Corporation's website under "Publications" at [www.sydneyports.com.au](http://www.sydneyports.com.au)