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IAPH Officers

PORT ZAYED

THE history of Mina Zayed (or Port Zayed) is the history of the UAE Federation. The construction of this Port started in 1968 in fulfillment of the directives of His Highness Sh. Zayed Bin Sultan Al-Nahyan, in his capacity as ruler of Abu Dhabi Emirate at that time. However, the Port was officially inaugurated by His Highness Sh. Zayed in 1972 in his capacity as the President of the UAE.

Port Zayed as the main gate of the Abu Dhabi Emirate to the outside world extends valuable services to a wide range of private and public sectors including the shipping lines, shipping agents, importers, businessmen and other port users.

The unique location of the Port with its great potential allows it to play a major role in the Gulf region and the Middle East. The total area of the Seaport is 510 hectares in addition to 1000 square meters being the area of the Free Port. Port Zayed has presently 21 berths with individual depths varying between 9.5 and 15 meters, allowing the arrival of all types of commercial trans-ocean ships.

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IMO's MSC Intersessional Working Group on Maritime Security

February 11-15, 2002, London

Report by
P.C. van der Kluit
IAPH Liaison Officer with IMO Rotterdam, February19, 2002

THE establishment of the Intersessional Working Group on Maritime Security (ISWG) was an initiative of IMO's Assembly that met in November 2001. In view of the terrorist attacks on the Twin Towers in New York and the Pentagon in Washington on September 11, 2001, it was considered necessary to review existing IMO instruments on maritime security. In view of the urgency of the matter it was decided that the ISWG would meet in February 2002 to start working on the subject and submit its findings to the Maritime Safety Committee (MSC) that will meet in May 2002. The results of that MSC meeting would then serve as input for a diplomatic conference in November or December 2002.

As already reported earlier, the Working Group on the Ship/Port Interface (SPI) already prepared input for the ISWG at its meeting in January 2002. This rather exceptional situation was explained by MSC's Chairman, Mr. T. Allan, because "exceptional circumstances demand exceptional action".

The ISWG was chaired by Mr. F. Wall from the UK, whereas Mr. B. Streeker from Canada was appointed vice-chairman.

The meeting was extremely well attended with representatives from 70 member states, 2 UN agencies, 4 intergovernmental organizations and 27 NGO's, including IAPH. The ISWG was assisted by a Drafting Group and an Ad-hoc Guidance Group.

At the outset of the meeting it was underlined that technical co-operation was of extreme importance, since adoption of maritime security measures by the conference later this year and their coming into force in a few years' time (most likely 2004), would require assistance to developing countries to implement the new provisions. To that end a Technical Co-operation Programme on Maritime Security was launched, that would aim at capacity building. An amount of Pst. 1.5 million has been put aside from the Technical Co-operation fund of IMO. This initial fund should be regarded as seed money that would attract additional funding from other sources. Also contributions in kind would be sought, such as expertise, host facilities, fellowships and on-the-job training.

The meeting then started its discussions on relevant topics and used the submission from the USA, MSC75/ISWG/5/7 (circulated by IAPH Head Office for comments) as basis for the discussions.

In the following paragraphs the results of the discussions on the USA proposals are briefly described.

1. Accelerated installation of Automatic Identification Systems (AIS) on ships

The USA had proposed to shorten the current installation period from 2002-2008 to 2002-2004. The ISWG agreed in principle to that proposal, given the information from the AIS industry that it would be able to produce the required systems. Implementation could be achieved by an amendment to the relevant regulation of SOLAS. It was agreed that the provision should only apply to ships engaged in international voyages. The implementation of AIS requirements for ships on domestic voyages should be left to the relevant competent authority of the Flag State.

The ISWG also studied a second pro-

posal by the USA on the use of long-range interface in ship-borne AIS equipment. The working group agreed that relevant IMO sub-committees should be tasked to work this item out in detail.

2. Ship and Offshore facility security plan

The ISWG agreed to the USA proposal that through an amendment to SOLAS Chapter XI ships could be required to carry security plans on board. Such plans should ultimately be incorporated in the ISM Code. It was considered essential that the mandatory requirements relating to such plans should be developed prior to the Diplomatic Conference. As to similar requirements for offshore facilities the ISWG agreed in principle but concluded that this matter should be further discussed.

3. Ship Security Officer (SSO)

The ISWG agreed to the USA proposal to make the requirement for a Ship Security Officer mandatory through an amendment of SOLAS Chapter XI. This would require the Sub-Committee on Standards of Training and Watchkeeping (STW) to develop relevant training requirements. It was also agreed that the SSO would be required to provide the basic training to the crew of the ship.

4. Port (Facility) Security Plans

In its submission the USA had proposed that the development of port and port facility security plans should be made mandatory under SOLAS. After a lengthy discussion it was agreed that mandatory requirements could only apply to the ship/shore interface in so far as this interface has a bearing on the ship's security. The mandatory requirement should be included in a new part B of Chapter II. It was further agreed that recommendations were needed as to what ports this should apply, e.g. ports that are frequently visited by ships engaged in international voyages.

As to the rest of the port and port facility (so excluding the interface activities) it was agreed that recommendatory guidance should be developed jointly by IMO and ILO.

5. Port Vulnerability Assessment (PVA)

This subject too was divided into two parts: the ship/shore interface and the port area in general. Similar to Port security Plans, it was agreed that the first could be addressed through SOLAS. As to the general port area this matter should be addressed by the port state on the basis of guidance developed by IMO and ILO jointly.

In this context IAPH argued that, given the fact that, unlike ships, every port has its own unique characteristics, effective security measures would vary from port to port. The port community will therefore best be served by generic guidance enabling each individual port to develop its own tailor-made security system.

6. Seafarer identification and background check

The USA had proposed far reaching measures regarding seafarer's identification and background check. However, a majority of the ISWG did not support the proposal for background check. Opponents based their view on legal and constitutional restrictions, issues of human rights, privacy and data protection.

There was general agreement on the necessity for proper seafarer identification. In this context it was agreed that this was a matter in which ILO and IMO should work closely together. A possible solution could be the result of currently undertaken work in ILO to update relevant conventions. The Director General of ILO will be invited by IMO to bring the matter to the attention of ILO's governing body in March this year, with the suggestion to urgently prepare a new protocol to ILO No. 108 for adoption by the ILO General Conference in June 2003. Should this approach fail, a provision will be included in SOLAS.

7. Information on the ship, its cargo and people

The ISWG discussed proposals and information by the United States on the issue of information exchange between ship/port states, flag states/port states and port states/port states on the ship, its cargo, its crew and passengers to determine if additional measures should be implemented to enhance the current information exchange to further increase maritime domain awareness.

After extensive discussions the ISWG agreed that here was a strong desire to take the matter of improvement of information exchange further. There was general agreement that there was a need to establish who controls a ship. In that context the Chairman would contact the Legal Committee of IMO for assistance.

8. Means of ship alerting

The ISWG agreed to the USA proposal to investigate possibilities for seafarers to activate an alarm to notify authorities and other ships of a terrorist attack. Relevant IMO sub-committees were asked to address this matter as a matter of urgency and report to the next session of MSC.

9. Container inspection and co-operation with the World Customs Organization (WCO)

In its submission the USA had proposed port-of-origin container inspection and co-operation with WCO. The USA argued that taking into account technological advances in portable detection equipment for shipboard and dockside container inspections such inspection could in principle be carried out on all containers.

In view of the annual volumes of containers shipped worldwide, this proposal was considered too far-reaching. Facilitation of maritime traffic needs to be balanced against the desire for maritime security.

IAPH argued that if ports were selected as locations for container inspections, such inspections should be targeted and based on risk analysis and intelligence gathering. The USA proposals would, in the view of IAPH, lead to severe congestion in ports, hampering the concept of free trade. IAPH also suggested to further develop the concept of the secure chain of custody for containers. If measures could be established to guarantee that the contents of a container would be correctly covered by its documents, such measures in combination with electronic seals would eliminate or at least greatly reduce the need for physical inspections.

The ISWG concurred with those viewpoints and agreed that targeting through information exchange should be encouraged and that there was a need to balance the facilitation of maritime traffic against maritime security requirements. The need to maximize co-operation between all parties involved in the transport chain was stressed. The ISWG also agreed that IMO should commence or improve co-operation with other relevant organizations without delay, such as the formalization of a co-operation agreement with WCO.

10. Ship Security Equipment

The ISWG discussed proposals from the USA to consider the need for ship security equipment, and if considered necessary, to incorporate new regulations in SOLAS. It was recognized that the type of such equipment would largely depend on risk assessment based on e.g. ship type, trading routes etc. As a result the relevant sub-committee was tasked to consider the issue of maritime security equipment to prevent the unauthorized boarding of ships in the widest sense and to report its findings to the next meeting of MSC in May 2002.

11. Long-term goal

The ISWG considered the USA proposal and discussed how best to integrate maritime security into the long-term objectives of IMO and to ensure that it remains a high priority item for the foreseeable future. The ISWG agreed that the MSC would be the appropriate body to consider this issue and to develop a strategy on maritime security.

The results of the ISWG will be reported to the next meeting of the Maritime Safety Committee in May 2002. Member states and affiliated organizations are invited to submit papers to this meeting before 12 April 2002. In this context IAPH is considering a contribution on Port Security, based on the expertise available in a number of member ports and specialized organizations such as the International Association of Airport and Seaport Police (IAASP). The matter will also be discussed at the next meeting of the Inter-Industry Shipping and Ports Contact Group on 28 February 2002.

In closing, a word of thanks to those port colleagues who responded to the enquiry by IAPH Head Office, which had circulated relevant documents for comments. Their responses have been valuable to the IAPH representatives at the ISWG meeting in clarifying the IAPH position on a number of port related issues.

(Note: the IAPH delegation at ISWG consisted of Mr. F.M.J. van de Laar, Chairman of the IAPH Committee on Port safety, Environment and Marine Operations, Mr. D.C. van Gent, Safety and Security Coordinator of the Rotterdam Municipal Port Management and Mr. P.C. van der Kluit, IAPH Liaison Officer with IMO and Managing Director, IAPH Europe Office)

(Numbering was made at the discretion of the Head Office.)

IAPH Port Security Bulletin

AS we reported in the March issue, Secretary General Satoshi Inoue asked IAPH members for their comments and advice on their experience related to the issue of Port Security in his e-mail circular of January 28, 2002, so that IAPH's collective view on the issue can be properly reflected on discussions at IMO currently addressing the prevention and suppression of acts of terrorism against shipping.

Most members have given their attention to "IAPH Port Security Bulletin" on IAPH's website, offering responses to the above request. Hereafter, you will find summary of those comments which will be helpful for further fruitful discussion.

*Note: * Listing is in chronological order according to the date received by the Head Office.*

IAPH Port Security Bulletin: January 31, 2002

PORT OF BRISBANE CORPORATION

THANK you for your e-mail and the opportunity to comment from the perspective of the Port of Brisbane.

Although our port does not have the same frequency of passenger vessel calls as other global ports, we have introduced measures to inhibit and dissuade any inclusion of Brisbane into possible terrorist consideration. These measures have been introduced to all Brisbane shipping as a result of our group of port stakeholders (based on the recommendations of the International Chamber of Shipping paper "Port Security" dated 12th November 2001 but including a representative of the "Multi Agency Threat Assessment Team") risk analysis centred on:

a) the length of our navigation channel between open sea and berths (88 kms)
b) the volume of crude oil and oil products traded through this port
c) the assessed likelihood of a terrorist attack based on an anticipated "benefit to their cause" factor
d) the global geographical location of Brisbane (and for that matter, Australia) Adopted requirements to date are:

Passenger Vessel visits

1) All passenger vessels to be individually risk assessed by the group.
2) Security plans to be developed by the agent/owner for every passenger vessel port call and supplied to the Port Corporation.
3) All port personnel to be identified by photo-security passes (this includes contractors). This will be extended to eventually include all vessel calls.
4) Security check points to monitor all service provider traffic for passenger vessel with written notification of expected representatives. Customs to monitor actual passenger exchanges.
5) Implementation of check sheet to allocate responsibilities and ensure all processes actioned.

Cargo vessel visits (both wet/dry and liner)

1) Identification of dangerous or explosive cargoes and monitoring of transportation process
2) Visitor access to vessels only against advice of Owner/Agent

All vessel calls

1) Reminder to all vessels (via agents) for vessel bridge security when berthing/sailing/traversing navigation channel.
2) Request to remove pilot boarding ladder once pilot secured either on the vessel or on the pilot launch.
3) Development of emergency covert code word for VHF operations between pilot and harbour control.
4) Limited and controlled entry to tug base during high risk operations

This is just to give you some idea of what we are using for what can be described as a low-threat port. Our group has met twice with monthly meetings planned until a review dictates otherwise. In the meantime, we communicate with other Australian ports (mainly Sydney) through AAPMA in order to try and standardise the approach of ports to this issue in the eyes of the customer (ship owner). Our feeling is that if the process is the same for each port, it should ease the burden on the ship's command and recognise a greater degree of compliance with recommenda-tions/requests. In this respect, we would urge the Intersessional Working Group to develop a set of guidelines that ports can adopt to satisfy their own unique environments but that also bring some standardisation for the benefit of the vessels' command when trading globally.

Greg Smith
Port of Brisbane Corporation

THANK you for your e-mail with the information contained therein and your invitation. I have been aware of the present situation because I have been chairing the SPI meeting held beginning of January at IMO, the results of which are contained in document MSC 75/ISWG/3, January 11, 2002 which was attached to your e-mail.

Unfortunately, I shall be unable to join the IAPH delegation as I have been requested by our federal government to be part of the German delegation to both the Intersessional Working Group meeting and the subsequent MSC meetings as their adviser and representative of the German coastal (port) states. But I am sure that we shall meet in London and work together to ensure that the ports' position is adequately presented and taken into account during the deliberations.

Capt. Hans-Juergen Roos
Head, Shipping and Nautic Division
Senator (Ministry) for Economy and Ports
Germany

KØBENHAVNS HAVN A/S
PORT OF COPENHAGEN Ltd.

WE have received the mail : 'Urgent: Port Security from January 28, 2002. Thank You.

For your information I can inform you that we will follow up at 'Port Security' in cooperation with other European Ports.

Søren Felix Andersen, *Port Captain*
Copenhagen Malmö Port

I thank you for your kind request for comments in the e-mail "Urgent: Port Security".

The Association of Danish Ports gives input to the matter of port security via the Marine Committee, ESPO.

I am confident that you can collect the necessary information there.

Mads H. Odgaard, *Head of Division*
The Association of Danish Ports

THE PORT OF LONG BEACH

AFTER reviewing the documents, most of the recommendations are being implemented at the local level or included in pending federal legislation.

In MSC 75/ISWG/5/7, January 15, 2002, recommendations 3, 4, 5, 9, 11, 22 and 23 concern security aboard ships or within shipping companies. Recommendations 7,13,16 and 21 deal with issues of security plans, security assessments, ID's and background checks and are already being implemented or under study. Recommendations 19 and 20 deal with container inspection both domestically and in foreign ports as well as cooperation among international customs organizations - we should support them. 24, 25 and 26 appear to be administrative.

The other circular merely reports on actions of two IMO committees in responding to the recommendations.

Don Wylie / Geraldine Knatz
Port of Long Beach

IAPH Port Security Bulletin: February 01, 2002

American Association of Port Authorities

WE received your request for comments on the notes from the recent IMO Facilitation Meeting and the U.S. Submission to the IMO on Seaport Security. We commented on the U.S. submission before it was sent to the IMO. We have attached our letter for your information. We have also enclosed a copy of AAPA's policy position on seaport security. Hope that these are helpful. Let us know if we can provide you with any additional information.

Mary Beth Long
Government Relations Representative
American Association of Port Authorities

AAPA Attachment 1
January 11, 2002
Docket Management Facility
[USCG-2001-11138]
U.S. Department of Transportation
Room PL-401, 400 Seventh Street, SW
Washington, DC 20590-0001

To Whom It May Concern:

On behalf of the American Association of Port Authorities (AAPA), we are submitting this letter in response to the U.S. Coast Guard's request for comments regarding a proposed United States submission to the Maritime Safety Committee (MSC) of the International Maritime Organization (IMO) on maritime security. AAPA represents the public port authorities of the Western Hemisphere, including Canada, Latin America, the Caribbean and the United States. This letter reflects the views of AAPA's U.S. Delegation.

AAPA recognizes that homeland security must be this Nation's top priority and, to this end, protecting America's seaports must be part of any comprehensive strategy. However, the United States can only be successful in combating terrorism if the issue of maritime security is elevated to the international level. To reduce the terrorism threat within the United States, we must cooperate internationally to share information and develop practices that will prevent potential problems from occurring. We believe that, in partnership with the IMO, we can work together to limit threats to maritime security and look forward to actively participating with the USCG and the IMO in developing international guidance for addressing this issue.

It is our understanding that the USCG is considering proposing a "Model Port Concept" to the IMO. While we recognize and appreciate that this is not Coast Guard's intent, AAPA is concerned that such terminology implies a "one-size-fits-all" approach where it would be expected that every port meet the attributes of the "model port." Instead, AAPA believes that whatever is adopted through the IMO should provide broad guidance or best practices that should be considered and implemented locally as appropriate. For this reason, we recommend that the USCG concept be referred to as the "secure port initiative." We believe this more accurately depicts what the Coast Guard is trying to achieve.

When commenting on what should be included in a national seaport security program, AAPA has stated that requirements should be flexible to allow a more tailored program to be developed on the local level to meet the needs of each port. AAPA would contend that the same should be true as the issue of seaport security is addressed at the international level. Each port throughout the world is unique and, therefore, appropriate and effective security measures will vary from port to port.

In legislation recently approved by the Senate, S. 1214 "The Port and Maritime Security Act," Senator Ernest Hollings (D-SC) addresses international port security through Section 108 of the bill. This section requires foreign port assessments and states that these assessments should be based on the standards for port security and recommended practices of the IMO. AAPA supports the concept of enhancing security at foreign seaports; however, there is some concern about the impact on U.S. industries and the economy if all shipments from a foreign port were to be prohibited. We are urging that there must be an agreeable protocol established regarding the process that might ultimately result in such a prohibition and look to the U.S. Coast Guard to lead this effort as discussions on this issue proceed through the IMO.

Finally, AAPA encourages continued cooperation and information exchange internationally. Throughout the evolving discussion on seaport security, AAPA has held that information sharing is essential for combating crime and terrorism, because a port has no control over what is placed on a vessel that is entering the United States. Once a shipment containing a threat enters the United States, it may already be too late. Therefore, threats such as these must be identified prior to the vessel entering the U.S.

Overall, America's seaports are key transportation hubs critical to our Nation's economic growth. U.S. ports handle 95% of this country's overseas trade, support the mobilization and deployment of U.S. Armed Forces, and are departure points for millions of cruise passengers. Because trade is vital to our economy, addressing terrorism threats at our water borders will require an international partnership approach to ensure that security at public ports, as with other critical infrastructure, is enhanced without damaging our ability to trade internationally.

Thank you for your attention to this important matter.

Kurt J. Nagle

AAPA Attachment 2

AAPA Policy Position on SEAPORT SECURITY

AAPA strongly supports Federal programs aimed at protecting America's seaports from acts of terrorism and other Federal crimes. Homeland security is a national priority, and protecting America's ports is critical to our nation's economic growth and vitality. AAPA and its member public ports are working closely with the Coast Guard, Customs Service and other Federal agencies to enhance maritime security and commit to being a strong partner in protecting our homeland.

Key issues AAPA believes should be included in any new Federal programs that address seaport security:

Partnership Approach

Protecting our international seaport borders should be a shared responsibility between the Federal, state, and local governments, seaports and private industry. The U.S. Coast Guard and Customs Service take the lead in protecting America's ports, inspecting vessels and cargo. Ports are located on international borders and the Federal government is responsible for approving and inspecting cargo and passengers moving into and out of public ports.

Resources for Federal Agencies

Increased funding for Federal agencies charged with protecting seaports is a necessity. Federal agencies that have jurisdiction over seaport security such as the U.S. Coast Guard and Customs Service, must have the necessary resources to protect America's ports. It is critical that appropriate security measures enacted since September 11 can be sustained and that these enhancements do not slow the movement of cargo.

Funding for Ports

America's public port authorities need Federal help. Since September 11, ports have instituted heightened security measures, and most believe more enhancements are needed. The $93.3 million provided by Congress in grants for ports is a good first step, but significantly more grant money is needed. Without such help, any new Federal requirements are likely to become unfunded Federal mandates.

Security Committees and Local Flexibility

AAPA believes seaport security for individual ports should be coordinated at the local level. AAPA recommends that the port industry work in conjunction with the U.S. Coast Guard in developing local seaport security committees that would establish voluntary guidelines specific to each local port area.

The U.S. Coast Guard and the Port Authority should coordinate the local security committee at each port to include stakeholders from local industry, government agencies with jurisdiction over seaport security issues, terminal operators, and labor. The Committee would do a port-wide vulnerability assessment, collaborating on the crime and terrorism issues raised at the port and develop port-wide recommendations to be implemented by terminal operators when developing security plans for their facility. These security plans would then be reviewed at the local level and would address specific issues relating to physical security.

Other important issues to be addressed in new security programs:

Threat Assessments/Terrorism

With regard to terrorism, the Federal government has programs in place to assess a port's vulnerability to terrorism. Ports are interested in working closely with the Federal government in adequately addressing this serious issue; however, because of their expertise in this area, Federal agencies must take the lead. It is important to entrust one agency with this responsibility of measuring a port's vulnerability to terrorism. It is something that should be closely monitored, and information should be shared with the local port security committees.

Information Sharing

Enhancing communication between ports and agencies that have jurisdiction over seaport security is very important. It would allow local seaport security committees to better focus their efforts within the port area and strengthen security. Though a port has little control over internal conspiracies or drug interdiction, the local port committee can work closely with the Federal agencies that have jurisdiction over this criminal activity to address these problems.

Seaport Security Officer Training

AAPA encourages the development of appropriate programs for the purpose of training seaport security officers. Such programs would provide the kind of training specific to handling security on the waterfront. Upon completion, the security officer would receive certification that he/she has been officially trained as a seaport security officer. Existing training programs could serve as models.

Cargo Controls, Imports and Exports, International Cooperation

In order for the U.S. Customs Service to more closely monitor cargo flowing in and out of the country, and conduct more inspections without slowing the movement of commerce, they must have additional resources, both in terms of personnel and equipment. Modernizing Customs resources, such as upgrading the Automated Commercial System, would greatly improve the Customs Service's ability to more closely monitor what is coming into and out of the country while ensuring the continuous flow of commerce.

AAPA believes that enhanced international exchange of crime and security information provides an opportunity to reduce the flow of drugs and other illegal shipments. The State Department should play a greater role and take the lead in sharing information internationally. Also, the United States Maritime Administration and other appropriate agencies should coordinate an international crime and security exchange program.

Technology, Research and Development

There should be a grant program for establishing new technologies and installing security enhancements at ports. However, new technologies should be implemented on a case-by-case basis where needed and useful. Money should also be made available for Customs to provide additional X-ray machines for the purpose of increasing inspections without slowing down the movement of commerce.

IN regard to your e-mail message dated 28th of January, 2002, please note the followings:

We, as National Company Maritime Ports Administration Constantza S.A. - Romania, and one of the active members of International Association of Ports and Harbours (IAPH), are in full support of any viable and workable measures directed at the prevention and suppression of acts of terrorism in the maritime domain, including ports and harbours, and strongly condemned any of such acts. Therefore, we underwrite in totality to the [contents] of the two documents (MSC 75/ISWG/3, dated January 11, 2002 and MSC 75/ISWG/5/7, dated January 15, 2002) submitted by FAL 29 and the United States to the Secretariat of IMO, to be debated at the intersessional MSC Working Group on Maritime Security (ISWG), from 11 to 15 February 2002.

At the same time and in line with all the states which join to this fight against terrorism world wide, we strengthened immediately, after the terrorists attacks that occurred in the United States on 11 September, the old port security measures, adding new ones, such as:

- set up a Crisis Committee having as the main objective to check and supervise all activities concerning the port area security, as often as will be necessary;
- increase the number of the ones involved in this activities in order to reduce as much as possible the risk of such terrorist attacks;
- to instruct and train accordingly the personnel involved in these activities, as special teams (forces) to act in case of terrorist attacks of any kind;
- to [strictly] control access in the port area;

Furthermore, we want to use this opportunity and to point out that, following to this special event which occurred as a consequence of the terrorist attack against United States, we've been visited by a delegation of the KFOR troops, who proposed us a co-operation in support of the international fight against terrorism, in this respect being signed and concluded an official document in which, we as Maritime Ports Administration agreed to put at their disposal spaces and buildings inside of the port area, and assuming the quality of the main consultant for the KFOR officials, in order to facilitate easier accommodation for the troops.

Once again, we want to emphasize our availability in joining to the international coalition to fight against terrorism by all means, being ready to join and support any initiative in this respect.

Corneliu Dica
Marketing Division Manager
National Company "Maritime Ports Administration Constanza" SA

BELOW are PSA's comments regarding the issue of port security.

1. PSA Corporation Limited (PSA) has always maintained tight security over the operations of its terminals. Since the attack in New York, we have increased our security measures and vigilance in consultation with the Maritime and Port Authority of Singapore, the Singapore Police Force and the Police Coast Guard.
2. PSA has enhanced gate security at our terminals by putting our personnel on high vigilance and conducting stringent checks on persons and vehicles entering and leaving the port premises. The frequency of security patrols and spot-checks in the port areas and freight stations has also been increased. In addition to physical prowler patrols, CCTV surveillance was re-directed to focus on perimeter fences and vital installations to detect intrusion. We have also enhanced the documentation on people who enter the port.
3. There is a need to balance the need for security with the business requirements for efficient operations. The tightening of security in ports and shipping, while necessary, should not hamper the smooth and efficient flow of international trade and commerce.

Jules Yap
PSA Corporation Limited

IAPH Port Security Bulletin: Feburuary 08, 2002

FOR your information, Fremantle has conducted a similar exercise and has introduced similar security measures in our port for day-to-day operations.

Additionally we have implemented enhanced security arrangements for cruise ship visits and for US Naval visits. These enhanced security arrangements stop short of armed guards on the wharf and on the water, however they are far in excess of anything we have done before and are also in excess of anything we have been told by the Federal Government who still classify threats to ports as a low-risk event.

I can assure you the United States Department of Defence and the major cruise ship operators see the situation otherwise.

Eric Atkinson
Finnish Ports Association

THANK you for the opportunity to let you know of our views as an input to IAPH request for comments on the forthcoming ISWG meeting.

We need to make clear to you, that the perspective of our views stems from constant activities related with spill response, waste management, assistance to disabled ships and conduct of emergency and waste management plans in ports and terminals.

Working within port areas, ashore and at sea, safety and security issues have been always among our concerns. We have seen that safety of these activities has been already addressed in the company's management, and to a significant extent, the safety and security target has been reached.

Coming to the conditions in Greece, virtually [all] administrative arrangements (Criminal Offense Code) and to a limited extent port regulations, have been in place to address security issues by providing a national strategy and preventing measures to this respect.

With regard to hazardous cargoes, there are general port requirements, as follows: Invariably, carriage of dangerous cargoes in not limited quantities in passenger ships is prohibited. Masters are required to constantly superintend their ships while berthed in the port and to issue special permits for the disembarkation of ship's personnel or other persons. Every terminal handling or storing harmful substances such as oil and chemicals is obliged to have a Safety Officer, responsible for taking and implementing relevant measures.

We would also like to bring to your attention two more items that might be worth consideration by the ISWG in a few days:

Sabotage as a security issue

We feel that among the security issues, the security plan (referred can deal with) sabotage could be one of them. Sabotage actions, regardless of their motive and cause, that are made against port installations or equipment and also ships berthed, anchored or approaching the port, could in the short or the long term endanger and harm human lives, property and hamper port operation.

Unlawful acts as scenarios for contingency plans

Contingency plans for port installations, terminals and facilities developed to deal with possible pollution incidents from oil or other harmful substances might be reasonable to take into account unlawful acts as scenarios able to end in severe pollution incidents. From our experience, when we draw up a contingency plan, a primary risk assessment needs to be carried out to identify those items such as equipment, procedures or events, the failure or the appearance of which, could entail a leakage of a pollutant to surface waters or on land.

This assessment is obvious that can vary greatly from port to port due to differences in size, in the hosted facilities, etc. While the locations of all potential spill sites remain the same, the estimation of sizes may change, as well as the overall perception of risks, which so far, is based on the size of vessels, the pipelines system, but rather rarely to unexpected actions such as unlawful acts. In concluding our thoughts, we believe that a review of the existing plans could be reasonable in this respect, with the aim to pre-process actions and responsibilities for the management of the port or the facility.

Helen Polychronopoulou
Environmental Protection Engineering SA
Piraeus, Greece

IAPH Port Security Bulletin: February 13, 2002

I am in receipt of a letter dated January 28, 2002 from Mr. Satoshi Inoue, Secretary General. In his last paragraph he asked for thoughts on the formulation of viable and workable port security measures.

Firstly, I should like to make it clear that as a prominent manufacturer and seller of marine aids to navigation, we were selected by an officer of Marine Data Systems (MDS), an independent corporation controlled by TRANSNET, the Department of Transportation of South Africa, to become a distributor of their UAIS product under development. Along with other parts of the world we have the exclusive sales territory of the United States and Canada.

UAIS of course stands for Universal Automatic Identification System. This in fact is an advanced and somewhat complex radio system to be placed aboard ships and smaller vessels to automatically transmit (and receive from other vessels) vital data concerning vessel identification, cargo, speed over ground, course, etc. This device is mandated by IMO for a certain size of ships (worldwide) in excess of a certain tonnage. The forthcoming date of the mandate is June, 2002. Thereafter annual ship classifications of lower tonnage are identified. Within the decade all vessels from about 40-foot in length upward will be required to carry aboard a UAIS device. Other units are required as fixed stations (base stations) on land. There are a good number of competing manufacturers worldwide in the design and production of UAIS units at this time.

It naturally occurs to me that UAIS would be a very good starting point for a plan to regulate incoming ships to port. Further thoughts would identify container ships as perhaps the most highly suspect for carrying terrorists' explosive devices. Some form of tight screening of materials in the containers would seem to be of a high degree of concern in planning for port protection.

Ships unable to identify properly should be ordered to stay well outside of port and be made to submit to onboard inspection and clearance.

These thoughts are fairly general, and, having been stated, seem quite obvious, but they are the only ones that I can come up with after a short time of thinking about it. I would recommend that you contact United States Coast Guard, for they must be very much on to solutions for port security, nationwide.

S. N. Sprunt
TIDELAND SIGNAL CORPORATION
Houston, Texas, U.S.A.

THANK you for the attention toward us and also for taking in consideration our thoughts in support of the prevention and suppression of acts of international terrorism. The Seaport of Vlora accepts with devotion to be a member of International Maritime Organization (IMO), as a part of the international coalition in the prevention of acts of terrorism against shipping and ports.

This way and on the basis of your thoughts about this problem, we are expressing our thoughts as follows:

1. The prevention and defense from the terrorist acts in ports and shipping must have its specification for every port.
2. It is necessary a specification and coordination between organs specialized in the war for the prevention of the acts of terrorism.
3. The Port Authority must be the coordinator with the other institutions which act in ports (Boundary Policy, Informative Service, Customs Service) in the prevention of the acts of terrorism.
4. It necessary a collaboration or a pact of collaboration in the prevention of terrorism acts between the ports operating together.
5. IMO must publish periodical materials in regarding the prevention of the acts of terrorism and make them known to us.
6. Ports are acting according a legal frame of the state to which they belong. It is necessary a review of the competences of port authority in regarding to this war.

Thank you for your attention.

Petrit Tafili, *General Director*
Seaport of Vlore, Albania

OUR representative was present at the recent FAL meeting and we strongly support the suggestions and recommendations as specified in your circular dated 28 January 2002.

Capt. David Padman
Port Klang Authority

Reminder for Mid-Term Board Meetings

A Reminder and Up-dating for Mid-Term Board meeting and Asian/Oceania Regional Members Meeting in Abu Dhabi were sent out to members via e-mail on February 21 and via mail on February 22.

This is definitely a good opportunity for members who attend the Regional meeting and/or committee meetings to observe the Mid-Term Board Meeting. Observers are always welcome at the Mid-Term Board Meeting to activate future IAPH activities.

MINA ZAYED
THE CAPITAL PORT OF THE UNITED ARAB EMIRATES

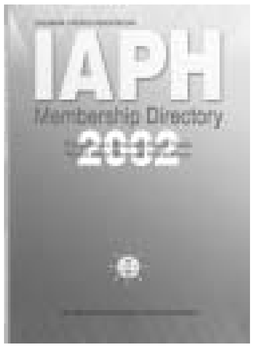
Updated overall program of the Mid-Term Board Meetings

(March 12, 2002)

Date	Morning (0900/1200) With a coffee break	Afternoon (1430/1730) With a coffee break	Notes and other functions and accompanying persons' program
Fri, April 19 2002	Delegates arrive	Delegates arrive	
Sat, April 20 2002	- Committee Meetings (Reserve)	- 1430/1730: Asian/Oceania Regional Meeting	2000: Welcome Reception for early arrivals
Sun, April 21 2002; 0730/0900 Officers Meeting**	0900/1030 Legal Protection; 1030/1200 PSEMO	1430/1530 PSEMO; 1530/1730 Interface Group; 1630/1800 Ship Trends after Interface Meeting is over	2000: Reception Dinner at Swimming Pool area at Beach Rotana Hotel
Mon, April 22 2002; 0730/0900 Officers Meeting**	Regional Board Meetings - African/Europe - American - Asian/Oceania plus Members meeting for the Region	Board Meeting 1	1730-2130: Yacht "Shuja" tour of Abu Dhabi Skyline & Dinner aboard
Tue, April 23 2002; 0730/0900 Officers Meeting** (Reserve)	Board Meeting 2	1400/1530 Board Meeting 3	1600 Bus Leaves fo Gala Dinner
Wed, April 24 2002	Mina Zayed tour *(1 to 1.5 hours to be adjusted after or during the meeting for those available to participate).* Delegates leave		
Thu, April 25 2002	Delegates leave		

*: PSEMO: Port Safety, Environment & Marine Operation Committee
**: With continental breakfast arrangement for a max of 12 persons

2002 Membership Directory sent to members



THE 2002 edition of the IAPH Membership Directory has been completed and was sent out to all members as well as various international organizations and institutions with which IAPH has close relations, on February 28, 2002.

The Dictionary features Regular, Associate, Temporary, and Life Supporting Members from 90 countries as well as lists of the board, executive committee members, committees, groups pf experts, and liaison officers.

The 171-page publication includes the names of the key officials and positions at respective ports/organizations, the volume of cargo handled at their facilities as well as postal/e-mail address, telephone/fax number, and URL (Website).

From the 2002 edition, the entry form for IAPH Membership Directory was sent via both e-mail and postal mail. Said Secretary General Satoshi Inoue: "I sincerely appreciate the great cooperation and support of highlighting the fact that 208 of 225 Regular Members, 103 of 114 Associate Members responded to our call."

Inoue also thanks the following 13 organizations that placed an advertisement in it:

- Seaport of Vlore (Albania)
- Administracao dos Portos de Paranagua e Antonina (Brazil)
- Port of Montreal (Canada)
- Port of Rijeka Authority (Croatia)
- Port of Helsinki (Finland)
- MBC International (Japan)
- Nagoya Port Authority (Japan)
- City of Osaka (Japan)
- Rotterdam Municipal Port Management (Netherlands)
- Pan-African Association for Port Cooperation-PAPC (Nigeria)
- Port Service Corporation-SAOG (Oman)
- Administracao do Porto de Sines, S.A. (Portugal)
- National Ports Authority of South Africa (South Africa)

Head Office will be pleased to supply additional copies to members upon request. Also Head Office welcomes input about corrections, alterations, changes or additions for the next issue.

Try Your Chance!

THE IAPH AWARD SCHEME 2002/2003

Essay Contest: How to Improve Your Port Efficiency!

A big chance for those of you working at IAPH member ports in developing countries to win a cash prize of US$2,000, plus an invitation to the 23rd IAPH World Ports Conference, Durban, South Africa, May 24-30, 2003!

Chairman Goon announces the terms and conditions for entry into 2002/2003 IAPH Award Scheme - Essay Contest

Mr. Goon Kok Loon, Chairman of the IAPH Human Resource Development Committeee annnounced in March 2002 the terms and conditions for entry into the Essay Contest. The theme is "My suggestions for changes (maximum of three suggestions) to improve the quality of service in my port".

Started in 1979, this essay contest conducted under the IAPH Award Scheme has provided young port professionals working at IAPH member ports and port organizations in developing countries with an invaluable chance and challenge to find ways and means to improve their port efficiency and productivity. We look forward to receving many interesting and stimulating entry papers from all those concerned.

What is the IAPH Award Scheme?

First established in 1978, it aims to encourage research and study works in port efficiency and productivity by holding a biennial essay contest as part of IAPH's thrust to promote human resource development in developing member ports. The top prize winner is invited to a biennial IAPH Conference where the Award presentation is made.

Who can participate in the contest?

Those working at IAPH member port organizations in developing countries

What is the theme of the contest?

You can work on the theme of "My suggestions for changes (maximum of three suggestions) to improve the quality of service in my port". Your suggestions should focus on:

- Cargo Operations Procedures;
- Maintenance of Cargo Handling Equipment; or
- Computerisation of Operations or Management System.

It is important that the cost and benefits of each suggestion be quantified, even if only roughly, with an implementation schedule drawn up and solutions to overcome implementation problems identified.

How should an essay be written and submitted?

Essays should be the original work of the entrants. Those which were previously published elsewhere or the product of officially or likewise sponsored projects will not be eligible. They should be written in accordance with the following specifications:

- Language to be used: English, French or Spanish
- Entries should be typed on size A4 (21.0 x 29.7 cm) paper. Hand-written submissions will not be accepted.
- Entry texts should not exceed 20 pages, excluding a reasonable number of appendices containing tables, graphs or drawings.
- Regardless of language used (English, French or Spanish), the entry paper should be accompanied by a brief summary in English.
- Three (3) copies of the entry paper should be submitted to the Secretary General, IAPH, 5F, North Tower New Pier Takeshiba, 1-11-1 Kaigan, Minato-ku, Tokyo 105-0022, Japan. You may submit your entry by email at info@iaphworldports.org or fax at +81-3-5403-7651.

How are the entries judged?

All the entries will be judged by a panel of experts to be appointed by Mr. Goon Kok Loon, PSA Corporation Ltd., Singapore, the Chairman of the IAPH Committee on Human Resource Development. The panel will give greater merit to entry papers identifying and evaluating specific improvements than to entries covering a wide range of improvements in general terms.

What are the prizes?

1st Prize:
Also known as "Akiyama Prize," it consists of US$2,000 in cash and a silver medallion, plus an invitation to attend the 23rd World Ports Conference of IAPH, May 24-30, 2003, Durban, South Africa, including traveling costs and hotel accommodation.

2nd Prize:
A cash prize of US$500

3rd Prize:
A cash prize of US$400

4th Prize:
A cash prize of US$300

A consolation or merit prize of US$100 may also be awarded, subject to the discretion of the panel of judges.

When is the deadline?

September 30, 2002

ATTENTION!

Your Bank Transfer to IAPH Head Office

Due to a merger, the bank and it's branch name for IAPH's bank account has been changed since April 1. Former account will be accepted during transition period until end June. Please pay your kind attention when you make a remittance to IAPH Head Office. The new details appear below. Thank you!

Mizuho Bank, Ltd.
Marunouchi-Nakadori Branch, Tokyo Japan
Bank Swift Code: MHBKJPJT
Account No.: 883953 (unchanged)

Obituary

Mr. Anthony J. Tozzoli

ON February 12, IAPH head office received an e-mail from Robert Tozzoli, a son of Anthony J. Tozzoli. It is with deep regret that we learned that Anthony J. Tozzoli, a leading figure in the Port of New York and New Jersey for nearly 20 years, passed away February 8 in the Hospice Unit of Lehigh Valley Hospital, Allentown Pennsylvania after a long illness. He was 77.

He played a key role in making the bi-state harbor a leading port for containerized shipping, a technological development that transformed the global maritime industry over the last four decades. As a young engineer with the Port Authority of New York and New Jersey early in his career, he helped build the port's first container-ship terminal. Later, he was port director for 11 years. And at the end of his career, as president of the New York Shipping Association, he led the effort to deal with difficult labor issues that containerization caused.

As both Dr. Akio Someya, IAPH President, and Secretary General Satoshi Inoue stated in their letters of condolence, Mr. Tozzoli had played important roles for IAPH until he left as the President on the occasion of the 14th World Ports Conference in 1985.

February 19, 2002

Mrs. Jeanne Tozzoli
Via Mr. Robert Tozzoli

Dear Mrs. Tozzoli:

At the very sad news of the passing away of your husband, may I as the incumbent President of the IAPH offer my deepest condolences to you and your family members at this time of great loss.

Although I unfortunately did not have an opportunity to work directly with Mr. Tozzoli, as I joined the IAPH only in 1995, I have come to learn a lot about his dedication and contributions to the Association during his terms as the Liaison Officer with the ECOSOC, member of Executive Committee, Vice President, and President. We, the IAPH members today, greatly appreciate his generous work and significant accomplishments, which have made our Association what it is now, and we are determined to follow in his footsteps for the further development of the IAPH.

Once again, my deepest sympathies and condolences.

Sincerely,

Akio Someya
President, IAPH
Executive Vice President, Nagoya Port Authority

February 13, 2002

Mrs. Jeanne Tozzoli

Via Mr. Robert Tozzoli
I/T Architect
IBM Global Services Government and Education
(301) 240-3271 TL 372-3271
(301) 367-2624 Cellular
E-mail: rtozzo@us.ibm.com

Dear Mrs. Tozzoli:

The e-mail advice from your son, Mr. Robert Tozzoli on the passing away of your husband, Mr. Anthony J. Tozzoli, on February 9, 2002 at the age of 77, greatly saddened and shocked us all.

As noted in the obituary attached to the e-mail advice by your son, indeed, Mr. Tozzoli was the President of IAPH during the term of 1983 to 1985, and Honorary Member of IAPH since 1985. His contribution to the Association was so long and outstanding over the past decades preceding his leaving us as Honorary Member.

To just name a few of his meritorious services to IAPH, since 1974 he volunteered to act as Liaison Officer with ECOSOC (United Nations Economic and Social Council). He served the IAPH Executive Committee from 1975 and was truly a prime mover and facilitator of the enhancement of capacity and range of IAPH activities as Vice President and President.

As the secretariat, I cannot fail to note that he was the architect of raising the global problems related to dredging and disposal of dredged materials to an international level and initiating the joint work of the IAPH Dredging Task Force and that of the American Association of Ports Authorities to defend the ports' position within the inter-governmental debates for the sustainable development of world trade. His initiatives have continued to be carried out to this day. Even later on, he was kind and generous enough to spare his time with us by attending our 18th World Ports Conference held in 1993 in Sydney, Australia.

I am grateful to the gracious remarks that he was proud of his affiliation with the IAPH. IAPH takes pride in the fact that such a man of the caliber of Mr. Tozzoli took his time for the advancement and enhancement of the cause of this Association.

On behalf of the entire membership of this Association, please accept my deepest sense of loss and profound condolences for his passing away as well as the sincere respects and gratitude for his contribution. And, please do convey such feelings to the rest of his bereaved family members.

Yours most sincerely,

Satoshi Inoue
Secretary General
International Association of Ports and Harbors

Visitors

Mr. Abdul Nasser Abdul Wahab, Senior Manager, Mr. Andrew Mat Ressa, Senior Manager, Corporate Development Division, Ms. Madeleine Ngu, Customer Service Manager, Bintulu Port Sdn. Bhd., Mr. Eizam Bin Ismail, Associate Consultant, MDS Transportation Consultants, Mr. Soka Kikuchi, President & Marine Consultant, MBC International, and Mrs. Capt. Awangku Malyx visited the Head Office on their promotion tour in Japan for BICT (Bintulu International Container Terminal) which officially opened on January 15. They had press interviews at the office, and exchanged views on the recent trade affairs in the region with Dr. Satoshi Inoue, Secretary General, and R. Kondoh.

Membership Notes

New Member

Associate Member

Transport Events Management Sdn Bhd. (Malaysia) [Class-D]
Address: Penthouse, Centrepoint, Lebuh Bandar Utama, 47800 Petaling Jaya, Selangor Darul Ehsan, MALAYSIA
Tel: 60 3 7720 4903
Fax: 60 3 7722 1309
E-mail: rory@pd.jaring.my
Website: http://www.transportevents.com
Mailing Addressee: Mr. Rory James Doyle, Managing Director

Changes *(Changes involved are underlined)*

Tokyo Metropolitan Government (Port of Tokyo) (Japan) [Regular]
E-mail: S0000517@section.metro.tokyo.jp

The Gambia Ports Authority (Gambia) [Regular]
Managing Director: Mr. Adama M. Deen

National Ports Council (Netherlands) [Class-B]
Address: Jan van Nassaustraat 125, Den Haag, NETHERLANDS
(For Mail): PO Box 90653, 2509 LR Den Haag, NETHERLANDS
E-mail: info@havenraad.nl

The Port Authority of New York and New Jersey (U.S.A.) [Regular]
Address (Public Affairs): 225 Park Avenue South, 19th Floor New York, NY 10003
Address (Port Commerce Department): 233 Park Avenue South, 7th Floor New York, NY 10003

Port of Brisbane Corporation (Australia) [Regular]
Mailing Addressee: Mr. Greg Smith, General Manager Operations

Port Autonome de Pointe-Noire (Congo) [Regular]
E-mail: papn@cg.celtelplus.com

Ports & Shipping Organization (Iran) [Regular]
Tel: 98-21-8809280-9

City of Kawasaki (Japan) [Regular]
Fax: 81-44-200-3981

Chiba Prefecture (Japan) [Regular]
E-mail: kousin4@ml.pref.chiba.jp

Tomakomai Port Authority (Japan) [Regular]
E-mail: div-soumu@jptmk.com

Norwegian Ports Federation (Norway) [Class-B]
Address: P.O. Box 2911 Solli N-0230 Oslo, NORWAY
E-mail: rune.mjos@oslo.online.no
Mailing Addressee: Mr. Rune Mjøs, Secretary General

Dublin Port Company (Ireland) [Regular]
E-mail: pmreilly@dublinport.ie
econnellan@dublinport.ie

Mr. Fujio Chisuwa [INCOPORTS Office] (Japan) [Class-D]
Tel: 81-45-823-6919
Fax: 81-45-823-6919

Japan Dredging and Reclamation Engineering Association (Japan) [Class-B]
Address: 8th Floor, Kokusai Sanno Building, 3-5-8 Akasaka, Minato-ku, Tokyo 107-0052, JAPAN
Tel: 81-3-5549-7468
Fax: 81-3-3588-7439

Port Authority of Thailand (Thailand) [Regular]
Director General Mr. Mana Patram

The Maritime & Port Authority of Singapore (Singapore) [Regular]
Tel: (65) 6375-1600
Fax: (65) 6275-9247

PSA Corporation Limited (Singapore) [Regular]
Tel: (65) 6274-7111
Fax: (65) 6274-4611

Jurong Port Pte Ltd (Singapore) [Regular]
Tel: (65) 6265-0666
Fax: (65) 6265-6614

Contributors to the Special Port Development Technical Assistance Fund 2001 – 2003

(in order of receipt)

Organization	Country	US$
Port Autonome d'Abidjan	Cote d'Ivoire	980
Port of Brisbane Corporation	Australia	1,000
Maldives Ports Authority	Maldives	250
Rotterdam Municipal Port Management	Netherlands	1,000
Sydney Ports Corporation	Australia	1,000
Dr. Susumu Maeda	Japan	200
Marine Department, Hong Kong	China	500
Vancouver Port Authority	Canada	500
Johor Port Authority	Malaysia	1,000
Montreal Port Authority	Canada	500
Ghana Ports and Harbours Authority	Ghana	500
World Cargo News	UK	150
Amsterdam Port Authority	Netherlands	1,500
Nagoya Port Authority	Japan	1,000
Port of Houston Authority	USA	1,500
Sea Ports Corporation	Sudan	500
City of Kobe	Japan	1,000
	Total	**13,080**

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT (UNCTAD)

FDI DOWNTURN IN 2001 TOUCHES ALMOST ALL REGIONS

FOREIGN direct investment (FDI) flows to developed countries declined by nearly half in 2001, according to updated regional estimates released today by UNCTAD, with flows also down in all developing regions except Africa. Despite the overall decrease in 2001, however, surveys of transnational corporations (TNCs) for the coming three years suggest a limited impact of 11 September on investment plans. The attractiveness of China, especially after its accession to the WTO, is expected to be sustained.

UNCTAD believes that while the 2001 decline is not likely to be recouped this year, it will ultimately be reversed once consumer confidence returns. This is because the key to restoring FDI flows worldwide is economic growth, while the basic factors determining FDI flows – such as the quality of infrastructure, the availability of skills and technological capacity in host countries – remain the same.

UNCTAD had earlier projected a 40% drop in world FDI inflows for last year, down to $760 billion from over $1.3 trillion in 2000 (see TAD/INF/PR21/Rev.1 of 18 September 2001). It attributed the decline mainly to a slowdown of world economic growth (1.3%, as compared with 4.0% in 2000) and to a decrease in cross-border mergers and acquisitions (M&As). The value of cross-border M&As in 2001 stood at barely $600 billion for less than 6,000 deals, vs. $1.1 trillion for some 7,900 deals in 2000.[1]

Despite the estimated downturn in 2001, the cross-border investment plans of TNCs for the coming three years have not substantially changed since 11 September, as previously reported by UNCTAD (see TAD/INF/NC27/Rev.1 of 5 December 2001). Major TNCs plan to continue their international expansion, according to a survey of 129 firms undertaken between May and November 2001 by UNCTAD, the Invest in France Agency (Agence Française pour les Investissements Internationaux, or AFII) and Andersen Consulting. The preferred mode of expansion continues to be cross-border M&As in developed countries and greenfield investment in developing countries. The most favoured locations of TNCs for the next three years are the United States, among all developed countries; Germany, the United Kingdom and France, in Western Europe; China in Asia; Brazil in Latin America; Poland in Eastern Europe; and South Africa in Africa. Similarly, up to 72% of the 501 Japanese manufacturing TNCs surveyed in July/August 2001 by the Japan Bank for International Cooperation said they would strengthen and expand their foreign operations, a 55% jump over the previous year.

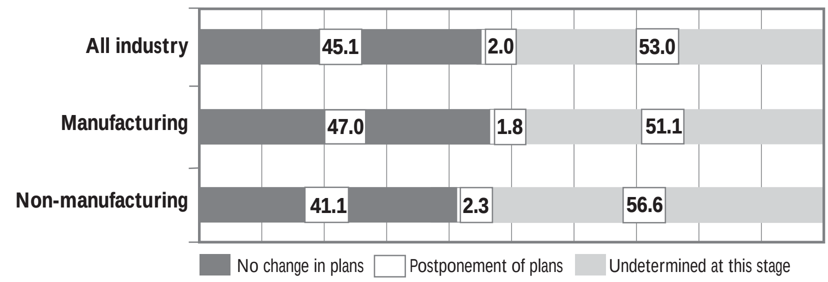
The impact of 11 September on FDI seems to be limited (box 1).

Box 1. The impact of 11 September on FDI

The effects of the 11 September terrorist attacks on FDI flows are difficult to gauge, but company surveys suggest they will be limited. In October/November 2001, UNCTAD/AFII/Andersen revisited a number of the firms they had surveyed just before 11 September and found that few expected to change their FDI plans in the light of the attacks. Similarly, the Japan External Trade Organization (JETRO) found that nearly half of all firms surveyed in October 2001 did not expect to change their FDI plans, with most of the others not yet able to make an assessment.[a] These findings are also consistent with a survey undertaken by A.T. Kearney in September/October 2001: two-thirds of corporate executives from the world's 1,000 largest firms said they still intended to invest abroad at almost the same levels as previously planned, while 16% said their FDI in 2001 would increase and 20% said it would decline.

The effects of 11 September on FDI plans by Japanese TNCs

(Percentage of TNCs responding)



Source: *United Nations Department of Economic and Social Affairs and UNCTAD, World Economic Situation and Prospects 2002, pp. 13-15.*

a: Based on 659 responses among the 720 Japanese TNCs (both manufacturing and services) surveyed by JETRO in October 2001.

Developed countries

FDI flows to developed countries are estimated to have declined by nearly half in 2001 from the previous record high – from over $1 trillion to $0.5 trillion. Virtually all of the major developed countries experienced a downturn in 2001. Significant decreases were reported for Austria, Belgium and Luxembourg, Denmark, Germany, the United Kingdom and the United States (table 1). Germany has again become a relatively small recipient of FDI, after being the second largest in Western Europe in 2000 on account of the Vodaphone AirTouch acquisition of Mannesmann (the largest cross-border acquisition to date). The considerable drop in FDI inflows to the US last year was partly due to the general economic slowdown and the drop in foreign acquisitions of US firms. In the third quarter of 2001 reinvested earnings were negative, the first time since the fourth quarter of 1998. The decline for Japan was smaller, because of large flows through M&As in the telecommunications industry, which accounted for the bulk of cross-border M&As in Japan.

FDI outflows from developed countries also declined (table 2) and are expected to remain at a low level this year. But the drop in cross-border M&As from the European Union is less marked. In particular, those from Germany rose, leading to a significant increase in that country's FDI outflows; as a result, Germany became the second largest Western European outward investor after France in 2001.[2]

While domestic investment shrank last year in Japan,[3] Japanese investment abroad grew, including a $2.3 billion investment in Lucent Technologies in the United States by Furukawa Electric Co. Japanese investment flows to Asia remained steady as the production facilities of various Japanese manufacturing firms were relocated from Japan in consequence of a further domestic restructuring induced by the current recession, particularly in the electric and electronics industries.

Developing countries

FDI flows to developing countries are also estimated by UNCTAD to be down, from $240 billion in 2000 to $225 billion in 2001. FDI declined in all developing regions except Africa.

Flows into Latin America and the Caribbean as a whole dwindled slightly, from $86 billion in 2000 to $80 billion in 2001, driven by a drop in M&As, including privatizations. Since Spain had become an important investor in Latin America, a decrease in Spanish FDI – from some $20 billion in 2000 to an estimated $8 billion in 2001 (in Argentina, Brazil, Chile and Mexico) – has meant a substantial reduction of FDI flows to the region, as there were no large investments comparable to such 2000 M&A deals as BSCH-Banespa and BSCH-Serfin. But the regional picture is uneven: while flows to Argentina and Brazil dipped, Mexico attracted substantially more FDI in 2001, despite the economic slowdown at home and in the US, overtaking Brazil as the largest recipient in the region. Half of the flows to Mexico are explained by Citicorp's $12.7 billion acquisition of Bancomex, one of the largest cross-border M&As last year. Another major investment was the $1.8 billion acquisition of four cellular operations of Motorola in Mexico by Telefónica (Spain).[4] Because of these large deals, FDI flows in 2001 are estimated to be over $25 billion, nearly twice those of the previous year.

Brazil attracted less FDI (an estimated $20 billion) in 2001, mainly as a result of slowing privatizations. This decline is concentrated in the services sector – particularly in the telecommunications industry, which had attracted a considerable amount of FDI through privatization in the previous two years. In addition, privatizations in the electric industry encountered problems (such as the indefinite postponement of the privatization of the Sao Paulo state electricity company, Cesp, early last year). A good part of future FDI in Brazil is likely to come from follow-up investment by privatized firms; EDF (Frava), for example, reportedly announced it will invest $500 million in the electrical distribution system of the state of Rio de Janeiro that it had acquired earlier.

Similarly, flows to Argentina halved for the second year in a row, as no large-scale cross-border M&As were registered. Some investment plans have been cancelled[5] or postponed[6] because of the economic crisis. Divestments have been reported as well, with Valeo, the French motor components group, announcing the closure of its plant in Carmen de Areco.

Developing Asia (comprising West Asia, Central Asia and South, East and South-East Asia) also experienced a

Table 1. FDI inflows[a] in 2000 and 2001 (Jan-Sept) in developed host countries (latest estimates)

(Billions of dollars)

Country	2000 [b]	Jan-Sept 2001
Australia	11.7	0.2 [c]
Austria	8.6	1.8 [d]
Belgium/Luxembourg	218.0	17.1 [c]
Canada	63.3	20.4
Denmark	32.3	5.8
Finland	8.8	1.8d
France	44.2	29.0
Germany	176.1	20.8 [d]
Greece	0.8	1.4
Ireland	19.0	7.2 [c]
Italy	13.8	13.4 [d]
Japan	8.3	4.4
Netherlands	53.0	30.2
New Zealand	1.5	2.6
Norway	6.0	0.9
Portugal	6.3	2.2 [d]
Spain	36.6	16.8
Sweden	23.3	13.6
Switzerland	16.3	8.6
United Kingdom	119.7	54.6
United States	287.7	144.1

Source: UNCTAD, FDI/TNC database on the basis of official national sources.
a: On a balance-of-payments basis.
b: Revised data.
c: For January-June only.
d: For the first 10 months only.

Table 2. FDI outflows[a] in 2000 and 2001 (Jan-Sept) in developed home countries (latest estimates)

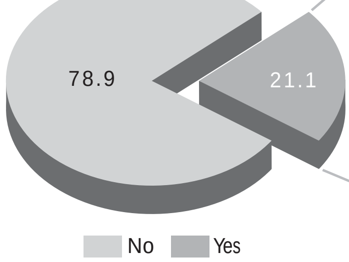
(Billions of dollars)

Country	2000 [b]	Jan-Sept 2001
Australia	5.2	4.9 [c]
Austria	2.2	1.6 [d]
Belgium/Luxembourg	215.0	19.5 [c]
Canada	44.0	31.2
Denmark	24.4	8.5
Finland	24.0	2.9 [d]
France	172.5	68.9
Germany	48.6	50.1 [d]
Greece	1.9	0.5
Ireland	3.1	2.2 [c]
Italy	12.3	12.6 [d]
Japan	31.6	34.6
Netherlands	72.1	36.8
New Zealand	1.3	0.4
Norway	8.5	2.3
Portugal	7.1	4.6 [d]
Spain	53.7	26.4
Sweden	40.1	7.8
Switzerland	42.6	12.7
United Kingdom	255.0	35.6
United States	152.4	134.1

Source: UNCTAD, FDI/TNC database on the basis of official national sources.
a: On a balance-of-payments basis.
b: Revised data.
c: For January-June only.
d: For the first 10 months only.

Figure 2. Planned relocation of production sites of Japanese TNCs to China as a result of China's accession to the WTO[a]

(Percentage of TNCs responding)



From	Distributive share[b]
- Japan	67.5
- Hong Kong, China	9.0
- Taiwan Province of China	6.6
- Republic of Korea	1.2
- ASEAN (5)	7.8
- Malaysia	3.0
- Singapore	1.8
- Indonesia	1.2
- Philippines	1.2
- Thailand	0.6
- Other Asian countries	1.2
- Mexico	1.2
- United States	4.2
- United Kingdom	1.2

Source: JETRO, International Economic Research Division.
a : Based on 645 responses among the 720 Japanese TNCs surveyed by JETRO in October 2001.
b : Based on 136 of the 645 responses (21.1.%) from TNCs planning to relocate their production to China. Multiple replies apply.

decline in FDI inflows in 2001, from $144 billion in 2000 to $125 billion in 2001. However, this drop was largely caused by the near-halving of FDI flows to Hong Kong, China, which had recorded an unusually high $64 billion in 2000.[7] Increased flows to India – where FDI inflows for the first three quarters of 2001 were already higher than those for the whole of 2000, according to the Reserve Bank of India – and China have not compensated for this decline.

FDI flows to China gained new momentum in 2001 – an upward trend that is expected to be sustained in the coming years.[8] With inflows last year of $46.8 billion, China will again be the largest recipient among developing countries, a position it had lost to Hong Kong in 2000. Many FDI surveys ranked China at the top of FDI locations.[9] The largest host country for Korean FDI in 2001 was no longer the United States, but China. Taiwan Province of China, which was already the fourth largest investor in China measured by stock in 2000, has scrapped its $50 million ceiling on investments in the mainland.[10] According to JETRO, one-quarter of Japanese TNCs will increase or have already increased FDI in China (figure 1). One-fifth of Japanese TNCs plan to relocate production to China, and in two-thirds of these cases, the move is from Japan to China (figure 2). Relocations from ASEAN countries to China amount to less than 8%; fewer than 2% of the same Japanese TNCs operating in ASEAN countries will stop production completely there and relocate to China.

While FDI flows to the Republic of Korea[11] and the Philippines[12] declined in 2001, those to Taiwan Province of China and Thailand remained almost the same as in 2000.[13] Reasons for this include slow economic growth and low demand, in particular in the electric and electronics industries. FDI flows to Indonesia have still not recovered, continuing to be negative (divestments) in every quarter since the third quarter of 1998, according to data on a balance-of-payments basis from Bank Indonesia. Judging also by balance-of-payments data, FDI flows to Malaysia similarly declined in 2001.[14]

In West Asia, Saudi Arabia, the subregion's dominant recipient, attracted more FDI in 2001 than in 2000, in part because of the establishment in the latter year of the Saudi Arabian General Investment Authority (SAGIA) and its introduction of a new law allowing wholly-owned foreign affiliates to be established and tax incentives offered. SAGIA has issued licences to foreign companies whose investments reached almost $10 billion, and an additional $25 billion worth of gas projects are planned over the next 10 years.

In Africa, FDI flows increased – from $9 billion in 2000 to $11 billion in 2001 – with rising investments in Morocco and South Africa, even though those in Egypt declined. South Africa recovered from a temporary dip in 2001. As in past years, FDI inflows into this country in 2001 were fuelled by a relatively limited number of large M&As, including privatizations. The largest deal was Acerinox of Spain's acquisition of Columbus Stainless Steel for 232 million euros. In Nigeria, a large project of liquefied natural gas with an investment between $1.2 and 1.7 billion over several years (up to 2005) is expected to be concluded in early 2002.

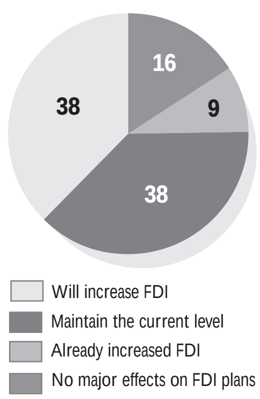
Central and Eastern Europe

FDI inflows into Central and Eastern Europe (including former Yugoslavia) remained steady in 2001 at around $27 billion. For the first time since 1989, flows to Poland decreased as the cycle of mega-privatization deals – such as the $4 billion sale of TPSA in 2000 – slowed. In contrast, FDI flows to the Czech Republic, the Russian Federation and Hungary were up slightly in 2001. Investments in the Czech Republic will expand significantly this year, on account of a large, single greenfield investment ($1.35 billion) by a joint venture of Toyota Motor and PSA Peugeot Citroën.

UNCTAD's updated estimates on regional FDI flows for 2001 were released at this week's meetings in Geneva of its Commission on Investment, Technology and Related Financial Flows (21-25 January) and the Seventh Annual Conference of the World Association of Investment Promotion Agencies (22-25 January).

Figure 1. The expected effects of China's accession to the WTO on the FDI plans of Japanese TNCs[a]

(Percentage of TNCs responding)



Source: JETRO, International Economic Research Division.
a: Based on 627 responses among the 720 Japanese TNCs surveyed by JETRO in October 2001.

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1: The data cover completed cross-border M&A deals involving more than 10% equity acquisitions only, provided by Thomson Financial.
2: FDI outflows from Germany in 2001 were boosted mainly by Deutsche Telekom's two large acquisitions of US service providers (VoiceStream Wireless Corp. and Powertel), ranking among the top cross-border M&As last year.
3: Based on planned investments in 2001, as compiled by Nihon Keizai Shimbun, domestic investment would decline by 5.8% in all industries.
4: Although the ultimate target country of this acquisition (and the home country of Motorola) is the United States, it is recorded as an inflow in Mexico.
5: Investments by such TNCs as Royal Dutch Shell (United Kingdom/Netherlands), CCU (Chile) and BBVA (Spain) were cancelled. In the case of BBVA, the cancellation amounted to $700 million, expected to go into its affiliate, Banco Francés.
6: The Governments of Córdoba and Santa Fe provinces in Argentina have postponed the privatization of their respective electricity utilities, Epec and Epesf, at the request of prospective bidders who were concerned about their financial problems. Source: Business News Americas, 07/09/2001 and 19/11/2001.
7: For details see UNCTAD, World Investment Report 2001: Promoting Linkages (Geneva and New York: United Nations), United Nations publication, Sales No. E.01.II.D.12, box I.2, p. 25.
8: For example, Hitachi, one of the largest electronics TNCs in the world, is planning to invest $0.8 billion over the next five years and increase its production in China eightfold by 2005, to $4 billion annually. The Swedish telecommunications company, Ericsson, announced last September that it would be doubling its investments in China in the coming years.
9: Surveys of Japanese TNCs conducted by the Japan Bank for International Cooperation and JETRO in July/August and October, respectively, reveal that China is the most promising country for Japanese FDI. As reported by Nihon Keizai Shimbun in August 2001, up to 70% of the Japanese TNCs planning to increase overseas production said they would invest in China. A.T. Kearney's February 2001 FDI Confidence Index survey of CEOs from the 1,000 largest TNCs shows China to be the second most attractive country after the US. The UNCTAD/AFII/Andersen survey of TNCs (see p. 1 above) ranked China as the top FDI destination among Asian countries for the next three to five years.
10: Even though this investment ceiling was generally ineffective, as most FDI from Taiwan Province of China to mainland China had bypassed screening by the Taiwan authority, it reflects a departure from the former restrictive policy.
11: Bank of Korea reported FDI inflows of only $2.5 billion for the first nine months of 2001. Inflows in the whole of 2000 reached more than $9 billion. FDI flows on a notification basis also dropped, from $15.7 billion in 2000 to $11.9 billion in 2001, according to the Ministry of Commerce, Industry and Energy.
12: FDI inflows reported by Bangko Sentral ng Pilipnas for the first eight months of 2001 were only $800 million. The annualized flows based on this amount were $1.2 billion, compared to $2 billion in 2000.
13: The annualized FDI flows on the basis of the data for three quarters reported by the central banks were $4.6 billion for Taiwan Province of China and $3.1 billion for Thailand in 2001, compared to $4.9 billion and $2.8 billion, respectively, the previous year.
14: FDI flows on a balance-of-payments basis were only some $1 billion for the first half of 2001 (Bank Negara), compared to $2.3 billion during the same period in 2000, while, according to the Malaysian Industrial Development Authority, manufacturing FDI on an application basis ($3.1 billion) during the first half of 2001 grew by only 1.9% over the same period for the previous year.

STRATEGIC SEAPORT PLANNING

in search of core competency and competitive advantage*

Prof. Willy Winkelmans

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** This paper is based upon earlier work done by the team C. Coeck, T. Notteboom, A. Verbeke and W. Winkelmans and is further on the result of some brainstorming on the issue of strategic port planning and management.*

ABSTRACT

A global trend exists for restructuring the public sector since the last decade. This leads to interesting changes in port policy and management both in developed and developing countries.

How to eliminate the X-inefficiency - a phenomenon which is symptomatic in large and complex public (port) institutions - and how to enhance the competitiveness of the firms are in fact today's prime objectives. Change in property-rights on its own will not solve the problems regarding existing bureaucratic operational inefficiencies, narrow-eyed port management or incoherent port policy. Indeed, transfer of ownership of property and assets from the public to the private sector does not automatically lead to the required change in behaviour of the "new" port authority, or any other "newco".

The question is that ports too are to become more responsive to the ever changing demand (i.e. maritime traffic) and supply (i.e. port capacity) conditions. What matters after all is an improvement of operating performances, of quality and reliability of services, and of turn round times of ships, etc.

Because resource-based strategic thinking is an approach based on the concept of "resources," "capabilities" and "core competencies", any resource-based strategic port planning can offer a framework in which the creation and consolidation of competitive advantages is envisaged. It provides a theoretical and practical framework for narrowing the gap between the port's capability (and ability) and its ambition. As most ports are players within an increasingly competitive market environment, it also creates the opportunity to strengthen the power of competitiveness. On a policy level, the resource-based approach can be helpful to assess and to implement the issue of "port complementarity" within and between major port clusters and ranges.

The port's administrative status or structure (public-private; state-regional-municipal-autonomous) after all might pose some rather difficult problems, hence the implementation of a modern management framework in the ports will not be always easy. It is often said that it is much easier to speak about privatisation than to implement it.

Therefore it is good to understand that first of all the problems need to be clearly identified, after which a number of solutions to overcome the problems can be suggested. In combination with resource-based strategic port planning a coherent process of privatisation can be set up.

1. Introduction : port privatisation and port management ?

Today many developing countries are taking up the challenge of developing their ports. Some are so successful with such good effect, that seaports all over the world, i.e. also in the highly industrialised or developed part, are forced to follow suit. In practice this amounts to eliminating as much as possible the X-inefficiency, which is so typical of large and complex public (port) institutions.

A change just in property-rights will not be of great help. Because, although privatisation always implies a transfer of ownership of property and assets from the public to the private sector, it does not guarantee that neither the behaviour nor the mentality of and in the "new" port authority, c.q. port operating companies, becomes automatically more responsive to demand (i.e. traffic) and supply (i.e. capacity) conditions.

In a free market environment there is no reason that governments have to be the provider of services even not of so-called public interest in order to acquire port efficiency. *Consequently the State should not determine the individual port strategies, management and operations; its core competency should be to stimulate, to co-ordinate, and to facilitate port development, port investment, etc.* This is not just a difference in words, it is a whole world of difference, viz. in mentality and attitude !

Whatever method of port privatisation is applied - public issue, competitive tender, or negotiated sale - the challenge remains the same, i.e. improvement of operating performances, improvement of quality and reliability of services, improvement of turn round times of ships. From this perspective certain privatisation schemes are merely fake, or, in the words of G. De Monie: "What the national authority calls privatisation sometimes is nothing more than some form of commercialisation or corporatisation of the port authority in order to deflect the demand for much greater private sector involvement and to safeguard acquired prerogatives and vested interests of the public sector. After all it appears that it is much easier to speak about privatisation than to implement it."

Anyhow it is completely wrong to "privatise ports" just for budgetary reasons or for gaining an extra-income. Successful privatisation schemes imply changes in attitude. There is indeed more at stake than just transferring investment capital. Besides modern technology, one needs right management-skills, key-information, and know-how, in order to acquire the ability to improve the access to existing markets and to search for new markets. Therefore managerial skills together with institutional reforms are needed to achieve effective progress in this matter.

One could wonder whether it is not strange that so many ports perform rather weakly, despite possessing the right infrastructure?

So what is really necessary is the creation of an intra- and entrepreneurial culture, generating adequate resources to modernise the port in due time in order to keep up with trade developments and technological changes, and to satisfy the users' fast changing demands. Port privatisation and some relevant benchmarking can be of help here and now, but only a sound resource-based approach in the strategic port planning will give the right answer on the questions why and how.

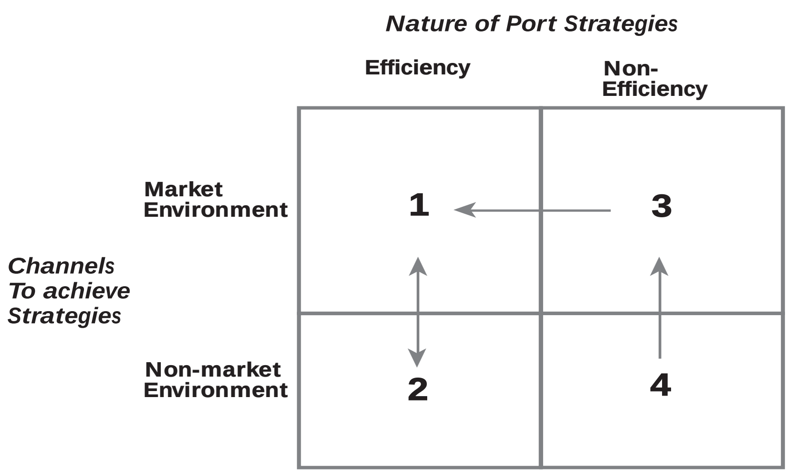
2. Strategic port planning in a changing market environment

Planning generally spoken is an everlasting task, not only to be based upon technical knowledge, but mainly on economic insights as regards economic tendencies, industrial interrelations and productivity (see figure 1 pp.6/7 in the paper Seaport planning: an economic view). Moreover in a *"regionally"* globalised world possessing useful information, effective controlling and decision power are much more important than the mere possession of goods and other materials. In a global economy with global concerns it is an absolute necessity to become ever more productive and better performing.

A comprehensive strategic port planning allows to evaluate the important changes taking place in the environment in a way that risks and uncertainties associated with port operations can be assessed. This is quite relevant, because ports are affected by larger uncertainties and risks than ever before. The globalisation of production and consumption and the emergence of a global transport network has strengthened the role of ports as 'nodal' points in the transport system. These developments together with the many changes in inter-port relations (cf. mainport-feeder port concept), in port-hinterland relationship (think of e.g. the replacement of 'captive' hinterlands by 'shared' hinterlands) and in business logistics (cf. NVOCCs, third party and fourth party service providers, multi-modal terminal operators) have created greater competition not only among ports but also between maritime transport and the other modes of transport. As a result, the risks and uncertainties of port operations have increased substantially (see also Winkelmans and Notteboom, 1994).

These trends and the expansion of the role of the private sector in port activities have forced ports to become more market-oriented and to revise their strategic planning process. This shift can be illustrated by applying a "Corporate Strategy Matrix" to the port sector. Figure 1 visualises such a 'Port Strategy Matrix'.

Figure 1: The 'Port Strategy Matrix'



According to Rugman and Verbeke (1990).

The Port Strategy Matrix identifies the four basic strategies for ports to gain a competitive advantage. The nature of the strategy can either be efficiency or non-efficiency oriented. Four port strategy options become identifiable:

1. Efficiency oriented port strategies aim at achieving competitive advantage by either 'natural' cost leadership or differentiation (e.g. by providing specific port services in market niches which makes that the port is perceived as unique by its customers).
2. The non-market environment remaining important, therefore government intervention at different levels as well as external pressure groups such as the ecological pressure groups may still interact without

incurring the demand for efficiency.

3. In a market environment conventional forces which make private industry highly competitive due to the existence of substitutes, suppliers, customers and other operators(cf. Porter's Competition Diamond in "The competitive advantage of nations", 1990). Here the public port industry shows traditionally a rather monopolistic behaviour, which is doomed to fail in the long run.
4. Non-efficiency based port strategies aim to achieve an 'artificial' competitive advantage in the form of shelter or protection vis-à-vis rival ports. In a non-market environment this could perfectly work, however in the long run, such shelter based strategies are not sustain-able as ports too are subjected to the growing competitive market forces.

As a result of the above-mentioned developments (globalisation of economy, changes in port-hinterland and inter-port relations, growing importance of private sector, etc..) an increasing number of ports is forced to seek a position in quadrant 1, which implies maximisation of operational efficiency and a clear focus on the market.

In order to avoid a too simplistic view on strategic planning we must be aware of the fact that non-market forces still exists :

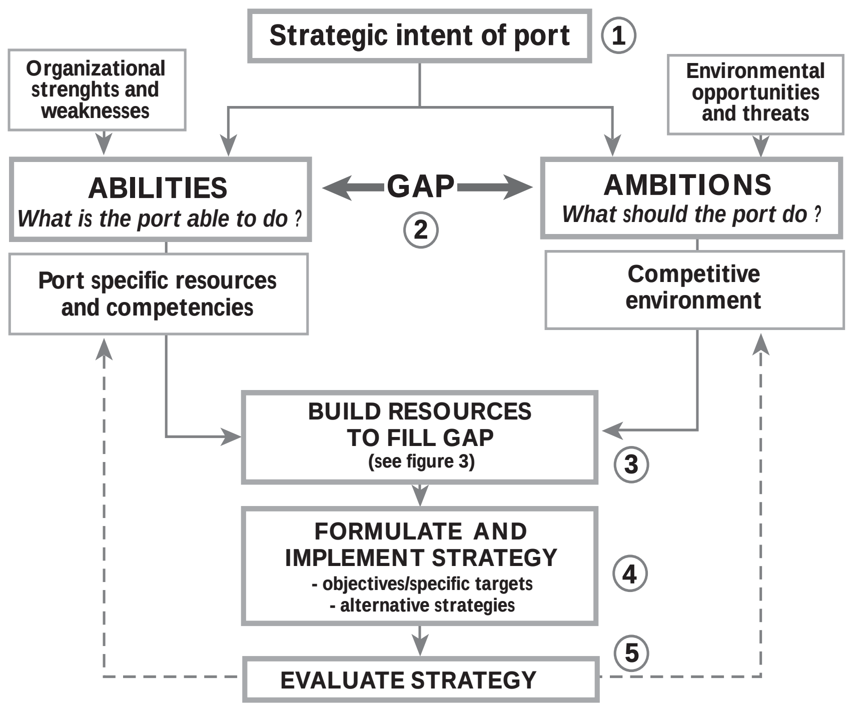
- think of the non-market force of pressure groups (severe delays were incurred on the implementation of the dredging program for the port of New York and New Jersey by "green" actions);
- public intervention still exists and is sometimes quite unrelated to coherent economic reasoning (cf. the use of Cohesion Fund and other central public budgets to finance port investments; ex. Gioia Tauro, the new Italian container hub for the Mediterranean, obtained 40 mln EURO to purchase container cranes!?);
- not only non-market conditions can still be important when designing a port strategy, in addition they can be instrumental to obtain competitive advantage (cf. the case of Antwerp: thanks to lobbying efforts of the port authority at a variety of institutional levels several important projects come on the agenda of the Flemish government).

3. A resource-based strategic port planning process

Planning procedures should involve a pro-active rather than a re-active or defensive attitude towards changes in the external environment in order to assess and strengthen the port's competiti-ve advanta-ges vis-à-vis rivals.

A resource-based view on port activities allows developing an effective port strategy. Figure 2 represents the dynamic process of resource-based strategic port planning. The procedure consists of five different building blocks or phases in the development of a resource-based view on the port planning system.

Figure 2: A resource-based strategic port planning process



Source: Based on World Bank (1993a), Collis and Montgomery (1995), Grant (1991) and Prahalad and Hamel (1991)

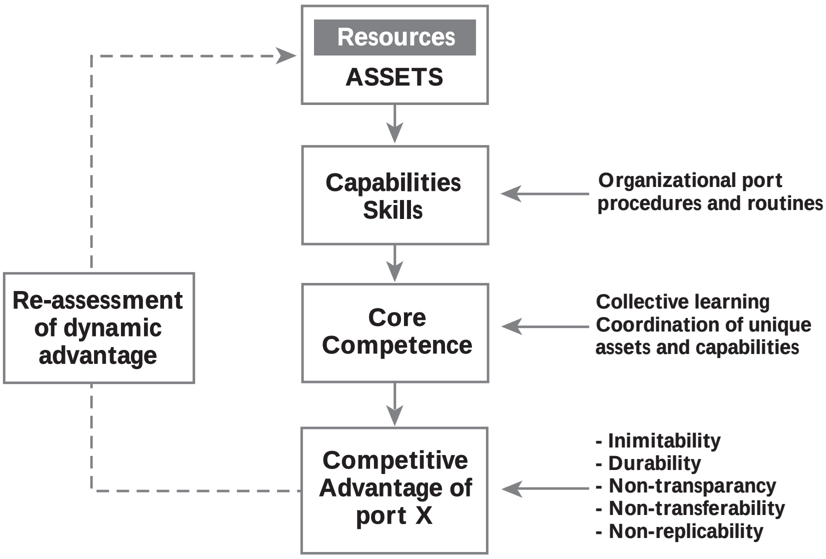
The starting point in the resource-based strategic port planning process is the formulation of a strategic intent or mission statement of the port concerned. A strategic intent reflects 'the' long-term objective of the port and, by definition, could be very ambitious (cf. the WWWHW-issue).

In general, a strategic intent must be valid over long periods of time. For example, it does not indicate the exact market share the port should attain, but the kind of market segments in which the port wants to improve its market share (a good example e.g. is PSA's mission statement: *"is to excel as a global hub and make Singapore a premier maritime centre"*)[1]. In practice mission state-ments for seaports often are somewhat neglected, which is in fact wrong, because in formulating its strategic intent a port should try to go beyond extrapolation of the current role of the port and as such it should try to avoid wasting resources due to some classical "port management objectives struggle".

As Prahalad and Hamel pointed out strategic planning should focus on the question: what should we do differently next year or next period to get closer to our strategic intent? Absence of a clear strategic intent prevents the port from developing a dynamic strategy. Ad hoc planning often merely results in marginal adjustments to a current situation and does not allow to build sustainable competitive advantage.

The port (operator) must try to narrow (i.e. filling or bridging) the gap between its resources (determining what it is able to do as a function of strengths and weaknesses) and the ambitions set out in its strategic intent (indicating what it should do as a function of environmental opportunities and threats) by creating new valuable resources. This process is described in detail in *Figure 3*. The final aim is linking the port's internal capabilities (what it does well) to the external environment (what the market demands and competitors offer).

Figure 3: The development of competitive advantage



Source: Coeck, Notteboom, Verbeke and Winkelmans (1995)

According to the research work of Prahalad and Hamel (1990), it can be argued that any port's core compe-tency should:

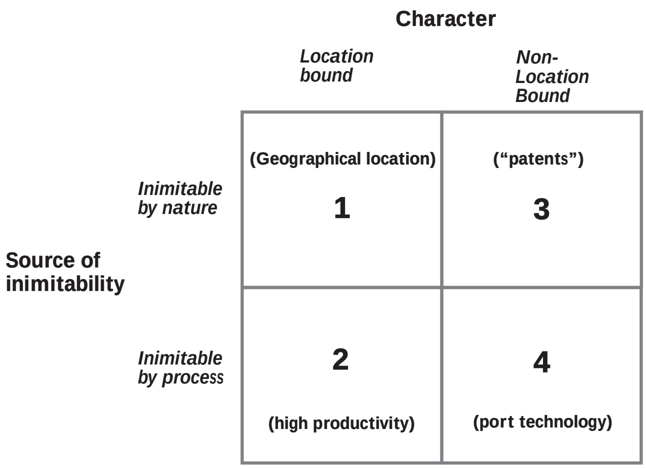
(a) provide potential access to a wide variety of port service markets
(b) make a significant contribution to port users' benefits and
(c) be very difficult for competing ports to imitate.

So, in order to become or remain competitive, port management has to identify, cultivate and exploit its core competencies. Core competency is the result of a kind of "collective learning in the organization". It relies on the knowledge "how to use and co-ordinate diverse skills and how to integrate multiple streams of technology". One and another implies a sound and advanced HRM.

A number of core competencies are practically unchangeable or inimitable by nature, simply because they are physically unique (e.g. the geographical location). Other core competencies can only be built up through a process of continuous improvement and enhancement. If a core competence is based on a complexity of technologies and skills it will be difficult for compet-ing ports to imitate and it will therefore have a higher probability to generate a long lasting competitive advantage (cf. the concept of cluster formation, ex. The Dutch Maritime Cluster Policy in accordance to the Plan Peeters).

Core competencies can be related to location-bound or non-location bound port specific advantages (cf. Figure 4).

Figure 4: A classification of a port's core competencies



A core competency purely based on the geographic location of a port is a typical example in quadrant 1. A port's high productivity usually can be situated in quadrant 2, as this requires a continuous building process based on interaction between technology and human skills, which cannot be easily transferred to other ports. Both maritime and hinterland accessibility can partly be positioned in quadrant 1 (the part which can be attributed to natural geographic conditions) and partly in quadrant 2 (the part which is the result of a dynamic building process aimed at consolidating a good accessibility e.g. the progressive development of a hinterland network). A competence purely based on port technology can be positioned in quadrant 4. For example, the fully automated ECT-Delta container terminal in the port of Rotterdam is the result of a technological process that is difficult to imitate but the technology itself can rather easily be transferred to other ports. However, the patent on this technology could be positioned in quadrant 3 as it is by definition inimitable. Especially core competencies situated in quadrant 4 are rather important to defend and this may demand enormous efforts. Fierce port competition on the level of the development of core competencies primar-ily exists in quadrant 2 and 4.

A core competency should therefore possess a high degree of durability. For example, as port technology evolves very rapidly, a competitive advantage purely based on technological competencies is less durable than one based on e.g. the port's reputation.

The most important resources and capabilities of a port are those which are durable, difficult to identify and to understand, imperfectly transferable, not easily replicated, and in which the port possesses clear ownership and control. Al this will increase the competitiveness undoubtedly.

Finally it should be understood that in formulating and implementing such a strategy, the port authority must be able to admit that certain activities could be performed more effectively by other economic actors or in other places (e.g. inland locations). In a highly competitive market the slogan "stick to your core business" applies to the port sector too.

On the level of national port policy, the resource-based knowledge of core competencies of the respective ports gives substance to the concept of 'port complementarity'. It gives the government the possibility to build strategic plans for the national port sector in close co-operation with the individual port authorities. It also provides a tool for the individual ports to examine possible synergies with other ports in a more formal way. The final result is a "win-win" situation.

The port's ambition as specified in the strategic intent must be accepted by the entire port sector. Hence, an active engagement of the entire port sector is a prerequisite for developing competitive advantage through the process described in Figure 2 and 3.

In this context it is useful to remark that top-down planning mostly results in an incoherent compilation of local port plans; bottom-up planning at first sight might be better, but due to local rationality and opportunism the macro-economic objectives of the government are under pressure. Therefore a goals down - plans-up planning is best. In that case the government proposes to define mission statements in collaboration with the individual ports and asks the port authorities and port industry to come up with their own strategic plans that comply with “their” intent. Through setting up a central seaport commission a structured confrontation is built in, whence a certain balance between on the one hand macro-economic objectives and on the other hand micro-economic goals is achieved. As such port operators and port authorities are the core actors in the development of specific port projects, while at the same time the government ensures that macro-economic goals are not neglected.

A final remark concerns the fact that some resources, such as people-based skills, can not be found in a port’s database. Such qualitative elements however are indispensable in the framework of building core competencies and are thus of extreme importance in any resource-based strategic planning process. *“People (however) makes the difference”!*

It useful to understand that “competitiveness is more than competition”. But, in order to understand well the various elements of a port's competitive advantage, it is good to understand that strategic planning tools based only on quantitative data are no longer self-sufficient. Such tools can give an answer on the ‘what’ of competitive advantage (e.g. what makes one port more productive than another), but they do not give answers on the ‘why’[2].

For example, in analysing a port’s productivity, certain traditional tools might bring about the importance of different resources - such as human skills, advanced technology,...- which constitute the basis of this productivity (the ‘what’), but they will not give any direct insight into the organisa-tional structures and managerial processes, through which these resources and capabilities are combined into a real core competency (the ‘why’)[3].

Conclusion: *Understanding the ‘what’ of competitive advantage is useful, but only insight into the ‘why’ of competitive advantage will allow to improve substantially a port’s competitive position.*

(Cfr. E.g. Parapat: “Port Productivity Improvement Strategy: an Indonesian Perspective”, PORTEC II 1985: why is the result more than the sum of elements?: see Seaport planning from an economic point of view, p.14).

4. CONCLUSION

As ports are affected by larger uncertainties and risks than ever before, the importance of strategic port planning has increased. Some macro-economic trends have forced most ports to become more market-oriented and to pursue a revision of the traditional strategic decision-making process.

1. The development of a sustainable competitive advantage through the resource-based strategic planning process demands an active engagement of the entire port sector.
2. Resource-based strategic port planning demands a different approach to data collection and analysis, hence to research too. The challenge is to perform serious studies, which do not intend to lead automatically to those conclusions that the port authority or port operators would like to hear. Political lobbying is steadily replaced by “technocratic lobbying”, which is built upon serious academic research work. In order to increase the credibility of strategic port economic studies, we must understand that a focus on only quantifiable (traditional) data and analysis merely of input and output, i.e. traffic figures, productivity figures, etc. does not provide the necessary input for effective resource-based strategic port planning.
3. In order to understand the underlying dynamics of building a sustainable competitive advantage, it is indispensable for a port to integrate qualitative elements in the strategic port planning process. It is this understanding of the ‘why’ of competitive advantage, which makes the difference between maintaining versus substantially improving the port's competitive position.

One can always say that finally what matters is the improvement of the operating performance, of the quality and reliability of services, of the rotation times of ships, cranes, etc. We need that same understanding in order to create the necessary changes in behaviour, in attitude, in action and reaction. Hence, it will increase the changes to become successful, also in case, maybe even the more, of port privatisation. The “new” borne port authority needs to be responsive to user’s changing demand and supply conditions as much as possible.

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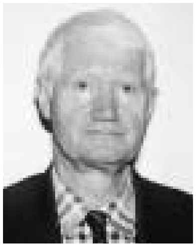
1: It is instance a huge difference whether the port aims at optimizing value-added (logistics) or tonnage(s).

2: Sometimes it is quite important to understand that “it is the things we don’t know we don’t know that truly make the difference” (G, Nightingale, CEO Synergenics).

3: E.g. it is not the size, nor the location or the administrative structure which explain the level of productivity of the port, maybe it is the combination…in combination with…? In the same way one should understand that not “financing” is the solution, but the way it is organized (cf. World Bank).

Finding the Right Key for Harmonisation

Mike Compton, *Proprietor, Circlechief AP*



FOCUS: With ammendment 30 of the IMDG Code coming into force last month, safety expert Mike Compton examines the difficulties involved with implementing dangerous goods regulations

It is appropriate at this time when there is a major conference on the transport of dangerous goods by sea taking place, to review the overall situation regarding harmonisation.

The UN Committee of Experts decided to develop a set of model modal provisions with the intention of seeking greater uniformity across the modes and that process is now well advanced. What is the current position and what needs to be done to complete the process? Furthermore, is it likely that the resultant harmonisation will improve understanding and, consequently, compliance?

There are two fully international transport codes (air and sea) and two which are primarily based in Europe (road and rail). There is also an inland waterway code. The first set of international rules on the transport of dangerous goods (rail) was developed as long ago as 1897 with the IMDG Code being the "baby" of the family, having first been published in 1965.

As they have all developed over different periods of time, there has been a great deal of individuality in the codes. The UN recommendation were first published in 1956 and, although the mode codes have tended to coalesce around the UN system of classification, even that has been tinkered with. Consequently, with a single international air or sea journey likely to include at least two transport methods and maybe more, it has been thought for some time that is a need to harmonise the various provisions.

It was the 11th edition of the Orange Book (the Multimodal Recommendations of the UN Committee of Experts on the Safe Transport of Dangerous Goods), published in 1999, which concluded the model modal format first suggested by that committee in December 1994.

Although not mandatory, the provisions of the Orange Book are closely followed by the modal codes and, in the normal pattern, the provisions of the 11th edition were due to come into effect across the modes from January 1, 2001. There were no provisions made by the UN Committee of Experts for transitional arrangements. Since then, the various modes have been working on changes to their codes so as to reflect that format.

Road (ADR) and rail (RID) in Europe are both being made mandatory by European directives. The application date for the changes to ADR to reflect the new Orange Book's provisions was agreed as being July 1, 2001, with an 18 month transitional period. Accordingly, a harmonised ADR is due to come fully into force on January 1 next year. The exception to this is class seven - which had only a six-month transition period and, accordingly, came into force in January this year.

Exactly the same timescales were agreed for RID. The reason for the introduction of the transition period (and a long one at that), was to enable all those who used the codes to be trained and become familiar with the new arrangements. The reason for a different timescale for class seven is that the rules for radioactive substances are dealt with and developed by the International Atomic Energy Authority (IAEA), based in Vienna.

There was one other complication with ADR and RID. The European Union (EU) has also decided to require all those organisations involved in the transport of dangerous goods by road or rail within the EU to appoint dangerous goods safety advisers (DGSAs). Detailed trainning was specified and a DGSA had to take and pass such a course. A directive to this effect is already in force in the EU, but ADR and RID have contracting countries which are not members of the EU. Accordingly, the final provision is that DGSAs in non-EU contracting countries will be required for class seven by January 1, 2003. Incidentally, the DGSA directive, although it excludes both air and sea modes, does apply to any organisation which loads or unloads road or rail vehicles or wagons. Accordingly, many port companies within the EU are affected.

IMDG was the one code that underwent the most changes and was the one most effected (it should be remembered that the sea mode is the only one where the actual carrier carries its mode code and is likely to need to refer to it en route). Not only was the new format radically different, but the page size and binding was also changed. Even more fundamentally, IMO has concurrently decided to make the code, or at least a major part of it, mandatory. For the past 36 years it had had advisory status only within the IMO procedures.

Amendment 30 to the code was, therefore, published in the autumn of 2000 and came into effect on January 1, this year after a full 12-month transitional period. Making the IMDG Code fit the new format meant almost a complete rewrite and this was a major technical job which the IMO did extremely diligently and expertly. However, there were many printing and technical errors that crept in and gave rise to no less than four sets of errata/corrections.

One came out with the first printing, two were issued by IMO over the course of the first winter (2000/1) and the fourth was published last November. This presented the user with a major exercise in updating, consisting as it did of over seven hours of corrections. In fact, IMO is offering those who purchased the first printing free copies of a CD-ROM version incorporating all the corrections.

Another change made to the IMDG Code was its page size and method of publishing. All the other codes were bound A4 publications (including the Orange Book), whereas IMDG was a ring-bound smaller page size. That has also changed, which means that the next amendment (#31) and every succeeding amendment will be completely reprinted and will need to be purchased. A boon to the user, an additional cost to the organisation.

A technical change was also made. Alone among the modes, the IMDG Code has always had sub-divisions of class 3. Based upon flashpoint, those involved with the sea mode are used to classes 3.1, 3.2 and 3.3, with the former having the lowest flashpoint (below -18°C) and the latter the highest (from 23°-61°C). Packing groups were assigned, but did not always match. Class 3.3, for example, did not always equate to packing group III, as boiling point was also considered. The result was a complicated situation, but all that has been swept away with the code now only recognising class 3.

Packing groups remain and they are based on boiling point as before.

As the new version of the IMDG Code is so distinctly different, the IMO has allowed a full 12 months for assimilation and training. That period, however, has passed and the new provisions have come into effect. That means that the old code (the amendment 29 version, based on the 1994 printing) should now be discarded.

While it has come into effect, only about one third of IMO member nations have implemented it in their own laws. This effectively means the flag states implementing it on their own ships. As that third represents virtually all of the major ship registers, the code is widely followed. However, IMO has also taken the decision to make it mandatory by including it in Solas.

This possibility proved to be controversial and, once decided in principle, its implementation became complex. The result is that, in order to comply with the rules for making changes to Solas (required every two years for the IMDG Code), a different timescale was needed.

The result is that the code will become mandatory on January 1, 2004, and that all succeeding code amendments will become mandatory on the January 1 of even years.

As the Orange Book timescales call for coming into effect on January 1 of uneven years, every amendment to the code from now on will have a 12-month transitional period before becoming mandatory - exactly the same as for amendment 30, but for a different reason. This means, for example, that amendment 31 (which is already prepared and awaits the maritime safety committee's approval this May), will be published this autumn, be usable from January 1, 2003 and mandatory from January 1, 2004. Both amendment 30 and 31 versions may be used in 2003.

The current position is, therefore, that overall harmonisation of the various mode codes is well advanced, although not yet fully completed. It is understood that there are some technical changes still to be made with ADR. The whole exercise has been carried out to make the rules easier to use, easier to understand and as a natural corollary, easier to comply with. The first is, it is believed, already being felt.

Certainly those in the maritime world seem to feel that the new layout is easier to use. That has been the reaction at the many familiarisation courses that the author has run in the past 12 months. However, the main test will come with the next round of maritime administration surveys. If they show a substantial reduction in non-compliance instances and, furthermore, one that is sustained, the whole effect will have proved to be extremely effective.

(CargoSystems)

China/European Union Bilateral Maritime Agreement

JUST before the New Year the European Commission and China reached agreement on a bilateral maritime agreement. In the last week of February the Commission formally presented a proposal to EU Member States and the European Parliament.

The Agreement is based on the principles of freedom to provide maritime transport services, free access to cargoes and cross-trades, and unrestricted access to and non-discriminatory treatment in the use of port and auxiliary services. It might therefore also have implications for INTERTANKO's members both in the European Union and China.

On the EU side the formal process from here is:

1. The European Parliament can - and most certainly will - give an opinion (but it cannot block or change because this is external relations and not "co-decision").
2. The Council must - and most certainly will - approve the agreement in a separate Council decision (since the Council gave the Commission the negotiating mandate).
3. The Agreement must be formally signed - most probably this will take place at the EU-China summit in Copenhagen in October 2002.
4. The Agreement must be ratified by all EU Member States' national Parliaments.

Of course, there are procedures to be followed on the Chinese side in parallel.

In practice it will therefore still be a year or so before the agreement comes into force. It would be surprising, however, if its provisions did not soon start to make their mark.

A copy of the China/EU bilateral maritime agreement can be found on INTERTANKO's website at:

http://www.intertanko.com/pdf/weeklynews/chinaagreement.pdf

IALA/IAPH/IMPA: Update of the World VTS Guide

FOLLOWING is the current list of entrants to the IALA/IAPH/IMPA World VTS Guide. Members interested in joining the Guide are invited to get in touch with Mr. Paul Ridgway FRGS, Secretary, IALA/IAPH/IMPA World VTS Guide Board.

- **Australia**
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  - *Port Hedland*
  - *Sydney*
- **Benin**
  - *Cotonou*
- **Bermuda**
- **Canada**
  - *VTS West*
  - *East Coast VTS*
  - *ECAREG Fundy*
  - *Halifax*
  - *NORDREG ECAREG*
  - *Northumberland*
  - *Placentia Bay*
  - *Port aux Basque*
  - *Prince Rupert*
  - *St John's*
  - *St Lawrence*
  - *Straits of Canso*
  - *Tofino*
  - *Vancouver*
  - *West Coast Local*
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- **Finland**
  - *Archipelago*
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  - *Kotka*
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  - *Brunsbuttel*
  - *Cuxhaven*
  - *Ems*
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  - *Hamburg*
  - *Hunte*
  - *Jade*
  - *Kiel Canal*
  - *North Sea*
  - *Sassnitz*
  - *Stralsund East*
  - *Stralsund North*
  - *Travemunde*
  - *Warnemunde*
  - *Wismar*
  - *Wolgast*
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  - *Hong Kong Port*
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  - *Brevik*
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Hamburg: Women in the crane cab

ONE of the largest container terminals in the world, the Eurogate group's Eurokai Hamburg (Germany), is successfully deploying women in its container yards. In order to meet the rising demand for staff (with a growth rate of 23% in 2001), Eurogate decided to open the doors of this hitherto male-dominated industry to women. One of the first successful woman is Diana Mertens, who now drives a gigantic container gantry crane. She has proved that she can more than hold her own in the <<rough>> world of the container yard, with more women soon to follow her example in other port sectors, where they too will get the chance to show their mettle.

This project is jointly promoted by Eurogate, the port training centre FZH Forbildungszentrum Hafen Hamburg and the Arbeits-amt (state labour exchange).

The project is designed to facilitate the (re-)entry into the world of work for women and longterm unemployed. The participants in the programme are given an opportunity to work in different areas of the port after a three-month induction course. Eurogate has thereby so far taken on 32 previously jobless. This year and in 2003, Eurogate intends to hire another 120 staff for its steadily growing container business.

(International Transport Journal)

An unusual sight that will soon be a common one in the Port of Hamburg. Women call the shots with containers. Pictured is Diana Mertens - Eurogate's first container gantry driver. (Photo: Eurogate)

INTERTANKO: Represented at Panama Maritime Conference

INTERTANKO MD, Peter Swift, joined other international shipowner associations' representatives on a panel discussion of users' expectations of flag states at the Panama Maritime VI Conference in Panama City this week.

Addressing "What do users of Panama expect of their flag state," he called on the administration to demonstrate leadership and accountability, and to play their part in the "Chain of Responsibility." Recognising Panama's position as the largest register in tonnage terms, both for tankers and all ship types, he suggested a seven-point checklist for responsible flag states: Competent Administration, Commitment, Consistent, Corruption-free, Competitive, Capital-friendly and Casualty Investigations.

In his talk he advocated early ratification of MARPOL Annex VI in order to reduce the potential for unilateral measures to limit air pollution and to safeguard investments already made by owners. Further he urged Panama to ratify the IMO HNS Liability and Compensation 1996, the Bunker Oil Pollution Liability 2001, the Oil Pollution Preparedness Response and Coopera-tion 1990, and the Salvage 1989 Conventions. Similar calls were made by several other speakers and associations during the conference. He also stressed the importance and obligations of flag states conducting comprehensive casualty investigations and described Panama's historical record as lamentable, a sentiment echoed to varying degrees by other participants.

The Conference also heard many speakers applaud the Panama Canal Authority for its continuing good management of the Canal and its responsiveness to users' concerns.

Based on the comments and opinions expressed during the 3-day meeting, the Maritime Authorities announced a series of recommendations that were being made to the Panamanian government. These include:

- The establishment of a Panamanian Shipowners' Union
- The assembly of a senior technical team to undertake accident investigations
- A new transparency law to increase trust and confidence
- Extra incentives to encourage ship registration.

A copy of the outline text of his comments and his presentation is available on INTERTANKO's website at http://www.intertanko.com/about/presentations/

American Association of Port Authorities

"Port Legal Issues Seminar"

May 20-22, 2002, Boston, Massachusetts
Registration Fee:
$485 members; $540 non-members

DESIGNED for port managers and legal counsel, this two-and-one-half day seminar examines a broad range of legal issues affecting port management and development. Topics may include: liability issues for port managers and Board members; ports as political entities; ethics and conflicts of interest; limits on competitive activities; financing port development; procurement and contracting requirements; human resources issues and labor relations; risk management; disaster claims and insurance coverage; and environmental laws and regulations.

Location:
Radisson Hotel Boston
200 Stuart Street, Boston, MA 02116
Tel: (617) 482-1800
Fax: (617) 451-2750
Rate: $175.00 Single/Double

"Commissioners Seminar"

June 5-7, 2002
Vancouver, British Columbia
Registration Fee:
$485 members; $540 non-members

THE Special Seminar for Members of Port Authority Governing Boards and Commissions ("Commissioners Seminar") is a two-and-one-half day seminar which covers the latest issues in the port industry, port management, and planning. This comprehensive program explores the unique duties and responsibilities of governing board members and allows participants to share valuable information. Port directors are encouraged to accompany their commissioners to this seminar.

Location:
Westin Bayshore Resort and Marina
1601 Bayshore Drive
Vancouver, British Columbia V6G 2V4
Canada
Tel: (604) 682-3377
Fax: (604) 687-3102
Rate: CAN $249.00 Single/Double
(approx. $169.00 USD)

"Port Directors Seminar"

June 20-21,2002, St. Louis, Missouri
Registration Fee:
$375 members; $430 non-members

THE Special Seminar for Public Port Authority Port Directors is a one-and-one-half-day seminar specifically designed for · and limited to · port directors. The format offers an exceptional opportunity for discussion of the major issues affecting port directors and their ports, including legislative and regulatory affairs, industry trends, and management challenges. The program is flexible, focusing on key issues while allowing for the opportunity to raise additional topics of interest for discussion.

Location:
Renaissance St. Louis Suites
823-7 Washington Avenue
St. Louis, MO 63101
Tel: (314) 241-9100 or (800) 228-9290
Fax: N/A
Rate: $159.00 Single/Double

"Port Property Management & Pricing Seminar"

July 24-26, 2002, Seattle, Washington
Registration Fee:
$485 members; $540 non-members

THIS two-and-one-half-day seminar is designed for port directors, port planners, property development and real estate managers, marketing managers, and business and trade development managers. Panel discussion topics will address real estate, non-cargo business, commercial and industrial property utilization, and financing and specifically may include: intermodal transportation; setting land use priorities; facilitating capital investment;attracting economic development; port pricing realities; regional trends in port pricing; brownfields development opportunities and constraints.

Location:
WestCost Grand Hotel on Fifth Avenue
1415 Fifth Avenue, Seattle, WA 98101
Tel: (206) 971-8000
Fax: (206) 971-8100
Rate: $160.00 Single/$180.00 Double

For further information, contact Cerena Cantrell at 703-706-4717 or Cantrell@aapa-ports.org

IMO:2002 Program for IMO Meetings

Name of Meeting	Session No.	Dete Held
Sub-Committee on Flag State Implementation (FSI)	10	Apr 8-12
Legal Committee (LEG)	84	Apr 22-26
Maritime Safety Committee (MSC)	75	May 15-24
London Convention 1972 Scientific Group (in Jamaica)***	-	May 27-31
Council	88	Jun 10-14
Technical Co-operation Committee (TCC)	51	Jun 12-13
Sub-Committee on Bulk Liquids and Gases (BLG)	7	Jun 24-28
Sub-Committee on Safety of Navigation (NAV)	48	Jul 8-12
Stability and Load Lines and Fishing Vessel Safety (SLF)	45	Jul 22-26
Sub-Committee on Dangerous Goods, Solid Cargoes and Containers (DSC)	7	Sep 23 Aug 27
Marine Environment Protection Committee (MEPC)*	48	Oct 7-11
Legal Committee (LEG)	85	Oct 21-25
Diplomatic conference to adopt a Protocol to the Athens Convention	1	Oct 28-Nov 1
Consultative Meeting of Contracting Parties to the London Convention (LC)	24	Nov 11-15
Council	89	Nov 25-29
Technical Co-operation Committee (TCC)*	52	Nov 27-28
Maritime Safety Committee (MSC) and Diplomatic Conference on Maritime Security*	76	Dec 4-13

* *Tentative*
** *Financed by the United States of America*
*** *Meeting held without interpretation and with documentation in original language only*

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http://www.mtgsa.com.pl/balttransport/en

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"Port Competition and Strategic Managemant"

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This fee covers registration, documentation, lunches during lecturing days.

"Port Finance"

June 3-14, 2002, Le Havre
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This fee covers registration, documentation, lunches during lecturing days.

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Iran Transit 2002

June 11-12, 2002 – Tehran, Iran

Topics of the Forum

Policy making, laws and regulations:
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- Types of investment and capital inflow in transportation
- Privatization and deregulation
- Market liberalization and elimination of barriers in transportation services
- Free and special economic trade zones

Marketing Policies and Customers:
- Commercial regime and strategies for transportation marketing
- Customer orientation strategy and supply of services
- Improvement and development of trade unions in response to market needs

Transportation Infrastructure and Facilities:
- Transportation Infrastructure network and regional transportation corridors
- Facilities, and supporting systems in transportation of goods and passengers
- Level of services, security, safety and time saving in transportation network

Freight forwarding industry & multimodal transportation:
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- Transportation organizations and multimodal transportation
- Models for forwarding industry and multilateral transportation
- Freight forwarding operation models and multimodal transportation
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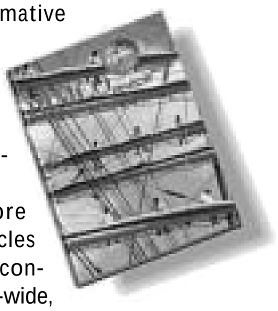
New Publications

BIMCO:

"BIMCO Review 2002"



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"Lloyd's Maritime Directory 2002"

VOLUME one contains a list of more than 32,000 shipowners, managers and operators, and their vessels (over 52,000 commercial vessels, excluding fishing). Each entry contains the contact details of the company and any companies that they act as agents for. Their vessels are listed, along with information pertaining to them, including: name, ex-name, registered owner, nominal owner, propulsion, speed, draught, gross and net tonnage, year of building, flag, call sign, breadth, depth and deadweight. 'The Year in Shipping' section contains a unique overview of major events which have happened over the past year and have featured in Lloyd's List.

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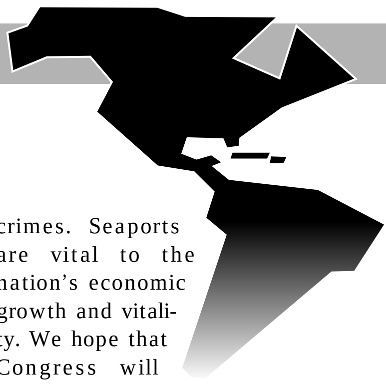

AAPA/USDOT: Providing much-needed port security funding

U.S. ports will soon begin applying for $93.3 million in funds from the U.S. Department of Transportation (DOT) to enhance seaport security. The new Port Security Grants program will be administered by the Maritime Association (MARAD) and the U.S. Coast Guard on behalf of the Transportation Security Administration (TSA).

"We're very pleased that Congress recognized the tremendous need for Federal help at U.S. seaports and appropriated emergency funding for security enhancements," said Kurt J. Nagle, president of the American Association of Port Authorities. "We commend DOT's extraordinary efforts to get this grant program up and running quickly."

"While the $93.3 million is a good initial investment, we anticipate that much more will be needed to protect America's ports from terrorism and other Federal crimes. Seaports are vital to the nation's economic growth and vitality. We hope that Congress will provide significant additional funding for grants during the upcoming appropriations process," Nagle added.

Ports need to submit grant applications electronically through MARAD's website, www.portsecuritygrants.dottsa.net <http://www.portsecuritygrants.dottsa.net>. The two categories for grants include: security assessments and mitigation strategies; and enhanced facility and operational security, including facility access control, physical security, cargo security and passenger security. All grants will be awarded by the end of June 2002.

Protecting international seaport borders is a shared responsibility between the Federal, state and local governments. Since September 11, enhancing seaport security has been a top priority for ports. They want to maintain the safest, most secure facilities possible while moving

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U.S. Port Ranking by Cargo Volume 2000

TOTAL TRADE			FOREIGN TRADE			DOMESTIC TRADE		
Rank	Port	Short Tons	Rank	Port	Short Tons	Rank	Port	Short Tons
1	South Louisiana (LA)	217,756,734	1	Houston (TX)	128,802,298	1	South Louisiana (LA)	119,141,265
2	Houston (TX)	191,419,265	2	South Louisiana (LA)	98,615,469	2	Huntington (WV)	76,867,987
3	New York/New Jersey	138,669,879	3	Beaumont (TX)	66,609,441	3	New York/New Jersey	72,272,507
4	New Orleans (LA)	90,768,449	4	New York/New Jersey	66,397,372	4	Houston (TX)	62,616,967
5	Corpus Christi (TX)	83,124,950	5	Corpus Christi (TX)	59,136,402	5	Pittsburgh (PA)	53,992,676
6	Beaumont (TX)	82,652,554	6	Long Beach (CA)	52,750,114	6	Valdez (AK)	46,409,056
7	Huntington (WV)	76,867,987	7	New Orleans (LA)	52,452,135	7	Baton Rouge (LA)	42,505,495
8	Long Beach (CA)	70,149,684	8	Los Angeles (CA)	42,127,263	8	Plaquemines (LA)	38,863,773
9	Baton Rouge (LA)	65,631,084	9	Texas City (TX)	41,255,523	9	New Orleans (LA)	38,316,314
10	Texas City (TX)	61,585,891	10	Hampton Roads (VA)	38,516,335	10	St. Louis (MO/IL)	33,337,815
11	Plaquemines (LA)	59,910,084	11	Lake Charles (LA)	35,041,768	11	Tampa (FL)	31,662,135
12	Hampton Roads (VA)	56,179,892	12	Mobile (AL)	29,925,212	12	Duluth-Superior (MN/WI)	28,165,480
13	Lake Charles (LA)	55,517,891	13	Philadelphia (PA)	29,788,375	13	Mobile (AL)	24,231,755
14	Mobile (AL)	54,156,967	14	Portland (ME)	26,993,231	14	Corpus Christi (TX)	23,988,548
15	Pittsburgh (PA)	53,992,676	15	Baltimore (MD)	26,296,816	15	Lake Charles (LA)	20,476,123
16	Los Angeles (CA)	48,192,271	16	Freeport (TX)	25,385,755	16	Texas City (TX)	20,330,368
17	Valdez (AK)	48,080,894	17	Baton Rouge (LA)	23,125,589	17	Chicago (IL)	20,063,334
18	Tampa (FL)	46,460,327	18	Plaquemines (LA)	21,046,311	18	Memphis (TN)	18,269,265
19	Philadelphia (PA)	43,854,766	19	Pascagoula (MS)	18,256,490	19	Hampton Roads (VA)	17,663,557
20	Duluth-Superior (MN/WI)	41,677,699	20	Portland (OR)	17,976,694	20	Long Beach (CA)	17,399,570
21	Baltimore (MD)	40,831,802	21	Paulsboro (NJ)	17,687,925	21	Portland (OR)	16,357,090
22	Portland (OR)	34,333,784	22	Savannah (GA)	16,934,381	22	Beaumont (TX)	16,043,113
23	St. Louis (MO/IL)	33,337,815	23	Charleston (SC)	16,552,060	23	Anacortes (WA)	15,938,545
24	Freeport (TX)	30,984,736	24	Seattle (WA)	15,440,960	24	Indiana Harbor (IN)	15,508,694
25	Portland (ME)	29,330,407	25	Tampa (FL)	14,798,192	25	Baltimore (MD)	14,534,986
26	Pascagoula (MS)	28,710,087	26	Tacoma (WA)	14,011,573	26	Cincinnati (OH)	14,337,043
27	Paulsboro (NJ)	26,874,417	27	Marcus Hook (PA)	13,712,082	27	Philadelphia (PA)	14,066,391
28	Seattle (WA)	24,158,942	28	Duluth-Superior (MN/WI)	13,512,219	28	Lorain (OH)	13,905,629
29	Chicago (IL)	23,929,489	29	Port Arthur (WA)	12,912,824	29	Port Everglades (FL)	13,287,357
30	Marcus Hook (PA)	22,583,985	30	Boston (MA)	12,363,985	30	Two Harbors (MN)	13,060,019
31	Port Everglades(FL)	22,500,201	31	Richmond (CA)	10,369,632	31	Detroit (MI)	11,992,084
32	Tacoma (WA)	22,286,610	32	Oakland (CA)	10,295,889	32	Cleveland (OH)	11,914,437
33	Port Arthur (WA)	21,387,322	33	Jacksonville (F)	9,520,220	33	Honolulu (HI)	10,942,197
34	Charleston (SC)	21,081,838	34	Port Everglades (FL)	9,212,844	34	Pascagoula (MS)	10,453,597
35	Boston (MA)	20,750,789	35	Toledo (OH)	7,380,310	35	Jacksonville (F)	10,181,057
36	Jacksonville (F)	19,701,277	36	Miami (FL)	7,199,120	36	Gary (IN)	9,410,323
37	Savannah (GA)	19,670,923	37	Matagorda (TX)	7,174,114	37	Paulsboro (NJ)	9,186,492
38	Richmond (CA)	19,463,609	38	Ashtabula (OH)	7,172,662	38	Louisville (KY)	9,167,326
39	Memphis (TN)	18,269,265	39	Galveston (TX)	7,032,891	39	Richmond (CA)	9,093,977
40	Anacortes (WA)	18,034,543	40	San Juan (PR)	6,122,845	40	Marcus Hook (PA)	8,871,903

Source: U.S. Army Corps of Engineers, Navigation Data Center, www.iwr.usace.army.mil/ndc/wcsc

(AAPA Advisory, January 28, 2002)

AAPA/USDOT:
(Continued from Page 27)

goods efficiently to their destination. Ports have invested millions of their own dollars to increase security measures at their facilities.

The Fall 2000 Report to Congress of the Interagency Commission on Crime and Security at U.S. Seaports estimated that enhanced security could cost between $10 and $50 million per port. Just among AAPA's 85 U.S. port members, security enhancements could to exceed $2 billion.

In addition to increased funding, AAPA recommends that Congress consider the following important steps to enhance seaport security:

- Coordinate and plan seaport security at the local level. Establish local security committees including stakeholders from local industry, government agencies, terminal operators and labor unions.
- Provide Federal funds to help ports strengthen seaport security in a timely manner. Protecting our international seaport borders should be a shared responsibility between Federal, state and local governments, ports and private industry.
- Provide additional resources to the U.S. Coast Guard and Customs for personnel, technology and equipment to monitor cargo without slowing the movement of commerce.
- Enhance communication and coordination between state and local law enforcement agencies, such as the Federal Bureau of Investigation, U.S. Coast Guard, U.S. Customs Service and ports. Determine seaport security needs for individual ports at the local level in conjunction with the U.S. Coast Guard. The Federal government has programs in place to assess a port's vulnerability to terrorism and it is important to entrust one agency with this responsibility.
- Develop appropriate programs for the purpose of training seaport security officers; offer certification that individuals have been officially trained as seaport security officers.
- Increase international cooperation on seaport security issues.
- Establish a grant program for new technologies to help increase cargo inspections without slowing the movement of commerce.

Baltimore: MARAD's 25th Anniversary Celebrated

THE national observance of the 25th anniversary of the U.S. Dept. of Transportation's Ready Reserve Force recently took place in Baltimore. Secretary of Transportation Norman Y. Mineta was the featured speaker aboard the Ro/Ro vessel Cape Wrath, one of six RRF ships outported in Baltimore.

The event honored MARAD's strategic sealift partners in the RRF program, specifically the U.S. maritime industry, including ship managers, ship construction and repair facilities, and the maritime labor organizations that provide crews for the ships.

The RRF fleet of specialized cargo ships was established by the Maritime Administration (MARD) and the U.S. Navy in 1976 to provide a reliable, cost-effective source of surge sealift support for the nation's Armed Forces.

The RRF supports rapid, massive movement of military supplies in support of military and humanitarian operations. There are a total of 76 ships in the RRF. Military equipment such as tanks, trucks, jeeps, and humvees can be driven or towed onboard the Cape Wrath and 30 similar ships. Other RRF ships also have special capabilities valuable to the military, such as the ability to pump fuel to inland points up to four miles away or to unload goods from its cargo holds and those of other ships without the help of equipment onshore.

Ro/Ro Vessel Cape Wrath.

Secretary of Transportation, Norman Y. Mineta.

MARAD, which owns the ships, contracts with private ship operating companies to manage them, using seafaring union members as crew. When activated for military missions, the ships are under the operational control of the Navy's Military Sealift Command (MSC).

The RRF program represents a highly successful partnership among DOT/MARAD, the U.S. maritime industry and maritime labor.

Crowley Liner Services was recognized for the successful completion of its deck expansion of the Cape Wrath. Another of the Baltimore-ported RRF ships, The Cape Washington, is currently being upgraded by Crowley.

(THE PORT OF BALTIMORE)

Georgia: New Import Distribution in Savannah

PIER 1 Imports, America's largest specialty retailer of unique decorative home furnishings and accessories, has announced plans to construct a new 783,000-square-foot import distribution center at Crossroads Business Center, located adjacent to the Savannah International Airport and approximately 3.4 miles from the Port of Savannah's world-class containerport.

"Pier 1 was one of the first national retailers to build a distribution center in Savannah, and we have enjoyed a great relationship with the community," said Pier 1 Imports Chairman and Chief Executive Officer Marvin Girouard. "Building a new complex and doubling our space recognizes our potential for growth in the Southeastern United States. This is an exciting time for Pier 1 as we look forward to the future with this new distribution center to help us serve our stores and our customers more efficiently."

Montreal: Capt. Omer Comor of Croatia wins Gold-Headed Cane in 2002

THE president and chief executive officer of the Montreal Port Authority, Mr. Dominic J. Taddeo, officially marked the beginning of a new year of activity at the Port of Montreal by presenting the Gold-Headed Cane to Capt. Omer Comor, mater of the containership Canmar Glory, the first ocean-going vessel in port in 2002.

This year's winning ship is operated by Canada Maritime, a subsidiary of CP Ships. The shipping line is represented in Montreal by Canada Maritime Agencies Limited.

The tradition of the Gold-Headed Cane dates back to 1840. A spring custom for many years, it became a New Year's tradition when the Danish vessel Helga Dan inaugurated year-round navigation at the Port of Montreal on January 4, 1964.

It also provides an opportunity for the

Montreal Port Authority president and chief executive officer, Mr. Dominic J. Taddeo (second from left), awarding the Gold-Headed Cane to Capt. Omer Comor, master of the Canmar Glory, in presence of Mr. Ron Vogel (extreme right), vice-president, North America, Canada Maritime and Cast, and Mr. Kevin M. Doherty (extreme left), vice-president, Montreal Gateway Terminals Inc.

entire shipping community to celebrate the beginning of a new year of portactivity – activity that creates more than 17,000 direct and indirect jobs and generates revenues of approximately $2-billion annually. The Port of Montreal handles some 20 million tonnes of highly-diversified cargo annually.

New Orleans: President Bush talks trade at wharf in New Orleans

President George W. Bush paid a visit to the Port of New Orleans on Jan. 15, using the Nashville Avenue wharf as a backdrop for a speech emphasizing the importance of trade to the U.S. economy and jobs.

The New Orleans stop followed the President's trips to the John Deere Harvester Works Plant in Moline, Ill., and the Missouri Farmer's Association Aurora Feed Mill in Aurora, Mo. Expressing concern about the loss of jobs that has occurred since the recession began last spring, Bush said the economic futures of all three places are tied into trade.

"The people who are loading these ships load them because we're trading around the world," said Bush, as workers handled a cargo of steel at the dock.

"The farmers who are selling products can sell more if we trade. And if the farmers sell more of their products, we can sell more of the machines made in Moline, Ill, so the folks up there, the UAW workers, can work."

Bush was accompanied by Secretary of Commerce Donald Evans, who was traveling with him, along with the Port of New Orleans Executive Director Gary LaGrange, Governor Mike Foster, Reps. David Vitter and John Cooksey of Louisiana, and Jim Campbell, president of the International Longshoremen Association Local Number 3,000.

President Bush began his remarks by praising the food in New Orleans and poking fun at his pretzel-choking accident, saying there were no pretzels in the meal the enjoyed at Antoine's on the evening of his arrival in the Crescent City.

Bush used the occasion to trumpet his administration's economic stimulus package, national energy plan and the so-called "fast-track" trade legislation. The trade bill would give the president the authority to negotiate trade agreements unilaterally. Congress would retrain the right to approve or disapprove the pacts, but not to amend them.

Mayor Marc Morial,who could not be present for the speech because he was leading a trade mission to Mexico City, expressed his support for the legislation in a letter to the president. The measure is now in the hands of the Senate; the House of Representatives passed the bill in December by a one-vote margin.

The Senate also has taken up consideration of the national energy plan, which the President said is in the best interest of both the nation and the state of Louisiana. He said America's heavy reliance on energy imports, in light of the often changing dynamics of U.S. foreign relations, put the nation in a precarious position.

"We receive a lot of our energy, over 50 percent of it, from other parts of the world," Bush said. "Sometimes they like us, sometimes they don't."

With a national energy plan, he said, the nation would be less dependent upon foreign energy sources and able to create more jobs by conserving and producing more of its own energy.

Bush also asserted that tax relief is the key to stimulating the economy. He thanked Sen. John Breaux for supporting his $1.35 trillion, 10-year tax cut, which Congress passed last spring, saying it came at "just the right time."

"You see, our economy started slowing down significantly in March of 2001," Bush said. "And when the economy begins to slow down, one of the

LaGrange gives President Bush a tour of the Port.

best remedies is to let people keep more of their own money, is to take less of the money from the working people."

In remarks before his speech, President Bush touched upon another issue that will have a direct impact on the Port: his pending decision on whether to impose restrictions on steel imports. Bush has until March 6 to decide whether to levy higher tariffs on imported steel, as recommended by the U.S. International Trade Commission in December. Some major U.S. steel companies favor the restrictions, saying foreign steel companies are crippling domestic production by dumping cheaper products on the U.S. market and driving down prices.

But the Port of New Orleans, Governor Foster and Louisiana's congressional delegation all oppose the measure. The Governor has said the move could cost the state 15,000 jobs, including up to 6,000 at the Port of New Orleans. LaGrange has pointed out that 50% of the Port's revenue comes from handling steel imports, and he notes that grain, the port's largest exported commodity, often is carried out on the same ships that bring steel into the Port. If fewer ships became available because of restrictions on steel imports, the result would be a higher cost for exporting grain, according to LaGrange.

Bush said his administration was still reviewing the ITC's recommendations.

During his speech, the President also reinforced his commitment to the war on terrorism. He said he has not grown tired of what he has repeatedly termed a long-term effort, "because I view this as a moment, a defining moment in history, a moment when we must defend freedom, a moment when we must defend civilization itself, a moment when this great nation...must lead the world...to make sure our children and grandchildren can grow up in a peaceful and secure society."

NY/NJ: Port Authority Approves $4.5 Billion Budget for 2002

THE Port Authority Board of Commissioners approved a $4.5 billion budget that meets post-September 11 needs for new and expanded security, begins to restore PATH commuter service between New Jersey and Lower Manhattan, and provides for a new PATH station near the World Trade Center site. The 2002 spending blueprint, which maintains bridge and tunnel tolls and PATH fares, also funds a massive program of transportation improvements, including AirTrain JFK and an electronic fare card for PATH, according to Port Authority Chairman Jack G. Sinagra.

"The world changed on September 11. This is a budget that reflects new realities and new priorities," said Chairman Sinagra, following the bistate agency's monthly meeting. "It also continues delivery of the five-year transportation investment program announced last year, the largest in Port Authority history. The region will be stronger, more secure and more prosperous as a result of the spending program approved today."

New York Governor George E. Pataki said, "Approval of this budget is a step forward towards a new, vibrant Lower Manhattan that will secure New York's standing as a global capital. This budget will lay the foundation for a downtown transportation hub that will serve hundreds of thousands of commuters and visitors a day, and provide the basis for the New York City of tomorrow."

New Jersey Governor James E. McGreevey said, "New Jersey's economy, and our quality of life, will be substantially strengthened by the PATH investments funded by this budget. In addition to repairing the extensive damage caused by the September 11 terroristic attacks, the improvements will provide commuters with new transit links serving Hudson County and the New York City financial district."

Port Authority Vice Chairman Charles A. Gargano said, "This budget shows the importance of the Port Authority to the continued economic development of New York and New Jersey. As we move forward, the Port Authority will make these long-term transportation investments in close coordination with state and local public agencies. Working men and women will also benefit from more than 15,000 jobs, and $2.3 billion in economic activity."

Port Authority Executive Director Joseph J. Seymour said, "National and international economic forces mean that this is not an easy time financially for the Port Authority. However, this budget shows that the Port Authority is financially strong, and able to carry out the transportation investments that took on a new urgency and a new scope after September 11.

"The agency's gross revenues are expected to decrease slightly, and the Port Authority's 2002 operating results will be lower than expected one year ago. If the national recession is short-lived, however, and if the public's confidence in air travel is restored, the Port Authority will be right on track to deliver the ambitious five-year investment program announced last year. Even if conditions do not improve, we will deliver the plan, but over a longer period of time."

Mr. Seymour said the Port Authority's ability to deliver the sweeping program approved today was made possible in part by the Port Authority's excellent financial standing before September 11, 2001.

Major capital investments and customer service improvements provided for in the budget for 2002 include:

- A two-year project to restore PATH service to Lower Manhattan using the World Trade Center PATH station as a temporary terminus, while pursuing a longer-term transportation plan for downtown Manhattan.
- The reopening of the Exchange Place PATH station in Jersey City and restoration of PATH Tunnels E and F.
- Design and installation of an integrated fare payment system that accepts Smart Cards and MetroCards, offering PATH riders far greater convenience. Deposits in the PATH fare card account will be easy to make, and the card is expected to one day be accepted on transit systems throughout the region.
- Continuing progress on the AirTrain JFK project, with the completion of the Howard Beach branch by the end of 2002. The Jamaica branch is scheduled to open during the first half of 2003.
- Continuing redevelopment of roadways and terminals at JFK, including improvements to Runway 4R-22L.
- Repainting the George Washington Bridge towers, and reconstruction of the Outerbridge Crossing roadway deck.
- Creation of a permanent ferry terminal at Battery Park City, restoration of the historic ferry terminal at Hoboken, and development of a new ferry terminal at LaGuardia Airport.
- Terminal improvements at Port Newark and Howland Hook, Staten Island.

ACTIVITY LEVELS

With the regional economy in downtown Manhattan made worse by the events of September 11, 2001, activity levels at the Port Authority's airports, bridges, tunnels, and PATH system were lower than forecast in the 2001 budget. Based on unaudited results, airport passenger traffic for 2001 is estimated at 81.8 million, down approximately 11 percent from 2000. The two New York City airports welcomed 51 million passengers, a decrease of 6.9 million passengers. JFK posted a total of 29 million passengers, while LaGuardia welcomed 22 million passengers. Newark International Airport saw a total of 31 million passengers, a decrease of 3.6 million compared to 2000.

The Port Authority's two trans-Hudson vehicular tunnels and four bridges reported a combined estimated eastbound traffic volume of 121.9 million for 2001, a decline of about 4.4 million vehicles from the previous year. In 2001, about 69.8 million passengers used the PATH rail transit system, a decrease of approximately 3.6 million from the previous year.

2001 FINANCIAL RESULTS

Despite the economic impact of September 11, 2001, the agency's bottom line remains strong, Executive Director Seymour said.

Net income from Port Authority operations was approximately $109 million.

Gross operating revenues were approximately $2.7 billion for 2001, compared to $2.6 billion in 2000. The 2001 total was 5.5 percent lower than the 2001 budgeted amount of $2.9 billion, but still represented a year-to-year increase of 2 percent.

Expenses in 2001 totaled $2.1 billion, compared to $1.8 billion in 2000. Budgeted expenses for 2001 had been $1.9 billion, leading to an increase over budget of 9 percent. The added expense was primarily due to about $270 million in costs related to the events of September 11 net of expected insurance and other proceeds.

Reserve levels at year-end 2001 were $1.575 billion, which were $100 million below the 2000 actual amount, and $112 million less than the 2001 budgeted amount. By the end of 2002, it is anticipated that reserves will grow to $1.758 billion.

Seattle: Second cruise terminal

PORT of Seattle Commissioners have authorized $520,000 to study options to accommodate Seattle's booming cruise ship industry. Additional facilities are needed to meet the demand by cruise lines to locate vessels in Seattle to serve the fast growing Pacific Northwest and Alaska cruise markets.

The number of cruise passengers in Seattle has grown from 7,000 in 1999 to a projected 250,000 in 2002, and 320,000 in 2003. The Port's success in homeporting Norwegian Cruise Line and Royal Caribbean International at its Bell Street Pier facility, and the decision by Holland America Line to base a ship in Seattle for Alaska cruises, are fueling the growth of the markets served by Seattle.

"The Port of Seattle's homeport cruise operation boosted the regional economy at a critical time," said Port Commission Chair Bob Edwards. "This year, cruise ship visits will generate $42.6 million in new business revenue and spending in the region. The industry also will generate $2.8 million in state and local taxes. It's clear that the market for Pacific Northwest and Alaska cruises is growing, and it's worth examining the benefits that growth in the industry offer to the region."

"The Port will continue to work closely with its cruise customers, the City of Seattle, the business community and our labor unions to create a first-rate experience for cruise passengers," said the Port's Chief Executive Officer M. R. Dinsmore. "Seattle is gaining stature as a player in the cruise business, and I think the cruise lines agree. They are putting their fastest, most technologically advanced vessels on Seattle-based cruises."

Tacoma: Receives Bond Rating Upgrade from Standard & Poor's

STANDARD & Poor's has upgraded the Port of Tacoma's limited-tax General Obligation bonds from A+ to AA-.

The upgrade is based on the Port's continued strong financial performance, importance to the regional economy, steady growth in the tax base, and low direct debt.

This is the first time that the Port of Tacoma has earned a rating above A+.

"This is a real compliment for the Commission and staff of our Port," said Andrea Riniker, the Port's Executive Director. "This upgrade tells us that we are doing a responsible and credible job in managing the important assets that we have, and that the outlook for the future is positive."

Africa/Europe

African Ports: Evolution of containerized traffic in African ports

UNCTAD Transport Newsletter

Introduction

CONTAINERIZATION and information technologies have been the driving forces of change in the port industry. In particular containerization has had a profound impact on the transport industry. The mechanization of general cargo has required investments in infrastructure, equipment and new skills for port management and workers. A major change has been the extensive increase in productivity of manpower that has lead to a massive reduction in the need for port workers. To stay competitive, port authorities in all countries have had to modernize and upgrade port facilities and at the same time have had to look at how operations could be made more efficient. The investment required has often gone beyond the financial and managerial capabilities of public port authorities in both developed and developing countries and thus the private sector has been invited to enter into partnerships with public port authorities.

This note analyzes the situation and evolution of container traffic handled by 43 African ports[1] during the period 1997 to 2000. The ports are indicated in table

Table 1: Ports included in survey

West Africa	North Africa	Eastern Africa	Southern Africa
Apapa	Agadir	Assab	Beira
Abidjan	Alexandria	Dar es Salaam	Cape Town
Banjul	Algiers	Djibouti	Durban
Conakry	Casablanca	Massawa	East London
Cotonou	Damietta	Mombasa	Maputo
Douala	Oran	Port Louis	Nacala
Dakar	Port Said	Port Reunion	Port Elizabeth
Libreville	Rades	Port Sudan	Walvis Bay
Lobito	Skikda	Tamatave	
Lomé	Suez	Port Victoria	
Nouakchott	Tangier		
Pointe Noire			
Takoradi			
Tema			

1 and are grouped according to the classfication of the UNCTAD Review of Maritime Transport. These ports are located in 29 countries, some of which are island countries.

There are 54 countries in Africa, 39 of which have sea access and 15 of which are landlocked. Moreover, 33 African countries are classified as least developed countries (annual income per capita less than $399) - of these 21 have sea access and 12 are landlocked.

There are large disparities in the volume of container traffic moved by each country. This is due to differences in economic levels, population size, geostrategic position, quantity and type of goods traded, number and size of ports, etc. This situation is illustrated by the following facts:

- Eight ports in Egypt and South Africa account for almost 52 per cent of the total traffic of the continent;
- The top 10 ports account for almost 67 per cent of the total container traffic.

Global Situation

There are about 90 ports in Africa, that in 2000[2] handled 712 million tons of goods - equivalent to 5.9 per cent of the world traffic. For the same year and focusing only on container traffic, the 43 ports considered in this survey accounted for 3.5 per cent of the world's traffic. This compares to only 2.8 per cent in 1995. The total container traffic of African ports was only 11.5 per cent higher than the traffic handled by the port of Rotterdam during 2000 and equivalent to 40 per cent of the traffic of the busiest container port in the world - Hong Kong, China.

During the last four years, there has been significant progression in container traffic in African ports. In 2000, the throughput was over 7.2 million TEU compared to 6.4 million TEU the previous year and 5.6 million TEU in 1997. Coastal LDCs have also contributed to this growth[3]. Although their container throughput is limited-about 1 million TEU in 2000 - their rate of traffic growth was 6.0 per cent and 10.3 per cent in 1999 and 2000, respectively.

All the ports in this survey, had a rate of growth for container traffic of more than 10 per cent per year with the exception of 1998 when the rate of growth was 3.5 per cent. This compares favourably with the rate of growth for world container traffic notably over the last two years of 7.3 per cent and 5.0 per cent[4] respectively. Over the period 1997-2000, the average annual growth rate for container traffic in African ports was 9.4 per cent, one per cent more than the global rate. This evolution shows that the continent is in synchronization with the rest of the world, which has achieved a spectacular progression in the volume of containerized traffic during the last decade.

Figure 1: Major African ports

Source: Containerisation International Yearbook 2000.

Table 2: World and African container traffic

	1997	1998	1999	2000
World (TEUs)	165 234 028	181 982 976	195 261 458	205 024 531
Africa (TEUs)	5 656 414	5 853 499	6 462 158	7 254 126
African portion	3.42%	3.22%	3.31%	3.54%
World increase	2.6%	10.1%	7.3%	5.0%
African increase	10.0%	3.5%	10.4%	12.3%

Source: UNCTAD secretariat.

Country analysis

Table 3 shows container traffic by country and highlights the considerable market share of Egypt and South Africa of the total African traffic. With the exception of Kenya, Cote d'Ivoire and Egypt, the market share of these countries increased during the study period.

It is difficult to pinpoint a single determining factor for the evolution of containerized traffic in these countries. Some of the factors were their economic growth, rapid growth of import trade, increased transformation of raw materials for export, development of multimodal transport and port reforms. A

Table 3: Container traffic for countries with more than 200,000 TEUs

Country	Containerized throughput					Share of total %	
	1996	1997	1998	1999	2000	1997	2000
South Africa	1 431 096	1 464 634	1 641 796	1 583 960	1 952 809	25.9	26.9
Egypt	1 265 567	1 432 515	1 131 795	1 520 523	1 783 956	25.3	24.6
Côte d'Ivoire	309 713	416 100	468 727	463 835	434 654	7.4	6.0
Morocco	213 014	242 169	275 710	322 968	358 270	4.3	4.9
Algeria	141 744	177 061	228 160	270 742	297 489	3.1	4.1
Kenya	217 028	230 698	248 451	232 510	236 928	4.1	3.3
Nigeria	130 307	144 536	166 336	225 777	233 587	2.6	3.2
Tunisia	119 703	141 975	173 746	214 693	230 671	2.5	3.2
Ghana	129 457	165 012	199 028	235 743	209 484	2.9	2.9

Source: UNCTAD secretariat.

small degree of correlation was found in analyzing the evolution of the economic and the growth in container traffic. It would be interesting to analyze the evolution of traffic with respect to the growth of manufactured goods in African exports.

Port analysis

Table 4 shows the leading container ports in Africa and gives their world and African ranking for 1998, 1999 and 2000. The Port of Durban is the clear African leader in total container throughput. In the world port league for 2000 established by CIY[5], Durban was in forty-fourth position, followed by Alexandria in seventy-fourth position. This ranking covers a total of 300 ports. Compared to the world port league for 1999, only Alexandria declined slightly in 2000. All the other major African ports improved their world ranking in 2000. There were a number of ports that moved up by more than 20 places. This was the case for Algiers (+30 places), Port Elizabeth (+29), Casablanca (+24), Mombasa (+23), Cape Town (+21), etc. Half of the ports in the survey handled less than 60,000 TEUs per year.

Other interesting features of the African ranking for 2000 were as follows; the decline of the port of Abidjan by two places resulting from the uncertain economic situation in Cote d'Ivoire; the port of Algiers reaching the top ten for the first time, overtaking Rades; and the double-digit growth rate, for the last two years, of some middle-sized ports such as Agadir, Dakar, Maputo, Nacala, Skikda, Suez, Port Sudan, etc.

There are a number of ports that are in competition to handle traffic of land-locked neighbours such as Dar-es-Salaam, Mombasa, Maputo, Djibouti, Assab, Dakar, Abidjan, etc. For example, in 1999, transit containers were estimated to be 43.3 per cent and 35.8 per cent of the total container traffic of Djibouti and Mozambican ports.

Containerization and container trade balance

The rate of containerization for general cargo[7] in Africa was estimated at 53.0 per cent in 1999, versus the world rate of 57.4 per cent. However, the following graph shows large variations amongst countries, ranging from 86 to 28 per cent. The differences are primarily explained by the structure of the international trade of these countries.

The distribution of containers traffic by their status (table 5) in 2000 highlights the imbalance between imports and exports of full containers with the exception of the southern region. In most regions there was considerably more containerized import cargo. The average ratio of import full to total full was estimated at 58 per cent. This imbalance results in a high number of empty containers to export and also increases maritime freight rates to the regions.

At the regional level, the gap was more marked in the northern (69 per cent) and Eastern (67 per cent) regions. For West Africa, on the basis of a 1998 World Bank study, there has been an improvement in the containerized trade balance. In 1994 and 1995 this ratio was estimated at 61 per cent compared to 57 per cent in 2000.

For some ports, there were imbalances of more than 50 percentage points, for example in the ports of Banjul, Conakry, Cotonou, Casablanca, Reunion and Rades.

The low volume of containerized exports is explained by the fact that, with few exception, exports are mainly basic commodities (that have not been transformed) and crude oil, and thus transported in bulk. For example in

Rate of containerization of general cargo

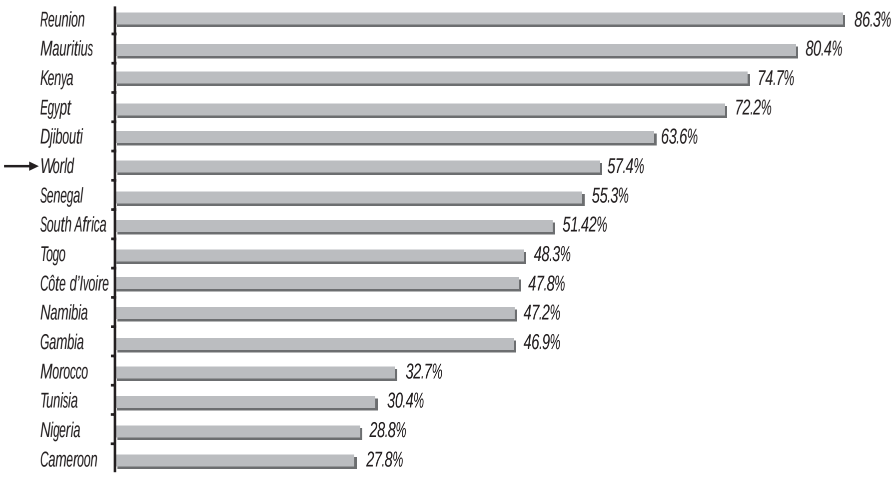

Table 4: Container traffic for top ten African ports (TEUs)

World ranking	African ranking	Port	Country	1997	1998	1999	2000
40/52/44	1/1/1	Durban	South Africa	941 733	1 079 692	969 085	1 291 100
69/71/74	2/2/2	Alexandria	Egypt	397 327	515 963	628 724	601 987
116/80/75	5/4/3	Damietta	Egypt	606 973	309 008	432 329	583 060
122/100/81	6/5/4	Port Said	Egypt	415 694	269 915	410 728	527 896
115/91/89	3/3/5	Abidjan	Côte d'Ivoire	416 100	468 727	463 835	434 654
109/116/95	4/6/6	Cape Town	South Africa	316 383	329 428	331 766	394 913
134/125/104	8/7/7	Casablanca	Morocco	210 687	245 382	280 982	311 695
146/136/107	9/8/8	Port Elizabeth	South Africa	180 000	205 134	250 846	242 718
131/139/116	7/9/9	Mombasa	Kenya	230 047	248 451	232 510	236 928
161/151/121	11/12/10	Algiers	Algeria	120 836	162 454	190 325	216 052

Source: UNCTAD secretariat.

Table 5: Status of container movements by regional groups
(in thousand TEUs)

Region	Full			Empty			Total		Ratio import
	Export	Import	Total	Import	Export	Total	Import	Export	full to total full
West	378.8	283.3	662.1	131.5	185.8	317.3	510.3	469.1	57.2%
East	323.2	155.6	478.8	36.8	212.4	249.2	360.0	368.0	67.5%
South	820.4	810.9	1 631.3	207.4	229.4	436.8	1 027.8	1 040.3	50.3%
North	564.9	256.3	821.2	61.4	358.5	419.9	626.3	614.8	68.8%
Total	2 087.3	1 506.1	3 593.4	437.1	986.1	2 524.4	2 524.4	2 492.2	58.1%

Source: UNCTAD secretariat

West Africa 73 per cent of its total seaborne trade was composed of crude oil and oil products versus 7 per cent for Southern Africa. There was a significant importation of empty containers in the Western and Southern regions, that could be attributable to need for special containers.

Conclusion

Containerized traffic is still limited in many African ports because of several factors such as the structure of the trade, limited investment, inadequate transport facilities and procedures and tariffs that penalize container traffic. Nevertheless, during the last five years, there has been significant growth of containers traffic on the whole of the continent, whatever the level of development, and at a higher rate than the world level. In future, this tendency may be reinforced due to the growing trade and the increasing participation of the private sector in the management and the development of the ports. This participation has already supported the emergence of a new strategy based on commercial goals with simplified tariffs, productivity improvement and better performance of all port operations.

1: These are the major ports for which data was available and exclude those with minor container traffic.
2: Review of Maritime Transport, 2001, UNCTAD
3: Based on data from 15 countries.
4: UNCTAD estimate for 2000.
5: Containerisation International Yearbook 2001.
6: Classification has been done from the "World Ranking of Conainerisation International Yearbook 2001
7: Information was available for 15 countries, and for Egypt data excluded transhipment containers.
8: Data are available for 30 ports.
9: Survey on the experiences of private participation in African ports, which is being undertaken by UNCTAD, will give more details about the impact of private sector participation in the management and investment in ports.

Göteborg: Internet notification makes things easier at Port of Göteborg's container Terminal

HAULIERS picking up or delivering containers at Port of Göteborg's Container Terminal have a new tool for making the call easy and quick. The necessary notification can be made via the Internet - from the office or from the truck's cab.

Every truck that is going to deliver or pick up a container at Göteborg's Container terminal must stop by a cargo identification station outside the terminal.

However, this stop can be avoided by notifying in advance from terminals at the haulier's or transporter's office. These terminals are directly connected to the Port's computer system.

Internet notification in two ways

Now, through the introduction of what the Port calls eDIST, or electronic distant notification, this work can be done via the Internet. It can be done from any computer with www possibilities, even in the truck's cab. This method of notification is referred to as eDIST/web.

This is not enough, though. The Port of Göteborg has gone one step further in offering eDIST/xml. This is an EDI service using the Internet. (EDI is electronic data interchange between trade partners, using networks).

Enter once

It means that data, like a notification, can be sent from one company's system (like a haulier) to another (like the Port) and have a receipt sent back - without entering the data more than once.

The eDIST/xml system uses the Internet but does not need a browser.

Several benefits

About 80 percent of the trucks picking up or delivering containers at the Port of Göteborg use advance notification in some form. The eDIST methods streamline these routines, and the effects are several: faster turnaround, fewer stops, more rational administration, and a more environment-friendly rotation.

The Port of Göteborg has developed these routines together with Hogia Innovation, a leading Swedish IT software developer and provider of logistics control systems.

Hamburg: Ranks top in port growth in Europe, eighth among world container ports

CONTAINER traffic growth up leaps and bounds

CONTAINERS represent about 54 percent of all cargoes handled. Here Hamburg performed considerably better than its competitors, indeed by a considerable margin. The number of containers handled advanced by 10.4 percent to 4.7 million TEU (20'-euivalent standard containers). The worldwide economic downturn in 2001 caused stagnation in the quantity of containers handled by the world's top ten container ports. Following attainment in the two previous years of increases in volumes generally in excess of ten percent, last year Hamburg achieved the second strongest growth after Shanghai and climbed from 9th into 8th place in the world container port rankings. Hamburg also strengthened its place as the second largest container port in Europe.

Asian foreign trade - a matter of light and shade

In the years 1997-1998 the headlong economic growth of what are known as the Asian "tiger states" - comprising Korea, Taiwan, Singapore and other countries in SE Asia - was interrupted by the so-called Asia crisis. This was triggered by shortfalls in export revenues for these countries. They depend to a considerable extent on the manufacture and export of electrical and electronic goods.

The economic downturn in certain countries of Asia had also been caused by slack demand in worldwide trade in electrical goods. Demand for computer hardware and accessories has been falling since the end of 2000. The tiger countries of East Asia that are among the world's leading producers of computer hardware once again had to take substantial falls in exports last year.

The Far Eastern Freight Conference estimates that last year cargoes stagnated in traffic between Europe and East

Asia. Westbound traffic from East Asia to Europe that has normally powered growth with annual increases averaging ten percent, also stagnated in 2001. Import volumes from the tiger states, and Taiwan in particular, were actually falling substantially.

Forecasts two years ago of volume increases amounting to between 7 and 8 percent prompted shipowners for their part to invest in a fleet expansion programme. The bulk of the new tonnage was laid down two years ago. These moves have caused considerable surpluses, and to the laying up of some ships at the end of the year 2001 as well as the suspension of certain services until further notice.

Market share gains in trade with China

Container traffic between Hamburg and Asia as a whole increased by 6.7 percent. With a total volume of around 790,000 TEU the People's Republic of China is Hamburg's most important trading partner. This makes Hamburg the most significant cargo-handling centre in Europe for goods from this vast country. On container traffic all the leading Chinese carriers are customers in Hamburg. Among these are COSCO, China Shipping Container Line and Sinotrans. Hamburg offers the most frequent sailing to China of any port in Northern Europe. As in the previous year, China accounted for the largest slice of container traffic growth of any country in East Asia. Such traffic was 13.5 percent up on the previous year. It proved impossible to sustain the previous year's volume in container traffic between Hamburg and Taiwan. Reduced imports from Japan also meant that total traffic fell slightly. With Korea, a shortfall in imports was more than offset by increased exports.

Almost 50 percent of all container handling in Hamburg is in the trade with Asia. Many leading liner services and alliances of shipping companies have concentrated their services on Hamburg as mainport for North Europe, for the most part further strengthening these last year. Foremost among these are such consortia of shipping companies as the Grand Alliance, New World Alliance and the group centred on the Korean shipowners Hanjin and French shipowners CMA-CGM. A new weekly service to East Asia with China as the centrepiece was inaugurated by New World Alliance in July 2001. In North Europe this service calls only at Hamburg and Antwerp, with Hamburg as the last port for loading. Another factor in Hamburg's volume growth on services with East Asia was the deployment of lager ships, mainly with a slot capacity of between 5500 and 6500 TEU. Additional new liner services calling at Hamburg on routes with Asia were set up by Persian shipowners IRISL as well as a shipping company consortium comprising COSCO, Evergreen, "K"Line and MISC (IEX=India Europe Express) on the route to India. This IEX service was integrated into the new Indian Subcontinent Europe Service at the beginning of January 2002. Seven units with slot capacity of between 1640 TEU and 2700 TEU will be deployed on the new service. COSCO is meanwhile involved here solely as a slot charterer.

Baltic traffic continues to flourish - Increased pulling power for feeder traffic

The fact that Hamburg container terminals succeeded in gaining the loyalty of new liner services attracting high cargo volumes also strengthened Hamburg's position as a hub and distribution center for feeder services. Several new liner services started up between Hamburg and the Baltic region along with the Iberian peninsular and the rest of Europe.

Expansion of traffic with Hamburg's partner city of St. Petersburg was another important feature of 2001. Container traffic between Hamburg and the Baltic grew by 18.7 percent and reached 959,000 TEU. Traffic with St. Petersburg rose by no less than 79.7 percent to 165,000 TEU. In 2001 the Russian Federation thus rose to seventh place among the countries that are Hamburg's leading trade partners. Similarly, seaborne cargoes transported between Hamburg and the rest of the Baltic region increased without exception.

Port railway conveys more

Turning to rail, in 2001 Hamburg's port railway boosted total volume of goods transported by 10.4 percent to 24.2 million tons. In the same period the number of containers shifted grew by 7.9 percent to around 780.000 TEU.

More goods transported along the Elbe

A continuous surge occurred in container transport on the Elbe. Underlying this were the container shuttle services on the Elbe between Hamburg and the Elbe ports of Cuxhaven, Brünsbuttel and Glückstadt that were expanded last year, along with container services between Hamburg and ports on the Upper Elbe that are meanwhile successfully positioned on the market. Around 40,000 boxes (TEU) may be very few by comparison with the established and well developed Rhine link, but the inland ports linked with Hamburg by the Elbe or canals have invested in their terminals and are now equipped to handle growing volumes. The total quantity of inland waterway cargoes handled in Hamburg in 2001 was in excess of 10 million tones. Coal, oil, chemical products, ores, metals and building materials were all shifted in bulk.

Hamburg port cargo handling tops the 10 million mark.

At around 103 million tons, in 2001 the volume of seaborne and inland waterway cargoes handled in the Port of Hamburg set a fresh record.

What will the year 2002 bring?

At the moment the prevalent view on the economic trend in Germany is skeptical. A marked slowdown in growth in German foreign trade set in during the final few months of last year. The latest data suggest that trade with the countries of Asia - of special importance for Hamburg - was also flagging by the end of 2001. Existing forecasts see no prospect of any reversal of the trend. Despite the adverse economic situation last year Hamburg succeeded in achieving traffic growth, this being due to its strong position in the growing traffic with China. Its favourable location at the intersection between the North Sea and the Baltic also produced growth in traffic on feeder services. This effect should also lead to further increases in container traffic in 2002, although several container shipping companies have reduced shipping capacity deployed on Far East-Europe services and/or will be implementing further cuts in February 2002. On the basis of adjustments so far made, Hamburg will actually be less affected by these than other ports in Northern Europe, all the more so since Taiwanese shipowner Evergreen is planning to considerably augment its East Asia service to Hamburg.

London: London Gateway Roadshow Launches Project's Next Phase

Looking for a 2003 start for new container port

P&O and Shell have now submitted applications to develop London Gateway as the UK's largest container port, on the site of a former oil refinery at Shell Haven. The scheme is located at the heart of the Government's Thames Gateway Regeneration area and when fully developed will create up to 16,500 new jobs, say the London Gateway team.

The team say they want to make a start on the new container port next year.

The Port will include a 2,300-metre long container quay capable of handling 3.5 million TEU containers per year, and a roll-on roll-off (Ro-Ro) facility able to handle two vessels with stern-bow loading.

The development includes up to 10 million square feet of commercial space, which will attract occupiers from the manufacturing, industrial, and distribution sectors. Smaller buildings will also attract a significant range of hi-tech businesses.

Although the land on which the former oil refinery stood is being converted to other industrial uses, more than 315 acres of adjacent farmland will be enhanced and retained, and public access improved. "The proposals have been designed to protect areas of environmental interest," say the team.

The site already has good dual carriageway road links to London and the motorway network. To cater for additional traffic and to minimise the impact on local residents, a series of road improvements are proposed. In addition, an existing rail link into the site will be upgraded with the aim of moving 30% of port traffic by rail.

Commenting on the proposals, Alistair Baillie from P&O, said: "We estimate that the UK's existing container terminals will reach capacity in the next five years or so. London Gateway provides an opportunity not only to meet this shortfall but also to develop an integrated business and commercial centre that will attract major companies to this part of Essex and encourage further regeneration along the Thames corriodor.

"It will create long term sustainable employment that will underpin the local economy for many years to come.

"Over the past 18 months, we have carried out extensive and detailed environmental, planning and engineering studies and consulted widely with local organisations and statutory bodies.

"We are confident that London Gateway will not only bring many economic and social benefits to the UK but it will also be developed in an environmentally sustainable and responsible way."

Andy Winser, from shell, added: "We are delighted that our agreement with P&O is taking shape and look forward to the site becoming a major employment centre for the region once again.

"Since we stopped oil refining in 1999, Shell has been removing and recycling the former structures and preparing the site for redevelopment.

"This, of course, is very much in line with Government policy, which is encouraging the re-use of brownfield sites.

The London Gateway roadshow toured a number of destinations around Shell Haven last month and this - and here, Stephen Kerridge, director of P&O Ports Developments Ltd shows the plans to the Mayor of Castle Point, Coun Liz Brett.

"We are pleased that a location that has been so much part of Shell's heritage will be redeveloped in a sustainable way for future generations."

Applications

P&O and Shell have submitted a number of statutory applications including a Harbour Empowerment Order for the construction and operation of the port; a Transport and Works Act Order for transport improvements and planning approval for the commercial development.

The proposals comply with the Government's planning objective of redeveloping brownfield sites and is located within the Thames Gateway - one of the Government's key regeneration areas.

The proposals will now be subject to extensive consultation before being considered by the relevant statutory bodies later this year. P&O hopes to be able to start work in 2003.

The development of both the port facilities and the commercial property will be phased to meet market demand. The scheme could take between 10 and 20 years to fully develop.

Designed to protect environment

SHELL Haven is located on a browfield site close to existing industrial areas such as the Port of Tilbury and BP's Coryton refinery.

The proposals have been designed to protect areas of environmental interest. 315 acres of adjacent farmland will be enhanced and retained, and public access improved.

P&O and Shell have appointed a wide range of expert consultants to carry out extensive and detailed environmental investigations. These form the basis of the Environmental Statements that accompany the submissions for planning and statutory consents and have informed the development of the proposals.

Non-technical summaries of these Environmental Statements are available on the London Gateway website.

The London Gateway proposals will deliver a wide number of environmental and sustainability benefits. These include:

- Widespread landscaping across the site
- Management of the greenfield land to encourage greater bio-diversity
- The use of energy-efficient construction materials
- Improved public access
- Enhancement and improved management for nature conservation
- The use of a Sustainable Urban Drainage System which will allow for much of the surface runoff to be treated naturally within the site before being discharged into the river.

In drawing up the proposals, P&O and Shell have given careful consideration to the potential environmental effects. Wherever possible, the proposals have been developed so that adverse effects will be avoided.

There will, however, be some potential adverse effects. These will require mitigation measures, which include:

- Carefully controlled construction methods will regulate drainage on the site so that no pollution enters nearby watercourses or the Thames Estuary. The water environment will be carefully managed when the site is operational so that the water quality and levels in the saltmarshes nearby are protected and enhanced.
- Construction activity will be controlled so that nature conservation resources are protected.

- An Environmental Management Plan for the site will be developed so that the requirements of species such as badgers and water voles, and others such as amphibians and birds are recognised.
- Further archaeological investigations will be undertaken to evaluate the potential of the landward areas of the site, and the extent of interest at the marine sites identified.
- Dredging of the approach channel will be carried out within environmental limits to restrict sediments in the water column. These proper restrictions will help protect the fishing industry.

(PORT OF LONDON)

PMAESA: Launches its Newsletter "PMAESA"

AT their 28th anniversary in 2001, PMAESA with new members, South African Port Operation and Rwanda's Megerwa launched it's newsletter "PMAESA Newsletter." Members interested in the newsletter, please contact:

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Tel.: +254 11 223245
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E-mail: pmaesa@africaonline.co.ke

Asia/Oceania

Abu Dhabi: Embarking on two-phase port development program over next 15 years

THE Abu Dhabi Seaport Authority, which manages Mina Zayed as well as Musaffah and few other smaller ports has embarked on a $650 million, two-phase port development programme over the next 15 years.

This plan incorporates the acquisition of new container handling equipment, the building of new berths and eventually the creation of a second container terminal. Work is in fact already underway on the construction of two new container berths, which will effectively extend the existing terminal. In addition, the initial development plan includes the deepening of the channel from 13 metres to 15 m which has already been accomplished thus enabling ships with more draught to berth alongside the existing container berths.

The new post-Panamax gantry cranes were delivered earlier this year, which were fabricated in the nearby Musaffah industrial area. Landside container handling equipment has been enhanced by the purchases of more straddle carriers as well as investment in terminal tractors, trailers and other back-up equipment.

Looking further ahead, the port development plan proposes that a further four cranes should be ordered in the near future. The target is tnat by the year 2006, Mina Zayed will be operating with 11 ship-to-shore cranes. The longer term plan for Mina Zayed also envisages that a second four-berth container terminal will be built. This would be situated opposite the existing one, in the eastern part of the port, and be operational by around the year 2013.

A key customer is Messina Line, which calls at Mina Zayed every 10 days. These operators are supported by a number of feeder carriers which call at the port, which include Sea Consortium, Sammudra Shipping, OEL and ICFS. Mina Zayed is further served by dedicated feeders for the leading lines such as M.LINE/SEALAND, P&O NEDLLOYD, UASC, APL, NSCSA, EVERGREEN, EMACGM, NORASIA, active in Europe, North America and Far East trades. Further feeder links are in the process of being established and regular sailings to Umm Qasr in Iraq and Bandar Abbas in Iran. This particular three-ship operation will be managed by Simatec, with support from the Seaport Authority.

Although the development of container business has been given high priority by the Seaport Authority in recent years, Mina Zayed handles a wide range of other cargoes, and these areas are also being supported by large capital investment. Reefer cargoes are catered for by a 5,000-ton capacity cold store built in 1994. A second, larger cold store with 15,000-ton capacity has been constructed and has now become operational. Bunker supply facilities are avaialble in the port in cooperation with the Abu Dhabi National Oil Company (Adnoc) and bunker is now available in Mina Zayed at competitive rates.

The Seaport Authority is also focusing its attention on the development of cargo handling facilities in Musaffah Port. A special terminal, with a capacity of 300,000 to 500,000 tonnes for project and general cargo a year, is expected to be operational very soon.

Despite the changes in commercial environment, the Seaport Authority believes it can still offer a good base to serve operators' requirements. Mina Zayed is strategically located, terminal handling charges are very competitive and productivity - which averages 30 moves per gantry per hour - is high. The Abu Dhabi area is also one of the prime consumer markets in the UAE and this makes possible significant import business increases.

Exports too are likely to build up over the next few years. The Ruwais petrochemical plant already started production by the end of year 2001 and will generate around 100 containers daily. This development, coupled with the investment in new facilities and equipment, will no doubt make Mina Zayed much more attractive as a port of call. A Memorandum of Understanding has been signed between the Abu Dhabi Seaport Authority Mina Zayed and "Borouge," managing company of this project.

Abu Dhabi: Mina Zayed and Musaffah growing into hub ports for exports/imports

THE Abu Dhabi Seaport Authority, United Arab Emirates and the Abu Dhabi Polymers Co Ltd. (Borouge) have signed an Agreement of Understanding (MOU) through which Borouge will use Mina Zayed and Musaffah ports as hub ports for its import/export activities which commenced at the end of 2001 with a minimum of 100 TEUs per day via Mina Zayed and will substantially increase.

The MOU was signed by H.H. Sheikh Saeed bin Zayed Al Nahyan, Chairman of the Abu Dhabi Seaport Authority, on behalf of the Seaport authority and H.E. Yousuf Omeir bin Yousuf, Board Chairman of the Abu Dhabi Polymers Co. Ltd. (Borouge) on behalf of the other side.

In a statement after the signing ceremony, H.H. Sheikh Saeed said that the agreement was part of a long-term strategy of co-operation between the two parties in the service of the national economy.

He said that a joint committee was studying ways of laying foundations for a long term cooperation upon which the Seaport Authority shall provide competitive service and logistic facilities for the company's import/export trade. These include international standards in warehousing, container stuffing, loading, discharging and other state-of-the-art cargo handling.

Sheikh Saeed praised the agreement for pioneering the field for further co-operation between national companies and the Government Departments to make a concerted effort to achieve national economic integration and push the country's development drive forward.

He added that the Seaport Authority had managed in a very short time to modernize the capabilities of its various ports by applying international quality standards, offering competitive prices, advanced facilities and attractive incentives.

Sheikh Saeed concluded that the Abu Dhabi Seaport Authority had also eliminated redtape and adopted a free trade computerized policy based on providing second to none services to its customers and shipping lines.

MPA/NUS: Sign MOU for establishing maritime graduate diploma program

THE Maritime and Port Authority of Singapore (MPA) and the National University of Singapore (NUS) will be signing a Memorandum of Understanding today to jointly establish a Graduate Diploma in Maritime and Port Management (GDMPM) Programme for the shipping industry. The signatories of the MOU will be Mr. Lee Seng Kong, Senior Director, MPA and Professor Ng Wun Jern, Dean of Engineering, NUS. The MOU signing ceremony, to be held starting from 1145 hrs at the MPA's Port Operations Control Centre 2 (POCC2), also marks the inauguration of the Programme, which begins its first run from March 4 - May 20, 2002.

The GDMPM Programme is the latest initiative in the MPA's efforts, in conjunction with the NUS Faculty of Engineering and the Faculty of Arts and Social Sciences, to develop Singapore as a centre of excellence for maritime training. The Programme is unique because this is the first time Singapore will have a graduate level programme befitting its status as one of the best ports, and indeed, the busiest port in the world. Hence, this Programme serves to reinforce Singapore's leading position in port and maritime management.

The GDMPM Programme aims to enhance the knowledge and management skills of shipping professinals and executives in the port and maritime sector. Tapping into the wealth of experience and expertise of the MPA, NUS and PSA Corporation, the Programme offers its students a unique combination of both the theoretical and the operation elements of port and maritime management. The Programme is targeted at managers, executives and operational personnel from port and maritime administrations, port terminal operators, and private organisations in the port and shipping industry.

The Programme is conducted full-time over 11 weeks. Its contents include:

- Topics on port terminal management, port planning, marine opertions management, and maritime management and law;
- Issues relating to transportation economics and development;
- Projects, case studies and seminar discussions to facilitate application of knowledge acquired; and
- Site visits and briefings of key port and maritime facilities

Interested participants have the flexibility of attending the full programme or only selected modules. Candidates with recognised university degrees will be awarded the Graduate Diploma in Maritime and Port Management, upon completion of the full 11-week course and meeting its requirements. Those without university degrees may choose to enrol in the Diploma Pprogramme in Maritime and Port Management. Those who attend the Programme on a modular basis will be awarded Certificates of Successful Completion or Certificates of Attendance upon completion of the individual modules and their requirements.

The first run of the GDMPM Programme sees 22 participants from 12 countries, from as nearby as Indonesia and Thailand, and as far away as Africa and Mexico. Of these, 6 are attending the Programme under the MPA-MFA Fellowship Award, which was specially created jointly by the MPA and the Singapore Ministry of Foreign Affairs (MFA), to provide assistance to officials of foreign maritime administrations.

Mr Chen Tze Penn, Director General of the MPA, said, "The GDMPM Programme demonstrates the MPA's commitment to the development of human capital in Singapore's port and maritime sector. Internationally, it represents Singapore's contribution to quality shipping by offering an avenue for maritime professionals to keep updated with the latest in port and maritime management skills and know-how. The Programme brings the already close working relationship between the MPA and the NUS to an even higher level."

In his address, Prof Ng Wun Jern, Dean of Engineering, NUS, said, "While Singapore has the best port in the world-we do not have, before today, any graduate level educational programme in this area that matches the status of our port. I see this programme as a necessary step to reinforce Singapore's unique world leading position in port and maritime management."

More detailed information on the GDMPM Programme may be obtained from the MPA website at the following URL: http://www.mpa.gov.sg/homepage/programmes/gdmpm-announce.html

MPA: New Maritime R&D Plan

THE Maritime and Port Authority of Singapore (MPA) has established a Maritime Research and Development (R&D) Advisory Panel to advise and guide the MPA in formulating a maritime R&D strategic plan for Singapore. Mr Peter Ho, Chairman, MPA presented Letters of Appointment to the 14 members at a lunch held at The Regent Hotel today. The tenure of the appointment is two years.

Mr Peter Ho, Chairman, MPA said, "Singapore is positioning itself to become a leading hub for research and development. In line with this development, port and maritime R&D has been identified as one of the key driving forces for Singapore's growth as an International Maritime Centre, IMC. To be a centre of excellence for maritime R&D, we need to foster a culture of maritime research and innovation among our academia as well as the shipping community. We will need to grow a strong pool of research talents that can produce high quality research, and develop commercially viable port and maritime applications and services that could be marketed locally and internationally."

To undertake these challenges, Mr Yeo Cheow Tong, Minister for Transport had in October 2001 announced the formation of a Maritime R&D Advisory Panel for Singapore. Its membership was to be drawn from the maritime industry, academia, the MPA, as well as other related government agencies.

The newly established Advisory Panel will be chaired by Professor Cheong Hee Kiat, Deputy President, Nanyang

Technological University (NTU). It will comprise leaders from cross-disciplinary fields including science, engineering, logistics, marine biology, environmental technology and information technology (IT).

(Refer to Annex for List of Members).

The diversity in the members' expertise and knowledge will contribute to the drawing up of a forward-looking and innnovative industry-wide maritime R&D road map for Singapore.

Over the next two years, the Advisory Panel will look into the following areas:

(a) Identify the various maritime sectors and activities in Singapore with R&D potential:
(b) Advise on the technological developments and advances as well as impending world-wide maritime regulatory requirements that the maritime industry could capitalise on in the maritime R&D programme;
(c) Develop a list of potential R&D areas and projects within the identified sectors and sub-sectors;
(d) Identify a list of R&D projects with industry-wide interest and participation;
(e) Recommend suitable agency or agencies to lead in R&D projects;
(f) Advise on the setting of R&D targets;
(g) Advise and provide feedback on promoting R&D in the industry and developing Singapore into a Centre for Port and Maritime Excellence;
and
(h) Assist in establishing links with local research institutes, and between local and foreign research institutes.

MPA MARITIME R&D ADVISORY PANEL

Members

Chairman:

1. Professor Cheong Hee Kiat, Deputy President, Nanyang Technological University (NTU)
   Members:
2. Associate Professor Chan Eng Soon, Director, Tropical Marine Science Institute (TMSI)
3. Chang Chin Nam, Deputy Director, Logistics & Transport Cluster, Economic Development Board (EDB)
4. Associate Professor Choo Yoo Sang, National University of Singapore (NUS)
5. Dr Leong Thin Yin, Senior Vice-President, Information Technology, PSA Corporation
6. Robert Løseth, Managing Director, Det Norske Veritas Pte Ltd (DNV)
7. Loh Kok Choy, Divisional Director, Local Enterprise Division, Singapore Productivity and Standards Board (PSB)
8. Ng Chong Khim, President, Communicaitons & Sensor Systems Group, Singapore Technologies Electronics Ltd
9. Swapan Das Sarma, Director, Singapore Maritime Academy (SMA)
10. Professor Tay Joo Hwa, Acting Director, Environmental Technology Institute (ETI)
11. Dr Rajendran Thampuran, Deputy Director, Electronics & Manufacturing Technology Section, Science & Engineering Research Council, Agency for Science, Technology & Research (A*STAR)
12. Toh Ah Cheong, Director, Technology, Maritime & Port Authority of Singapore (MPA)
13. Wong Heng Chew, Managing Director, Sun Microsystems Singapore
14. Wong Wai Kheong, Director, E-Business Transformation/Manufacturing & Logistics Online Development, InfoComm Development Authority of Singapore (iDA)

Tuticorin: Tuticorin Container Terminal (TCT) Achieves 35% Growth in 2001

INDIA - Tuticorin Container Terminal's (TCT) annual business volume for 2001 grew 35% year-on-year to 203,000 Twenty-foot Equivalent Units (TEUs). The robust increase reflects the tremendous improvement achieved by PSA SICAL Terminals Limited in terms of overall operational efficiency and productivity.

Mr Goon Kok Loon, Deputy Group President (International), PSA Corporation said, "We are proud of the progress made by TCT. Such encouraging results would not have been possible without the support of an excellent team at TCT. We also thank our partners, government agencies such as the Tuticorin Port Trust, the Customs and Central Excise (Tuticorin) Division and the Container Corporation of India Ltd (CONCOR) for their ardent support throughout the years. PSA's sharing of its port management expertise and technological know-how with our partners has borne fruit. Productivity has improved with customers' vessels being berthed-on-arrival. On an average, ships were turned around in less than 12 hours each time they call at TCT."

Said Mr T Balakrishnan, Deputy Chairman, Tuticorin Port Trust, "PSA is a world-class port operator which has played a huge role in transforming TCT into an efficient gateway port in South India. We are pleased to see the progress made by TCT over the years, especially in the field of port efficiency. The Port Trust will continue to work closely with PSA in streamlining and integrating our port services with the terminal's activities to achieve even more breakthroughs for TCT."

Said Captain Nitin Puri, GM of Clarion Shipping Agency (agent of CMA-CGM), "We are very impressed with the high service quality and the professional management of Tuticorin Container Terminal. Since our first vessel called on October 17, 2001, we are able to develop the market faster than we have expected due to the close partnership with TCT." CMA-CGM, Contship & Shipping Corporation of India (SCI) jointly operate this direct shipping service between Tuticorin and US East Coast.

Through the introduction of sound management practices and advanced technology solutions from PSA's Computer-Integrated Terminal Operations System (CITOS), TCT is rapidly gaining recognition as a prominent gateway port in South India. The confidence that shipping lines have in TCT's quality services is evidenced by the number of new services launched at the port last year, including a service to Chittagong operated by HRC and to US East Coast jointly operated by SCI, CMA-CGM and Contship.

Tuticorin Container Terminal is PSA's first port project in South Asia. Located at the South-eastern tip of India in the state of Tamil Nadu, Tuticorin Container Terminal (TCT) started operations in December 1999. TCT is operated by PSA SICAL Terminals Limited - a joint venture between PSA India Pte Ltd (a wholly-owned company of the PSA Group of Companies), South India Corporation (Agencies) Ltd and Nur Investment Pte Ltd.