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The Port of Durban

THE Port of Durban is a full-service

general cargo and container port. It is the busiest port in Southern

Africa and is also the most conveniently situated port for the industrialized Durban/Pinetown and Gauteng areas and overborder traffic.

As South Africa's premier cargo and container port, the Port of Durban handles over 55 million tons of cargo per year. Durban has abundant shipping opportunities, both in terms of frequency and destinations served. It is especially effective as a hub port for cargo to and from the Far East, Europe and the Americas, serving South Africa as well as West and East African countries.

Apart from being Southern Africa's largest general cargo and container port, Durban offers shippers and shipowners a full range in berthing, cargo handling, repair, victualling and bunkering facilities.

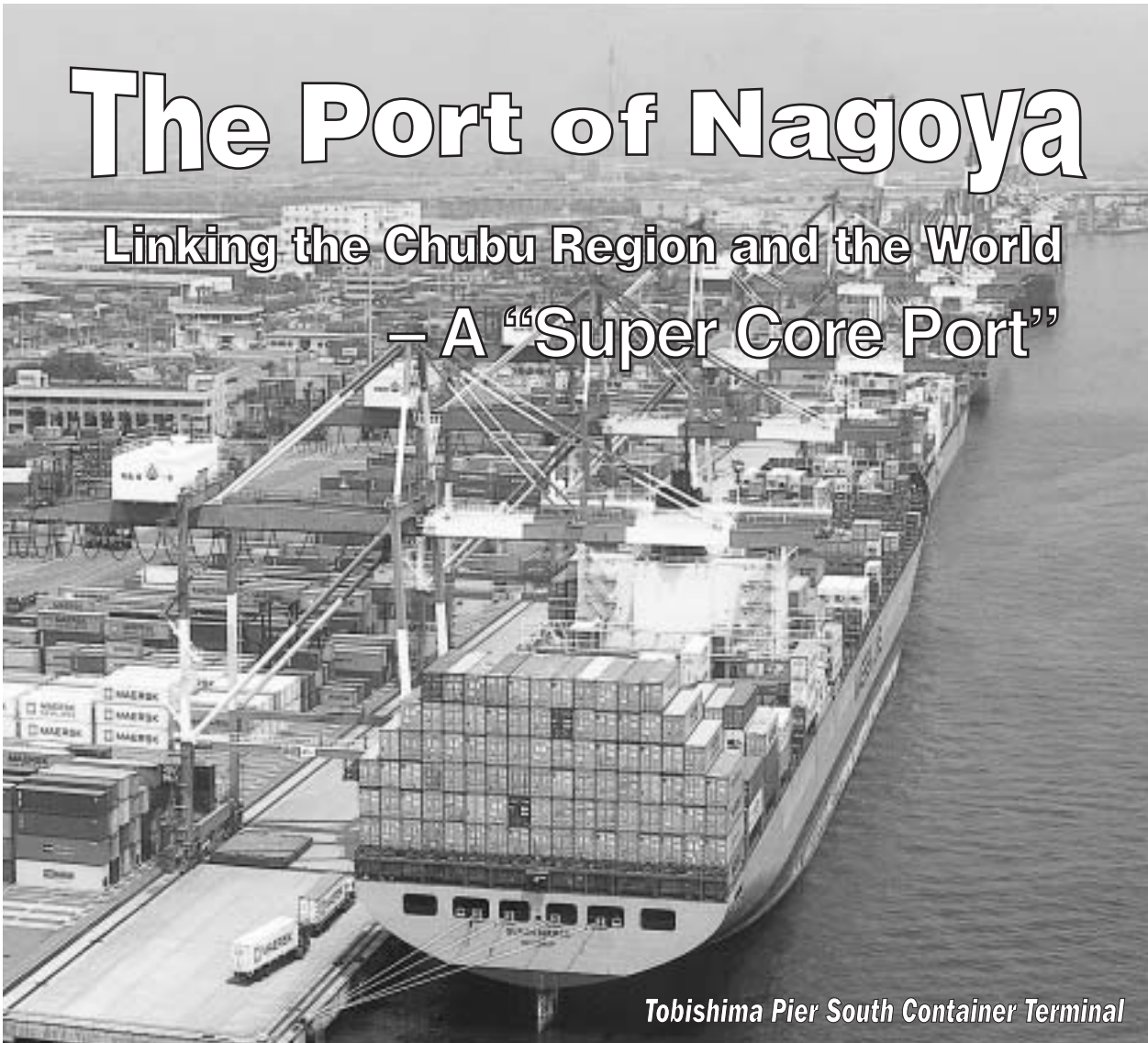
Special purpose quays are provided on a common-user basis for the handling of specific commodities or types of cargo such as grain, chemical and petroleum products, coal, general and unitized cargo and containers. Related article on page 31.

Contents

New Year's Message	3
IAPH ANNOUNCEMENTS AND NEWS	
IMO adopts Comprehensive Maritime Security Measures	4
Progress made in IAPH Constitution and By-Laws revision work	8
Election for IAPH 3rd President is now Underway	8
Report on the IAPH African/European Regional Meeting and PAPC Conference in Ngorongoro, Tanzania	9
Activities Report: 24th Meeting of Contracting Parties to the London Convention 1972	13
IAPH's Asia/Oceania Regional Meeting, in Penang	15
Membership Dues for 2003 - Invoices sent to Members	16
Visits • Membership Notes	17
OPEN FORUM	
Port Strategy for a Logistics Hub by Pieter Struijs	18
The Influence of the European Union Enlargement on the Volumes and Routes of Container Carriage by Prof. Vitautas Paulauskas	21
MARITIME NEWS & INFORMATION	
The "Prestige" Accident	24
US Ports commend Congress for passage of Maritime Transportation Security Act	26
Shipowners, Shipbuilders and Classification Societies in Tripartite Dialogue: "Towards a Co-operative and Rational Industry" • WCO-WTO: Closer Cooperation	27
UNCTAD: Review of Maritime Transport 2002	28
Upcoming Conferences:	
13th International Harbour Congress: Engineering, Environment and Safety	29
Upcoming Seminars:	
IPER International Port Training 2003	29
New Publications	30
WORLD PORT NEWS	
Cover of the Month	
The Port of Durban	31
The Americas	
Canaveral: Sails beyond previous cruise passengers record	32
Canaveral: Melons become new cargo for the Port • Charleston: Moving forward on future plans • Houston: New three-year agreement with Norwegian Cruise Line	33
Montreal: Longest lease ever for Port of Montreal's Cast and Racine container terminals • Panama Canal: Signs United Nations' Global Compact Corporate Social Responsibility Initiative • San Diego: Implements new software program to improve customer service	34
Tacoma: Applauds major federal funding for FAST Corridor	35
Africa/Europe	
ESPO: Campaign to promote sustainable environmental policy	35
ABP: Britain's ports are running out of room - now • Dunkirk: Falcon Group Distribution manages Nestlé's group logistics	36
Hamburg: The 10th anniversary of the port partnership between Yokohama and Hamburg • Hamburg: 5 millionth container arrives • Helsinki: City Council reaches decision to build Vuosaari Harbor	37
Tallinn: Building new cruise vessel harbour in the Baltic Sea	38
Asia/Oceania	
Brisbane: \$30 million warehouse development on Fisherman Islands • Dalian-PSA: DCT achieves one millionth container	38
Gladstone: \$80 million expansion project on track • Inchon: Government names Inchon for Customs Free Zone	39
Korea KOMAF: Conference on the international trends of management and control over Ballast Water • Manila-ICTSI: One millionth container	40

The Port of Nagoya

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



Tobishima Pier South Container Terminal

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

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



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

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New Year's Message for 2003

THE year 2002 ended with a remarkable step forward toward achieving higher security in the port and maritime industry, with the adoption of the International Ship and Port Facility Security Code at the IMO. Ever since the tragedy on September 11, 2001, all sectors involved in sea-borne transportation have dramatically advanced counter-measures against terrorism through close cooperation and coordination with one another, and the IAPH is proud to have made significant contributions to these efforts.

The adoption of the Security Code, however, was by no means the ultimate goal of our endeavors for safety in maritime transport; rather, it is a starting point for the realization of a practical, risk-free international logistics chain. Given the nature of water-borne trade, which accounts for the majority of world cargo movements, the multi-layered approach needs to be continued for the ultimate purpose of achieving safe and yet efficient international trade.

Another significant topic being addressed by the maritime sector is the safety of navigation and the related issue of places of refuge. The terrible accident of the *Prestige* off the coast of Spain in November last year has given rise to intense discussions as to how ports should position themselves within the overall framework for protecting both human life and the environment.

At the beginning of the new year, we, as the IAPH, should once again clarify our views to identify exactly the key challenges lying ahead of us, and work together to resolve them for the sake of the entire world maritime com-



Dr. Akio Someya

President, IAPH
and
Executive Vice President
Nagoya Port Authority

and

Dr. Satoshi Inoue

Secretary General, IAPH

munity. The upcoming World Ports Conference in Durban this May will provide us with an ideal forum to address these issues of great mutual interest, as well as other topics including the latest trends in trade and innovations in information technology.

It is worth noting that the Durban Conference will be the first such event to be held on the African continent in the IAPH's history of nearly 50 years. Thanks to the tireless efforts made by the host, the National Ports Authority of South Africa, preparations are progressing smoothly to receive delegates from around the world with warm hospitality. The program, filled with attractive business sessions and social events featuring African legends, promises to make this event a reward-

ing experience for all IAPH members. Furthermore, as attested to by its many successful experiences of hosting prestigious international conferences, the beautiful city of Durban will be a perfect venue for our Biennial Conference.

With the Conference in Durban as a symbol, it is our sincere hope that the year 2003 will be a year of new endeavors. Let us all take a fresh look at our future challenges, so that the IAPH can continue striving effectively in cooperation with its partners to create a better environment for the world maritime community, and thus ultimately to make the world a better place for all. With this goal mind, we would like to ask for your continued generous support and cooperation for the valuable activities of our Association.

Last but not least, we wish you all and the entire world maritime community a prosperous and successful new year.


Akio Someya
President


Satoshi Inoue
Secretary General

IAPH ANNOUNCEMENTS AND NEWS



IMO adopts Comprehensive Maritime Security Measures

THE 76th session of IMO Maritime Safety Committee was held at IMO headquarters in London from December 2 to 13, 2002. Concurrently with, but separately from, this session of the Committee, a Conference of SOLAS Contracting Governments on Maritime Security was held December 9-13. Representing IAPH, Mr. Fer van de Laar, Chair of IAPH Port Safety, Environment and Marine Operations Committee, Port of Amsterdam, and Mr. Patric Verhoeven, Secretary General of ESPO, attended the Conference.

A new, comprehensive security regime is set to enter into force in July 2004 following the adoption by this week-long Diplomatic Conference of measures to strengthen maritime security and prevent and suppress acts of terrorism against shipping. The measures represent the culmination of over a year's intense work by IMO's Maritime Safety Committee and its Intersessional Working Group since the terrorists attacked the United States on September 11, 2001.

IMO presented the outcome of the Conference as follows:

The Conference adopted a number of amendments to the 1974 Safety of Life at Sea Convention (SOLAS), the most far-reaching of which enshrines the new International Ship and Port Facility Security Code (ISPS Code). The Code contains detailed security-related requirements for Governments, port authorities and shipping companies in a mandatory section (Part A), together with a series of guidelines about how to meet these requirements in a second, non-mandatory section (Part B). The Conference also adopted a series of resolutions designed to add weight to the amendments, encourage the application of the measures to ships and port facilities not covered by the Code and pave the way for future work on the subject.

Speaking at the end of the conference, IMO Secretary-General William O'Neil told delegates, "You have also succeeded, through the interest the Conference has generated worldwide, in highlighting and promoting the need for the development of a security consciousness in all that we do to complement IMO's existing objectives of developing a safety culture and an environmental conscience." He strongly urged all parties concerned to start putting in place all the necessary legislative, administrative and operational provisions needed to give effect to the decisions of the Conference as soon as possible.

In a call for continued vigilance, he added, "In the meantime, all involved in the operation of ships and ports should continue to be aware of the potential dangers to shipping through acts of terrorism and the need to be extremely vigilant and alert to any security threat they might encounter in port, at offshore terminals or when underway at sea."

The Conference has been referred to in the United Nations General Assembly. At its current session, the General Assembly adopted a resolution on "Oceans and the law of the sea", which specifically welcomed initiatives at the International Maritime Organization to counter the threat to maritime security from terrorism and encouraged States to fully support this endeavor.

The International Ship and Port Facility Security Code
The Company and the Ship
The Port Facility
Responsibilities of Contracting Governments
Amendments to SOLAS
New Chapter XI-2 (Special measures to enhance maritime security)
Resolutions adopted by the conference
Officers of the Conference

The International Ship and Port Facility Security Code

IN essence, the Code takes the approach that ensuring the security of ships and port facilities is basically a risk management activity and that to determine what security measures are appropriate, an assessment of the risks must be made in each particular case.

The purpose of the Code is to provide a standardized, consistent framework for evaluating risk, enabling governments to offset changes in threat with changes in vulnerability for ships and port facilities.

To begin the process, each Contracting Government will conduct port facility security assessments. Security assessments will have three essential components. First, they must identify and evaluate important assets and infrastructures that are critical to the port facility as well as those areas or structures that, if damaged, could cause significant loss of life or damage to the port facility's economy or environment. Second, the assessment must identify the actual threats to those critical assets and infrastructure in order to prioritise security measures. Third, the assessment must address vulnerability of the port facility by identifying its weaknesses in physical security, structural integrity, protection systems, procedural policies, communications systems, transportation infrastructure, utilities, and other areas within a port facility that may be a likely target. Once this assessment has been completed, the Contracting Government can accurately evaluate risk.

This risk management concept will be embodied in the Code through a number of minimum functional security requirements for ships and port facilities. For ships, these requirements will include:

- ship security plans
- ship security officers
- company security officers
- certain onboard equipment

For port facilities, the requirements will include:

- port facility security plans
- port facility security officers

- certain security equipment

In addition, the requirements for ships and for port facilities include:

- monitoring and controlling access
- monitoring the activities of people and cargo
- ensuring security communications are readily available

Because each ship (or class of ship) and each port facility present different risks, the method in which they will meet the specific requirements of this Code will be determined and eventually be approved by the Administration or Contracting Government, as the case may be.

In order to communicate the threat at a port facility or for a ship, the Contracting Government will set the appropriate security level. Security levels 1, 2, and 3 correspond to normal, medium, and high threat situations, respectively. The security level creates a link between the ship and the port facility, since it triggers the implementation of appropriate security measures for the ship and for the port facility.

The preamble to the Code states that, as threat increases, the only logical counteraction is to reduce vulnerability. The Code provides several ways to reduce vulnerabilities. Ships will be subject to a system of survey, verification, certification, and control to ensure that their security measures are implemented. This system will be based on a considerably expanded control system as stipulated in the 1974 Convention for Safety of Life at Sea (SOLAS). Port facilities will also be required to report certain security related information to the Contracting Government concerned, which in turn will submit a list of approved port facility security plans, including location and contact details to IMO.

The Company and the Ship

UNDER the terms of the Code, shipping companies will be required to designate a Company Security Officer for the Company and a Ship Security Officer for each of its ships. The Company Security Officer's responsibilities include ensuring that a Ship Security Assessment is properly carried out, that Ship Security Plans are prepared and submitted for approval by (or on behalf of) the Administration and thereafter is placed on board each ship.

The Ship Security Plan should indicate the operational and physical security measures the ship itself should take to

ensure it always operates at security level 1. The plan should also indicate the additional, or intensified, security measures the ship itself can take to move to and operate at security level 2 when instructed to do so. Furthermore, the plan should indicate the possible preparatory actions the ship could take to allow prompt response to instructions that may be issued to the ship at security level 3.

Ships will have to carry an International Ship Security Certificate indicating that they comply with the requirements of SOLAS chapter XI-2 and part A of the ISPS Code. When a ship is at a port or is proceeding to a port of Contracting Government, the Contracting Government has the right, under the provisions of regulation XI-2/9, to exercise various control and compliance measures with respect to that ship. The ship is subject to port State control inspections but such inspections will not normally extend to examination of the Ship Security Plan itself except in specific circumstances.

The ship may also be subject to additional control measures if the Contracting Government exercising the control and compliance measures has reason to believe that the security of the ship has, or the port facilities it has served have, been compromised.

The Port Facility

EACH Contracting Government has to ensure completion of a Port Facility Security Assessment for each port facility within its territory that serves ships engaged on international voyages. The Port Facility Security Assessment is fundamentally a risk analysis of all aspects of a port facility's operation in order to determine which parts of it are more susceptible, and/or more likely, to be the subject of attack. Security risk is seen a function of the threat of an attack coupled with the vulnerability of the target and the consequences of an attack.

On completion of the analysis, it will be possible to produce an overall assessment of the level of risk. The Port Facility Security Assessment will help determine which port facilities are required to appoint a Port Facility Security Officer and prepare a Port Facility Security Plan. This plan should indicate the operational and physical security measures the port facility should take to ensure that it always operates at security level 1. The plan should also indicate the additional, or

intensified, security measures the port facility can take to move to and operate at security level 2 when instructed to do so. It should also indicate the possible preparatory actions the port facility could take to allow prompt response to the instructions that may be issued at security level 3.

Ships using port facilities may be subject to Port State Control inspections and additional control measures. The relevant authorities may request the provision of information regarding the ship, its cargo, passengers and ship's personnel prior to the ship's entry into port. There may be circumstances in which entry into port could be denied.

Responsibilities of Contracting Governments

CONTRACTING Governments have various responsibilities, including setting the applicable security level, approving the Ship Security Plan and relevant amendments to a previously approved plan, verifying the compliance of ships with the provisions of SOLAS chapter XI-2 and part A of the ISPS Code and issuing the International Ship Security Certificate, determining which port facilities located within their territory are required to designate a Port Facility Security Officer, ensuring completion and approval of the Port Facility Security Assessment and the Port Facility Security Plan and any subsequent amendments; and exercising control and compliance measures. It is also responsible for communicating information to the International Maritime Organization and to the shipping and port industries.

Contracting Governments can designate, or establish, Designated Authorities within Government to undertake their security duties and allow Recognised Security Organisations to carry out certain work with respect to port facilities, but the final decision on the acceptance and approval of this work should be made by the Contracting Government or the Designated Authority.

Amendments to SOLAS

THE Conference adopted a series of Amendments to the 1974 SOLAS Convention, aimed at enhancing maritime security on board ships and at ship/port interface areas. Among other things, these amendments create a new

SOLAS chapter dealing specifically with maritime security, which in turn contains the mandatory requirement for ships to comply with the ISPS Code.

Modifications to Chapter V (Safety of Navigation) contain a new timetable for the fitting of Automatic Information Systems (AIS). Ships, other than passenger ships and tankers, of 300 gross tons and upwards but less than 50,000 gross tons, will be required to fit AIS not later than the first safety equipment survey after 1 July 2004 or by 31 December 2004, whichever occurs earlier. Ships fitted with AIS shall maintain AIS in operation at all times except where international agreements, rules or standards provide for the protection of navigational information.

The existing SOLAS Chapter XI (Special measures to enhance maritime safety) has been re-numbered as Chapter XI-1. Regulation XI-1/3 is modified to require ships' identification numbers to be permanently marked in a visible place either on the ship's hull or superstructure. Passenger ships should carry the marking on a horizontal surface visible from the air. Ships should also be marked with their ID numbers internally.

And a new regulation XI-1/5 requires ships to be issued with a Continuous Synopsis Record (CSR) which is intended to provide an on-board record of the history of the ship. The CSR shall be issued by the Administration and shall contain information such as the name of the ship and of the State whose flag the ship is entitled to fly, the date on which the ship was registered with that State, the ship's identification number, the port at which the ship is registered and the name of the registered owner(s) and their registered address. Any changes shall be recorded in the CSR so as to provide updated and current information together with the history of the changes.

New Chapter XI-2

(Special measures to enhance maritime security)

A brand-new Chapter XI-2 (Special measures to enhance maritime security) is added after the renumbered Chapter XI-1.

This chapter applies to passenger ships and cargo ships of 500 gross tons and upwards, including high-speed craft, mobile offshore drilling units and port facilities serving such ships engaged on international voyages.

Regulation XI-2/3 of the new chapter

enshrines the International Ship and Port Facilities Security Code (ISPS Code). Part A of this Code will become mandatory and part B contains guidance as to how best to comply with the mandatory requirements.

The regulation requires Administrations to set security levels and ensure the provision of security level information to ships entitled to fly their flag. Prior to entering a port, or whilst in a port, within the territory of a Contracting Government, a ship shall comply with the requirements for the security level set by that Contracting Government, if that security level is higher than the security level set by the Administration for that ship.

Regulation XI-2/4 confirms the role of the Master in exercising his professional judgement over decisions necessary to maintain the security of the ship. It says he shall not be constrained by the Company, the charterer or any other person in this respect.

Regulation XI-2/5 requires all ships to be provided with a ship security alert system, according to a strict timetable that will see most vessels fitted by 2004 and the remainder by 2006. When acti-

vated the ship security alert system shall initiate and transmit a ship-to-shore security alert to a competent authority designated by the Administration, identifying the ship, its location and indicating that the security of the ship is under threat or has been compromised. The system will not raise any alarm on-board the ship. The ship security alert system shall be capable of being activated from the navigation bridge and in at least one other location.

Regulation XI-2/6 covers requirements for port facilities, providing among other things for Contracting Governments to ensure that port facility security assessments are carried out and that port facility security plans are developed, implemented and reviewed in accordance with the ISPS Code.

Other regulations in this chapter cover the provision of information to IMO, the control of ships in port (including measures such as the delay, detention, restriction of operations (including movement) within the port, or expulsion of a ship from port), and the specific responsibility of Companies.

Resolutions adopted by the conference

THE conference adopted 11 resolutions, the main points of which are outlined below. The full text of each is available on request.

Conference resolution 1 (Adoption of amendments to the annex to the international convention for the safety of life at sea, 1974, as amended), determines that the amendments shall be deemed to have been accepted on 1 January 2004 (unless, prior to that date, more than one third of the Contracting Governments to the Convention or Contracting Governments the combined merchant fleets of which constitute not less than 50% of the gross tonnage of the world's merchant fleet, have notified their objections to the amendments) and that the amendments would then enter into force on 1 July 2004.

Conference resolution 2 (Adoption of the International Ship and Port Facility Security (ISPS) Code) adopts the International Ship and Port Facility Security (ISPS) Code, and invites Contracting Governments to the

Convention to note that the ISPS Code will take effect on 1 July 2004 upon entry into force of the new Chapter XI-2 of the Convention;

Conference resolution 3 (Further work by the International Maritime Organization pertaining to the enhancement of maritime security) invites the International Maritime Organization to develop, as a matter of urgency, training guidance such as model courses for ship security officers, company security officers and port facility security officers; performance standards for ship security alarms; performance standards and guidelines for long-range ship identification and tracking systems; guidelines on control of ships; and guidelines on "recognized security organizations", and to adopt them in time before the entry into force of the amendments to the Convention adopted by the Conference.

Conference resolution 4 (Future amendments to chapters XI-1 and XI-2 of the 1974 SOLAS Convention on special measures to enhance maritime safety and security) recommends that future amendments to the provisions of

chapters XI-1 and XI-2 of the Convention should be adopted by either the Maritime Safety Committee of the International Maritime Organization or by a Conference of Contracting Governments to the Convention.

Conference resolution 5 (Promotion of technical co-operation and assistance) strongly urges Contracting Governments to the Convention and Member States of the Organization to provide, in co-operation with the Organization, assistance to those States which have difficulty in meeting the requirements of the adopted amendments; and to use the Integrated Technical Co-operation Programme of the Organization as one of the main instruments to obtain assistance in advancing effective implementation of, and compliance with, the adopted amendments.

It also requests the Secretary-General of the Organization to make adequate provision, within the Integrated Technical Co-operation Programme, to strengthen further the assistance that is already being provided and to ensure that the Organization is able to address the future needs of developing countries for continued education and training and the improvement of their maritime and port security infrastructure and measures; and invites donors, international organizations and the shipping and port industry to contribute financial, human and/or in-kind resources to the Integrated Technical Co-operation Programme of the Organization for its maritime and port security activities.

It also invites the Secretary General to give early consideration to establishing a Maritime Security Trust Fund for the purpose of providing a dedicated source of financial support for maritime security technical co-operation activities and, in particular, for providing support for national initiatives in developing countries to strengthen their maritime security infrastructure and measures.

Conference resolution 6 (Early implementation of the special measures to enhance maritime security) refers to the difficulties experienced during implementation of the International Safety Management (ISM) Code and draws the attention of Contracting Governments and the industry to the fact that Chapter XI-2 of the Convention does not provide for any extension of the implementation dates for the introduction of the special measures concerned to enhance maritime security. It urges Contracting Governments to take, as a matter of high

priority, any action needed to finalize as soon as possible any legislative or administrative arrangements, which are required at the national level, to give effect to the requirements of the adopted amendments to the Convention relating to the certification of ships entitled to fly their flag or port facilities situated in their territory. It also recommends that Contracting Governments and Administrations concerned designate dates, in advance of the application date of 1 July 2004 by which requests for certification should be submitted in order to allow for completion of the certification process and for companies and port facilities to rectify any non-compliance. It also recommends that Contracting Governments and the industry should take early appropriate action to ensure that all necessary infrastructure is in place in time for the effective implementation of the adopted measures to enhance maritime security on board ships and ashore.

Conference resolution 7 (Establishment of appropriate measures to enhance the security of ships, port facilities, mobile offshore drilling units on location and fixed and floating platforms not covered by Chapter XI-2 of the 1974 SOLAS Convention) invites Contracting Governments to establish, as they might consider necessary, appropriate measures to enhance the security of ships and of port facilities other than those covered by Chapter XI-2 of the Convention; it also encourages Contracting Governments to establish and disseminate, in an appropriate manner, information to facilitate contact and liaison between company and ship security officers and the authorities responsible for the security of port facilities not covered by Chapter XI-2, prior to a ship entering, or anchoring off, such a port;

Conference resolution 8 (Enhancement of security in co-operation with the International Labour Organization) invites the ILO to continue the development of a Seafarers' Identity Document as a matter of urgency, which should cover, among other things, a document for professional purposes; a verifiable security document; and a certification information document, and invites IMO and the ILO to establish a joint ILO/IMO Working Group to undertake more detailed work on comprehensive port security requirements.

Conference resolution 9 (Enhancement of security in co-operation with the World Customs Organization)

invites the WCO to urgently consider measures to enhance security throughout international closed CTU movements and requests the Secretary-General of IMO to contribute expertise relating to maritime traffic to the discussions at the WCO.

Conference resolution 10 (Early implementation of long-range ships' identification and tracking) recalls that long-range identification and tracking of ships at sea is a measure that fully contributes to the enhancement of the maritime and coastal States security and notes that Inmarsat C polling is currently an appropriate system for long-range identification and tracking of ships. It urges Governments to take, as a matter of high priority, any action needed at national level to give effect to implementing and beginning the long-range identification and tracking of ships and invites Contracting Governments to encourage ships entitled to fly the flag of their State to take the necessary measures so that they are prepared to respond automatically to Inmarsat C polling, or to other available systems. It also requests Governments to consider all aspects related to the introduction of long-range identification and tracking of ships, including its potential for misuse as an aid to ship targeting and the need for confidentiality in respect of the information so gathered.

Conference resolution 11 (Human element-related aspects and shore leave for seafarers) urges Governments to take the human element, the need to afford special protection to seafarers and the critical importance of shore leave into account when implementing the provisions of Chapter XI-2 of the Convention and the International Ship and Port Facilities Security Code (ISPS Code). It also encourages Governments, Member States of IMO and non-governmental organizations with consultative status at the Organization to report to the Organization any instances where the human element has been adversely impacted by the implementation of the provisions of Chapter XI-2 of the Convention or the Code. It also requests the IMO Secretary-General to bring to the attention of the Maritime Safety Committee and the Facilitation Committee of the Organization, any human element-related problems, which have been communicated to the Organization as a result of the implementation of Chapter XI-2 of the Convention or the Code.

Progress made in IAPH Constitution and By-Laws revision work

Background and progress to date the revision work of Constitution & By-Laws

AS only a few of the current members of IAPH may know, the present Constitution & By-Laws were originally adopted in 1955, when the Association was born, and since then they have been amended from time to time to match the requirements of the times on a piece-by-piece basis.

At the 21st Conference held in Kuala Lumpur in May, 1999, a special task force called "IAPH 2000 Special Task Force", which had been given a mission to submit recommendations for IAPH to better respond to the needs of its members at the turn of the new millennium, presented its final report with various institutional reform measures to the Plenary Session for adoption. Following the adoption of those reform measures and the consequent new organizational format of the Association, the Head Office was advised, at the subsequently held Mid-term Board Meeting in Marseilles in May 2000, to study the then existing By-Laws in consultation with Legal Counselors and to draft a revised Constitution & By-Laws to suit the above reform measures and the new format.

Since then, intensified discussions have been made among Officers, Exco members, Legal Counselors and the Secretariat on various occasions. The language of every sentence in all sections of the Constitution & By-Laws were precisely examined and items and subjects that had been taken up for review were extensive, ranging from purely grammatical/technical issues to policy matters.

As a result, and thanks to the great efforts made by Legal Counselors, particularly by Chairman Mr. Welsh and Vice Chairman Mr. Mongeau, the complete draft of revised Constitution & By-Laws was presented in full text to the Exco meeting in Kobe last October. Accepting advice and making some modifications agreed by the Exco members present, Legal Counselors are now working on the finalization of the draft (as of 20th December 2002). The final

version of the draft will then be circulated among the Board of Directors for comments and subsequently be presented as an advance copy to all Regular members of IAPH, possibly by early next April. It will be officially presented to the Plenary Session at the Conference for adoption.

Major points to be revised

1) Revision of quorum at meetings

Because of the geographical spread of members as well as time constraints, we are unable to hold official meetings so frequently. Therefore, it is quite essential to establish a quorum at meetings for valid resolutions, since failure to secure a quorum may impede the activities and administration of the Association, eventually inflicting losses and inconvenience on members. In view of this, we studied the guidelines used at related organizations, such as AAPA, and have decided to introduce new criteria for quorum at meetings while preserving

the spirit of democracy.

2) Election procedures of 1st, 2nd, and 3rd Vice President

Though provided for in the current By-Laws, procedures and rules for electing regional Vice Presidents have some ambiguity when it comes to actual execution. In addition, as recommended by the IAPH 2000 Special Task Force and so adopted, we have been giving more to respect decisions made by individual regions on various aspects of IAPH activities.

Taking those circumstances into practice, we have clarified, and given more transparency to, the procedures for electing the regional Vice Presidents, revising the relevant wording to give more respect to each region's autonomy and their own decisions in so far as those revisions do not violate the democracy of the Association as a whole.

The Head Office would like to take this opportunity to express our thanks, first to Legal Counselors for their enormous efforts made, and second, to Officers and Exco members for their extensive and valuable advices and suggestions, to bring us to where to date we are. Having said that, we would also be grateful if all members would continue to be supportive enough to complete the remaining process of this revision work.

Election for IAPH's 3rd Vice President is now Underway

FOLLOWING the death of the late Mr. John Hayes, an election for 3rd Vice President is currently underway, initiated by an instruction from President Someya. The election is being conducted in accordance to the By-Laws of the IAPH that provides particular rules and procedures for the event of a vacancy in the office of a Vice President by reason of his/her death. Section 22 of the By-Laws stipulates that such a vacancy shall, as soon as practicable, be filled for the unexpired term via an election Conducted by the Board of Directors.

Progress as of December

1) Nomination of candidates from among the regular members of Asia/Oceania region

At the instruction of President Someya, Secretary General made a call for nomination of candidates from among the regular members of the Asia/Oceania region on 17th September. By the deadline date of 7th October, Head Office received nominations for two candidates. During the Kobe Exco meeting held last October, the Exco members of Asia/Oceania region met on 6th October to examine the qualifications of

nominated candidates. Because of the withdrawal of one candidate prior to that meeting, only one single candidate was examined and, consequently, Datin Paduka O. C. Phang, General Manager of Port Klang Authority, was duly qualified to be the single candidate. She immediately confirmed in a letter addressed to the President her readiness to stand as a candidate for the election.

2) Correspondence voting by the Board of Directors in Asia/Oceania region

Upon receipt of her confirmation, the voting by correspondence by the Board of Directors in Asia/Oceania region was called for by Secretary General on 12th November, to forward to the full board the regional nomination of the 3rd Vice President as the successor to Mr. Hayes for the unexpired period. Since there is only one single candidate to be voted for, each ballot was cast either in the affirmative or in the negative to nominate Datin Paduka O. C. Phang as the successor of Mr. Hayes to complete his unexpired term as 3rd Vice President. The deadline for the voting was 16th December, so that the results of this vote will already be known when readers of this Journal read this article.

3) Election by the (full) Board Members will be made by correspondence vote

Once the voting by the Board of Directors of the Asia/Oceania region has been completed to nominate Datin Paduka O. C. Phang, then her nomination shall be forwarded to the (full) Board of Directors of IAPH for the final election by way of a correspondence vote, again either in the affirmative or the negative concerning her nomination. Hopefully, we anticipate the result will be made known by the end of January 2003.

Report on the IAPH African/European Regional Meeting and PAPC Conference in Ngorongoro

Mrs. Janeth B. Ruzangi

Ag. Public Relations Manager



THE IAPH African/European Regional Meeting and Pan African Ports Conference were held from December 9-11, 2002, at the Sopa Lodge Ngorongoro Crater, Tanzania and hosted by Tanzania Harbours Authority.

The Permanent Secretary, Ministry of Communication and Transport Mr. Salum Msoma officiated the meetings and conference on December 10. Attendance was remarkable as out of a

total of 113 participants, 88 were foreign participants.

The event drew participants from both Africa and Europe and covered 15 topics which included:

1. New Partnership for African Development
2. Funding Private Sector Investments
3. Transformation of African Ports
4. Dar es Salaam Port: Challenges and Perspectives

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Address to IAPH and PAPC Conference in Ngorongoro Mr. Salum Msoma

Permanent Secretary
Ministry of Communications and Transport, Tanzania

5. Assessment of New Public Private Partnership in Port – Douala
6. Private Port Operator's Perspective
7. The Development of Inter-Modalism
8. Information Technology & Trade ASYCUDA
9. Facilitation of Trade through Cargo Tracking
10. Container Terminal Tracking System for East Africa
11. Port Community System of South Africa
12. East Africa Cargo Information System – A Proposed Community-Based System for Mombasa Port
13. Port of Rotterdam Community System
14. Safety Navigation
15. Maritime Environment Protection Strategy

On December 9 and 10, delegates had an opportunity to visit the crater and had lunch in the middle of the bush only a slight distance away from the wild animals. Many thought it was an amazing experience and opportunity.

As the hosts, we are proud to say the conference managed to attract quality speakers whose topics covered the spectrum ranges from the micro to the macro level as far as development and maritime issues are concerned. (Please refer to the List of Presentations as follows.)

It is our hope that delegates will take an opportunity to visit Tanzania once again with their families to see many other tourists attractions.

The First Vice President IAPH, Mr. Peter Struijs
The President, PAPC, Mr. Jean Marie Anielle
The Chairman, PMAESA and IAPH Conference Vice Chairman, Mr. Siyabonga Gama
The Chairman, Tanzania Harbours Authority, Mr. Saidi Kassim
The Secretary General, PAPC, Mr. Ferdinand Gauze
The Director General Tanzania Harbours Authority, Mr. Samson Luhigo
The Secretary General PMAESA, Mr. Olivier Hartmann
Distinguished Delegates and Spouses
Invited Guests, Ladies and Gentlemen.

Mr. Vice President,

How does one greet such an august audience, and how does one welcome anybody to Ngorongoro. I am delightfully overwhelmed by the atmosphere, the environment, and the response you ladies and gentlemen have made to the invitation to the meeting and conference.

Tanzanians strive in the spirit of noble obligation. It consoles us though to acknowledge that on this safari, bumpy one for that matter, you have an opportunity to sample the Tanzanian countryside and hospitality. We pride ourselves on being kind-hearted, and so our President Benjamin William Mkapa once remarked, "we reach out warmly to our guests, we are friendly, respectful and of generous spirit".

You all constitute a dynamic business



community that is challenged by change in the whole world. And don't we all live in a changing world. The Greek philosophers taught us that there is no other constant in our world other than change. So nothing ever remains the same and there is none other certainty as certain as change.

Change, ladies and gentlemen – yours is a common destiny. That is a last milestone far at the horizon which we must reach and which however keeps shifting like a mirage in the desert.

Ladies and Gentlemen,

You are most welcome to do your business in Ngorongoro, which we shall all see to be two meetings and a conference. The theme for these events is 'Partnership for Trade and Ports Development'.

This conference is being held in a tourist and environmental conservation center. So pardon me when in the delivery of my thoughts, I digress from the address by veering into promotion of our natural heritage. Whatever this approach may take, the gist is that the economies of our states are changing as the global economic environment equally does, and for ports to do business, they must equally facilitate and keep pace with these changes.

Mr. Chairman,

The present-day agenda of the Global environment changes imposes serious





challenges to our economies and, in particular, we the impoverished African states. It however avails us an unlimited opportunity for growth.

The brisk revolution of these economies call upon African countries to strengthen their capacities to sail with the current, and grasp all the attendant implications, such as need for more and more capital investment, structural changes and adjustments.

Ports as the barometers for our economy, ports as the modal points and bridges to global markets, ports as investment areas and catalysts for development, are gears in the engines for economic growth of our countries.

In recent years, the economy of Tanzania has emerged as one among many other developing countries' economies, which is potentially viable for fast economic growth with stability. This is because Tanzania is endowed with abundant natural potentials, which include mineral resources, unique tourist attractions and huge and fertile land which many of you must have enjoyed seeing as you drove on that long trek from Arusha.

Tanzania is a well-positioned country geographically and thus enjoys the advantage and privilege of serving her landlocked neighbors from Zambia, Malawi, Congo DR, Uganda, Rwanda and Burundi.

Besides this geographical advantage, the country has and continues to enjoy a period of peace and tranquility. In fact, at one time the ports used to claim to be the liberation gateway for the contributions towards the economic activities in this sub- region, during the raging and patriotic fights against colonialist rule.

With most of our neighbors gaining their sovereignty, the focus of the government turned to economic development. Tanzania is hence a larger market within the regional economic grouping, and this offers great impetus for industrial and commercial growth and traffic to the port industry.

It is significant to underscore the observation today that the Government of Tanzania has made considerable progress towards achieving macro-economic stability. There are many hopes for Tanzania to register steady growth if the current stability and the existing potentialities are economically harnessed or developed. Here, then, stands a broad potential for our ports to develop.

Over the past five years, Tanzania has attained an average growth rate of around 4.5 percent (3.3 percent in 1997, rising steadily to 5.6 percent in 2001), notwithstanding shocks of adverse weather conditions to agriculture and negative effects on major commodity prices. This is indicative of the stability of the economy that is poised for higher

growth levels.

Otherwise, the performance of other sectors has shown an upward trend. Consistent with the rehabilitation and capitalization drive in industry, following privatization of most industrial enterprises, the manufacturing sector continues to gradually expand.

Furthermore, the restructuring program for Public Enterprises is on course with increasing successes. In spite of some problems and constraints, implementation of the privatization policy has been beneficial to the country. Started in 1992, about 70 percent of the 395 enterprises had been privatized and restructured by June 2002. The target is to complete the restructuring by the year 2004.

The port sector is still undergoing this metamorphosis and I believe you will hear more about it during these short three days here.

The private sector is expected to take a lead in economic development. Government has taken various measures intended to promote effective private sector participation. These include opening up the financial sector to private participation hence increasing access to finance, acceleration of the privatization process, encouragement of foreign investment, rationalization of the tax regime and reviewing existing laws, rules and regulations to make them user and





investor friendly.

Of the sectors which have registered positive growth rates, I am pleased to observe that ports and communications and transport is one of these. Another is mining and tourism, which together contributed to the effective growth.

Our port is part to these achievements, both by manner of providing that essential link to international trade, and also by means of transit facilitation.

Apart from the macroeconomic reforms, the government has also carried out structural reforms on realigning the incentive structure toward increased exports, using scarce foreign exchange more efficiently, liberalizing markets for goods and services and reducing the involvement of the government in commercial activities. A large part of the gross economic distortions have been removed.

At this point in time, let me revert to the issues of this conference and the meetings.

I have browsed through the programme and the list of presenters and satisfied myself with your choice of subjects. However, may I take one more opportunity to point out the overbearing importance of Information technology in our industrial and commercial activities.

Information technology is the only highway that makes trade possible and

efficient. If there would be no systems in your operations which enabled soft transactions, this world would be full of papers and they would take all the time to process.

Global port activities and security are now seriously threatened by the possibility of becoming targets of terrorist attacks. Since the horrendous terrorist attacks on the World Trade Centre in the United States a year back and the subsequent similar cases elsewhere, the most recent one just across the border here, the question of reinforced security measures to protect port equipment and infrastructure should be thoroughly reviewed.

Needless to say, similar precautions are necessary to prevent environmental disasters emanating from tanker accidents. The tragic events involving an oil tanker near Spain some days ago constitute a clear and present danger to the maritime and port industry.

Mr. Vice President

There is a myriad of issues which would take you even beyond Christmas to discuss here, but I am afraid you need the time to get round to it.

Let me conclude by extending an invitation for you to enjoy your conference, and the all of the surrounding wildlife, flora and fauna of the great Ngorongoro.



List of Presentations

1. **New Partnership for African Development**
Dr. Ali L. Kilindo
Senior Research Fellow, Economic Research Bureau, University of DSM
2. **Funding Private Sector Investment**
Mr. Carlos Adati
Vice President, CITIBANK (T) Ltd.
3. **Transformation of African Ports**
Mr. Fernand J. Gauze
Secretary General, PAPC
4. **Dar es Salaam Port: Challenges and Perspectives**
Mr. Jason Rugaihuruz
Port Manager, Dar es Salaam
5. **Assessment of New Public Private Partnership in Port – Doula**
Mr. Simon Pierre Ewodo Noah
Deputy Managing Director, Port of Doula
6. **Private Port Operators' Perspectives**
Mr. David Cotty, CEO, Tanzania International Container Terminal Ltd.
7. **The Development of Inter-Modalism**
Mr. Bruno Vergobbi
Managing Director, Port of Dunkirk Authority
8. **Information Technology and Trade ASYCUDA**
Mr. Kennedy Gwanzula
IT Advisor, RHCTSS Project, COMESA Secretariat
9. **Facilitation of Trade through Cargo Tracking**
Mr. Sikaaba Mulavu
COMESA
10. **Container Terminal Tracking System for East Africa**
Mr. Jean Kizito Kabanguka
Transit Transport Corridor Authority
11. **Port Community System of South Africa**
Mr. Thebogo Moremi
National Port Authority of South Africa
12. **East Africa Cargo Information System : A Proposed Community-Based System for Mombasa Port**
Dr. Geoffrey Muragori Macharia
Chief MIS Manager, Kenya Revenue Authority
13. **Port of Rotterdam Community System**
Mr. Peter Mollema
Unit Manager, Maritime Development, Rotterdam Municipal Port Management
14. **Safety Navigation**
Mr. Peter van der Kluit
Managing Director, IAPH Europe Office
15. **Maritime Environment Protection Strategy**
Mr. Olivier Hartman
Secretary General, PMAESA

ACTIVITIES REPORT

24th Meeting of Contracting Parties to the London Convention 1972

IMO Headquarters - London
November 11-15, 2002



Dr. Geraldine Knatz
Chair, IAPH Dredging Task Force

THE 24th Meeting of Contracting Parties to the London Convention 1972 ("LC 1972" or "Convention") was held at the headquarters of the International Maritime Organization, 4 Albert Embankment, London SE1, England, on November 11-15, 2002. IAPH attended the Meeting as an observer and was represented by Geraldine Knatz, Chairman, IAPH Dredging Task Force, as Head of the IAPH delegation, and Joseph E. LeBlanc, Jr., as the IAPH Legal Advisor. The Meeting was attended by delegations from 32 Contracting Parties to the LC 1972; representatives from one Associate Member of IMO; observers from nine (9) States that are not Contracting Parties to the LC 1972; a representative from the International Atomic Energy Agency (IAEA) and one (1) inter-governmental organization; and observers from six (6) non-governmental organizations (NGOs), including IAPH. This report will summarize the action of the Meeting on agenda items of concern to IAPH.

1. Agenda Item 1: Status of the London Convention 1972 and the 1996 Protocol

- 1.1 The Consultative Meeting noted that 78 Governments have ratified or acceded to the London Convention 1972 and 16 States have ratified or acceded to the 1996 Protocol. The Meeting also noted that 18 Contracting Parties to the Convention were signatories to the 1996 Protocol.
- 1.2 The Meeting further noted that the pace of new ratifications/accessions had slowed down in recent years from 6 in 2000 to 3 in 2001 and at present none

for 2002. The Meeting requested Contracting Parties to report upon their intentions to ratify or accede to the Protocol. Based upon the responses from a number of parties, the Meeting noted that the 1996 Protocol was likely to enter into force in 2004 or 2005.

2. Agenda Item 3: Compliance Issues

- 2.1 The Meeting considered the proposal of Canada to begin work on draft compliance procedures and mechanisms under Article 11 of the 1996 Protocol with a view to having such procedures ready when the Protocol enters into force in 2004 or 2005. While recognizing that such procedures and mechanisms can only be established by Contracting Parties to the Protocol after it enters into affect, it was felt that the drafting of such procedures and mechanisms in advance would help ensure adoption within the two-year time period specified in the Protocol. The Meeting further agreed that draft compliance procedures should not be overly demanding so as to discourage ratification on the part of developing countries; it was premature to address the issue of establishing a subsidiary body to address compliance issues; and it would be useful to review compliance procedures in force or being developed under other international environmental instruments.
- 2.2 An informal session of the ad hoc Working Group on Reporting and Compliance was convened under the coordination of Canada to carry out a preliminary discussion on the scope of preparatory work that could be under-

taken on compliance issues. After receiving the report from the ad hoc Working Group, The Meeting agreed to convene an intersessional correspondence group to continue work on these issues and to request the Secretariat to gather information on other Multi-lateral Environmental Agreements (MEA's) dealing with compliance issues. IAPH opted not to participate in this correspondence group.

3. Agenda Item 6: Consideration of the Report of the Scientific Group on Dumping.

- 3.1 The Chair of the Scientific Group, Ms. L. Jackson (South Africa), presented a report of the results of the 25th Meeting of the Scientific Group held on May 27-31, 2002 in Jamaica. The Scientific Group adopted, on a provisional basis, the "Guidelines for Sampling of Sediment Intended for Disposal at Sea" which had been developed by Canada and the United States as lead countries, and recommended that the Consultative Meeting adopt these guidelines.
- 3.2 The Scientific Group also continued its work, under the lead of Germany, on the "Generic Guidelines for the Selection and Analysis of Physical, Chemical and Biological Variables for Assessment of Dredged Material Quality." A timetable and work plan was prepared for a Correspondence Group to produce a revised draft of these guidelines for consideration and adoption at the 26th Meeting of the Scientific Group in 2003. IAPH's Scientific Advisor, Dr. Richard Peddicord, represents IAPH on this correspondence group.
- 3.3 The Scientific Group also agreed to recommend that both of these guidelines, which are complementary to the "Specific Guidelines for the Assessment of Dredged Material" adopted in 2000, be combined on completion. The Consultative Meeting endorsed this recommendation.

4. Agenda Item 8: Interpretation of the London Convention 1972

(a) Interpretation of "Industrial Waste"

- 4.1 The Meeting recalled that pursuant to paragraph 11 of Annex I to the Convention, sea disposal of industrial waste has been prohibited since 1 January 1996. At its last three sessions, the Consultative Meeting considered certain policy interpretations of the term "industrial waste" without reach-

ing a consensus concerning guidelines on this key definition. There was further discussion of the dumping by Japan of bauxite residues at sea and the view of Japan that this material was "uncontaminated inert, geological material" (Annex I, paragraph 11(e)) which was excluded from the ban on "industrial waste." Other delegations disagreed with this position.

4.2 Although no consensus was reached, the Meeting acknowledged that application of the Generic Guidelines (Waste Assessment Guidelines or "WAG") was intended to provide consistent and clear guidance on the assessment of "industrial waste" under the Convention and of inert inorganic geological material under the 1996 Protocol. The Meeting also requested the Scientific Group to review the criteria for allocation of wastes in the reverse list and the annexes and the adequacy of the specific guidelines for assessment of inert, inorganic geological material.

(b) Dredging and Dredged Material Disposal Methods

4.3 The Meeting recalled that when the Scientific Group developed the Specific Guidelines for Assessment of Dredged Material, the question was raised as to which dredging and dredged material disposal methods were covered by the London Convention 1972. As this was considered to be a policy matter in terms of the definition of "dumping," the Scientific Group did not pursue this question, but agreed to refer it to Contracting Parties. The 22nd Consultative Meeting agreed to consider this issue and invited Contracting Parties to present their views. However, no documents on this issue were submitted to the 23rd Consultative Meeting in 2001 or to 24th Consultative Meeting. It was agreed that the lack of submissions or a concrete case study warranted deleting this item from the agenda. This was a key point for IAPH and we supported the deletion of this item from the agenda. Contracting parties, however, may again raise this issue at subsequent meetings.

(c) Guidance on "Placement of Matter for a Purpose Other Than the Mere Disposal Thereof"

4.4 It was recalled that the 22nd Consultative Meeting had considered the development of guidance concerning "placement of matter for a purpose other than the mere disposal thereof," which is excluded from the definition

of "dumping" under Article III of the Convention. Agreement could not be reached on guidance concerning "placement", but it was agreed that any guidance that may be developed in the future should include the following elements:

- Placement should not be used as an excuse for disposing of waste at sea;
- Placement should not be contrary to the aims of the Convention;
- Information on placement activity should be provided to the Secretariat as available; and
- Materials used for "placement" activity should be assessed in accordance with the relevant waste-specific guidelines.

4.5 The Meeting agreed to continue using the above-mentioned policy guidance and that voluntary reporting on "placement" activities should focus on instances where waste materials were used for this purpose. The Scientific Group was also requested to review relevant guidelines developed in other international agreements, e.g., the OSPAR Guidelines.

5. Agenda Item 11: Matters Relating to the Management of Radioactive Wastes

5.1 The Meeting recalled the adoption at the 21st Consultative Meeting of guidelines for the application of the de minimis concept for radioactive wastes under the Convention. These guidelines included a stepwise evaluation procedure for candidate materials. Those materials not determined to be de minimis through the evaluation steps 1 to 5 of this procedure would be subject to a specific assessment to be conducted by the national radiation protection authority and/or the national permitting authority.

5.2 The Meeting recalled that the International Atomic Energy Agency (IAEA) was requested to carry out further work concerning guidance for the conduct of these specific assessments and presented a draft report to the 22nd Consultative Meeting in 2000. IAEA was requested to revise this draft report to take into account comments received from Contracting Parties.

5.3 The representative of the IAEA introduced document LC24/INF.3, entitled "Guidance on radiological assessment procedures for the protection of human health to determine if materials for disposal at sea are within the scope of London Convention 1972." The IAEA representative reported that although substantial progress has been

made, consensus could not yet be reached on the development of appropriate radiological criteria among all interested IAEA member states. The Meeting recommended that the remaining deficiencies in the report could be best addressed through a workshop of radiological experts to be convened by IAEA as soon as possible. The representative of IAEA accepted the request to host such a workshop, which is tentatively scheduled for Spring 2003. It is expected that the results of the workshop will allow the guidance to be completed and submitted to the next Consultative Meeting.

5.4 The Meeting recalled that guidance on radiological assessment procedures developed thus far only applied to effects on human health and not on flora and fauna and the marine environment. The IAEA had been invited to inform the Meeting of its plans to develop guidance on this matter. The IAEA representative presented document LC24/INF.4, entitled "Protection of the environment from the effects of ionising radiation", and informed the Meeting that the development of criteria on this issue is still at an early stage. Since no other national criteria for the protection of flora and fauna and the marine environment have been established, the IAEA considers it premature to develop specific assessment procedures for the evaluation of such impacts. The Meeting thanked the IAEA for its report and invited it to keep the Consultative Meeting informed about any future developments in this field.

6. Agenda Item 14: Future Work Programme

6.1 The 23rd Consultative Meeting in 2001 adopted the "Long-Term Programme for the London Convention 1972 and the Promotion of the 1996 Protocol Thereto (2002-2005)" as a living, dynamic document to guide its work and to be reviewed on a regular basis. At this year's 24th Consultative Meeting, the Netherlands submitted document LC 24/14 which outlined three options to strengthen the strategic mission of the Convention and the Protocol. The Netherlands paper noted that the Convention governs only about 10% of all sources of marine pollution and suggested for consideration whether the framework of the Convention and the Protocol should be extended to address land-based sources of marine pollution.

6.2 In the ensuing discussion, a number of delegations expressed concern that

expanding the Convention to cover land-based sources would require changes in the current work program, additional funding, possible overlap with other U.N. agencies, and amendments to the Convention and the Protocol. Other delegations felt that the future work program of the Convention should be more strategic in its present scope and should strengthen collaboration with other U.N. agencies. The Meeting agreed that the immediate priority of the Long-Term Programme was the implementation of the London Convention 1972 and the promotion of the 1996 Protocol thereof.

6.3 The Meeting agreed to establish an ad hoc Working Group to review the draft updated Long-Term Programme prepared by the United States. The ad hoc Working Group submitted a revised Programme which was adopted by the Meeting. It contains a number of items of interest to IAPH, which include:

- (a) Review of the "Guidelines for the assessment of waste or other matter that may be considered for dumping" (the "Generic Guidelines") (begin in 2003);
- (b) Review and revise as necessary the "Specific guidelines for assessment of waste or other matter that may be considered for dumping" ("Specific Guidelines"), including the guidelines for the assessment of dredged material to (begin in 2003);
- (c) Amalgamation of sampling and analytical guidelines for dredged material characterization (2005);
Completion of generic guidelines for the selection of physical, chemical, and biological variables for the assessment of dredged material (2002);
- (e) Development of guidance concerning the establishment of "Action Levels" under the "Specific Guidelines" (beginning in 2003 with the target date of completion by 2005);
- (f) Development of generic guidance on the use and interpretation of biological assessment tools for the assessment of dredged material and inert, inorganic geological material, as appropriate (begin in 2004);
- (g) Provide experience with practical implementation of the Specific Guidelines (ongoing);
Develop risk assessment procedures in waste management and provide experiences in use for practical application of the Specific

Guidelines (ongoing);
Provide experiences with application of biological assessment techniques to waste materials proposed for sea disposal (ongoing);
Provide experiences in application of National Action Levels, specifically addressing their scientific and regulatory basis, and implementation (ongoing);
Encourage beneficial use of dredged material through presentation of case studies and lessons learned (ongoing);
Provide experience with habitat enhancement using waste materials (ongoing);
Completion of guidance on radiological assessment procedures for human health impacts to determine if materials for disposal at sea are within the scope of the London Convention 1972 (2003);
Completion of guidance on radiological assessment procedures for potential ecological/environmental impacts to determine if the materials for disposal at sea are within

the scope of the London Convention 1972 to be determined;

7. Date for the 25th Consultative Meeting of Contracting Parties and the 26th Meeting of the Scientific Group

7.1 The 25th Consultative Meeting of Contracting Parties to the London Convention 1972 will be held on October 6-10, 2003 at the headquarters of the International Maritime Organization in London, England. The 26th Meeting of the Scientific Group will be held on April 22-25, 2003.

8. Conclusion

As noted above, there are a number of agenda items under consideration by Contracting Parties that are of continuing interest to IAPH and its member ports. IAPH will closely follow the future debate and work upon these issues in order to assure that port concerns are properly taken into account in any decisions that are taken.

IAPH's Asia/Oceania Regional Meeting

February 17 - 21, 2003

The Shangri-La Hotel, Penang, Malaysia

PRESIDENT Dr. Akio Someya as the Acting Vice President for Asian/Oceania Region will convene a Regional Meeting in Penang, Malaysia on February 17 - 21, 2003. Port Klang Authority will kindly host the meeting.

The Regional Meeting is a fairly new

practice, dating back to January 2000 in Nagoya, Japan, and aims to promote the tie of dialogue among members and better reflect regional voices not only in the IAPH theatre but also the world maritime community at large. The 2nd Regional Meeting was held in Bangkok in February 2001, and the 3rd Regional



Meeting was held in Abu Dhabi, UAE, in May 2002, on the occasion of the 2002 Mid-Term Board Meeting. At the Bangkok Meeting, a special joint session with ESCAP (Economic and Social Commission for Asia and the Pacific) was held.

Following the 3rd Meeting, the 4th

Regional Meeting in Penang is designed not only to discuss the issues related to Association-proper matters but also to exchange views on on-going global issues such as "Port Security", "Port Reform", "Port Financing", "Terminal Innovative Operations", "Ports and Logistics Chain", "Port EDI

and IT" and others. Everyone can contribute to the meeting through presenting and commenting on such subject areas based upon his/her experiences and expertise. ESCAP has kindly agreed to join us to make a valuable contribution by taking part in the sessions.

Provisional Program

- **Mon, Feb 17, 2003**
 - *Morning hours: 0900 -*
 - 0900: Registration for arriving delegates
 - 1400: Penang City Tour for early arrivals
 - 1900: Informal get-together for arrivals
- **Tue, Feb 18, 2003**
 - *Morning hours: 0900 -*
 - 0900: IAPH Regional Members Meeting, at the Shangri La Hotel
 - New Vice President
 - Regional participation in the IAPH Technical Committees
 - Durban Conference
 - 1030: Photo Session and Coffee break
 - Member affairs
 - Financial affairs
 - 1230: Lunch
 - *Afternoon hours: 1400 -*
 - 1400/1700: Regional Port Forum Session 1, at the Shangri La Hotel
 - Presentations and discussions on current maritime and trade affairs jointly with ESCAP expert on:
 - Port Security
 - Environment
 - Places of refuge
 - 1900: Welcome Dinner (Penang Ferry Cruise) (1830: Gather in the hotel lobby.)
- **Wed, Feb 19, 2003**
 - *Morning hours: 0900 -*
 - Regional Port Forum Session 2: at the Eastern & Oriental Hotel
 - Port Reform
 - Port Financing
 - Terminal Innovative Operations
 - 1230: Lunch
 - *Afternoon hours: 1400 -*
 - Regional Port Forum Session 3: at the Eastern & Oriental Hotel
 - Port EDI and IT
 - Port and Logistics Chain
 - ESCAP activities
 - 1930: Farewell Dinner (Tepi Laut Restaurant, Rasa Sayang Resort (1830: Gather in the hotel lobby.))
- **Thu, Feb 20, 2003**
 - 0700/2000: Port and Site Visit
- **Fri, Feb 21, 2003**
 - Departure of Delegates

Membership Dues for 2003
Invoices sent to Members

INVOICES for 2003 dues have been sent to all IAPH members. There is no change in the dues scheme for 2003, namely SDR1,070 per unit for Regular Members, making it 8 consecutive years with no dues increase. However, reflecting the monetary fluctuation, the exchange rates between the SDR (Special Drawing Rights, of IMF), the basis of monetary units of IAPH's dues scheme, there will be certain changes.

Based upon the established practice

of IAPH, the exchange rates existing on December 10, or the closest working day to it, of each fiscal year have been quoted as the basis of payment. The rates are tabled hereunder.

The IAPH Head Office would appreciate members remitting their dues to the IAPH account at the bank indicated below rather than sending checks, as the commission on payments made by check is twice as much as that on payments directly made to our bank account.

Membership Dues for 2003

Dec. 10, 2002

Currency	Japanese Yen	U.S.Dollars	Euros	Pounds
1 SDR* =	164.85700	1.33433	1.31968	0.84515

REGULAR

1 unit	1,070	176,396	1,427	1,412	904
2 units	2,140	352,793	2,855	2,824	1,808
3 units	3,210	529,190	4,283	4,236	2,712
4 units	4,280	705,587	5,710	5,648	3,617
5 units	5,350	881,984	7,138	7,060	4,521
6 units	6,420	1,058,381	8,566	8,472	5,425
7 units	7,490	1,234,778	9,994	9,884	6,330
8 units	8,560	1,411,175	11,421	11,296	7,234

ASSOCIATE

A-X-1, B&C	900	148,371	1,200	1,187	760
A-X-2	610	100,562	813	805	515
A-X-3	310	51,105	413	409	261
D	160	26,377	213	211	135
E	140	23,079	186	184	118

TEMPORARY

600	98,914	800	791	507
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Suggestions for Payment:

- **Bank:** The Mizuho Bank, Ltd., Marunochi-Nakadori Branch
- **Bank Swift Code:** MHBK JP JT
- **Account No.:** 883953
- **Account Holder Name:** The International Association of Ports and Harbors

Please quote the Invoice Number and the name of your organization.

Visits

Visits

ON November 26 and 27, IAPH President Dr. Akio Someya visited South Africa, our host for the 2003 World Ports Conference, to observe the current status of preparations being made. A press lunch meeting was held on the occasion of President's visit.



From right: Ms. Riah Phiyega, General Manager, Ports & Corporate Affairs, NPA; Dr. Someya; Cllr. Obed Mlaba, His Worship the Mayor of Durban; Ms. Nozopho Sithole, Port Manager

DR. Someya flew to Genoa on November 28 and met Mr. Fabio Capocaccia, General Secretary of Genoa Port Authority. It was a good opportunity to exchange views on the current situation of international shipping, port operation and role of IAPH.



FOLLOWING Genoa, Dr. Someya visited Port of Trieste, Italy, and Port of Koper, Slovenia on December 3, encouraging them to join IAPH.



Mr. Edo Tagliapietra, Servizio Gestione Partecipazioni ed Erogazione Diretta die Servizi, Autorita Portuale di Trieste



Mr. Vitomir Marvic, Deputy Chief Executive, Port of Koper

Visitors

ON December 13, Capt. Awangku Malyx Pengiran Mahran, Chief Executive Officer and Managing Director, Mr. Abdul Nasser Abdul Wahab, Senior Manger, Container Terminal Division, Mr. Andrew Mat Ressa, Senior Manager Corporate Development Division and Mr. Pengiran Damit, Executive, R&D and Statistics, Corporate Development Division, visited the Head Office, accompanied by Mr. Soka K. Kikuchi, President & Maritime Consultant, MBC International. The delegation was on its promotion tour in Japan for BICT (Bintulu International Containter Terminal). Capt. Malyx discussed the current status of Bintulu Port with Dr. Satoshi Inoue, Secretary General, Rinnosuke Kondoh and Tatsuki Hioka, and stated that it would take a more active part in IAPH's activities.



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Port Strategy for a Logistics Hub

This paper was originally prepared for a keynote lecture at World Port Symposium in Kobe on October 18, and reproduced here by courtesy of the author.



Pieter Struijs
IAPH First Vice President
Executive Director
Rotterdam Municipal Port Management

THANK you for inviting me to speak here today at the World Port Symposium. It allows me to whole-heartedly congratulate the Japan Port and Harbour Association. I have very strong feelings about your organization. Because the JPHA, 50 years ago, invited 16 world ports to discuss port related items and from that occasion the International Association of Ports and Harbors emerged. The IAPH allows seaports to make their points of view known at the global level. This is very important for the development of world seaports. In fact, membership of the IAPH should be part of the port strategy plan of every port.

It is not a coincidence that my last remark brings me to the subject of my talk today: 'Port strategy for a logistics hub'.

The questions 'Why am I on earth?' or 'Why does the port exist?' and 'What can one do with it?' are of course essential questions for determining such a strategy. A logistics hub owes its existence to the hinterland, the hinterland connections and, first and foremost, the pres-

ence of consumers.

All hubs have one common goal: efficient transport and distribution. But otherwise, it is often hard to compare hubs to each other. Take Singapore, for example, where more than 80 percent of the throughput is moved across the sea. In Rotterdam and other major ports in Western Europe, most of the cargo is moved across the hinterland; the quality of the infrastructure – pipelines, roads, rail and waterways – are very important. But in the North German port of Bremen, for example, the emphasis lies on trains, while in Rotterdam a lot of use is made of inland shipping on the Rhine, Europe's most heavily trafficked river. The port is situated at the estuary of this river. Determining the port strategy is essential. The era when port companies could limit themselves to just managing traffic on the water is behind us. The modern port authority is a facilitator, a promoter and a regulator.

Of course, a port is much more than a pool of water with ships in it. It is a logistics center, sometimes an industrial port, but, for example, also a distribution

center. A port is a system in its own right, but mostly the heart of a system with a network both on land and at sea. The port functions as a meeting point between the two; its task is to make sure both networks are geared to one another. An industrial port such as Rotterdam is not only a center for maritime cargo, but also for continental cargo flows.

As a meeting point, a port is mostly the place where unwanted differences can be eliminated and required differences can be implemented. An example of an unwanted difference is a ship that has been delayed. In the port, it is possible to (partially) make up for lost time. An example of a required difference is 'tailormade', adjusting goods to the requirements of the customers, Value Added Logistics; I also consider making new products from raw materials as part of this list.

So, a port has a very diverse range of clients. With dedicated wishes. What exactly does a client want from a port? Well, apparently everything! To get a better perspective on the wishes of the port's customer I have tried to divide that 'everything' into three economies:

- Economies of Scale
- Economies of Scope
- Economies of Care

To make things as clear as possible, I have taken the three elements apart. In real-life, however, they overlap. In fact, they even need each other in order to function optimally.

Economies of Scale

A port must allow its clients to realize economic advantages and for that has to make all possible means available. I want to add: at a price that is fair in relation to the quality offered.

Volumes generate high frequencies of hinterland connections and sea connections. Because of this, it is easier to deal with delays. But more important is of course the fact that high frequencies make a "steady flow" possible, and this has a cost-lowering effect. Efficiency. But efficiency that also continues behind the doors of the receiver and the shipper, because less storage capacity is required. An additional benefit of larger

volumes is the fact that it makes the use of sophisticated equipment possible because the investment costs per unit are lower.

Am I a volume guru? Yes and no. I love volumes if they have an instrumental function for clients. Because these clients are constantly growing, their need for facilitating companies on a large scale also increases.

Does this mean that there is no room for smaller clients in a big port? On the contrary, smaller clients often benefit from the presence of larger clients, which also have a certain need for small-scale services. Think of small feeder services at big hubs which stimulate product differentiation. These very same economies of scale also make it possible for smaller clients to profit from lower costs.

I have, by the way, never believed in the process of 'super concentration', known ten years ago as the mainport concept. Especially a prediction relating to the container sector - only a very limited number of mainports on each continent will be called at - springs to mind. The current situation is different. The large ships of the Asia services sometimes call at four or five ports in Northwest Europe. And I don't think this will change in the near future. It is however not unthinkable that we will develop more in the direction of Asia, where there is a lot of traffic within the continent and with large volumes. When looking at it in this way, Europe is a city that you should not want to go through with your cargo unless absolutely necessary. The Mediterranean, the North Sea and the Baltic Sea are the ring roads. Ring roads that can and must be used more intensively. It means that the European port network will have more ports for ships somewhere between the current 500 and 5000 TEU.

Calling at several ports is an incentive to realize a more intense level of cooperation between those seaports.

Economies of Scope

My - let us call it - imaginary port also requires economies of scope. The scope of a port is more than just pure transshipment alone. As I mentioned earlier, distribution activities also take place in a port, and often also industrial activities. From this broad point of view, you will even find all the links of the transport chain in a port: from suppliers of raw materials via first producers to final consumers. A port can even fulfill an important function as a maritime center. As a provider of services. From subcontractors,

from wet layers; from certificate agencies, to repair yards. This can result in various synergy advantages. Not all customers will need all of these services, but that is not the point. Clients simply must be served, whatever they require.

The things I've mentioned so far can in fact be considered horizontal economies of scope. There is also a vertical variety. Within a column, it should be possible to choose from various offers. In the distribution sector, for example, between dedicated and outsourced warehousing. There should also be some room for choice in the transshipment sector: do it yourself, contract it out or something in between.

A very interesting example of a vertical economy of scale can be found in transport itself. I refer to the fact that a port should offer, as well as possible, modalities; maritime and continental transport. With trucks, this is not uncommon, but in Europe inland shipping and rail transport have become more and more popular thanks to shuttle trains and inland water hubs.

Economies of Care

My third element does not just apply to clients, but also to the societal context in which ports and, of course, also customers operate. 'Economies of care' entails combining, clustering and concentrating, which leads to environment and service-related advantages. An example: to prevent the large emission of CO₂, it has become interesting to start collecting residual heat and to start using it as an energy source, both for the industry and for residential areas.

One of the threats to the community is the illegal transport of tobacco and drugs. With respect to our care - responsibility, Rotterdam invested in a container scan. The large supply of containers makes it possible to cost-effectively deploy such instruments. The scan, which has been in use since 1999, has by now easily earned back its costs. Together with an inspection method based on risk assessment it was the reason for the US Customs department to enter into a Declaration of Principles with the Netherlands for the port of Rotterdam regarding CSI, the Container Security Initiative to intercept enemy containers bound for American destinations. A six-month trial period is being conducted at the moment.

Quality Port

Within the three environments mentioned earlier, the port has to deliver

quality. Nowadays, the port manager must have various qualities in order to operate as a good counterpart and to function as a facilitator and director. In addition, it is no longer the number of accidents in the port that determines the conduct sheet of the port authority. Besides safety and order on the water - the port manager is judged based on the following items:

- Infrastructure
- Turnaround time
- Sustainability
- Price/Performance
- Maritime Service
- Reability

Infrastructure

Here, a distinction between internal and external infrastructure must be made. Internal infrastructure is maritime infrastructure like quay walls, depth and the water. External entails the hinterland connections: pipelines, water, trains, trucks.

Investment in maritime infrastructure is an essential precondition for the commercial development of the port: more throughput, more jobs and more added value. But the landside port infrastructure and hinterland connections also form an indispensable link in the whole chain.

Turnaround Time

How long does a ship spend in the port, in total? This not only involves the productivity of the terminals but also the performance of the maritime service providers. It doesn't matter how fast a stevedore can transship containers if ships have to wait because there are not enough pilots or tugs. This gets the shipping companies nowhere.

In my opinion, the influence of the port authority on terminal operations is limited. On the other hand, investment in Vessel Traffic Management Information Systems is important to improve safety and efficiency of the traffic in the port.

The introduction of new technology like transponders could be of a great consequence for traffic control. At this point in time, I don't think that it will push away the use of radar in the near future. But within a few years of SOLAS V, ships should be equipped with the new technology. It speaks for itself that ports should also modernize to get the benefits from the introduction of transponders.

Keep in mind that local circumstances should always guide the construction of

the VTMS.

Sustainable Port

The economy, the environment and safety are always evaluated in their interrelations with each other. A clean, sustainable port is an economic must. Modern companies are not willing to set up business in a polluted environment; they cannot justify that to themselves or the environment. Elements of the sustainable port are:

- Nautical Safety
- Transport Safety
- Environmental Safety

Nautical Safety

From time immemorial, the harbour master has the public responsibility for nautical safety and enforcement of environmental legislation. This safety is determined by a combination of factors, facilities and procedures. To maintain the quality of a well-organized port, it is important to join forces.

Transport Safety

With so many movements, the port authority of busy hubs used to focus all attention on minimizing and controlling the risk of disasters and incidents. Limitation of the impact of any incident is given a great deal of attention.

Environmental Safety

The main objective for environmental safety is to achieve a clean port. Environment-friendly behaviour should be encouraged on the part of all users of a port. The landside as well as the waterside of a port. It goes hand in hand.

Price/Performance

When you talk about the price of a port, you talk about costs to call a port, the costs of terminal handling and service costs. The operational costs are gaining importance regarding the popularity of a port. It is important to keep an eye on them, otherwise you may explicitly price yourself out of the market. There should be a good balance between price and performance, which includes operational performance. Especially in this time of overcapacity in relation to terminals and over-supply in relation to cargo carriers, ports are played off against each other.

In Rotterdam, competition is very

tough and the price of port dues is under discussion. Recently the Vice Manager announced that port dues for 2003 should be fixed at the 2001 level.

Besides that we stimulate price differentiation for good customers. That is why we introduced a more favourable tariff structure for feeder vessels, more room for specific arrangements and extra promotion of the existing general quantum discount. Experience teaches that ship owners don't benefit from all advantages the port authority grants them. Due to unfamiliarity.

Prices and markets are on the one hand becoming more differentiated. On the other hand, the European ports still strive in vain for a level playing field - a situation where ports in Western Europe develop a port under exactly the same conditions. And I specifically refer to the allocation of subsidies, environmental regulations and inspections.

Maritime Services

Besides common services such as tugs, pilots, and boatsmen, a modern port also should provide information and communication services to the port community, with the ultimate goal being the realization of a port community network and therefore a cost-reduction for the business community.

A port community network should be able to stimulate

- development of an overall communications platform
- development of improved links with different services
- introduction of berth-planning systems
- database for dangerous cargo

Reliability

Port business suffers a lot of damage every year due to crime and the lack of security. I am referring here to such things as drugs trafficking, theft, smuggling, fraud, and crime against property and corruption. The reliability of the logistic network is of eminent importance if a port is to function well. With security as a dominant element.

Security is the latest topic, following the September 11 attack. After the initial shock of so many casualties, we started to realize how vulnerable our modern society in fact is. Open economies are leading to many flows of commodities, resulting in areas of concentrated population. We also discovered that our way of life was worth protecting, and considerable efforts are being made to prevent the criminal use of our transportation system

for both people and goods. In Rotterdam, we are developing systems - together with industry, customs, the police and Department of Justice - to prevent the use of ships and containers for the illegal transportation of people and goods.

In my opinion 'good security means good business'! In Rotterdam the Port Security Policy Board has been operational for some time. This is a cooperative effort between various government agencies, including the Firebrigade, the Seaport Police, Customs and Port Authority. The task of the Board is preventing and combating crime in the port and the shipping trade. In the case of catastrophes or of threats to ships, port installations or industry, the Board makes policy recommendations for the city council. Together with the contingency plans of the business community, this should be the guideline for security plans in the port. Eliminating all danger remains an illusion, but thanks to thorough risk analyses and partnership, sensitive spots can be identified.

In order to promote business in the port and industrial area. Because that is our core business. Since 1992, we have issued a strategic plan once every four years: the so-called business plan. It gives an indication of how the port authority plans to shape its role, the subjects that will be highlighted and the priorities that are important in the period in question.

In our first first plan some 10 years ago, clear market choices were made for the growth sectors containers, distribution, food and chemical products. Care for the environment was introduced as a very important limiting condition.

The business plan 1997-2000 put the port in a global setting; the reach of the port increasingly exceeded the port itself. The emphasis was therefore placed on commercialization and the positioning of the RMPM as a pro-active, facilitating and directing player.

In the new corporate plan, the themes space, networks and positioning play a central role. A lot of time and energy is invested in stimulating the RMPM's market orientation and obtaining a position as partner of the business community.

Talking about port strategy on the whole remains hard. It is difficult to compare the port of Rotterdam - or, more accurately, the ports of Rotterdam - to its colleague ports. Each port authority will have to determine its own port strategy. With its own qualities as a starting point: its situation, the hinterland and the hinterland connections. I wish you a lot of wisdom in determining your course in these turbulent times.

The Influence of the European Union Enlargement on the Volumes and Routes Container Carriage

Prof. Vitautas Paulauskas

Head of Shipping Department
The Klaipeda University, Lithuania

1. Introduction

The globalisation of the economic processes in the world and the increasing integration of the Baltic Sea region, especially its eastern part, into the world system of production and services, the enlargement of the European Union leads to substantial changes in the routes of cargo traffic, including container traffic, and in the potential capacities of Baltic ports.

Container carriage is associated first of all with the implementation of advanced technologies, therefore, the positive development trends in the member-states and candidate-states of the European Union produce direct influence on the growth of container and intermodal carriage [1, 2, 3, 4, 6].

Taking into account the expansion possibilities for intermodal carriage within the framework of one continent, especially one with well developed motorway network and Ro-Ro sea services, while Europe can to the full extent be considered as such a continent, we cannot expect especially rapid growth of container carriage within the framework of only Europe on its own [5, 7].

The main investors in the Baltic States are the countries of the European Union, the US and Canada. The growth of goods turnover between the countries, situated on the eastern coast of the Baltic Sea, on the one hand, and the USA, Canada, states of Central America, South-East Asia and other countries, on the other hand, promotes the development of transcontinental carriage by sea through the ports on the Baltic, especially the carriage of container traffic. Therefore, it is highly probable that with the enlargement of the European Union the growth trends in the world carriage of containers will remain the same [5, 6, 7].

Thus, the increase of the container

carriage in Europe is connected mostly not with the physical expansion of European Union itself, but with the economy globalisation process and improvement of the investment climate in specific countries and regions.

2. General Trends in the Cargo Carriage between the Countries of the European Union

The optimisation of cargo carriage is one of the key elements in the reduction of the cost of goods and, respectively, increase of their relative competitiveness [1, 5]. This is especially important in respect to high-value cargoes, such as container and intermodal shipments.

The optimisation of cargo carriage is connected with several chief factors [2, 5]:

- cost of carriage;
- time of carriage;
- safety of carriage;
- possibility to detour certain sections of transport corridors or whole transport corridors (under the circumstances of emergency situations or force majeure);
- working experience and traditions of individual links in the transport chain;
- reliability of banking, insurance and other systems, facilitating the transportation of cargo.

The conditions of carrying high-value and perishable goods, which are mostly transported packaged (in containers or in transport units), require first of all minimising the time of carriage. Under the conditions of the European Union, i.e. in absence of physical borders between the countries of the European Union, it is possible to minimise the time of goods carriage between countries. Such conditions are most suitable for intermodal transportation with the use of motorway transport. Thus, for

example moving a shipment from Northern Italy to the Benelux countries by road in absence of jams on motorways will take only 17-20 hours, which is significantly faster as compared to the transportation of containers by sea to the same destination.

Sharp growth of the road transport has resulted in jams on motorways, countries have started introducing restrictions for freight hauling motor-transport at weekends (Germany) or under high temperatures during the daytime (Poland). This has led to the necessity of finding ways to pass by the bottlenecks. This problem is solved most successfully with the help of the combination "road vehicles - Ro-Ro shipping lines", where it is possible, of course. This trend stipulated the rapid development of ferry lines and currently the Baltic Sea is the sea with the largest network of ferry lines.

The described conditions stipulate the decrease of container traffic between countries of the European Union in line with the overall growth of carriage between them and the enlargement of the European Union is hardly going to change these trends.

At the same time, the growth of container carriage in Europe is connected mainly with transcontinental container traffic.

3. The Prospects of Container Carriage Under the Conditions of the European Union Enlargement

The enlargement of the European Union and integration of new countries into the European Union will expand the capabilities of the European Union in the process of the economy globalisation, which entails the situation when the new members of the European Union obtain more advantageous conditions in the globalisation process. The favourable location of the Baltic States, i.e. their position between markets of the West and the East, allows in closer co-operation with the EU countries to become involved on a larger scale into the processes of the economy globalisation, develop high technology production, which is connected directly with the increasing containerisation of cargo.

In connection with the fact that the containerisation levels in the EU candidate-countries are considerably lower than the ones in the member-states of the European Union [7], at the first stage after the joining we should expect stronger increase of container traffic as

compared to the average growth of container carriage in the world as a whole. In the future, this situation will become more level.

The statistics of container carriage by sea for the last 17 years, i.e. after the period when the principal technical problems of efficient transportation of containers were solved (large specialised containerhips were built, efficient container transshipment machinery for terminals was designed, land transport systems were adapted to the transportation of boxes etc.), is presented in Table 1 [5, 6, 7].

Table 1. Handling of containers in the ports of the world, 1986-2001.

Year	Containers handled, million TEU
1986	62
1987	68
1988	76
1989	82
1990	88
1991	96
1992	106
1993	116
1994	130
1995	144
1996	156
1997	172
1998	184
1999	195
2000	212
2001	227

It can be seen from the presented statistical data that the growth rate of the seaborne container traffic amounts to 8-12 % annually, while the GDP growth, as a rule, does not exceed 3-5 % annually. This discrepancy can be explained by the fact that containerisation and intermodal carriage technology are relatively new types of carriage, the production chain system is changing, i.e. the transport component in transport chains is reduced to the minimum, the globalisation of the economy affects the situation greatly, the economic situation in countries and regions is changing.

When the economic situation in a country improves, the consumption increases and this process is clearly seen in the Baltic States already today. Thus, assuming that certain countries of Central Europe will join the European Union somewhere in 2004-2006, this has to revive the economies in the new member-states of the European Union and raise the level of the economy globalisation. As a result, at the first stage we should expect the growing number of boxes, moved via the ports of the

eastern Baltic. The expected development of the container traffic via the ports of the eastern Baltic is shown in Fig.1.

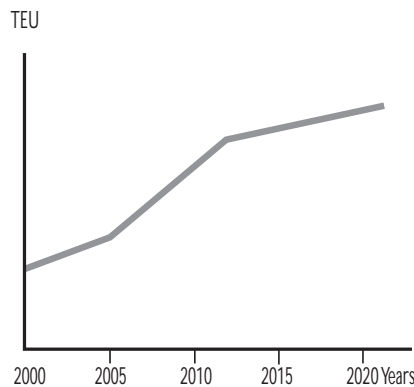


Fig. 1. The development trend in the container carriage via the ports of the eastern Baltic.

The depolitisation of countries' economies has to facilitate growing carriage of containers via the routes, most beneficial from the economic point of view, as the artificial regulation of the carriage routes leads, as a rule, to the increase of the transport component in the goods' price, which in its turn reduces the competitiveness of the goods themselves.

4. Possible Scenarios of Container Carriage via the Ports of the Eastern Baltic

Judging by the statistical data on the container carriage through the ports of the eastern Baltic in the recent years [5, 6, 7], two distinctive trends are clearly observed:

- nationalisation of the container carriage;
- expansion of the transcontinental mode

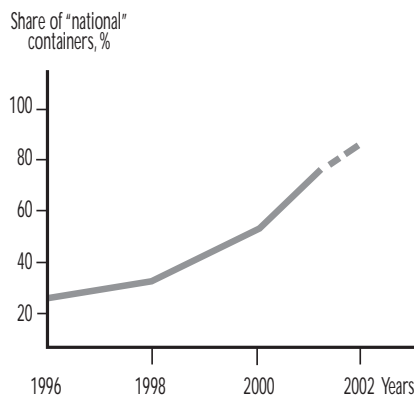


Fig. 2. The trend of «nationalisation» of the container traffic in the recent years.

of container carriage.

In the recent years, the share of direct "national" containers in the traffic of all Baltic States as well as other countries on the coast of the Baltic Sea grew by 10-15 % per year. This trend is shown in Fig. 2.

The transcontinental container traffic via the ports in the eastern Baltic holds an ever larger share in the overall number of carried containers and in 2001 it provided 45-52 % of the total number of boxes, handled in the eastern Baltic ports. The trend of the growing transcontinental container trade for the recent years in the ports of the eastern Baltic is shown in Fig. 3.

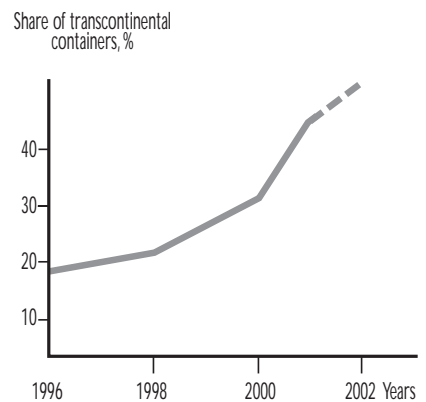


Fig. 3. The growth trend in the transcontinental container traffic via the eastern Baltic ports.

Examining the container traffic within the framework of the European Union, it would be more correct to consider the container and intermodal sectors of carriage in conjunction with each other, because the joint consideration provides a more accurate picture, taking into account the fact that part of the goods, earlier transported in boxes, recently has been more and more widely carried by means of intermodal transport.

It is very important for ports to determine the maximum possible container traffic, which can be routed through the ports in the eastern Baltic, especially taking into consideration the effect on these processes, produced by the enlargement of the European Union. As the chief indicator we can choose the coefficient, showing the quantity of containers per person of the population. Together with this, additional conditions have to be taken into account, such as large markets situated close by, concentration of industrial regions, density of population per area and typical

industries in these regions etc.

According to the preliminary calculation and also to the statistical data of the EU countries and other sources [5, 6, 7], the values of the coefficient for the countries in the eastern Baltic and adjacent regions are within the range 0.03 – 0.06 TEU per person annually, taking into account consolidated regions. For the conditions of the Baltic Sea, especially its eastern part, we should take into the calculation the region, comprising the Baltic States, Finland, Belarus and the western part of Russia, i.e. a region with a population of about 90-100 million.

In this selected region the total traffic of containers can amount to 3-6 million TEU annually, and 80-85 % of the overall number of containers can be moved via ports, which means that the total volume of container traffic through the ports from Finland to Kaliningrad can amount to 4-5 million TEU.

Economic crises and sudden political changes in countries produce the greatest negative effect on the overall volume of container traffic, therefore, calculating container cargoflows as well as the traffic of any other freight, the cyclic nature of crises and other similar probable events has to be taken into account.

On the basis of the generalised data, taking into account the majority of the above-mentioned factors, a probable flow of containers via the ports of the eastern Baltic has been calculated. Both the optimistic and pessimistic scenarios have been reckoned. The results of the calculations are given in Fig. 4.

Thus, in principle, it is possible to count up the overall container traffic via

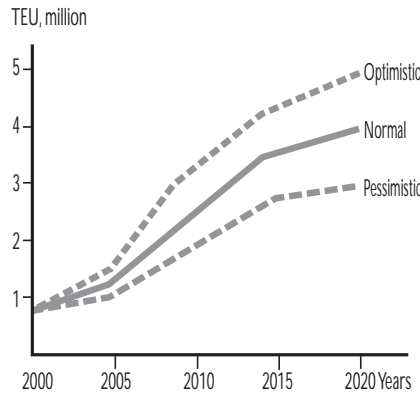


Fig. 4. The scenarios of expected container traffic via the ports of the eastern Baltic.

specific regions and after that to calculate the probable traffic via specific transport corridors and ports.

5. Conclusions

1. The enlargement of the European Union will help to intensify economic activities of the new members of the European Union.
2. The intensified economic activities of the new members of the European Union will entail the implementation and development of high technology production lines, which, in its turn, will lead to the growth of cargo containerisation.
3. Within the framework of the European Union, growth will be found in the intermodal carriage and this sector will create the main

growth of goods carriage.

4. Integration of new member-countries of the European Union into the economy globalisation processes will also encourage the growth of container traffic, especially on transcontinental routes.
5. The forecasting principles used for container carriage can be employed for the forecasting of overall container flows as well as container traffic via specific transport corridors and ports.

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(“The Future of the Baltic Ports, Partnership in EU”, September 20, 2002, Tallinn, Estonia, organized by Market Research Center, BI-Info Ltd.)



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The "Prestige" Accident

The accident

ON November 13, 2002, in stormy weather conditions, a serious accident occurred with the oil tanker "Prestige," which was sailing off the West Coast of Galicia. It was reported that the ship, with 77,000 tonnes of heavy fuel on board, was in danger of sinking because of a large crack in the starboard side of the hull. Several thousand tonnes of the heavy fuel oil cargo was spilled into the sea and caused pollution off the Spanish Coast. More oil drifted towards the Iberian West Coast.

The tanker "Prestige" sailed under the flag of the Bahamas. The ship's operator was established in Greece and the classification society in charge of the periodical safety inspections was the American Bureau of Shipping.

The "Prestige" was a 26-year old single-hull tanker constructed in Japan. On the basis of the double-hull regulation, adopted by the Council and the European Parliament following the "Erika" incident, the ship was to terminate its operation by March 15, 2005 at the latest.



IMO

IMO Statement

November 21, 2002

THE "Prestige" incident has been followed closely by IMO since events began to unfold some days ago. The IMO Secretariat established contact immediately with the authorities of Spain and with the Flag State authorities of the Bahamas. As in any situation such as this, the prime concerns of IMO have been for the safety of human life and the protection of the marine environment. Despite the adverse conditions, no human life has been lost in this incident and the search and rescue authorities of Spain deserve much credit for dealing with this matter promptly and effectively and in accordance with the provisions of IMO instruments, in particular the International Convention on Maritime Search and Rescue.

Once assurances concerning the safety of the ship's crew had been received, the focus of attention turned to the protection of the marine environment. The Spanish authorities were advised that any assistance which the Organization might be able to offer would be made available on their request.

Regulatory regime

The "Prestige" was subject to a comprehensive regime of safety and environmental regulations, including those of the main IMO Conventions, i.e. the Safety of Life at Sea Convention (SOLAS) and the International Convention for the Prevention of Pollution from Ships (MARPOL), to both of which the Flag State of the Bahamas is a party.

IMO's main concern now is to establish, as

quickly and as thoroughly as possible, exactly what went wrong in this case so that the effectiveness of the regulatory framework that IMO has put in place can be properly assessed and action taken, if need be, to rectify any weaknesses or deficiencies identified. Under the provisions of SOLAS and MARPOL, the Flag State Administration is required to conduct an investigation into serious casualties. The Flag State authorities of the Bahamas are therefore urged to expedite their investigation into the incident and provide IMO with their findings, conclusions and recommendations.

Phasing-out of single-hull tankers

The revised MARPOL Convention contains a timetable by which single-hull tankers will be phased-out in favor of double-hull ships. The "Prestige" was a single-hull tanker built in 1976, that is before the MARPOL Convention (which had been adopted in 1973) entered into force in 1982. In April 2001, the parties to the MARPOL Convention agreed to accelerate the timetable for phasing out existing single-hull tankers in a revised regulation 13G of that Convention. According to the revised regulation, which entered into force internationally in September 2002, single-hull tankers built in 1976 would be required to be scrapped by 2005.

Survey and inspection

In addition to their routine annual and other surveys, since 1995 all tankers and bulk carriers aged five years and over have been subject to a specially enhanced inspection program which is intended to ensure that any deficiencies - such as corrosion or wear and tear resulting from age or neglect - are detected. Guidelines on enhanced surveys on

tankers and bulk carriers are contained in IMO Assembly resolution A.744(18), which was adopted in November 1993 and has been subsequently amended. In 1994 it was given mandatory status under the SOLAS Convention.

Places of refuge

In the aftermath of the incident involving the fully laden tanker "Castor" which, in December 2000, developed a structural problem in the Mediterranean Sea, IMO Secretary-General William O'Neil suggested that the time had come for the Organization to undertake, as a matter of priority, a global consideration of the problem of places of refuge for disabled vessels and adopt any measures required to ensure that, in the interests of safety of life at sea and environmental protection, coastal states reviewed their contingency arrangements so that such ships are provided with assistance and facilities as might be required in the circumstances.

Following a decision by IMO's Maritime Safety Committee that, at present, the issue should be considered from the operational safety point of view, the Sub-Committee on Safety of Navigation has prepared two draft Assembly resolutions which are for approval by the MSC early next month. They include a set of guidelines which state clearly what actions should be taken by ships' Masters, coastal States and Flag States in cases where ships are in need of assistance. They also recommend the establishment by coastal states of maritime assistance services to be mobilized in relevant cases. They have been designed to provide a framework by which Governments will be able to assess each case on its merits and make the most appropriate decisions.

Oil-spill clean-up

As a party to the International Convention on Oil Pollution Preparedness, Response and Cooperation, 1990 (OPRC), Spain has established a national system for dealing with pollution incidents, either nationally or in cooperation with other countries. The Organization is aware that the system is regularly tested through periodic exercises. And although Spain is well prepared, a pollution incident of this magnitude requires international assistance which, in accordance with the provisions of OPRC, Spain has obtained from its fellow European countries.

Compensation

Although IMO is primarily concerned with the safety of shipping and the prevention of

marine pollution, the Organization has also introduced regulations covering liability and compensation for damage that establish a system by which the victims of pollution caused by ships can be compensated.

Liability and compensation for spills of oil from tankers are covered by two complementary legal regimes adopted by IMO, the International Convention on Civil Liability for Oil Pollution Damage, 1992 and the International Convention on the Establishment of an International Fund for Compensation for Oil Pollution Damage, 1992.

Most recently, in 2000, the Legal Committee of IMO adopted amendments to raise the limits of compensation payable to victims of pollution by oil from oil tankers by 50.37 percent. These will enter into force on November 1, 2003.

Although the IOPC Fund was established under Conventions adopted under the auspices of IMO, it is a completely independent legal entity with its own secretariat (www.iopcfund.org).



ESPO News Plus+

November 25, 2002

"PRESTIGE" disaster highlights urgent need to implement ERIKA Packages

SPEAKING before the European Parliament last week, Loyola de Palacio, vice-President in charge of transport and energy, made it clear that the oil spill resulting from the sinking of the Prestige tanker could have been avoided if all the proposals made by the European Commission would have been fully adopted and implemented.

Commissioner de Palacio called on the Member States to apply fully and urgently the existing and new legislation and recommended to all EC Transport Ministers to take firm action to avoid that such a maritime disaster happen again off the European coasts.

Sharing the concerns of the European Commission, the Danish Presidency has decided to put this issue of maritime safety on the agenda of the next Transport Council scheduled on December 6.

Referring in particular to the measures developed in the aftermath of the ERIKA accident in late 1999 the Vice-President called for effective and advanced implementation of this legislation:

- The Port State Control Directive aiming to strengthen controls in all EU ports to check the technical condition of high risk ships such as old tankers;
- The Directive on Classification Societies aiming to strengthen quality control on the safety inspection carried out by these organizations;

Deadline for transposition into national law of these Directives: mid-2003.

- The Regulation on the phasing out of single-hull oil tankers (according to a timetable stretching to 2015).
- The Directive setting-up a community vessel traffic monitoring and information system which includes provisions on the identification and monitoring of ships, as well as the emergency intervention in case of an accident at sea and development of plans for the accommodation of ships in distress in dedicated places of refuge (implementation date: February 2004).
- Regulation setting-up the European Maritime Safety Agency, which will assist Member States and the Commission in the implementation of the EC maritime safety legislation in order to make its application more effective (the Regulation entered into force in August 2002 and the Agency is being progressively set-up).

The only measure proposed by the Commission which has not yet been adopted is the complementary European compensation fund. Member States have not wanted to discuss this proposal, but have instead worked towards the creation of a similar fund within the International Oil Pollution Compensation Funds (IOPC/FIPOL) system. This project is underway, but the final approval of this new fund is scheduled to take place only in May 2003. Loyola de Palacio made clear that the Commission would stick to its proposals if the results are not satisfactory. She also raised the case of compensation for other types of pollution.

The European Parliament, which met in plenary session last week, also reacted strongly to the Prestige disaster, calling on Member States to speed up the implementation of the ERIKA measures and requesting the creation of a European compensation fund as proposed by the Commission. Moreover, it insisted that the liability, compensation and insurance arrangements in the field of maritime oil pollution be thoroughly reviewed at IMO and EU level in order to establish a clear division of responsibilities between the various actors in the oil transportation chain.

The EP Resolution is available on:

<http://www3.europarl.eu.int/omk/omnsapir.so/calendar?APP=PDF&TYPE=PV2&FILE=p0021121EN.pdf&LANGUE=EN>

The Transport Commissioner announced that the Commission was studying new measures to complement the ERIKA packages. Among the initiatives that are being considered feature :

- The publication of an indicative black-list of sub-standard ships that would have been denied access to EU ports under the new Port State Control Directive;

- The quick establishment of the European Maritime Safety Agency. Despite the fact that the European Council was not able to agree upon the Agency's location, the Commission decided to set it up provisionally on its own premises in Brussels. The Commission has convened the first meeting of the Administrative Board, scheduled for December 4, and is currently finalising the selection process for the nomination of the Executive Director;
- Additional safety proposals for the transport of the most polluting type of oil, i.e. "heavy fuel" oil.
- Improvement of liability regimes.



BIMCO Press Release

December 13, 2002

The Shipping Industry Deplores and Condemns Unilateral Action

ON December 13 the Round Table of international shipping industry organizations (BIMCO, the International Chamber of Shipping (ICS), INTERTANKO and INTER-CARGO) condemned the continuing contravention of the Law of the Sea Convention by coastal states in the wake of the "Prestige" incident.

In a joint statement the four organizations said:

"Inevitably political and public feelings run high after a major pollution incident, and everyone naturally and understandably sympathizes fully with the people of Galicia in their current difficulties. But that is no justification for the blatantly illegal action taken by the Governments of Spain and France in ordering a number of foreign ships out of their 200-mile Exclusive Economic Zone. Merchant ships are entitled to freedom of navigation through the EEZ, and such flouting of international obligations by two important maritime nations sets an inexcusable and damaging precedent which should be strongly opposed by other nations worldwide.

We have urged the two states so far directly affected, Malta and Bahamas, to take this matter up with the International Tribunal for the Law of the Sea in Hamburg as a matter of urgency. Sovereign states must be curbed from believing that they can take the law into their own hands with impunity. They should remember that the UN Convention on the Law of the Sea covers issues far wider than environmental protection - defense, fishing, underwater exploration. Would coastal states be so dismissive of their commitments to international law if defense was the issue?"

The four organizations also called on the EU members to honor their long-stated sup-

port for IMO and the principle of international regulation, and to avoid regional measures in the aftermath of the sinking of the "Prestige". The statement continued:

"Political soundbites from Brussels may make good newspaper headlines, but the industry needs global rules which only IMO can provide. Before Europe rushes into ill-considered, and in the main politically opportunistic, demands for accelerating the single-hull phase out program, let it look to its own shortcomings, including the critical need to establish places of refuge and the conditions attached to them and a Port State Control regime to which each member, and not just those who choose to, gives its full commit-

ment.

"It is less than two years since a well-constructed timetable for phasing out single-hull tankers was introduced, taking full account of society's demand for oil, the capacity of the shipyards and ship recycling yards, and the need to avoid a tonnage supply crisis. Before the politicians try to tinker with that timetable they must take a sober look at the tanker supply/demand situation and not simply rely on blind faith. We need to address the causes of the loss of the "Prestige", as well as the events immediately after the initial incident, and not succumb to irrational and wrongly focused proposals which do not stand up to scrutiny."

security advisory committees and the flexibility to develop security plans and appropriate security measures reflective of the varying character and nature of individual ports and facilities," stated Kurt Nagle. The bill establishes a family of plans — national, area, facilities and vessels — aimed at deterring maritime terrorist incidents. The bill also requires facility and vessel response plans.

AAPA also strongly endorsed the bill's establishment of a Federal grant program to help ports make security enhancements in a timely and effective manner. As noted in the recent Hart/Rudman report on U.S. preparedness on terrorism, it is vital that this program be adequately and quickly funded to help secure America's ports.

Port authorities are public agencies run by city, county and state governments. They range from large facilities that move millions of cargo containers, to smaller ports that import and export dry or liquid bulk products such as chemicals, fertilizer, coal, grain, petroleum and iron ore.

US Ports commend Congress for passage of Maritime Transportation Security Act

AAPA announced on November 15 that U.S. public port authorities commended Congress for passing S. 1214, the "Maritime Transportation Security Act," which sets out a framework on how to protect America from terrorism threats in the marine environment.

"We commend Congressional leaders from both parties for making passage of Federal Maritime Transportation Security legislation a priority in the lame duck session. Chairman Hollings (D-SC), Senator McCain (R-AZ), Senator Graham (D-FL), Senator Breaux (D-LA), Chairman Young (R-AK), Rep. Oberstar (D-MN), and Rep. LoBiondo (R-NJ), as well as many others have worked hard to forge an agreement allowing this legislation to be enacted," said Kurt J. Nagle, President of the American Association of Port Authorities (AAPA). "Congress recognizes that taking immediate measures to protect America's ports is critical to our Nation's security and economic vitality, given that U.S. ports handle 95% of overseas trade by volume and support the mobilization and deployment of our armed forces."

Enhancing maritime security is the top priority for port authorities and AAPA strongly supports Federal legislation and programs to protect ports from acts of terrorism. Passage of this legislation is a major step in establishing a framework for ports and others in the maritime industry to partner with the Federal government to protect America's homeland. AAPA looks forward to working closely with the U.S. Coast Guard as it takes on the responsi-

bility for implementing much of the Act.

"AAPA is pleased the legislation provides for the establishment of local area

Summary of S. 1214 "The Maritime Transportation Security Act of 2002" As Enacted* November 15, 2002

- Requires the Coast Guard to conduct vulnerability assessments of U.S. ports. The results of the assessments will be used to implement a national maritime transportation security planning system, consisting of a comprehensive national plan, specific area plans, and local vessel and marine facility plans.
- Establishes a requirement for the Coast Guard to assess the effectiveness of security systems in certain foreign ports, and to deny entry to vessels from ports that do not maintain effective security.
- Individuals who enter secure areas on vessels or facilities will be required to have background checks and transportation security cards issued by the Federal government.
- Authorizes grants for enhanced facility security at U.S. ports for the next six fiscal years. These grants will help cover the costs of port security improvements and fund research and development projects to determine which technologies will improve port security.
- Contains several provisions to improve the security of containers. The bill requires the Secretary of the Department in which the Coast Guard is operating to maintain a cargo tracking, identification and screening system for shipping containers shipped to and from the United States.
- Requires the establishment of performance standards to enhance the physical security of shipping containers, including standards for container seals and locks.
- Contains other important security enhancements concerning enhanced vessel crewmember identification, Coast Guard sea marshals, and vessel transponders to track the movement of vessels in U.S. waters.
- Contains several additional security enhancements and other Coast Guard provisions previously passed by the House, including:
- Authorizes expenditures for the U.S. Coast Guard for fiscal year 2003. Title five of the bill authorizes approximately \$6 billion for Coast Guard programs and operations for fiscal year 2003. The bill funds the Coast Guard at the levels requested by the President. An injection of \$550 million in additional operating resources will also allow the Coast Guard to address chronic budget shortfalls.
- Authorizes \$725 million for Coast Guard acquisitions. This funding will help support recapitalization of the Coast Guard's vital assets, especially the Coast Guard's Deepwater program.

* excerpted from www.house.gov



Shipowners, Shipbuilders and Classification Societies in Tripartite Dialogue: "Towards a Co-operative and Rational Industry"

IMPORTANT maritime industry discussions between shipowners, shipbuilders and classification societies concluded in Shanghai on November 9 with agreement on the need to maintain the debate with a view to ensuring safe and robust designs for the future and to enhance the quality of new ships.

The discussions, co-ordinated by the Round Table of maritime associations – BIMCO, ICS, INTERCARGO and INTERTANKO – and under the chairmanship of the INTERCARGO Chairman, Mr. Frederick Chavalit Tsao, continued an initial discussion held in February this year in Singapore. Delegates attending by invitation discussed their mutual interest in ensuring that ships were fit for purpose, the commercial realities in their respective market places and the interaction of their respective business concerns.

The discussions concentrated primarily on three major issues :

Building quality ships – shipbuilding standards

The meeting recognised the desirability of encouraging the construction of ships that were more robust, safe and environmentally-friendly although this may in some circumstances result in higher costs. Acknowledging that increased margins would provide greater longevity, strength and reliability, it was stressed that the objective of ships that were "fit for purpose" would only be met if higher standards are introduced uniformly. Additionally, these increased safety margins would compensate for the occasional human error in surveying. By ensuring universal implementation, owners, builders and classification societies would benefit from a common approach and avoid standards being driven down by competing interests within the respective industries. The critical and fundamental role of class in setting base level design standards was acknowledged, as well as the fact that owners often requested additional design margins in their specifications for new ships. However, improving the quality requires more than addressing the design itself. Equally important is the quality of the work with regards to the welding, the coating application and the installation of the equipment. The meeting agreed that the owners' organisations should develop this subject in further dis-

cussions with IACS, including continued consultation with representatives of the builders.

Contractual relationships

The important issue of shipbuilding contracts and the relationship between the owner, the builder and the classification society in the context of building quality ships was extensively discussed. In particular, it was acknowledged that while the builder must not be expected to disclose commercially confidential information, the owner had a right to be kept fully apprised of relevant developments in the design and construction of his ship, especially matters which were germane to its future operation. At the same time, the classification society must retain its professional independence.

Issues identified for further debate included the possibility of the classification society contracting with the owner rather than the yard during the construction phase, and the extension of the guarantee period. On this latter point, the meeting felt that longer warranty periods for critical design features and equipment could contribute to the quality of new-buildings by providing the yard with in-service feedback.

Shipyard capacity, research and information flow

Shipbuilders and shipowners have a common interest in avoiding excess supply capacity in their respective industries. Too many ships depress freight rates; too many shipyards push down shipbuilding prices to mutually unproductive levels. The critical importance of accurate information on shipyard capacity and demand forecasts for new tonnage, and the accessibility of that information to all relevant parties was stressed. Poor information and poor analysis contribute to less than optimal decision-making and it was agreed that discussions would continue to develop an improved information base as a matter of priority.

Continued discussion – the next steps

The meeting agreed that the tripartite debate and the discussions of the above issues together with others identified during the meeting, would continue at all levels for the promotion of improved quality

ships.

Mr Tsao, commenting on the success of the meeting said:

"All parties represented, acknowledged the value of discussing and sharing common concerns to promote higher quality ships and we have established a sound foundation for continuing this tripartite debate of industry leaders from shipbuilding, shipowning and classification society interests. The significance of this meeting taking place in Asia has been well noted by the various organisations which attended these discussions."

The representatives of the Round Table of maritime associations confirmed that they "appreciated the openness and sincerity of the discussions and were greatly encouraged that there was the will among all those present to expand upon the issues raised at this and the previous meeting."

Attendees at the meeting were senior representatives from the following organisations:
BIMCO

- International Chamber of Shipping (ICS)
- International Association of Dry Cargo Ship Owners (INTERCARGO)
- International Association of Independent Tanker Owners (INTERTANKO)
- China Association of National Shipbuilding Industry (CANSI)
- China Shipbuilding Industry Corporation (CSIC)
- China Shipbuilding Trading Co Ltd (CSTC)
- China State Shipbuilding Corporation (CSSC)
- Korea Shipbuilders' Association (KSA)
- The Shipbuilders' Association of Japan (SAJ)
- International Association of Classification Societies (IACS) *
- China Classification Society (CCS)
- Korean Register of Shipping (KRS)
- Class NK (NKK)

* IACS did not attend the previous meeting in Singapore.



WCO-WTO: Closer Cooperation

THE Secretary General of the WCO, Mr. Michel Danet met with Dr Supachai Panitchpakdi, the Director General of the WTO in Geneva on December 3, 2002. It was the first meeting between the heads of the two intergovernmental organizations since Dr Supachai assumed his responsibilities on September 1.

They agreed to enhance cooperation between the two organizations in light of the emphasis given to the need to devel-

op mechanisms for capacity building in developing countries in the Doha Development Agenda. Based on his experience in the trade environment, Dr Supachai stressed the importance of the role Customs plays in promoting international trade and economic development.

In pledging closer cooperation in their efforts to promote Customs modernization as part of the essential infrastructure of international trade, they also discussed a strategy to achieve coherence in the delivery of technical assistance to developing countries through the use of joint missions and integrated planning.

The meeting also provided an opportunity to discuss the international concern, most recently expressed by G8 and APEC leaders, concerning the possibility of the international trade supply chain being used to deliver a weapon of mass destruction and of the progress being made by the WCO in developing international standards which would strengthen the security the supply chain against potential terrorist threats while maintaining facilitation of legitimate trade.

During the discussions Dr Supachai expressed his desire to continue a close dialogue with the WCO Secretary General and confirmed the WCO's view that there was an excellent working relationship between the two organizations.



UNCTAD: Review of Maritime Transport 2002

World Seaborne Trade in 2001 sees first contraction in 15 years; Expected to remain flat this year

WORLD seaborne trade contracted in 2001 from 5.89 billion to 5.83 billion tons, following 15 consecutive years of growth, reports UNCTAD's "Review of Maritime Transport 2002", released on December 19. The -1% growth rate in 2001 contrasts sharply with the healthy 3.9% recorded for 2000 and is mainly attributable to the economic downturn in the US, Japan and to a lesser extent Europe. For 2002 the report is predicting that global maritime trade growth will remain flat.

Asian countries had the biggest share (36.8%) of total tonnage of world seaborne exports, owing in large part to exports of crude oil from Western Asia and of manufactured goods from East and South-East Asia. Europe accounted for 25.5% of world tonnage loaded, most

of it originating within the European Union. Some 20.9% of world export tonnage was contributed by industrialized countries in North America and the developing countries of Latin America and the Caribbean, whose considerable exports of crude oil, iron ore, coal and grains constituted about two thirds of the hemisphere's total tonnage. Africa and Oceania represented 9.4% and 7.4%, respectively, in world tonnage exported.

The level of freight rates declined in the tramp and liner shipping sectors, the report says. According to freight indices for the several types of existing tankers, 2001 was a bad year for tanker owners, and the downward trend is likely to continue into early 2003. A similar picture is reported for dry bulk carriers and container ship sectors.

The annual report looks at developments in world maritime transport, particularly for developing countries, with a special focus this year on developing countries in America. In this year's Review: Global cargo movements of developing countries increased marginally, while their share of the world merchant fleet decreased slightly, despite absolute increases in deadweight tonnage in Asia and America.

Growth in the volume of merchandise trade for developing countries in America was positive in 2001, as estimated by the WTO, but much less than that achieved the previous year. Tonnage of goods loaded and unloaded increased marginally.

The merchant fleet of developing countries in America increased marginally to 34.6 million deadweight tons (dwt) and accounted for 4.2% of the world fleet - the same percentage for the third consecutive year. The average age of the fleet was 17.1 years, with container ships the youngest, at 9.2 years, and bulk carriers the oldest, at 19.2 years.]

Developing countries' share of world seaborne trade grows...

UNCTAD statistics indicate that the overall share of world seaborne trade for developing countries rose slightly in 2001 - to 50.5%, up from 49.6% the previous year - due to an increase in goods loaded. Oil and other commodities comprise a large proportion of loaded goods.

Asian developing countries' share of total goods loaded and unloaded also climbed last year, from 29.1% to 29.8% and from 21.0% to 21.5%, respectively. For developing countries in Africa, the share of loaded seaborne goods dipped to 7.0% from 7.4%, while unloaded goods fell to 2.9%, down from 3.5%. The share of

maritime trade for developing countries in America was up modestly from previous levels, reaching 13.3% for goods loaded (up from 12.7%) and 5.9% for goods unloaded (up from 5.8%).

For global seaborne trade, the Review reports that tanker cargoes grew by a modest 0.6%, while dry cargoes slid 1.9%. The latter was due to negative annual growth in minor bulks and liner trades that more than compensated for the positive annual growth of 1.2% reported for the five main dry bulk commodities. Among these, coal and to a lesser extent phosphate rock trades saw a healthy increase in annual growth, while trades of iron ore, grain and bauxite and alumina actually declined. The report briefly reviews some of the container security measures being developed in the liner trades by US authorities in the aftermath of the terrorist attacks of 11 September 2001.

...but share of world fleet falls

The developing countries experienced a minimal decline in their share of the world fleet - from 19.4% to 19.3% - while in terms of absolute capacity, their fleet increased by 2 million dwt to 159.0 million dwt at the start of this year. In Asia, developing countries expanded their deadweight tonnage to 117.0 million in early 2002 from 115.7 million the previous year, and now account for 14.2% of world tonnage, or 73.6% of the fleet of all developing countries. African developing countries, by contrast, maintained their 0.7% of world tonnage (3.8% of all developing country tonnage).

Registration of ships by developed market-economy countries and socialist countries of Asia accounted respectively for 25.1% and 3.2% of the world fleet. The biggest fleet expansion occurred in open-registry countries, where it was up 10.0 million dwt to 402.4 million dwt, or 48.7% of the world fleet in 2001 (vs. 48.5% the previous year). Security and environmental concerns have been raised recently in connection with the open-registry fleet, often referred to as flags of convenience.

Worldwide fleet expansion continued at a pace of 2.1%, reaching 825.6 million dwt at the beginning of this year. Newbuilding deliveries in 2001 were 45.2 million dwt (up 1.8% from 2000); tonnage broken up and lost, 27.9 million dwt (down 27.7%), leaving a net gain of 17.3 million dwt. Oil tankers and dry bulk carriers made up 70.3% of the total world fleet. The container ship fleet rose by 11.4% to 77.1 million dwt, or 9.3% of the world fleet.

The average age of the fleet of devel-

oping countries (14.2 years) is slightly more than the world average (13.9 years). But this average masks differences by type of vessels and by region: Developing countries' tankers, bulk carriers and container ships are generally somewhat younger than the rest of the world's, unlike their general cargo vessels, which are two years older than the world average.

The operational productivity of the world fleet, measured in terms of tons of cargo carried per deadweight ton, dropped to 7.1 in 2001 from a high of 7.3 in 2000. Productivity, measured in terms of thousand ton-miles per deadweight ton, also shrunk to 29.5 from a 30.9 high in 2000. These results reflect lowered load factors. The increase in surplus tonnage to 2.6% of the world fleet in 2001 from 2.3% in 2000 also accounts for this reduction in productivity.

Poor regional outlook for developing countries in America

Since 1998, Latin America and the Caribbean has been on an economic roller coaster: after recovering from the 1997 crisis, in 1998 the region enjoyed a 2.3% increase in output, which was then followed by a meagre 0.4% rise for 1999. Output increased a healthy 4.1% in 2000, in line with the booming world economy, followed by a modest 0.5% increase in 2001. With the economic downturn in the United States, the outlook this year for maritime trade in the region is for zero growth. Rates of volume growth for exports and imports in 2000 were 11% and 13.9%, respectively, but the estimates for 2001 were much more modest. About 60% of these countries' exports, and 50% of their imports, involve North America. Intraregional trade accounts for about 15% - a share slightly greater than that for trade with Europe.

The merchant fleet of developing countries in America reached a total 34.6 million dwt in 2001 and is heavily concentrated in Mexico, Central America and the Caribbean, which together account for 26.3 million dwt. An additional 6.6 million dwt are from countries on the eastern coast of South America, and the rest is registered in countries along the western coast. Three countries in the region - Bahamas, Bermuda and Panama - are classified as open registries and account for 218.7 million dwt.

Main bulk commodities, such as crude oil, iron ore, coal and grain, are exported from mechanized dedicated terminals in ports that are often part of an integrated industrial operation. Exports and imports of liner and other cargoes go through

public ports, which over the last few years have been opened in this region to private sector operation and investment. Freight rate levels for tramp services and liner cargoes have been coming down, in line with the general trend in shipping. Inland transport in South America is still underdeveloped, but the First Meeting of the Presidents of countries from the sub-region, held in August 2000, decided to address the issue. Freight costs for these countries' import trades in 2000 were 8.6% of the import value of goods, slightly below the developing country average, which masks differences within the region (Caribbean countries have higher averages).

+21% VAT

Note: VAT will only be charged to participants whose company/organization is located in Belgium and to those within the European Union who have no VAT number. Please do not forget to mention your VAT number on the registration form. Registration is possible via internet (www.ti.kviv.be/conf/have.htm)

For further information:

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Upcoming Conferences

13th International Harbour Congress

Engineering, Environment and Safety

March 30 - April 2, 2003

Antwerp, Belgium

Preliminary Scientific Program

- Port engineering: port construction
- Port engineering: port renovation and maintenance
- Port engineering: port planning
- Port environment: environmental techniques
- Port engineering: port infrastructure design
- Port environment: soil and sludges
- Port engineering: port construction
- Port engineering: port renovation and maintenance
- Port engineering: port planning
- Port environment: environmental techniques
- Port environment: water
- Port safety: risk analysis
- Port environment regulations
- Port safety: regulations and legislation

Registration

The congress registration fee includes: a copy of the Proceedings, lunches, coffee breaks, a technical visit, the welcome drink on Sunday, March 30 and the Exhibitors' reception on Monday, March 31. The banquet is optional

- Main author 675 euros
- Participant 700 euros
- Accompanying person 220 euros
- Banquet 70 euros

Upcoming Seminars



IPER: International Port Training 2003

- **Human Resource Management in a Port**
February 24 - March 7, Le Havre
Price: 1,900 euros
- **Port Competition and Strategic Management**
March 24 - April 4, Le Havre
Price: 1,900 euros
- **Improving Container Terminal Operations**
April 7 - 11, Le Havre
Price: 1,200 euros
- **New Partnership in Port Organisation**
April 28 - 30, Le Havre
Price: 700 euros
- **Engineering and regulation of port concessions** (in association with ENPC and ISTED)
May 12 - 16, Paris
Price: 2,200 euros
- **Port Finance**
June 10 - 20, Le Havre
Price: 1,900 euros
- **The Advanced Course on Port Operations and Management**
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New Publications

PIANC:

"Mooring Systems for Recreational Craft"

THE Recreational Navigation Commission of PIANC identified the need for a report to be prepared on the current practices relating to the provision of mooring systems for sport and recreational navigation. As a result Working Group 10 was set up and reported on the following items:



- existence of flexible, floating or fixed systems for seasonal moorings
- technical aspects with regard to maintainability and (dry) storage
- economical aspects taking into account investment, maintenance and life cycle costs
- feasibility and applicability of each system

Moorings for recreational craft on the inland waterways are a relatively new matter for consideration and one that is often overlooked. However, the success or popularity of inland waterways depends not only on the availability of intermediate facilities, but also how adaptable the navigation's existing structures have been in meeting the requirements for short stay moorings.

The following were the main types of mooring families that were identified in the

report as being used for seasonal moorings:

- anchorages
- buoyed moorings
- pile moorings
- pontoons
- drying berths
- other buoyed mooring systems
- jetties and fixed stagings
- opportunist moorings
- marina berths
- dry stacking
- stern to pier system
- alongside moorings

The use of these systems has been worked out in a table, showing the proper use of the systems identified. Another table shows the suitability of the moorings systems for a particular location, followed by guidelines for the selection of moorings and inspection and maintenance intervals. Finally, suggestions for innovative solutions are described.

Case histories to be found in the Appendix, originating from the United States, the Netherlands, the United Kingdom, Spain, Japan and Sweden and illustrated with many photos and figures, have been used to illustrate some of the many reasons for the establishment and development of mooring systems. These examples are naturally not the only ones that are available to study but they do illustrate some of the variety of ways that development has been achieved or evolved for various reasons.

The report will be very helpful for anyone who has to select a mooring system for recreational craft. This report and other PIANC publications may be ordered on line at the PIANC website: <http://www.pianc-aipcn.org>.

For further information:

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B.3, B-1000 Brussels, Belgium
E-mail: info@pianc-aipcn.org
URL: www.pianc-aipcn.org

informa:

"The Law of Tug and Tow, 2nd Edition"

- The book provides an updated source of information for all the important decisions both in the general law of towage and in the general law which affects a significant amount of the text since the last edition six years ago, particular attention has been paid to
 - The Towcon or Towhire forms in partic-



ular of the BIMCO "knock-for-knock" liabilities clause, clause 18

- Admiralty Jurisdiction
- The nature of contract of towage
- Two new chapters providing commentary of two further forms since the last edition, including:
 - The international Salvage Union's "Salvcon" and "Salvhire" forms relating to the sub-contracting in of tugs to assist in salvage services
 - The BIMCO-ISU "Wreckcon" and which have been recently revised following the representations of the P & I Clubs who chiefly foot the bill for such operations

Price: GBP 210.00 / USD 357.00 /
HKD 2,785.00 / ERR 368.00

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UNCTAD:

"Review of Maritime Transport 2002"

THE annual "Review of Maritime Transport, 2002" is now available from the United Nations Sales and Marketing Section. The 149-page guide to the maritime and related industries identifies major developments in world maritime transport and provides a comprehensive data base on all aspects of demand and supply of shipping services. It is a unique source of information on present and forecast seaborne trade as well as on fleet development, including such features as beneficial ownership, fleet productivity, etc. This year's special chapter focuses on economic developments in Latin America.

For complete details on how to order or download this publication please visit the new UNCTAD website (launched in November 2002): <http://www.unctad.org/Templates/Webflyer.asp?intItemID=1397&docID=2956>

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Cover of the Month

The Port of Durban



THE Port of Durban is able to offer all port users and customers modern and well-equipped facilities, which compare favorably with anything on offer anywhere in the world.

The port covers a total land area of 1 854 hectares and the total distance around it is 21km. The harbour has 57 berths and features 302 km of rail track, linked to the national rail network, guaranteeing the swift movement of cargo. Durban offers port users many operational advantages which include frequency of shipments, destinations served and world class services, together with modern amenities, an experienced and highly competent labour supply and a first class intermodal link-up connecting the rest of Africa.

The responsibility for the smooth operation of the Port of Durban lies with the National Ports Authority of South Africa, a division of Transnet Ltd, which manages and controls all seven commercial ports on the South African coastline, viz. Richards Bay, Durban, East London, Port Elizabeth, Mossel Bay, Cape Town and Saldanha.

NPA of SA has a dynamic and forward-looking approach to business. Its management team is firmly committed to upgrading, redeveloping and re-

equipping the Port of Durban, with the goal of ensuring increased business through the port and establishing Durban as one of the premier ports in the world. At the heart of the company is a desire to promote national and international trade by providing the necessary cost-effective cargo, maritime and related facilities and services.

Known as the "Gateway to Southern Africa", Durban's geographical location at the convergence of the world's major shipping routes makes it ideal for serving both domestic and major international markets. The port is well equipped to serve the needs of its own extensive hinterland and the industrialised Gauteng region (Pretoria, Witwatersrand, and Vereeniging) which includes Johannesburg. Destinations in Sub-Saharan Africa also benefit immensely from having the port in close proximity. Goods can be easily and rapidly transported courtesy of South Africa's excellent road and rail networks.

There is every indication that Durban will continue to remain the major commercial cargo handling port in Africa, and will continue to bring revenue to the Sub-Continent, South Africa and the province of KwaZulu-Natal.

KwaZulu-Natal's economic activities

are centered mainly around the Durban-Pinetown metropolis where the inward and outward movement of raw materials and manufactured goods, provides a major source of employment for over 5,000 people in NPA of SA and SAPO (South African Port Operations combined) and approximately 30,000 people in the maritime-related industry.

NPA of SA is firmly part of the new vision that exists in South Africa, brought about by the massive political changes that have taken place in recent years. National Port Authority of SA's management is encouraging a new synergy between the port and the community and the company continues to display its firm commitment to Black economic empowerment.

As South Africa's main general cargo and container port, the Port of Durban handles, on average, 30 million tons of cargo a year with a value of more than R100bn, which equates to 65 percent of all revenue earned by South African ports.

Volumes for the port continue to show a healthy upward trend in all areas of traffic. From 8,4 million tons in 1991, the Port of Durban currently handles almost 15 million tons of containerised cargo, representing over 65 percent of the country's entire containerised traffic and handles on average approximately 80 000 containers per month at the Durban Container Terminal, the largest in the southern hemisphere. TEU moves have risen significantly, almost doubling from 1990's figure of 522 374 to about one million. The number of vessels calling at the port continues to remain at excellent levels, with abundant evidence of user loyalty and new custom regularly added.

The Port of Durban is Africa's leading container hub port. This hub concept has also been the catalyst for developing trade in East Africa. The port is also a premier conduit for a number of imported and exported commodities which include coal, chemicals, steel, citrus products, sugar, grain, minerals, ores, granite, rice, forest products, petrochemicals and vehicles.

Durban's container handling capacity is already stretched. To increase capacity within the Durban Container Terminal through shorter dwell times and faster ship turnaround time, strate-



gies are in place to achieve a major improvement in productivity. The National Ports Authority has been looking at expansion options and plans to extend container handling to the existing multi-purpose terminal at Pier No.1 are well advanced. The general cargo at Pier No. 1 will then be handled at the planned deep-water berths, D - G, the construction of which has commenced. Further expansion at the Durban Container Terminal which will include the creation of two new berths, 206 and 207, extending westward from the existing 203 - 205 quay wall, is also in the planning phase.

It is expected that the planned construction of quays and conversion of existing facilities will increase the port's container handling capacity to between 2,4 and 2,6 million TEU's, in the medium term.

However, long-term projections reveal that by the year 2020, the port will require facilities for 3 - 5 million TEU's. It is anticipated that at a growth rate of 6 percent, the volume will be closer to 5 million TEU's.

This has prompted an holistic investigation into the expansion of East Coast ports. One of the issues this study will investigate is the siting of facilities for the expansion of container handling in South Africa.

Preliminary studies are also being undertaken into construction of a new dig-out port at the site of the Durban International Airport, should the relocation of the airport to the north of Durban become a reality.

The Durban Metro Council is closely involved in port development issues and sees the construction of Durban South (dig-out port) as having a major boost to job creation and city development. It is estimated that the project could create about 40 000 jobs for the

local community.

Part of the future planning also includes the reconfiguring of berths, A - C, at the Point to provide an area for the construction of a new Passenger Terminal and a small craft harbour for NPA's tug fleet. This will add some impetus to the Point Waterfront Development.

To enhance its navigational safety and ability to handle larger vessels, the port is investigating widening its entrance channel. In addition, an ultra modern port control tower, aptly named the "Millennium Tower", has become a predominant landmark on the eastern end of the Bluff. The tower overlooks the port entrance and a new vessel tracking system (VTS) will result in improved navigation.

All around the Port of Durban the winds of change are blowing, leading towards a vastly improved modern port

for the new century and beyond. The pilot transfer helicopter service has considerably increased ship turn-around times. New port tugs and the restructuring of the port serves to create a one-stop, customer service-led location for port users. Massive improvement to cargo and container handling infrastructure and investment in new equipment will improve throughput times at the combi and container terminals. Major modernisation, increased mechanisation and redevelopment of Durban's City Terminals, the provision of a state-of-the-art car transit terminal and a cleaner port environment will enable Durban to go from strength to strength, guaranteeing port users the very best for today and tomorrow.

NPA of SA and the Port of Durban is very well placed to deal with the challenges the new millennium will undoubtedly bring.

The Americas



Canaveral: Sails beyond previous cruise passengers record

MORE passengers sailed from Port Canaveral during fiscal year 2002 than any other time in the history of the world's second busiest multi-day cruise port, an indication that the cruise industry is in eco-

nomie recovery from the September 11, 2001 terrorist attack.

According to Port figures, 3,824,240 revenue passengers cruised from Port Canaveral between October 1, 2001 and September 30, 2002. This exceeds previous records in 2000 and



2001. The numbers represent one-percent growth in 2000 and 5.4 percent growth in 2001. The cruise industry at Port Canaveral has an \$276 million economic impact on Central Florida, according to a 1999 economic impact study.

"The biggest growth occurred in our longer cruise options with the influx of cruise lines offering 7-day itineraries," says Mr. Robert Giangrisostomi, Deputy Executive Director of Business Development for the Canaveral Port Authority. "We have been very successful in our efforts to attract drive-market vacationers to Port Canaveral for the cruise lines to fill up their ships."

Port Canaveral has recovered from the loss of the two smaller cruise lines that went out of business two years ago. Fiscal year 2002 income from cruise business totaled a record \$22.7 million. It will be directed toward new port security requirements and INS mandates instituted following the 9-11 terrorist attack.

Though a record year for cruise revenue, the cargo operations at Port Canaveral have been affected by the sagging economy. Port Canaveral had a total cargo volume of 4,215,801 tons, down 7.7 percent over the previous high in fiscal year 2001.

Cargo-related revenue is 14 percent of the Port's total revenue while cruise revenue is 70 percent. The remaining 16 percent comes from leases and miscellaneous non-operating revenues.

Several projects are on the agenda for fiscal year 2003, including refurbishing terminals and parking areas to accommodate continued growth of the cruise industry at Port Canaveral.

Canaveral: Melons become new cargo for the Port

MAGELLAN Farms has begun regular shipments of cantaloupes, honeydews and watermelons from Guatemala to Port Canaveral. The fruit, which will supplement the U.S. season, will help residents along the U.S. East Coast to enjoy melons throughout the year. The fruit will be stored at Mid-Florida Freezers warehouse at Port Canaveral.

Growers from Guatemala, executives from Green Reefers, Norway and top buyers from area supermarket chains were on hand for the first shipment to Port Canaveral in late November. The shipments will arrive at Port Canaveral twice.

Charleston: Moving forward on future plans



TO accommodate future growth, the South Carolina State Ports Authority is moving forward aggressively on four projects:

- Near-terminal capital improvements
- Harbor deepening
- New terminal construction, and
- Infrastructure improvements.

CAPITAL IMPROVEMENTS

Charleston's capital plan considers \$300 million in improvements to existing terminals over the coming eight years, including new container handling equipment and facility upgrades. The FY03 budget includes more than \$50 million in capital spending.

HARBOR DEEPENING

To accommodate larger container vessels, the Charleston Harbor Deepening Project to -45 feet mean low water is nearing completion. Approximately three-fourths of the work is complete and all major construction contracts have been awarded.

NEW TERMINAL CONSTRUCTION

The South Carolina General Assembly recently passed legislation approving port expansion in Charleston on the west bank of the Cooper River and deeding half of the former Charleston Naval Shipyard to the Ports Authority. Site evaluation has begun.

INFRASTRUCTURE IMPROVEMENTS

Finally, construction has begun on a \$600-million bridge across Charleston's main shipping channel, which will be the largest cable-stayed bridge span in the country. The new bridge will accommodate eight traffic lanes, while featuring a 186-foot vertical clearance over mean high water and a 1,546-foot

horizontal clearance. Other work underway includes widening of the access road to Charleston's busiest container facility, the Wando Welch Terminal.



Houston: New three-year agreement with Norwegian Cruise Line

THE Port of Houston Authority (PHA) announced on November 20 that Norwegian Cruise Line (NCL) will return to provide leisure passenger cruises from Houston, beginning in November, 2003.

Under terms of the three-year agreement, NCL's Norwegian Sea vessel will make a minimum of 48 calls per year at the Port of Houston, offering seven-day exotic West Caribbean itineraries that include calls at the ports of Roatan, Honduras; Belize City, Belize; and Cancun and Cozumel, Mexico. NCL previously offered a series of cruises from Houston in 2001.

"We are delighted to herald the return of NCL to the Port of Houston," stated Mr. James T. Edmonds, Chairman of the Port of Houston Authority Commission. Mr. Edmonds noted that Houston's port has become increasingly appealing to cruise line operators because of its close location to several popular Mexican and Caribbean vacation destinations. "The cruise industry's rapid expansion underscores the need for the Port Authority's proposed Bayport project, which will feature three berths to accommodate the growing fleets of sleek, modern and luxurious passenger vessels," he stated.

The Bayport project remains under review by the U.S. Army Corps of Engineers, which is expected to issue a final environmental impact statement (FEIS) in March, 2003. Pending the FEIS and construction permit approvals, the PHA is committed to meeting ISO 14001 standards upon the completion and opening of the Bayport facility.

"NCL opened up cruising from the Gulf ports in 1997 with our breakthrough Texaribbean program from Houston and we are excited to be going back there after an absence of over two years," said Mr. Colin Veitch, president and CEO of Norwegian Cruise Line. "Houston is a great drive up market as well as an extremely attractive port of embarkation, especially for vacationers

in the western half of the United States who won't have to catch the red-eye all the way to the East Coast in order to experience a Western Caribbean cruise."



Port of Montreal
Port de Montréal

Montreal: Longest lease ever for Port of Montreal's Cast and Racine container terminals

MONTREAL Gateway Terminals (MGT), a member of the CP Ships group, has signed an agreement with the Montreal Port Authority (MPA) to lease the Cast and Racine container terminals in east-end Montreal for the next 20 years. The agreement also includes options to renew for two more 10-year periods. This is the longest lease ever signed with a stevedoring firm at the Port of Montreal.

"By signing such a long lease and its accompanying minimum annual tonnage warranty, the CP Ships group has re-affirmed its commitment to the Port of Montreal," said Mr. Dominic J. Taddeo, president and chief executive officer of the Montreal Port Authority. "This is yet another act of confidence in the port and its future."

"The long lease goes hand-in-hand with a major investment program at the two terminals," said Mr. Michel Beauregard, president of MGT, adding that the company invested some \$11 million Cdn in terminal equipment last year alone, capping off a five-year \$80-million investment program. "These developments have substantially improved the efficiency of container services through the port," said Mr. Beauregard.

The Montreal Port Authority has expanded and improved the Cast and Racine terminals many times, in order to satisfy the requirements of its tenants and the shipping lines it serves. These upgrades have followed a remarkable and sustained increase in container traffic. While the surface area of the Cast terminal was 8.6 hectares in 1983, the year of its first lease, the terminal now covers 22 hectares. The surface area of the Racine Terminal was 10.7 hectares in 1978; it now measures 22.1 hectares.

The Racine terminal serves the vessels of Canada Maritime and OOCL, shipping lines which operate the St. Lawrence Coordinated Service (SLCS) between Montreal and North Europe

(with slot-chartering by Hapag-Lloyd and by Cast). It also serves vessels on Lykes Lines' service between North America and Africa.

The Cast terminal serves Cast vessels sailing between Montreal and North Europe, as well as Canada Maritime and Senator Lines ships on the Joint Mediterranean Canada Service (JMCS). Shipping line Cast also offers its own Mediterranean service by slot-chartering on JMCS vessels.

It is the Montreal Port Authority's mission to build, upgrade and expand the port's infrastructures. It operates the port's grain terminal, passenger terminal and railway network. All other terminals in the Port of Montreal are leased to private enterprise.

Panama Canal: Signs United Nations' Global Compact Corporate Social Responsibility Initiative



THE Panama Canal Authority (ACP) signed the Global Compact, an innovative initiative that promotes Corporate Social Responsibility in the private sector worldwide. The Global Compact has the endorsement and strong support of United Nations (UN) Secretary General, Mr. Kofi Annan.

Canal Administrator Mr. Alberto Aleman Zubieta said: "We at the ACP are honored to be a part of this historic initiative. For nearly one hundred years, the Panama Canal has been bringing nations closer together through commerce. Today, we join other international institutions who are committed to ensuring responsible global commerce that benefits the people of all nations."

UN Resident Coordinator, Ms. Elizabeth Fong joined Mr. Zubieta at the signing ceremony held in the Panama Canal Authority's Administration Building. With the signing of this significant pact, the ACP becomes the 40th Panamanian institution to sign onto the nine principles of the Global Compact. They are:

- 1: Businesses should support and respect the protection of internationally proclaimed human rights within their sphere

of influence; and

- 2: make sure that they are not complicit in human rights abuses.
- 3: Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining;
- 4: the elimination of all forms of forced and compulsory labour;
- 5: the effective abolition of child labour; and
- 6: eliminate discrimination in respect of employment and occupation.
- 7: Businesses should support a precautionary approach to environmental challenges;
- 8: undertake initiatives to promote greater environmental responsibility; and
- 9: encourage the development and diffusion of environmentally friendly technologies

In 2001, Panama joined 10 other nations in a pilot program designed to realize Secretary General Annan's vision. The pilot program of local initiatives, known collectively as National Corporate Forums, serves as the nucleus of the Global Compact.

"The Global Compact is an initiative that promotes Corporate Social Responsibility in this new global market structure. It is not a regulatory instrument and must not be seen as substitute to regulations established by nations and companies around the world. The Global Compact is an open proposal to motivate corporate initiative and pro-activity," said Ms. Fong following the ceremony on December 10.

San Diego: Implements new software program to improve customer service

THE Port of San Diego is taking a major step that will result in improved service for its internal and external customers. A new district-wide software program that will encompass financial, human resources, purchasing, customer relations management, lease management and employee training systems will soon be implemented. Dubbed Project Phoenix, the new software program is the result of a thorough investigation of the Port's current financial management information system. The study demonstrated that the current system, which is over twelve years old, does not interface well with modern software systems and is increasingly difficult to maintain.

Project Phoenix was approved as a capital development project in March

2002. At the October 8 Board of Port Commissioners meeting, a contract was awarded to SAP Public Services, Inc., for software licenses and software maintenance. Another contract was awarded to BearingPoint, Inc. (formerly KPMG Consulting), for consulting services to implement the Project Phoenix software.

"Project Phoenix is going to improve the way the Port of San Diego does business," said Mr. Stephen P. Cushman, Chairman of the Board of Port Commissioners. "This software program is going to greatly improve customer service by having information available in a central area."

Several objectives will be achieved by operating with an integrated system. Duplicate data entries will be eliminated, budget control and accountability will be improved and customer information will be more accessible. The Port will begin implementing the software immediately and the completion of Phase I is planned for July, 2003.

"We are committed to the success of Project Phoenix and look forward to its implementation," said Mr. Bruce Hollingsworth, President and CEO of the Port of San Diego. "This essential project supports the District's COMPASS strategy."

The Government Finance Officers Association (GFOA) - a nonprofit, professional association - assisted the Port of San Diego by developing a Request for Proposals for the replacement of the current financial system. GFOA has assisted numerous public agencies in implementing enterprise resource planning systems.



Tacoma: Applauds major federal funding for FAST Corridor

EFFORTS to improve the Puget Sound region's transportation system received a boost on November 30 with the award of \$20 million in new federal funding for the FAST Corridor program of grade-separation and port-access projects. FAST Corridor is a \$400 million program that includes 15 separate road and rail projects designed to improve the flow of commuters and cargoes through the Puget Sound region.

These funds are contained in the Congressional conference agreement on

the fiscal year 2002 transportation appropriations bill, which was chaired by Senator Patty Murray. The conference report now goes to the House and Senate for final passage and then to the President for signature into law.

"We greatly appreciate the work of Chairwoman Murray and other members of the Washington State Congressional delegation in securing these funds for the FAST Corridor," said Andrea Riniker, Executive Director of the Port of Tacoma. "These funds will help the FAST Corridor partners, including the Port of Tacoma, expedite construction of much-needed freight mobility projects throughout this region."

The federal action will provide funds five of the FAST Corridor projects:

- \$7.7 million for SR 167 Right of Way (Pierce County)
- \$11.2 million for East Marginal Way

(Seattle)

- \$2.5 million North Canyon Road (Pierce County)
- \$2 million SR 519, Phase II (Seattle)
- \$600,000 for East Marine View Drive (Everett)

Each of the projects will receive about 80 percent of the funds listed, with a small percentage going to various agencies for administrative costs, etc.

The \$33 million Port of Tacoma Road overpass project, which opened in August, was the first project constructed with FAST Corridor funds. Other planned FAST Corridor projects in Pierce County include the "D" Street overpass project, located in downtown Tacoma. The "D" Street project still requires about \$9 million in state funding, which will be sought during the upcoming legislative session.

Africa/Europe



ESPO: Campaign to promote sustainable environmental policy

THE European Sea Ports Organisation organised on November 22 a seminar on the tension between port development needs and environmental constraints in the widest sense, including both ecological and urban aspects. The event was hosted by the Port Authority of Genoa and was attended by more than 150 participants. Key-note speakers at the seminar included Mr. Wolfgang Elsner, Head of the port policy unit of DG TREN, and Mr. Dirk Sterckx, Member of the European Parliament. Both underlined the importance of ports for European trade but focused especially on the crucial role ports play in developing short sea shipping which is one of the most environmental-friendly modes of transport. Economic analysis demonstrates that European ports are running out of capacity. Traffic forecasts for the coming 15 years predict that European container throughput will grow with an average of up to 7 % per year, leading to a serious imbalance between supply and

demand if no further investments are made in port facilities. Speaking at the end of the conference.

Mr. David Whitehead, the Chairman of ESPO, said "There is no doubt that some environmental legislation such as the Birds and Habitats Directives represent a threat to new investment. It's some years since the Directives came into force and a great deal has changed since then. We continue to be alarmed at their potential to cause delay and uncertainty. Their application requires a level of knowledge of the dynamics of the coast that simply doesn't exist."

Fundamental weaknesses of the Natura 2000 legislation include the lack of consultation with the port sector, neglect of the pre-existing legal regime of port infrastructure and the absence of compensation for ports. Other speakers outlined the work that the ports sector has done to promote high environmental standards. This included the publication of the ESPO Code of Practice, new targets on environmental monitoring and target setting published last year and the launch last July of the

EcoPorts project, a three year initiative aimed at exchanging information and developing new environmental techniques. City/port interface problems were also highlighted – an issue very appropriate to the seminar's Genoa location.

Mr. Whitehead went on to say "The environment has been the highest priority since ESPO started and I am proud of our record in promoting the highest standards amongst ESPO members. But the present state of EU Environmental law is unsatis-

factory. We must assess what changes are needed to get the balance right".

ESPO will therefore start a political campaign to redress the balance between the needs of port development and environmental conservation. At the same time, the organisation will continue to encourage port authorities to come to workable solutions in day-to-day activities by focusing on the exchange of best practices and on dialogue with local authorities and stakeholders.

is very close to full capacity. There is a relentless growth in demand for deep-sea container capacity, and many global ship operators view Southampton as their first choice of destination, not just for the UK, but also for Europe. ABP is already being forced to turn away business from major international players. If Southampton is not able to cope with the new and larger generation of container ships that will be developed in the near future, it will not just lose the trade emanating from those ships but will also be in danger of losing trade from smaller container ships and from transshipment activities. The Dibden Terminal project is required to ensure that ABP's Port of Southampton remains fully competitive in relation to all types of container trade, if it is to continue to be successful."



ABP: Britain's ports are running out of room – now



BRITISH ports will run short of capacity within four years unless urgent action is taken to increase terminal space, Associated British Ports (ABP) said on December 12.

At the end of a year-long Public Inquiry into expansion at the Port of Southampton, the UK's biggest ports group sent out a clear warning that "the national economy would be significantly harmed" unless new capacity is provided. In closing statements to the Dibden Terminal inquiry, Mr. Martin Kingston, QC, counsel for ABP, said that the inquiry had been told that British ports faced a "critical period" in which capacity needed to be expanded "if the UK is not to completely run out of practically

available capacity by 2005/6."

ABP is applying for permission to build Dibden Terminal, offering six deep-water berths capable of accommodating deep-sea container shipping, roll-on/roll-off vessels and aggregates. The £600 million development would be built in phases at Dibden, opposite the existing port, with the first two berths being built by 2005 if permission is granted.

ABP contends that the exhaustion of capacity would result in loss of cargo to Continental ports with the following consequences:

- Higher delivered prices for UK importers and greater costs for exports.
- Delays in the delivery of goods – thus undermining the competitive position of the UK.
- A loss of competitiveness of UK ports and the elimination of revenues from transshipment operations.
- Increased environmental penalties resulting from congestion.
- The undermining of a highly competitive and successful part of the UK service economy.

The 120-day inquiry has heard exhaustive evidence of the need for expansion, and of the huge efforts made by ABP to balance growth with environmental safeguards.

Mr. Bo Lerenius, ABP's Group Chief Executive, said: "ABP's Port of Southampton is of national importance, competing in international markets. But it



Dunkirk: Falcon Group Distribution manages Nestlé's group logistics

Nestlé Group has chosen Falcon Distribution Group to manage the distribution of its bottled water to the United Kingdom market from Dunkirk.

The British Company has won a 5 year contract to distribute the Nestlé Group's water products. Initially, the agreement concerns the French produced Perrier, Vittel and Contrex. By the end of the year, San Pellegrino (Italy) and in 2003 Aquarel (Belgium). mineral waters will also be handled.

Every week, an average of one to two trains of 26 goods trucks (each with 36 pallets of one tonne each) will arrive in the Western Port. During high season, the frequency will be one train daily. Falcon's warehouse, which is rail connected and equipped with a canopy, offers optimal unloading conditions. Paletts are re-load-

THE FAST LINK



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CONTAINERS VIA PORT OF HAMBURG

ing on non-accompanied truck destined to the British market by the RoRo Ferry services from Dunkirk to Dartford and Dover.

This new traffic will initially represent, an average of 50 trucks by week. During high season it is likely to be upto 50 per day.

Specialised in storage and distribution in Great Britain, Falcon has endeavoured to develop and diversify its activities to the near continent. This new contract adds to the logistical management of

household electrical goods that Falcon transferred to Dunkirk last May and which represents a traffic of 7 500 trucks per annum.

Space availability in this new warehouse and its close proximity to the RoRo terminal equipment in the Western Port together with the regular sailings to Great Britain, especially to Dartford, were the key elements in Nestle choosing Dunkirk.

Burchardkai facility.

The "P&O Nedlloyd Sydney" sails on the North America service of the Grand Alliance and came to Hamburg on Friday from New York via Southampton, Le Havre and Rotterdam. From here, the vessel, which is capable of carrying 2,890 TEU, continues its journey to Charleston.

The Port of Hamburg became a "container millionaire" as early as in 1984, the second million was reached in 1991, and the third in 1996. Only in the year 2000 was the barrier of 4 million TEU finally surpassed.

For the year 2002 a total transshipment volume of more than 5.3 million is anticipated. This is equivalent to a 14% increase year-on-year. According to Hafen Hamburg Marketing e.V., this means that Hamburg will once again record the strongest growth of all Northern European continental ports this year, as was the case in 2001.



Hamburg: The 10th anniversary of the port partnership between Yokohama and Hamburg



THE tenth anniversary of the port partnership between Yokohama and Hamburg was marked by the arrival in Hamburg on October 27th of a 30-strong delegation from Yokohama headed by Mr. Keiki Yasutake, Director-General of the Japanese port. As a gift to the City of Hamburg, Yokohama had already shipped out a Japanese stone lantern weighing around 1,500 kg to Hamburg in September. In Japan such lanterns are traditionally to be found in front of temples or shrines.

The lantern may now be seen in the Japanese garden in Hamburg's "Planten un Blomen" park. As a return gesture the City of Hamburg presented its partner city with a historic stock anchor (weight: 700 kg). The gift was formally presented by Volker Schlegel, under-secretary of state in the Hamburg ministry of economics and labour, at a ceremony held in front of the main entrance of Hamburg City Hall at noon on October 29. This was followed by a midday repast hosted by the Hamburg senate for the visitors and invited guests.

In the table of the Port of Hamburg's most important trading partners in the first half of 2002, Japan overtook the

Russian Federation into fifth place. The People's Republic of China (incl. Hong Kong), Singapore, Finland and Sweden occupy places 1 to 4. In the first half of 2002 the number of containers handled in seaborne trade with Japan was 130,000 TEU, with a total of 270,000 TEU anticipated for the year as a whole. In tonnage terms, throughput is expected to reach 3 million t.

On Monday the delegation had the opportunity to tour the Port of Hamburg and to discuss various port-related topics. The visit included a tour of inspection of the CTA Container Terminal Altenwerder that had only been inaugurated three days earlier. In the evening the Japanese delegation laid on a presentation of the Port of Yokohama featuring their port as well as its associate companies as logistics partners available for business links with Japan.

Hamburg: 5 millionth container arrives



THE five-millionth container arrived in the Port of Hamburg this year on board the "P&O Nedlloyd Sydney" on December 13, the first time the Port of Hamburg exceeded the 5-million mark for standard containers (TEU). In the presence of representatives of the shipping company, the Ministry for the Economy and Labour as well as the company Hamburger Hafenund Lagerhaus Aktiengesellschaft, the container with 10.256 t of automotive spares was unloaded on the



Helsinki: City Council reaches decision to build Vuosaari Harbor

ON October 9, 2002, the Helsinki City Council approved by 58 votes to 27 the proposal to construct Vuosaari Harbour. Helsinki's new cargo harbour will be built in the former shipyard area of Vuosaari. It is scheduled to be completed in 2008, at which time the North Harbour operations and West Harbour cargo traffic will be moved to Vuosaari. The construction of the harbour is supposed to start in 2003. The building of a harbour road, a harbour rail link and an approach channel will start in 2004 at the latest. Construction will start immediately after parliamentary approval of funding for traffic connections for Vuosaari Harbour, as proposed in the 2003 budget, and if the Supreme Administrative Court rejects appeals against the water permit granted to the harbour. In connection with the harbour, a commercial area will be developed adjacent to the harbour. The harbour will be logistically efficient and its development potential has been secured long into the future.

As a result of the final decision of Parliament, the Port of Helsinki will intensify cooperation with customers and partners to ensure success in the planning and implementation of the har-

bour itself and the adjacent commercial area.

The Port of Helsinki will be in charge of building the harbour. The traffic routes, that is, the harbour road, the harbour rail link and the approach channel will form a single project, which will be administered by the Finnish Road Administration for the government. For its share in the project, the Port of Helsinki will pay one half of the cost. The aim is to carry out the construction of the harbour and the traffic connections in such a way that synergy benefits are achieved especially in the overall project timetable and earth moving.

In the planning and building of the harbour and its traffic connections, special attention will be paid to environmental issues. Heavy traffic will be directed from the harbour straight to main arteries. The project's impact on nature will be monitored for several years after the project's completion.

Special attention will be paid to the safety of the living environment and to the comfort of residents in the adjacent areas and to ensuring that the site's potential detrimental effects on the outside are minimized.

Traffic safety will also get special attention during construction.

Tallinn: Building new cruise vessel harbour in the Baltic Sea



PORT of Tallinn is building a new harbour on the Island of Saaremaa, Estonia. The new harbour will be ready to operate and host cruise and passenger ship calls from spring 2004. The harbour will have 1 two-sided quay 10m deep, capable of receiving vessels up to 300m long. Saaremaa is one of the largest islands in the Baltic Sea with a territory of 2, 922 sq km, holding a large variety of tourist attractions, such as the medieval Kuressare Castle and Old Town, Lake Kaali – the largest meteorite-crater lake in

Europe, medieval churches and windmills scattered all over the island, unique nature with juniper copses, coastline meadows, dolomite downs and curative mud. Port of Tallinn is one of the largest passenger and cruise ship ports in North Europe. This year Port of Tallinn received 165 cruise ship calls. In 2003, the number of cruise ship calls in Port of Tallinn will increase up to 238. The number of passengers travel-

ling through Port of Tallinn in 2002 is around 6 mln. Port of Tallinn will invest ca 10 mln EURO into the development of cruise vessel infrastructure in 2003-2004. The investment plan encompasses building a new harbour on Saaremaa Island as well as building a new cruise vessel quay in the Old City Harbour, located in the heart of Tallinn, the capital of Estonia.

(Cruise Europe, December 4, 2002)

Asia/Oceania



Brisbane: \$30 million warehouse development on Fisherman Islands



DURING September, construction of a \$30 million high-tech warehouse and distribution center for The Warehouse Group began on Fisherman Islands. New Zealand's fifth largest public company, The Warehouse is expanding rapidly on Australia's East Coast.

This is one of Brisbane's biggest ever industrial leases, with the first stage of the development comprising approximately 50,000m² "under one roof" (equivalent to about ten football fields) on a 10-hectare site. A further 6 hectares have been set aside for expansion, for the construction of an additional 30,000 m² of warehousing.

The Fisherman Islands distribution center will service The Warehouse's Queensland stores and will initially employ over 200 employees, with an average of 100-120 people employed during the 40-233k construction phase. Warehouse Director, Glen Inger, said, "We import up to 70% of the goods for sale in our stores, and so the port was a very logical place for our new distribution center, avoiding double-handling.

"We'll have service providers, such as container parks, right on our doorstep, as well as benefiting from the Corporation's high-speed fibre optic network, which

will enable effective communications between our various locations."

Key Facts;

- Site Area Stage 1: 10.4 ha
- Site Area Stage 2: 4.0 ha

BUILDING STAGE 1

- Warehouse: 44,884 m²
- Awnings: 6,630 m²
- Office: 600 m²
- Battery Charging Room: 800 m²
- Car parking: 200 cars
- Warehouse racking storage: approx 30,000 pallets
- Container storage in yard for 250 containers

CONSTRUCTION DETAILS

- steel portal frame building
- tilt concrete wall panels to 3m high with Colorbond wall sheeting above
- computerised tracking & conveyor system
- post tensioned concrete floors

Dalian-PSA: DCT achieves one millionth container

ON December 4, 2002, Dalian Container Terminal (DCT) handled its one-millionth TEU (Twenty-foot Equivalent Unit) for the year 2002 with the arrival of "Wan Hai 301". For FY2002, DCT expects to handle around 1.13 million TEUs. This represents an impressive growth of more than 15 % over FY2001.

Mr Ho Yap Kuan, General Manager, Dalian Container Terminal, said, "The



record growth is a vote of confidence from our valuable customers. We would

like to thank all our customers for choosing DCT as their hub of choice in North China. We will continue to work closely with our partners to attract more cargo and vessel calls to Dalian Container Terminal."

DCT is a joint venture between the Port of Dalian Authority and PSA. It was officially launched on July 2, 1996 and currently manages five container berths with an annual capacity of 1.5 million TEUs.

earnest last year to increase nominal unloading rates from 4,000 tonnes per hour (tph) to 6,000tph.

The upgrade includes replacement of the existing chute work as well as increasing belt speeds from 3.4 metres/second (m/s) to 5.1 m/s.

Works commenced 1 October 2001 with the completion of all major routes expected by the end of this month.

To date, four trippers and associated conveyors and chutes have been upgraded, covering eight stockpiles while two main inloading conveyor have been upgraded with 1000kW drives and new chute work.

Improved dump station feeder control systems have been installed and variable speed drives have been fitted onto the dump station conveyors.



Gladstone: \$80 million expansion project on track

GLADSTONE Port Authority's (GPA's) \$80 million expansion of its RG Tanna Coal Terminal (RGCT) will be completed in a matter of months as the port prepares to handle increased coal tonnages.

The project will ensure the terminal can meet future demand by boosting the facility's official throughput capacity from 30 million tonnes per annum (Mtpa) to 40Mtpa.

With the dredging phase of the project having been completed, work is currently centred on increasing the terminal's train unloading capacity: construction of a third berth; and construction of Stockpile 15.

Berth No.3

The \$30 million extension to the current wharf is progressing well with contractors Golding Contractors Pty Ltd and Walz Construction Pty Ltd having completed a significant section of the 396 metre berth, which will be capable of servicing 220,000 DWT vessels.

As of early November, 138 of the 166 permanent piles required to complete the structure had been driven into the seabed, while concrete decking units had been moved into place to complete 26 of the 31 spans.

Steel modules, which will support the conveyor systems, have been fitted through to bent No.94, with just five more bents remaining.

At the same time, seven new concrete berthing dolphins had been poured with a total of ten planned for the structure.

One of the next key phases will be the completion of major electrical upgrades for the two existing shiploaders with a



A key feature of the RG Tanna Coal Terminal Expansion project is the \$30m extension to current wharf facilities.

new substation ready for fit-out. This will enable the equipment to service more than 1km of wharf.

Stockpile 15

Once completed, Stockpile 15 will boost the terminal's coal storage capacity by 300,000 tonnes to a total of 4.2 million tonnes.

The development, located on the harbour side of the existing stockpiles, is being constructed on reclaimed land consisting of gravel fill material over varying combinations of sands and marine clays.

GPA finalized associated earthworks in July, with the civil contractors currently working at the 3.7 ha site.

Brisbane-based Albem Pty Ltd won the civil works contract and has begun piling works and construction of the reclaim tunnel base slabs. Gladstone firm Walz Construction Pty Ltd was awarded the structural, mechanical and electrical works contract, having since commenced detailing of structural steel works.

Tunnel arches are being supplied by Rockhampton based CSR Humes and are currently under construction.

Rail Unloading Upgrade

The rail unloading upgrade began in



Inchon: Government names Inchon for Customs Free Zone



THE Korean government is likely to designate Inchon Port as a customs-free zone in a similar fashion as Busan and Gwangyang ports by the end of 2002 or early 2003.

MOMAF submitted a re-application for the designation to the finance ministry early November 2002. "The chances are good as we have made up for the problems pointed out earlier," an official from MOMAF said.

The Ministry of Finance and Economy rejected the MOMAF's first request to designate Inchon Port as a customs-free zone in July as the port failed to meet certain facility requirements at the time.

It usually takes about two months for the finance ministry to make a decision on such a request. The government designated Busan and Gwangyang ports as a customs-free zone early this year.

In a customs-free zone, foreign-invested companies can receive various tax benefits for setting up an operation, and all duties on imported goods are exempted.

Korea MOMAF: Conference on the international trends of management and control over Ballast Water

KOREAN Ministry of Maritime Affairs and Fisheries (MOMAF) hosted a conference on the international trends of management and control over Ballast water on November 26, 2002.

Ballast water is absolutely essential to the safe and efficient operation of modern shipping, providing balance and stability to un-laden ships. However, it may also pose a serious ecological, economic and health threat.

The introduction of invasive marine species into new environments by ships' ballast water, attached to ships' hulls and via other vectors has been identified as major threats to the world's oceans.

At this conference, the results of the "International Workshop and meeting on management and control over Ballast water in East Asia region", which was held from October 31 to November 2 in Beijing, China, were reported and we coordinated our position on Regional Action Plan in East Asia region proposed at this meeting. To cope with the management convention over Ballast water, which is expected to be adopted in early 2004, the broad discussions were also conducted to prepare national responding measures.

The Regional Action Plan outlines the followings: promoting national knowledge on the importance of managing Ballast water, research of basic living resources category and construction of

database, Regional Risk Assessment by Ballast water. To reduce the transfer of the aquatic harmful species into the East Asian region, it includes the basic providing to be initiated and developed.

MOMAF is planning to construct cooperative system among government, academia, and industries by means of experts pool. It will also establish domestic action plan for implementing a regional action plan.

Manila-ICTSI: One millionth container



INTERNATIONAL Container Terminal Services, Inc. (ICTSI) marked a milestone on December 17 when it handled for the first time within a year its one millionth TEU (twenty-foot equivalent unit) at the Manila International Container (MICT).

This is the first time that the MICT has hit the one million mark since it started operating the MICT in 1988. "With only 13 days to go before the end of the year, we are confident of surpassing our MICT volume estimate of 1,021,074 TEUs," said Francis M. Andrews, ICTSI senior vice president

and MICT general manager. Last year, the MICT handled 928,249 TEUs.

An export container, the 40-foot container was loaded onto the M/V Singapore Bridge bound for Bangkok, Thailand. Arriving early in the morning at the MICT from Shimizu, Japan, the 1,064-TEU capacity M/V Singapore Bridge is one of the three K-Line ships that call at the MICT. K-Line averages four ship calls a week at the MICT.

Present to witness the handling of the one-millionth container were ICTSI officials led by Francis Andres, senior vice president and MICT general manager; Noel Mirasol, chief finance adviser; and Felipe Pacheco, MICT terminal manager.

Also present were K-Line officials led by Mr. Shoichi Maeda, owner's representative; Mr. Jaime Bartolome, operations manager; Nestor Sevilla, port captain; and Capt. Hwang Sun Il, captain of the M/V Singapore Bridge. Since the start of the year, the MICT has been experiencing a surge in container volumes. For the first nine months of the year, ICTSI reported that volume at the MICT grew 10 percent, from 682,051 TEUs last year to 751,985 TEUs this year. Of this volume, full import boxes increased by 11 percent, while full exports grew by 20 percent.

Despite double-digit volume growth, quay crane productivity at the MICT has remained steady, averaging 32 moves per hour per crane. Expected to further bolster productivity is the installation of two new quay cranes and three rubber tired gantries, which were put into operation in November this year.

Tokyo News Service's Website

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

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



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

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

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