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South Africa

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Tokyo
Japan



The Port of Genoa

THE Port of Genoa may be well considered as the first Mediterranean port from the point of view of the traffic share and of all types of specialized port activities (container, ro-ro and conventional, dry/liquid bulk, oil, passengers ferry and cruises, shipbuilding and ship repair). The Port of Genoa has a total surface of 7 million sq. meter divided into several terminal facilities. Related article on page 26.

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Asia/Oceania

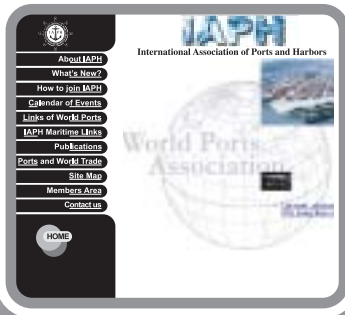
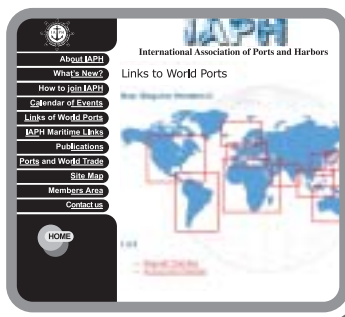
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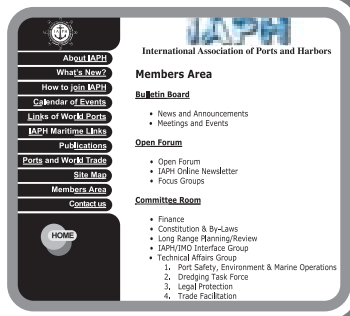
International Association of Ports and Harbors

<http://www.iaphworldports.org>

Did you access the IAPH website?



- Links to the ports in the world and other maritime organizations

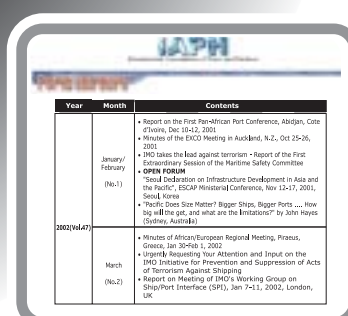
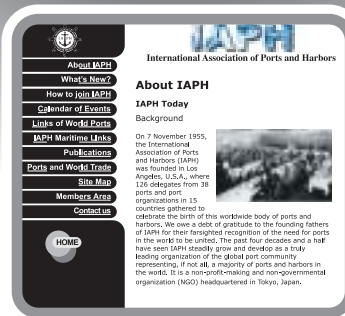
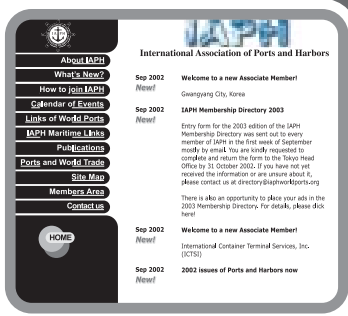


- Calendar of future IAPH meetings and other maritime events

- Minutes of and reports on IAPH Conferences and Technical Committees



- All about IAPH - history, mission and organization



- In "Open Forum" – "Members Area", you can express your opinions.
 - To enter the Members Area, you need User ID and Password.
- For assistance, please contact us at <info@iaphworldports.org>.

IAPH ANNOUNCEMENTS AND NEWS

Asia/Oceania Regional Meeting in Penang



THE 4th Asia/Oceania Regional Meeting, consisting of "Regional Members Meeting" and "Regional Port Forum", convened from February 17 through 20, 2003 in Penang, Malaysia. The host was Port Klang Authority, led by Datin Paduka O.C. Phang, General Manager. Since she had just been elected as 3rd Vice President of IAPH, chairing the regional meeting of the association was her first duty as a Vice President.

Some fifty delegates and representatives from our Membership in the region as well as several invited guest speakers from outside organizations participated in the meeting.

Preceded by a one day tour of Penang city and an evening reception dinner on 17th February sponsored by Penang Port Commission and the host, the program for Day One through Day Three were carried out as follows:

Minutes of the IAPH Asia/Oceania Regional Meeting

February 18-19, 2003, Penang, Malaysia

1. Day One (February 18) at the Shangri-La Hotel

Morning program:

<Opening Ceremony>

Following the welcome address by Datin Paduka O.C. Phang and the Presidential address of Dr. Someya, the Opening Ceremony began with the honorable presence of Y.B. Dato' Seri Dr. Ling Liong Sik, Minister for Transport of Malaysia and his address to officially launch the meeting. Also present as guests of honor were the former Chairman of Port Klang Authority,



Y.B. Tan Sri Dato' Michael Chen and the present Chairman of Port Klang Authority, Y.B. Dato' Seri Dr. Ting Chew Peh and

Dr. Neoh Soon Bin, Chairman of Penang Port Commission.

<Session I of Regional Port Forum>

Details are given in the following paragraphs with other Sessions II to IV for the Forum.

Afternoon program:

<Regional Members Meeting>

- 1) Dr. Someya gave his opening remarks by hailing the election of the new 3rd Vice President and thanking Datin Paduka O.C. Phang for hosting the meeting.
 - 2) Vice President O. C. Phang thanked Dr. Someya in reply and then took over the chair to invite all participants to offer one minute of silence in memory of the late Mr. John Hayes, her predecessor.
 - 3) Report from Secretary General
Secretary General Dr. Inoue made his report on the following topics and items detailed as attached "Report from Secretary General".
 - The election of 3rd Vice President: outlining the whole process completed since October 2002 up to January 2003
 - Need for election of regional Exco members: reminding the members of two vacancies of regional Exco members caused by the election of 3rd Vice president and the retirement of Mr. Goon Kok-Loon of PSA, to be nominated by, and approved at, the Durban Conference
 - IAPH Coordinator: briefing of it's objectives and a request to appoint some by the end of February
 - The Durban Conference: introducing the new features for the program such as Group Meetings of Technical Committees and IAPH Open Forum by referring to the 3rd announcement brochure recently delivered to members
- It was confirmed by Secretary General that (an) accompanying person(s) other than spouses, who would only attend the Social Program, would be treated and charged as "accompanying person".
- Revision of By-Laws: briefing the major points for revision and the expected time schedules up to the approval at a Plenary Session of the Durban Conference

• Others:

- ✓completion of Membership Directory 2003
- ✓requests from Chairmen of two technical committees (viz. Port Planning & Construction Committee, Combined Transport, Distribution & Logistics Committee)
- ✓invitation to subscription for Online News Letter

On every item of the above, Vice President gave brief remarks to enable the participants to better comprehend the points of concern, particularly from the region's point of view.

As a final note for this time slot, Vice President invited membership to tentatively propose their interest in hosting the next Asia/Oceania regional meeting, likely to be held sometime in January or February 2004. In response to her invitation, the delegates from Ports & Shipping Organization of Iran expressed their interest in being the host. While thanking them for their offer, Vice President concluded that the final decision would be made at the next regional meeting to be held at the Durban Conference, because of the possibility that a few more offers would be received by the Durban Conference.

4) Terminal Handling Charges: a report by a delegate from ASEAN Ports Association (A. P. A.)

Ms. Elizabeth Follosco, Permanent Secretary of A. P. A., made her presentation by bringing forward the issue of "Terminal Handling Charges" that had been discussed at the last A. P. A. meeting. She reported that the consensus made at the A. P. A. meeting was to put the issue forward to the attention of IAPH in view that the issue had to be taken up on an international basis rather than merely on a regional basis. After several opinions and some

debate among the participants, it was finally agreed that we would wait to see the discussion on this issue at the meeting of FIATA (International Federation of Freight Forwarders Associations), to be held in Paris on 25th March, before concluding the next step to be taken by IAPH.

2. Day Two (February 19) at the Eastern & Oriental Hotel

A part of Day One and the whole of Day Two was dedicated to a newly attempted feature: the "Regional Port Forum" program. This was intended to offer an opportunity for the members to discuss and exchange views on a wide range of issues faced by the region's ports, and also to learn and share their experiences and on-going developments in the region. The Forum consisted of four Sessions, with several speakers for each Session, namely, Port Security, Port Safety & Environment, Ports & Logistics and Port Development. The speakers from outside organizations were representatives from US Embassy Customs Attaché, APL Singapore, UNESCAP, UN-PEMSEA (Partnerships in Environmental Management for the Seas of East Asia), RosettaNet Asia - a local IT consultant. The details of speakers and their topics for each session are given in the attached Program. Each session was followed up by questions and answers moderated by an appointed chairperson. All the materials for the presentation at the Forum will be available in digital formats to all members (even to non-attending members) shortly on IAPH Web-site. Despite being a new concept, I believe that the Forum was valued by a majority of the attendants and I take this opportunity to express my sincere thanks to all the speakers for their excellent presentations, as well as to the new Vice President and her staff for superb organization supporting the success of the Forum.

3. Day Three (February 20)

A technical one-day trip to Langkawi island was organized, and some twenty delegates attended. The tropical island that is rapidly growing into an international resort area, was quite busy with cruise ships and ferry boats both from neighbouring countries and Malaysian ports.



Asia/Oceania Regional Meeting Program

• Tuesday February 18

Morning (0900-1230)

- 0900 Registration
- 1000 Arrival of Guests and Participants
- 1030 Opening Ceremony
 - Welcome Address by Y.Bhg. Datin Paduka O.C.Phang, Host Country /3rd Vice-president
 - president's Address by Dr. Akio Someya
 - Address and Official Launch by Y.B. Dato' Seri Dr. Ling Liong Sik, Minister of Transport Malaysia
- 1100 Group Photo/Coffee Break

Session I - Regional Port Forum

- 1130 Port Security
 - 1. Mr. Peter R. Darvas, Assistant Customs Attache US Embassy, "Container Security Initiatives & Transshipment"
 - 2. Mr. Ted Fordney, APL Singapore, "Toward a Secure and Strong Supply Chain"
- 1230 Lunch

Afternoon (1400-1600)

- 1400 Regional Members Meeting
 - 1. Opening Remarks by Dr. Akio Someya, President
 - 2. One Minute Silence in Memory of the late Mr. John Hayes
 - 3. Welcome & Inaugural Speech by 3rd Vice-President
 - 4. Report by Secretary General
 - 5. Regional Household Issues
 - 6. Terminal Handling Charges Report from Ms. Elizabeth C.



Follosco, ASEAN Ports Association
 1600 Coffee Break
 1930 Welcome Dinner
 Promenade Garden, Eastern & Oriental Hotel. (Assemble at Hotel Lobby at 1900 hrs) Attire: Smart Casual

• **Wednesday February 19**
Morning (0900-1230)

Session II - Regional Port Forum

0900 Port Safety & Environment
 1. Mr. Adrian Ross, Senior Programme Officer PEMSA "Port Safety Audit Manual - PEMSA"
 2. Mr. Mohd. Saffian abd. Majid, "Port Safety Audit Exercise - Port Klang Experience"
 3. Mr. Toshiharu Murata, Japan Ports & Harbours Association, "The Contribution of Japan's Ports to Global and Regional Environmental Conservation"
 1030 Coffee Break

Session III - Regional Port Forum

1100 Ports & Logistics
 1. Mr. Dong-Woo Ha, ESCAP "Ports as Logistics Centres"
 2. Ms. S. Y. Foong, Vice President, Rosetta Net Asia, "E-Logistic Custom Pilot"
 3. Capt. A.N.M. Kishore, Managing Director, Indian Ports Association
 1230-1400 Lunch

Afternoon (1400-1700)

Session IV-Regional Port Forum

1400 Port Development
 1. Mr. Mohd. Naina Merican, Senior General Manager, Penang Port Sdn. Bhd. "Redevelopment of Swettenham Pier, Penang Port"
 2. Mr. Ho Kim Lan, Saigon Port, Vietnam. "Saigon Port and Port Development in Vietnam"
 3. Mr. J.D. Dunda, Indonesia Port Corporation III,
 4. Vice Admiral Ahmed Hayat, "Development and Future Strategy of Karachi Port"
 1600 Coffee Break
 1930 Farewell Dinner
 Shangri-La Rasa Sayang Resort (Assemble at Hotel Lobby at 1845hrs) Attire: Smart Casual

African/European Regional Meeting in Amsterdam

February 19-21, 2003



Minutes of the IAPH African/European Meeting

February 19-21, 2003
 Amsterdam, The Netherlands

1. Opening and welcome

Mr. Struijs, in his capacity as 1st Vice President for the Africa/Europe Region, opened the meeting and welcomed the many – more than 70 – attendants from 26 countries. He then introduced Mr. Cor Oudendijk, Executive Director Shipping of the Amsterdam Port Authority and host of the meeting and congress.

Mr. Oudendijk officially welcomed the participants in Amsterdam and expressed his satisfaction with the high number of participants. This was a good sign and proved that the regional meetings and congresses had become a popular event among the members of the Africa/Europe Region. He then referred the meeting back to chairman Struijs.

Mr. Struijs advised the meeting that apologies for absence had been received from Mr. Siyam Siwe of the Port Autonome de Douale, Mr. Bruyninckx of the Port of Antwerp and Mr. Bo Lerenius of Associated British Ports who could not attend due to other commitments.

EXCO members in attendance were Mr. Luhigo of the Tanzania Harbours Authority and Mr. Vergobbi of the Port of Dunkirk.

2. Minutes of the Regional Meeting in Ngorongoro, Tanzania, December 9, 2002

The minutes had already been



reproduced in Ports and Harbors and gave no rise for comments.

3. Matters arising from the minutes

Matters arising from the minutes would be covered at the conference and needed no detailed discussion at this meeting.

4. To discuss locations for future meetings in the Africa/Europe region:

2003, Regional Meeting Africa, first week of December

On behalf of Mr. A. Siyam Siwe, Mrs. Nicole Nesse Tsoibgny Nana, Director of Competitiveness of the Port of Douala invited members to Douala (Cameroon). The offer of the Port of Douala to host the December Regional Meeting was accepted with applause from the audience.

2004, Regional Meeting Europe, February 18-20

Mr. Riho Rasmann, President and

Chairman of the Management board of the Port of Tallinn (Estonia), addressed the meeting and explained that both the City and the Port of Tallinn would be honoured to host the Regional Meeting in Tallinn. His offer was accepted with thanks by Chairman Struijs.

2006, Mid-Term EXCO Meeting

Mr. Vergobbi of the Port of Dunkirk advised the meeting that he expected that the new Dunkirk congress center would be available in 2006 and the Port of Dunkirk would then be in a position to host the event. Chairman Struijs thanked Mr. Vergobbi for this formal nomination and advised other potential host ports to come forward with their nomination at the Regional Meeting during the Durban conference, so that a formal decision can be made.

He also advised the meeting that it would not be necessary for the host port to bear all the costs involved: a small participation fee would be quite acceptable.

2009, Bi-annual Conference

The Port of Genoa is candidate to host this conference. A full Board decision is expected to be taken in 2004 during the Mid-Term EXCO meeting in Tacoma.

5. Election of new Regional EXCO member

Following the retirement of Mr. Nygren of the Port of Gothenburg, a new EXCO member need to be elected. Chairman Struijs needs to present a candidate for formal approval by the full Board at the Durban Conference.

Mr. Riho Rasmann from the port of Tallinn had already declared to be available to take over the vacant position and since there were no candidates from the floor, Mr. Rasmann will be presented as candidate in Durban.

6. Candidacy for 3d Vice President to be elected at Durban conference

Mr. Gama of the National Ports Authority of South Africa had already expressed his interest in the post of 3rd Vice President at an earlier occasion. Since no other candidates have come forward, Chairman Struijs suggested that he would put forward Mr. Gama at the Durban conference as sole candidate for the Vice Presidency. The meeting endorsed this nomination unanimously by acclamation.

7. Update on Durban conference

Mrs. Riah Phiyega, speaking on behalf of Mr. Gama, conveyed his apologies for being absent, which was due to heavy commitments resulting from ongoing port reform in South Africa. She thanked the meeting for the candidacy of Mr. Gama for the position of 3rd Vice President.

She then provided details of the preparations for Durban conference. With the valuable help of a professional organization an attractive and impressive programme has been established, both in a business as well as a social sense.

The importance of the conference for the City of Durban was illustrated by the news that the Mayor of Durban has established a special committee that is entrusted with ensuring the security of the conference and its participants.

8. Any other business

Mr. Van de Laar, Chairman of the Committee on Port Safety, Environment and Marine Operations, provided details of a meeting of the Inter-Industry Shipping and Ports Contact Group, that took place in Rotterdam on 6 February 2003. The meeting was attended by representatives of IMPA, IHMA, Intertanko, ICS and IAPH and addressed a number of issues that are of importance to both ports as well as the shipping sector. Items discussed included maritime security, phasing out of single-hull tankers, ships' emissions, the role of the pilot in relation to IMO Resolution A485, (un)safety of mooring lines, the Ship/Port Interface Working Group and the revision of the ISGOTT.

Chairman Struijs stressed the importance of these inter-industry meetings in which industry organizations discuss matters of mutual interest and exchange views that serve to clarify the individual positions, create understanding for individual views and also lead to the elimination of misunderstandings.

9. Closure of meeting

In his closing remarks Chairman Struijs referred to the sometimes problematic relations between a city and its port. In this context Amsterdam does not seem to have a problem, given the text on their posters: "Our ports are the sweetheart of our City".

He then closed the meeting, thanking the participants for their presence and contributions to the discussions.

African/European Regional Meeting Program

• Wednesday February 19

- 17.00 Regional meeting
 - Progress report Inter- Industry Shipping & Ports Contact Group
 - Biennial Conference Durban 2003
 - Report regional meeting Tanzania
 - Nomination Third Vice President and Executive Committee member
- 19.00 - 21.00 Welcome reception

• Thursday February 20

- 08.30 Registration and Coffee
- 09.00 Opening session and keynote addresses
 - Welcome address
 - "Ports in a political perspective"
 - Mr Mark van der Horst, vice-mayor, City of Amsterdam, Netherlands

Keynotes

- "Ports in a political perspective"
- Mr Hans Gerson, President/CEO Amsterdam Port Authority, Netherlands
- "Global ports"
- Mr Pieter Struijs, vice-president IAPH Europe/Africa, Executive Director, Port of Rotterdam, Netherlands
- "PAPC-contribution to international forum"
- Mr Fernand Gauze, Secretary General PAPC, Nigeria
- "EU-policy in relation to ports"
- Mr David Whitehead, chairman ESPO, United Kingdom
- 10.30 Coffee / Tea
- 11.00 Security
 - Chairman: Mr Bruno Vergobbi, Port of Dunkirk Authority, France
 - "Security in international perspective"
 - Mr Fer van de Laar, Amsterdam Port Authority, Netherlands
 - "EU-progress security legislation"
 - Mr Patrick Verhoeven, Secretary General ESPO, Belgium
 - "Security implementation in practice"
 - Mr Peter Mollema, Port of Rotterdam, Netherlands
 - Plenary discussion
- 12.30 Lunch (offered by the Port of Rotterdam)
- 14.00 Regional developments
 - Chairman: Mr Samson Luhigo, Tanzania Harbour Authority, Tanzania

Baltic

- "Presentation Baltic Port Organization"
- Mr Claes Olow Edström, Secretary General, Baltic Ports Organization, Port of Stockholm, Sweden
- "Baltic Ports and the EU"
- Mr Vladas Stūrys, Port of Klaipėda, Lithuania

- "Container development in the Baltic"
Mr Riho Rasmann, Port of Tallinn, Estonia

Mediterranean

- "Future scenarios for port authority"
Ms Francesca Moglia, Genoa Port Authority, Italy
- "Model-split developments"
Mr Jose Luis Estrada Llaquet, Puertos del Estado, Spain
- Plenary Discussion
- 15.30 Coffee / Tea
- 16.00 Chairman: Mr Cor Oudendijk, Amsterdam Port Authority, Netherlands

Africa

- "Challenges of African ports"
Mrs Riah Phiyega, National Ports Authority of South Africa
- "Maritime developments"
Mr Brian Watt, PMAESA, Kenya

North Sea Area

- "Competition"
Mr Juergen Sorgenfrei, Port of Hamburg, Germany
- "The environmental position of the North Sea"
Mr Steve Cuthbert and Ms Nicola Clay, Port of London, United Kingdom
- "Hinterlands, the key for development"
Mr Vaillant, Port of Le Havre, France
- 17.20 Plenary discussion
- 19.00 City boat tour & Port Dinner 2003 (offered by the Amsterdam Port Authority)
- Friday February 21
- 08.30 Coffee / Tea
- 09.00 International Forum
Chairman: Mr Steve Cuthbert, Port of London, United Kingdom
- "Maritime safety: to be or not to be pro-active"
Mr Harilaos Psaraffis, National Technical University of Athens
- "Places of refuge"
Mr Frans van Zoelen, Port of Rotterdam, Netherlands
- "White paper, challenge for Ports?"
Mr Guido van Meel, Antwerp Port Authority, Belgium
- "IAPH-contribution to EU, IMO, WCO and ILO"
Mr Peter van der Kluit, Managing Director, IAPH-Europe, Netherlands

Concluding remarks by First Vice President IAPH

- 10.30 Coffee / Tea
- 11.00 Boat tour Port of Amsterdam
- 13.00 Lunch
- 14.30 Departure

P.C. van der Kluit reports on the meeting in Amsterdam

Africa/Europe Region receives warm welcome in cold Amsterdam



Peter C. van der Kluit

Managing Director, IAPH European Office

OVER 70 participants from 26 countries had found their way to the cold but sunny Dutch capital Amsterdam to attend the meeting of the Africa/Europe Region on 19 – 21 February 2003. The meeting was hosted by the Amsterdam Port Authority and included, apart from the regular regional meeting, a one-and-a-half day congress and an extensive social programme. The regional meeting will be reported on separately, so this article will concentrate on the congress and the accompanying social programme.

The importance that the Amsterdam city government attached to the event was underlined by the presence of Vice Mayor Mr. Mark van der Horst, who addressed a captive audience at the opening ceremony. His keynote speech was followed by addresses from Mr. Hans Gerson, President and CEO of the Amsterdam Port Authority, Mr. Pieter Struijs, in his capacity of 1st Vice President of IAPH, Mr. Ferdinand Gauze, Secretary General of PAPC and Mr. David Whitehead, Chairman of ESPO.

After the keynote speeches a number of themes were addressed by authoritative speakers from both the African and the European continent. For easy reference, the full congress programme is reproduced at the end of this article. The presentations brought about animated plenary discussions in which many delegates participated.

As to the social programme, the Amsterdam Port Authority had done its very best to provide the congress participants with the possibility to inhale the typically hospitable Amsterdam atmosphere. It all began with a welcome reception in the evening of February 19 at the

congress venue, the NH Grand Hotel Krasnapolsky, overlooking the Dam Square and located opposite the Royal Palace. The reception offered an excellent opportunity for informal talks and several newcomers soon felt part of the IAPH port family.

During the first congress day, February 20, lunch was hosted by the Rotterdam Municipal Port Management, which had worked closely with the Amsterdam Port Authority's Executive Director Shipping, Mr. Cor Oudendijk, and his team in preparing the congress.

The evening was again in the hands of the Amsterdam hosts. A boat trip through the famous canals of Amsterdam brought the congress delegates to the Grand Hotel Amsterdam, in earlier days City Hall of Amsterdam, where a delicious dinner was served in the Council Chamber. It was quite a memorable experience to be sitting in the very place where years on end the political heart of Amsterdam had beaten. And not only that, the Council Chamber was also the décor of the marriage of then Princess and now Queen Beatrix with Claus von Amsberg in 1966.

The congress was concluded on Friday, February 21, with a port tour and lunch on board the *Thalassa Royal*, a classic luxury party yacht that toured a number of new projects in the port of Amsterdam, while those on board enjoyed an excellent lunch.

At occasions like this, time flies and too soon the *Thalassa Royal* berthed again and that meant that a very special event had come to an end. However, not before the Amsterdam hosts had been extensively complimented for their successful efforts to make this regional meeting an event that will be remembered for a long time by those who participated.



Minutes of the African/European Regional Meeting

December 9-11, 2002, Ngorongoro, Tanzania

As reported in the January/February issue, 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 was hosted by Tanzania Harbours Authority. The minutes of the Regional Meeting are now available.



1. Opening and welcome

Chairman Pieter Struijs opened the meeting and welcomed Mr. Luhigo as one of the EXCO members present. He also welcomed Mr. Gama in his capacity of Conference Vice President and approximately 70 conference delegates who attended the meeting as observers.

The Chairman complimented the organizers of the conference with the choice of the beautiful venue on the rim of the Ngorongoro Crater.

There was no formal agenda, but a number of issues were discussed as follows.

2. Minutes of the Regional meeting in Kobe on October 16, 2002

The minutes were adopted without comments or amendments.

3. Places of Refuge, consequences for ports, accident with the tanker "Prestige"

The meeting was advised that, as a consequence of the breaking up and sinking of the single-hull oil tanker "Prestige", the European Commission is considering measures to phase out single-hull tankers by 2005, rather than 2010 as has been agreed in IMO. The meeting was also advised of the unilateral actions of Spain and France, which do not allow single-hull tankers within the waters of their exclusive economic zones.

Mr. Mollema then explained IAPH Committee on Legal Protection (CLP)'s position on the issue of Places of Refuge, discussion on which topic has received intensified attention following the acci-

dent with the "Prestige".

First, there is the recommendation that regional co-operation should be sought in selecting suitable places of refuge, rather than individual ports trying to find solutions.

Second, CLP has proposed in IMO to establish a special fund for compensation to ports following incidents with ships in distress within their boundaries. This would not apply to oil tankers: for these types of ships a compensatory regime is in force in case of oil spills.

In order to use the momentum, it is now of great importance that arguments supporting the need for such an additional instrument are based on facts and examples. Therefore it is necessary to take stock of those cases in which ports did not succeed in obtaining compensation for damage caused by a (non-oil-tanker) vessel in distress that was allowed entry into the port. Clearly, if practical examples illustrate serious compensation problems, the need for an additional financial instrument can be argued more effectively. The Committee on Legal Protection of IAPH (CLP) therefore invites member ports to submit details of such incidents as soon as possible to CLP's Vice Chairman, Frans van Zoelen <zoelenf@port.rotterdam.nl>. (An article on this issue appeared in the December 2002 issue of "Ports and Harbors".)

As a result of the discussions in the meeting it was decided that CLP will be requested to provide the IAPH membership with information on existing international compensation instruments.

4. Maritime and Port Security, latest developments

Mr. Van der Kluit briefly outlined the possible consequences for ports of the expected outcome of the IMO Diplomatic conference on Security that was being held in the same week as the Ngorongoro meetings. As to the possible cost involved, figures from the American Association of Port Authorities (AAPA) were quoted: for the 80 US members of AAPA, the total cost was estimated to run at about US\$2.2 billion!

He then referred to a number of security initiatives from the US authorities that could impact on IAPH member ports outside the US, such as the Container Security Initiative (CSI), the Customs-Trade Partnership Against Terrorism (C-TPAT) and the 24-hour rule requiring cargo manifests to be submitted to US Customs 24 hours before the cargo is loaded on board.

Of particular interest is the newly adopted Hollings-Graham Port Security Legislation in the US. This new law authorizes the Secretary of Transport to audit foreign ports on their security arrangements. If these are considered insufficient, ships from these ports could face problems on entry into US waters. It could even lead to them being refused entry into US ports. It was decided that information on how to find details of this law on the web would be posted on the IAPH website.

He then described briefly the proposed co-operation between IMO, ILO and Industry Organizations to produce port specific guidance on port and port facility security measures. Work on this guidance is planned to start early in 2003.

5. Mooring lines

The meeting was advised of the joint submission of IHMA and IAPH to IMO with detailed information on accidents related to failing mooring lines. The submission was made to impress upon the IMO member states the necessity to address this matter urgently and bring mooring lines under some sort of inspection regime, such as Port State Control.

6. PIANC Seminar "Habitats and Ports", Brussels, March 20, 2003

On request of the PIANC Secretariat the meeting received information on this PIANC Seminar that will address the implications for ports of the European Habitat Directive.

7. Meeting in Amsterdam of the Africa/Europe Region, February 19-21, 2003

The meeting was advised about the

progress in the preparations for this event that will be hosted by the Amsterdam Port Authority and all African and European members were urged to attend.

A preliminary programme had been prepared and this was available for potential participants.

8. Durban Conference, May 24-30, 2003

Mr. Gama, Conference Vice President, provided the meeting with the latest details. The programme is now finalized and all speakers have been firmly booked.

Special conference fees apply for early registration: (i.e. prior to February 28, 2003). An elaborate social and partner programme is part of the conference programme. The final programme will be mailed at the end of March/beginning of April 2003. Mr. Gama also mentioned the visit of IAPH President Someya to South Africa on which occasion the last small irregularities were ironed out.

9. 2003 Membership Directory

At request of IAPH Head Office certain members were requested to update their entries in the Membership Directory, since IAPH Head Office had not received these updates. To this end registration forms were made available.

10 Closure

In his closing remarks, Chairman Pieter Struijs advised the meeting that this was the last meeting on African soil that he would chair. Mr. Gama is at present the only candidate for the 3rd Vice President and his candidacy will hopefully be formalized at the Amsterdam meeting. When elected as 3rd Vice President in Durban, Mr. Gama will call for and chair the next Africa/Europe meeting.

The chairman then thanked the participants for their contributions and thanked the Africa/Europe members for their confidence in him over the past period.

In reply, Mrs. Phiyega from the

National Ports Authority of South Africa thanked Mr. Struijs for his visionary leadership: "Thanks to you Mr. Chairman, the Africa/Europe region is one of the most

active in the Association".

Her statement was received with a round of applause from the floor.

Mr. Goon Bids Farewell to IAPH Fellows



It is with great sadness that we have to announce Mr. Goon's resignation from the Executive Committee (EXCO) of IAPH. Mr. Goon Kok Loon, Deputy Group President and President of International Business Division, PSA Corporation Limited, retired from the company with effect from March 1, 2003 after 37 years of service.

His first involvement with IAPH was in 1974 when he attended the EXCO meeting in Auckland, New Zealand. Since then he was a regular attendant of Conferences, EXCO meetings and Regional gatherings. He also hosted a number of IAPH-related committee meetings in Singapore. He has been an EXCO member since 1991, and the Chair of Human Resources Development Committee since 1991.

We would like to express our great appreciation for his long-time contributions to IAPH, and sincerely wish him happiness and good health for years to come.

Dear Dr Inoue -san,

It is with a great deal of sadness that I announce my resignation from the Executive Committee of IAPH. I have opted to retire from PSA service and consequently I will no longer be a representative director from Singapore with effect from 28 Feb 2003.

It seems like only yesterday when, as a young management officer, I accompanied my then Chairman, Mr. Howe Yoon Chong to attend my very first IAPH EXCO Meeting in 1974 in Auckland, New Zealand. Over the intervening 29 years, I have met with and made enduring friendships with innumerable port executives worldwide. I shall always treasure the

bonds and camaraderie we enjoyed at each and every IAPH gathering, and the joyful greetings that ring out in recognition whenever old friends meet.

The IAPH Secretariat staff, too, are especially dear to me. Your unstinting support to the Members and dedication to the Organisation have been exemplary and would be hard to duplicate anywhere else. My good friend and long serving IAPH comrade, Kondoh-san, has always been my reference point in IAPH. And to him and dear Inoue-san and all the staff at the Secretariat I say "adieu" and may you all continue to enjoy good health and happiness in the IAPH for years to come.

Goon Kok Loon



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Visitors

Port Autonome de Marseille

Mr. Jérôme Giraud, East/West Trade Manager, Commercial Actions Department, Port Autonome de Marseille, visited IAPH Head Office on February 17 during his trade development trip to Japan. Accompanied by Ms. Lisa Liu, Project Executive, Fleetworld Limited, he was received by Rinnosuke Kondoh, Deputy Secretary General, and exchanged views on the recent trade affairs in the region.



Informa UK Ltd.

On February 18, Mr. Patrick Hitchen, Publishing Director, Magazines & Directories, Informa UK Ltd. visited IAPH Head Office to meet his old friend, Rinnosuke Kondoh. They exchanged views and information on the current state of maritime security.



Tarragona

On February 19, the delegates of the Port of Tarragona, Spain (led by Mr. Lluís Badia, President of the Port of Tarragona), visited the Head Office and met with Rinnosuke Kondoh, in the absence of Dr. Satoshi Inoue who was in Malaysia to attend the Regional Meeting. The Tarragona Port Mission, comprising nearly 30 persons representing various business sectors of the Port, visited Japan for the purpose of



From L to R: Mr. Joan Basora, Head of staff to the President; Mr. Josep Salto, President of "APPORT", Tarragona Port Promotion Association; Mr. Lluís Badia, President, Tarragona Port Authority; R. Kondoh, IAPH; Mr. Hiroshi Ozaki, Far East Representative of Tarragona Port Authority; Mr. Antoni Casablanas, Director of Finance and General Management, Tarragona Port Authority; Mr. Jose Arques, Deputy Minister of Public Works, Catalan Government

promoting trade with Japan and organized various campaigns during their visit. On the same day, the delegates visited the Tokyo Port Observation Hall and received a lecture on the port and urban development.

Naha

On February 25, Mr. Toshio Tsutsumi, Executive Vice President, Naha Port Authority, visited IAPH Head Office to meet with Dr. Satoshi Inoue, Secretary General, to exchange views on the current situation of trade in the region.



Membership Notes

New Members

Regular Members

Autoridad Portuaria de Sevilla [Spain]

Address: Avda. Molini No6, 41012 Sevilla, SPAIN
Attn.: Mr. Manuel A. Fernandez Gonzalez, President
Phone: +34-95-424-7300
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E-mail: fgarcia@puertosantander.com
Website: <http://www.puertosantander.com>

Associate Members

Hellenic Slops S.A. [Greece]

Address: 51, Akti Miaouli Str., 185 36-Piraeus, GREECE
Attn.: Mr. M. Psaromichalakis, Operation Department
Phone: +30-210-4293450-5
Fax: +30-210-4293888
E-mail: info@slops.gr
Website: <http://www.slops.gr>

Liverpool Water Witch Marine & Engineering [U.K.]

Address: Navigation House 2-6 Lightbody Street, Liverpool LS9UZ, UK
Attn.: Ms. Jackie Caddick, Director
Phone: +44-151-207-4874
Fax: +44-151-298-1366
E-mail: sales@waterwitch.com
Website: <http://www.waterwitch.com>

Changes

Regular Members

Korea Container Terminal Authority [Korea]

President: Mr. Kim, Young-Nam

THE STATUS OF EAST ASIAN HUB PORTS IN GLOBAL LOGISTICS



Dr. Mariner Wang

Associate Dean, International Affairs
Professor, College of Asia Pacific Management
Ritsumeikan Asia Pacific University

1990s saw the vigorous expansion of international trade in East Asia generating a remarkable record of high and sustained economic growth unmatched by any other region in the world. In line with this, container tonnage in the region has been ever increased annually. In 1996, shortly before the Asian currency crisis in 1997, the share of East Asia in the world container market rose to 42.7 percent from 28.5 percent in 1985—the year when the Plaza Accord was signed expediting drastic yen appreciation against the US dollar.

In light of drastic surge of container tonnage in East Asia, the governments in the main ports of the region have been plunging substantial investment in expanding and developing new container terminals to cope with the ever increased import and export cargoes out/from this region.

The year 2000 also saw an economic rebound in East Asia. World trade demonstrated 7.1% growth against 4.5% in 1999 and the share in the world container market rose to 50.2 percent in the same year. By 2010 its share is forecasted to rise to around 52.4 percent, making East Asia the world center of liner shipping operations.

1. Introduction

After World War II, East Asia [Japan, China, the Asian NIEs, ASEAN 4] has enjoyed a remarkable record of high and sustained economic growth which grew faster than all other regions of the world [1]. East Asia's economic prosperity can be proven by its real GDP growth rate. In the period between 1980-2000, the Asian NIEs (Hong Kong, Singapore, Taiwan, Korea), ASEAN 4 (Philippines, Malaysia, Thailand, Indonesia) and China have experienced average real GDP growth of 7.3, 5.9, 9.6 percent respectively compared to an average 3.2 percent world-

wide, 2.8 percent in Japan, and 2.6 percent in the U.S. and 2.3 percent in the EU (see figure 1).

The contrast is even more pronounced when the growth of per capita income across developing regions is compared. The high economic growth in East Asia, particularly the Asian NIEs, which has been showing high real GDP growth rate in comparison with other regions or countries during the period between 1980-2000 is, en facto, closely related to the booming international trade being conducted regionally and globally, imparting to East Asia an extraordinary dynamism which greatly changed the

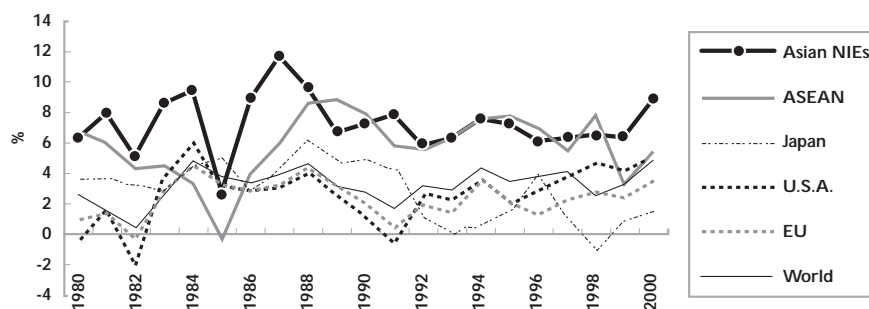
shipping environment in East Asia.

East Asia's economic prosperity can be dated back to the September 1985 "Plaza Accord" by the Group of 5 (the U.S., Germany, Britain, Italy, and Japan) intervening in the currency markets to drive the dollar drastically low against the Japanese yen, expediting the second wave of Japanese enterprises' overseas forays in Asia region. Other factors including the substantial appreciation of the Korean and Taiwan currencies, labor shortages which induced soaring wages since 1988, as well as the drastic appreciation of the yen during 1991-1995 which also helped the Taiwanese and Korean enterprises to survive in international competition. In response to the impending difficulties, Japanese, Taiwanese, and Korean enterprises were forced to shift their production from the Asian NIEs to ASEAN countries and China. As a consequence, the value of international trade and the ratio of trade reliance in East Asia have grown enormously, thereby generating a remarkable record of high and sustained economic growth unmatched by any other region in the world.

Triggered by this force, the volumes of shipping have risen steeply, generating a large concentration of container tonnage in East Asia. For years, ports in East Asia have been accounting for half of the world top 10 container ports. Of particular note, taking year 1997 for instance, the container throughput of four hub ports in the Asian NIEs accounted for almost one fourth of the global total. What's more, in year 2001, port Shanghai surpassed port of Rotterdam joining port of Hong Kong, Singapore, Kaohsiung, and Pusan as the top five out of the world top 10 container ports (see figure 2).

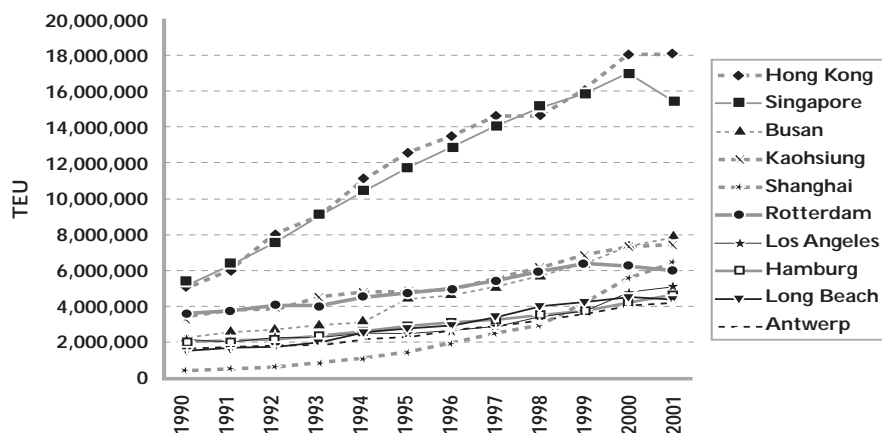
The drastic economic growth of East Asia was certainly not accomplished overnight. In the 1960's Japan became the focus of global attention as an emerging economic power catching up with the U.S. and Europe. The economic growth in Japan was soon followed by the Asian NIEs (particularly, Taiwan and Korea), then ASEAN countries came to realize their vast potential for dynamic progress. Next, China started a giant stride. In other words, in East Asia, one country after another has played the role of a forerunner, pulling the rapid economic growth of the entire region. This is the single most important factor behind

Figure 1. Real GDP Growth Rate of Asia in Comparison to Other Countries/Regions in the World



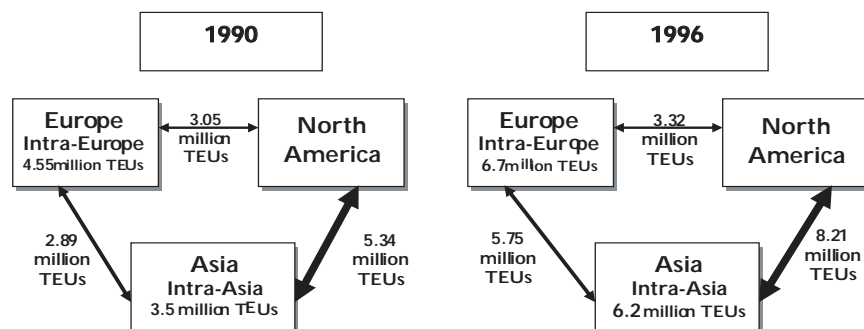
Note: Real GDP growth rates are calculated by simple average.
Source: International Financial Statistics Yearbook, 1998, 2002, IMF.

Figure 2. Annual Throughput of World Top 10 Container Ports (1990-2001)



Note: The drop in 2001 of Singapore's throughput was due to the Maersk Sealand's terminal shift to Port of Tanjung Pelepas (PTP), Malaysia in December 2000.
Source: 1) Containerisation International Yearbooks, 1992-2001.
2) Containerisation International, March 2002.

Figure 3. The Weight of Intra-Asian Service in the World Container Traffic



Source: Nippon Yusen Kaisha Research Division.

the rapid upswing of East Asia on the global scene [2].

This paper falls into four main sections. The first discusses the surge of container transportation in East Asia. The second analyzes the weight of East Asia in global container tonnage. The third illustrates the expansion and development of container terminals in the main ports of East Asia, while the final section concludes by discussing the pos-

sible sustainability of container tonnage in East Asia toward the 21st century.

2. Surge of Container Transportation in East Asia

Figure 3 illustrates the world's container traffic flow in 1990 and 1996. In 1990, the world's top trade line—the Trans-Pacific (Asia/North America) service handled 5.34 million TEUs, however,

in 1996, right before the “1997 Asian Financial Crisis”, the traffic volume reached to 8.21 million TEUs, an increase of 54 percent over that in 1990. On the other hand, during the same period the container volume handled in the Asia/Europe service, which is second to the trans-Pacific service in terms of container tonnage, was 2.89 million TEUs, however, in 1996 the traffic volumes reached to 5.75 million TEUs, a double increase over 1990.

In 1990, container traffic volume handled in the intra-Asian (Japan, China, the Asian NIEs, ASEAN 4) service was 3.5 million TEUs, accounting for 15 percent of the world's total container traffic volumes. In comparison, in the same year the container traffic volume handled in trans-Pacific service was 5.34 million TEUs and the volume in intra-European (EU) service was 4.55 million TEUs accounting for 22.8 percent and 19.4 percent of the world's total container traffic respectively.

It is understandable that the scale of 1990's container traffic handled in the intra-Asian service could hardly compare with that in the Trans-Pacific and the intra-European (EU) service; however, it surpassed the traffic volume in the Asia/Europe service's 2.89 million TEUs and the Trans-Atlantic service's 3.05 million TEUs which accounted for 12.3 percent and 13 percent of the world's container traffic. However, in 1996, the container traffic volumes in the intra-Asian service reached to 6.2 million TEUs accounting for 16.6 percent of the world's total container traffic. The figure could hardly rival the scale of the trans-Pacific service's 8.21 million TEUs which stood at 22 percent of the world's container traffic.

Furthermore, it paralleled that of the intra-European service, and largely outpaced that of Asia/Europe service's 5.75 million TEUs as well as the trans-Atlantic service's 3.32 million TEUs which shared 15.4 percent and 8.9 percent respectively. Clearly, the intra-Asian service, with its buoyant economic growth, has become the newly emerging force of the world container traffic services [3].

3. The Weight of East Asia in Global Container Tonnage

As has been already mentioned, the container traffic tonnage in intra-Asian service, particularly in the Asian NIEs has been increasing substantially during the last decade. In this section, we would like to look into the position of East Asia as well as the Asian NIEs in

Table 1. The Position of Ports of East Asia, the U.S. and the EU 10 in the World Total Container Throughput (Unit:1,000 TEUs)

Country	1985	1990	1995	1996	1997	1998	1999	2000	2000/1985
Japan	5,517	7,956	10,604	11,033	10,892	10,523	12,104	13,621	2.5
%	9.9%	9.3%	7.7%	7.3%	6.7%	6.2%	6.0%	6.0%	
Port of Hong Kong	2,289	5,101	12,550	13,460	14,567	14,582	16,210	18,100	
Port of Singapore	1,699	5,224	11,846	12,944	14,135	15,136	15,945	17,040	
Port of Kaohsiung	1,901	3,495	5,053	5,063	5,693	6,271	6,985	7,426	
Port of Pusan	1,148	2,348	4,503	4,725	5,234	5,946	6,440	7,540	
Asian NIEs Hub Ports	7,037	16,167	33,952	36,192	39,629	43,143	45,580	50,106	7.1
%	12.6%	18.9%	24.7%	24.0%	24.2%	25.4%	22.4%	22.2%	
Taiwan	3,075	5,451	7,849	7,866	8,516	8,858	9,758	10,511	
South Korea	1,246	2,348	4,503	5,078	5,637	6,460	7,014	8,530	
Asian NIEs	8,309	18,124	36,748	38,995	42,452	45,036	48,927	54,181	6.5
%	14.9%	21.2%	26.8%	25.9%	25.9%	26.5%	24.1%	24.0%	
Philippines	638	1,408	1,892	2,336	2,507	2,442	2,966	3,605	
Thailand	400	1,078	1,962	2,052	2,100	2,639	2,892	3,269	
Indonesia	229	924	2,048	1,764	1,920	2,000	3,552	3,864	
Malaysia	389	888	2,075	2,550	2,976	3,026	3,978	4,613	
ASEAN 4	1,656	4,298	7,977	8,702	9,503	10,107	13,388	15,351	9.3
%	3.0%	5.0%	5.8%	5.8%	5.8%	6.0%	6.6%	6.8%	
China	446	1,204	4,682	5,238	5,788	10,126	13,181	17,383	40.0
%	0.8%	1.4%	3.4%	3.5%	3.5%	6.0%	6.5%	7.7%	
East Asia	15,928	31,582	60,011	64,321	69,038	75,792	87,600	100,536	6.3
%	28.5%	36.9%	43.7%	42.7%	42.2%	44.7%	43.1%	44.6%	
U.S.A.	11,533	15,245	19,104	21,777	23,758	24,165	25,165	27,301	2.4
%	20.6%	17.8%	13.9%	14.4%	14.5%	14.2%	12.4%	12.1%	
EU 10	14,782	19,697	26,846	28,848	33,187	37,040	39,937	43,892	3.0
%	26.4%	23.0%	19.6%	19.1%	20.3%	21.8%	19.7%	19.5%	
Others	13,660	19,073	31,278	35,807	37,761	31,640	34,294	35,465	2.6
%	24.4%	22.3%	22.8%	23.8%	23.1%	18.7%	16.9%	15.7%	
World	55,903	85,597	137,239	150,753	163,744	169,637	203,207	225,294	4.0

Note1): The EU10 refers to United Kingdom, Germany, France, Holland, Italy, Spain, Belgium, Portugal, Greece, and Denmark.

Note2): Statistical Abstract of Transportation and Communications, 2000, Republic of China, Department of Statistics, Ministry of Transportation and Communications.

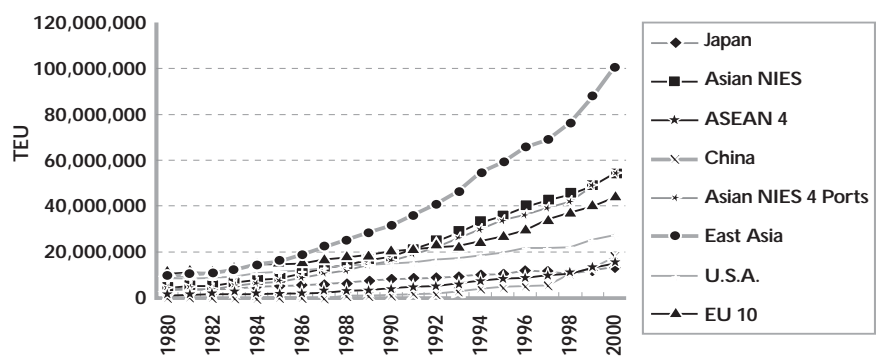
Source: Containerisation International Yearbook, 1983-2002.

the world in terms of container tonnage.

Table 1 demonstrates the container throughput by port, region and country basis as well as their weight in comparison to the world's total container traffic from 1985 to 2000. As is evident from the table, during the period of 15 years the container throughput in East Asia rose from 15.9 million TEUs to 118.6 million TEUs accounting for 28.5 percent and 44.6 percent out of the world's total container tonnages respectively.

If looking more minutely into the hub ports of the Asian NIEs, it can be found that during the same period the weight of ports in the Asian NIEs out of the world's container throughput rose from 14.9 percent to 24.0 percent (25.9 percent in 1996). It is also surprising to find that during the same period the percentage of total container throughput at the Asian NIEs' main port Hong Kong, Singapore, Kaohsiung and Pusan rose from 12.6 percent to an astounding 22.2 percent (25.4 percent in 1998), accounting almost for one fourth of the world's container tonnages. In comparison, ports in the ASEAN 4 rose from 3.0 percent to 6.8 percent; ports in China rose from 0.8 percent to 7.7 percent; while the U.S.

Figure 4. Weight of East Asia, the U.S. and the EU 10 in World Container Traffic Volume (1980-2000)



Note: The EU10 refers to United Kingdom, Germany, France, Holland, Italy, Spain, Belgium, Portugal, Greece, and Denmark.

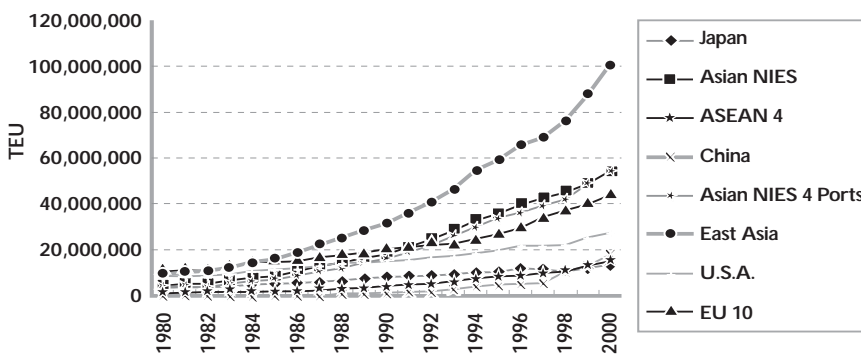
Source: Containerisation International Yearbook, 1983-2002.

declined from 20.6 percent to 12.1 percent; the EU 10 declining from 26.4 percent to 19.5 percent. It is apparent that those hub ports in the Asian NIEs have contributed largely to the substantial growth of container traffic tonnages in East Asia as a whole [4].

Figure 4 and figure 5 indicate the volume and percentage of container traffic handled by East Asia, the U.S. and the EU 10, as well as their weight in the

world's total container traffic volume during the period of 1980-2000. As can be seen from figure 4, during the period of 20 years the volume of container traffic handled by East Asia, particularly the Asian NIEs, has been demonstrating conspicuous increase annually. In 1980, the EU 10, East Asia, and the U.S. were the top three container traffic regions in the world; however, in 1984 the container traffic volume of East Asia (14.84 mil-

Figure 5. Volume Percentage of East Asia, the U.S. and the EU 10 in World Container Traffic (1980-2000)



Note: The EU10 refers to United Kingdom, Germany, France, Holland, Italy, Spain, Belgium, Portugal, Greece, and Denmark.

Source: Containerisation International Yearbook, 1983-2002.

lion TEUs) began to surpass that of the EU 10 (14.31 million TEUs), and has been increasing drastically ever since to become the hub of the world's container concentration which is unmatched by any country or region in the world.

In contrast, during the same period, the traffic volume in the EU 10 and the U.S. (10.9 million TEUs) has been demonstrating slow growth, ranking 2nd and 3rd in container tonnage respectively. As a consequence, the gap of traffic volumes between East Asia and the EU 10, as well as the U.S. became ever larger since 1984. In 2000, the differences in container traffic volumes between East Asia and the EU 10, as well as East Asia and the U.S. were among the largest; 56.6 millions TEUs and 73.2 million TEUs respectively, which was unprecedented in maritime history. As a result, the percentage of East Asia in the world's total container traffic volume has reached 44.6 percent in 2000 compared to its 24.4 percent in 1980.

Also, special attention should be paid to the percentage of container traffic of the Asian NIEs out of world's total container traffic volume. In 1986, they demonstrated a drastic increase to 17.4 percent, a 27.7 percent increase over the previous year (1985) in which the G5 agreement expedited Japanese enterprises' foray (labor intensive production) in the Asian NIEs, thus, by exporting the plant equipment, parts and etc., generating a substantial container concentration in this region. The percentage reached to 24.0 percent in year 2000. In comparison, during the period from 1985 to 2000 the percentage of container traffic of the EU 10 out of world's total container traffic volume dropped from 26.4 percent to 19.5 percent and the that of U.S. from 20.6 percent to 12.1 percent.

From this phenomenal change, it can

be construed that the center of global container traffic has been shifting from Europe and U.S. to East Asia.

4. Expansion & Development of Container Terminals in the Main Ports of East Asia

Through the early 1970s Japan consolidated its economic and trade position, spurring the shipping services to expand substantially. By contrast, it has been the emergence of East Asia, particularly the Asian NIEs from the 1960s through the 1970s and 1980s to the present, and more recent rapid economic growth in southeast Asia that underlie containerization and the development of container handling capacity in the region's ports. Over the last decade, shipping market in East Asia has emerged as exceptional generator of container traffic. The Asian NIEs are among the most successful industrialized countries in the developing world. The rapid and sustained growth of international trade and container tonnage in East Asia, particularly Hong Kong, Singapore, Pusan and Kaohsiung as the hub ports in the mid-1990s can be attributed to the foreign direct investments boom, particularly from Japan into this region.

The port of Hong Kong, as a major mainline or regional transport mega-hub, dominates the central cluster, and its continuing high growth reflects the rapid economic development in southern China as well as its central position and significance. Given its business friendly environment and world class infrastructure, The port of Hong Kong is not only blessed with its unique geographical location bearing mainland China as the hinterland, but also plays the vital role as the entrepôt for container transshipment for both Asia/North America and

Asia /Europe traffic lines. Additionally, it provides the feeder services for the export and import cargoes between inland of China and the adjacent Pearl River Delta. For those reasons, the port of Hong Kong has been the leading container port in the world for many years.

Growth at the port will be boosted by the time the \$2 billion container terminal 9 comes on stream. Once completed, the new facility will occupy an area of 70 hectares of reclaimed land and will consist of four deep-sea berths and two feeder berths.

The port of Singapore is the load center of container ports in Southeast Asia. The focus of expertise in the port of Singapore has mainly been in the fields of containerized freight and logistics. As a maritime hub encompassing the whole range of services, Singapore, with ongoing liberalization of financial and telecommunication services, will be an even bigger attraction to more carriers to call [5].

PSA Corporation's globalization efforts have now become a significant part of the group's business. Despite the global economic slowdown in 2001, PSA Corporation's international throughput grew 32.8 percent over 2000. Since embarking on its first project in port of Dalian, China in 1996, PSA Corporation's international business has achieved tremendous growth. From 0.2 million TEUs in 1996, throughput handled outside Singapore reached to 3.61 million TEUs in 2001, a compounded growth of 78.3 percent per annum. Up to March 2002, PSA Corporation has been involved in developing, managing and operating thirteen overseas ports in eight countries (Negara Brunei Darussalam, China, India, Italy, Portugal, South Korea, Yemen and Belgium) [6] around the globe. The thirteen that are in operation handled a throughput of 3.61 million TEUs in 2001, a compounded growth of 78.3 percent per annum. The other three, Sines Container Terminal in Portugal, and Incheon Container Terminal in South Korea as well as Hibikinada in Japan are due to come on stream in 2003 and 2004 respectively.

PSA Corporation's global network widened significantly when Belgian terminal operator Hesse Noord Natie was brought into the fold in March 2002. The acquisition of 80 percent of Hesse Noord Natie, or HNN, is PSA Corporation's largest single foreign investment to date and give it a strong foothold in the North European market. Additionally, in 2001, PSA Corporation also began on the Greenfield port developments in South Korea and Portugal [7]. These projects

are expected to contribute significantly to PSA Corporation's growth and have attracted international attention to the group (see table 2).

Moving ahead, PSA Corporation will vigorously pursue overseas expansion and the development of its IT (Information Technology) services. In 1999, PSA Corporation and Hong Kong's China Merchants Holdings (CMH) Group have formed a new logistics company in China named the China Merchants-PSA Logistics Network Co. Ltd. Aiming to be a full-fledged logistics providers, the company has since secured a number of logistics contracts in major cities including Shanghai, Guangzhou, Tianjin with multi-national companies and their representatives, such as Philips Lighting

and Tiat Trading, the distributor for Heineken Beer and Evian Natural Spring Water. It is actively looking for prospective partners to set up regional logistics centers so as to build up a pan-China logistics network.

On the technology front, year of 2000 has seen PSA Corporation spin off its IT/e-commerce arm into a separate subsidiary company. For example, Portnet.Com is aiming to introduce PORTNET [8] –the world's first and only truly nation-wide and industry-wide e-business network that has the participation of the entire shipping and port community operating through Singapore to ports and around the world. It has successfully implemented customized versions of PORTNET in Dalian, China, and in Italy,

and is developing another for Port of Seattle, USA.

PSA Corporation has also teamed up with P&O Ports to acquire a stake in P-Serve Technologies (PST), a provider of internet-based track and trace solutions. Under an agreement signed by the three parties, PST will provide the infrastructure and project management while PSA Corporation and P&O will market the solution, eLogicity, to their customers through their respective ports and logistics business.

The port of Kaohsiung, with its geographical advantage located along the southwestern coast of Taiwan on the key trade lanes running through the Taiwan Strait and the Bashi Channel, is the largest international seaport in

Table 2. PSA Corporation's Overseas Container Terminals Investments

Container Terminal	Votri	Venice	Aden	Muara
Country	Italy	Italy	Yemen	Negara Brunei Darussalam
No. of Berths	4/2*	3	2	1
Total Quay Length	1,400 m	510 m	1,700 m (Phase 1)	250 m
Draft	15.0 m	9.0 m	16.0 m	12.5 m
Stacking Area	350,000 m ²	54,600 m ²	350,000 m ²	62,000 m ²
Container Handling Equipment	8 quay cranes 13 yard cranes	4 quay cranes 8 yard cranes	4 post panamax quay cranes 8 yard cranes	2 quay cranes 5 reach stackers
Terminal Capacity	870,000 TEUs	300,000 TEUs	500,000 TEUs	220,000 TEUs
Operation	1998+	1998+	1999+	1999+
Container Terminal	Dalian	Fuzhou Quingzhou	Fuzhou Aofeng	Fuzhou Jiangyin
Country	China	China	China	China
Number. Of Berth	4	2	1	–
Quay Length	1,113 m	519 m	156 m	–
Draft	12.0-14.0 m	11.7 m	6.5 m	–
Stacking Area	392,000 m ²	66,000 m ²	6,300 m ²	–
Container Handling Equipment	7 quay cranes 23 yard cranes	2 quay cranes 8 yard cranes	1 fixed crane 2 reach stackers	–
Terminal Capacity	1,500,000 TEUs	340,000 TEUs		–
Operation	1996+	1998+	2002+	2002+
Container Terminal	Guangzhou	Tuticorin	Pipavav	Zeebrugge
Country	China	South India	India	Belgium
Number of Berth	6	2	2** /1***/1 ****	3
Total Quay Length	–	370 m	975 m	–
Draft	–	11.9 m	13.5 m	–
Stacking Area	–	55,000 m ²	100,000 m ²	–
Container Handling Equipment	–	2 quay cranes 4 rubber-tyred gantry cranes	2 quay cranes 5 yard cranes for phase 1	–
Terminal Capacity	1,000,000 TEUs	200,000 TEUs	200,000 TEUs	–
Operation	2001+	1999+	1998+	2002
Container Terminal	Antwerp	Hibikina	Sines	Inchon
Country	Belgium	Kitakyushu, Japan	Portugal	Korea
Number of Berth	3	4 (1st phase)	3	3
Total Quay Length	–	1,400 m	940 m	900 m
Draft	–	2 berth x 15 m 2 berth x 10 m	16.0-17.0 m	12.0-13.0 m
Stacking Area	–	360,000 m ²	–	–
Container Handling Equipment	–	–	–	–
Terminal Capacity	–	500,000 TEUs	1,400,000 TEUs	–
Operation	2002+	2004++	2003++	2004**

Note 1: * denotes car carrier and Ro-Ro Berth, ** denotes general cargo berth, *** denotes bulk berth (to be converted to container berth in phase 1), **** denotes liquid berth.

Note 2: + denotes ports under operation; ++ denotes ports plan to operate.

Source: Based on the data provided by PSA Corporation.

Taiwan and also an ideal hub port for transshipment for the export cargoes between the west coast of North America to southeast countries. Furthermore, owing to the opening of direct sailing between port of Kaohsiung and port of Xiamen and Fuzhou (Fujian Province) in China in 1997, it provides port of Kaohsiung more room for securing the transshipment cargoes from North America and China. In the past two decades, port of Kaohsiung has made significant contributions to the R.O.C. (Republic of China) economy. For instance, the Export Processing Zone (EPZ), situated on the Chungtao Peninsula in the harbor, is a huge complex of factories and offices that brings in raw materials and parts duty free for manufacturing and export. In addition, the port Kaohsiung provides one of the world's largest shipwrecking facilities. Of particular note is the privatization of stevedoring services in January 1998 which is regarded as one of the reasons for the double-digit growth (11.4 percent) in container throughput reaching to 6,985,361 TEUs in 1999 and 7,425,831 TEUs in 2000 [9].

Table 3 provides data illustrating the double-digit growth in inbound/outbound vessels numbers, container throughput at the container terminal and cargo throughput (container + general cargo), as well as the hourly handling capability at the conventional terminal after the privatization of stevedoring services in the port of Kaohsiung.

The port of Pusan, lying on the southeast coast of Korean peninsula facing the Korea Strait, plays a pivotal role as the transshipment hub in northeast Asia bridging between port of Vladivostok and Vostochny in Russia, port of Dalian, Qingdao, Lianyungang in north China, 58 ports (8 main ports and 50 domestic ports) in Japan, Southeast Asia as well as North America and Europe. This geographical advantage allows the port of Pusan to join the league of top 10 container ports in the world.

The 2000 increase of 17.1% in containers handled in South Korea jumped by its highest margin since the 1995 Kobe earthquake when South Korea won a big piece of Japan's transshipment cargo. Container throughput is expected to increase annually because South Korea's role as a logistics hub for north Asia becoming more and more realistic.

Additionally, the Korean government, with a view to attaining balanced national land development and to smoothly cope with the drastic increase of container volume resulting from brisk Korean economic growth, in 1994 con-

Table 3. Comparison in Inbound/Outbound Vessel, Cargoes Throughput before/after the Privatization of Stevedoring Services at the Port of Kaohsiung

Items		Unit	Performance during January-March, 1998	Percentage Increase over January-March, 1997
Vessels	Total	Number	8,312	+13.09%
		Tonnage	140,987,381	+11.33%
	Inbound	Number	4,160	+13.29%
		Tonnage	70,662,313	+11.17%
	Outbound	Number	4,152	+12.89%
		Tonnage	70,325,068	+11.49%
Container Cargo	Throughput	TEU	1,401,739	+12.85%
Container + General Cargo	Throughput	Ton	28,447,909	+20.36%
Conventional Terminal	Throughput	Ton/hour	98.5	+13.00%

Note: MPH=Movement Per Hour. Source: Kaohsiung Port Bureau.

Table 4. Layout of Kwang Yang Container Terminal

	Total	1st phase	2nd phase	3rd phase	4th phase
Period	1987-2011	1987-1997	1995-2003	1999-2008	2002-2011
Number of Berth	33	4	8	1999-2007 (4) 2005-2008 (3)	14
Quay Length (m)	11,700	1,400	2,300m	2,450m	5,500m
Vessel Calling Capacity (DWT x Vessel)	50,000 x 24 20,000 x 4	50,000	50,000 x 4 20,000 x 4	50,000	50,000
Draft (m)	15	15	15	15	15
Annual Handling Capability (TEU)	8,280,000	960,000	1,440,000	1,680,000	4,200,000
Terminal Operator	-	• Global Enterprise • The Korea Express • HPH • Hanjin Shipping	• Dong Bu Express • KIT	-	-

Note: HPT denotes Hutchison Port Holdings; KIT denotes Korea International Terminal. Source: Korea Container Terminal Authority.

signed Korea Container Terminal Authority (KCTA) to launched an intensive short, middle and long term port development projects. Those projects incorporated into the middle term projects include port development and expansion projects in Gamman port known as Pusan port 4th phase development (1991-1997)—an unprecedented case in the history of port development in Korea as Korean government invited the capital from private sectors (carriers); port of Kaddo – Pusan New Port (2001-2007) and port of Kwangyang (1st phase: 1987-1997, 2nd phase: 1995-2003) located about 50 kilometers and 170 kilometers to the west to Pusan city respectively; South port of port of Inchoen (2001-2003), while the long term projects are the 3rd phase (1999-2008) and the 4th phase (2002-2011) of port of Kwangyang (see table 4).

Upon completion of 2nd phase development (4 berths for 50,000 DWT, 4 berths for 20,000 DWT class vessel) in 2002, the port of Kwangyang would have the capacity to handle 2.4 million TEUs annually [10] out of the total capacity of

8.28 million TEUs when smoothly complete in year 2011.

The construction of Pusan New Port requires 3.70 trillion won and 2.45 trillion won respectively. Exclusively for containers, the consortium of builders and operators includes Samsung (27.5%), Hyundai (16.5%), Hanjin (12.5%) and KCTA (9.0%). The consortium will construct a container terminal capable of accommodating seven 50,000 DWT and three 20,000 DWT container vessels in the 1st phase development, as well as eight 50,000 DWT and six 20,000 DWT container vessels in the 2nd phase development together with backup facilities. In comparison, the construction of 3rd phase and 4th phase development requires 844.6 billion won, and is with the capability of accommodating ten 50,000 DWT container vessels. In the year 2011 when the long-term Pusan port development plan is completed, there will be 65 berths, with annual container handling capability 15.75 million TEUs, coming into operations. Another upgrade for the entire Pusan port is to spend some 58 billion won deepening

the quayside channel to 15 meters from the current 13 meters.

As South Korea adds container capacity, this will fuel the preference for container lines to use Pusan as a hub to avoid expensive Japanese facilities and also access the increasingly attractive mainland China market.

In addition, the restoration of rail links between North and South Korea [11] triggered by the Seoul-Pyongyang rapprochement in 2000 will be an opportunity for both South and North to make another great leap forward, coupled with the above mentioned ambitious port expansion plans will strengthen the Korean Peninsula's claim to be a major hub of northeast Asia [12].

Special attention should be paid to the ports in China [13]. In recent years, Chinese exports have moved into high gear to supply the needs of swelling world trade, and the port of Shanghai is a big beneficiary from a huge expansion in trade to the East and West Coast of the U.S. Container throughput at Shanghai was surprisingly resilient in 1998, it handled 3.05 million TEUs in 1998, up 21 percent on the previous year's 2.53 million TEUs, placing Shanghai tenth in the world ranking—the first time in recent memory that the port was placed in the global top 10 largest ports [see figure 6]. Despite growing concern that operational capacity is being squeezed, Shanghai continued to occupy a lofty perch way at the head of the Chinese pack.

The port of Shanghai has been retaining its position as the mainland's leading container port. In 2001, it demonstrated an 11 percent increase in box traffic over year 2000 to 6.33 million TEUs, placing Shanghai port as the fifth in the world rankings. The remarkable nature of this achievement is due to the sustained investment in new terminals and the

introduction of world-class port management expertise in Hutchison Port Holdings to manage Shanghai Container Terminals (SCT). These factors have driven the rapid ascent of Shanghai port through the world rankings [14].

Furthermore, throughput at the South China port complex of Shenzhen district-port of Shekou, Yantian and Chiwan—also can't be ignored. In 1999, they posted a huge 53 percent rise in throughput to 2.98 million TEUs. In 2000 containers transported in and out of Shenzhen district reached 3.99 million TEUs, up 33.8 percent over last year, and in 2001 Shenzhen port handled 5.1 million TEUs. This has collectively push the Shenzhen complex comprising Shekou Container Terminals (SCT), Kaifeng Terminal (KFT) and Yantian International Container Terminals (YICT) into the top 11 of the world's container ports in 2000. Undoubtedly, Shenzhen port will continue to be a major challenger for Hong Kong's market share [15].

Additionally, being attracted by the buoyant economic growth in southern China as well as the opening of direct sailing between Taiwan and China as aforementioned, Maersk-Sealand in year 2000 has revamped its China-Europe routes to include the port of Xiamen and Fuzhou as it expanded capacity in line with the strong growth. The port of Xiamen and Fuzhou, which are located across the Straits of Taiwan, benefited from a mix of new direct call liner services to/from Europe and North America and the growing relay trade to/from Taiwan. The container throughput of those two ports increased by 30.7 percent /28.0percent in 1999 and 27 percent/25 percent in 2000 respectively [16]. On the basis of China's continuing economic development and the access into the World Trade Organization (WTO) in

2001, it demonstrated double-digit growth at the nation's ports.

5. Conclusion

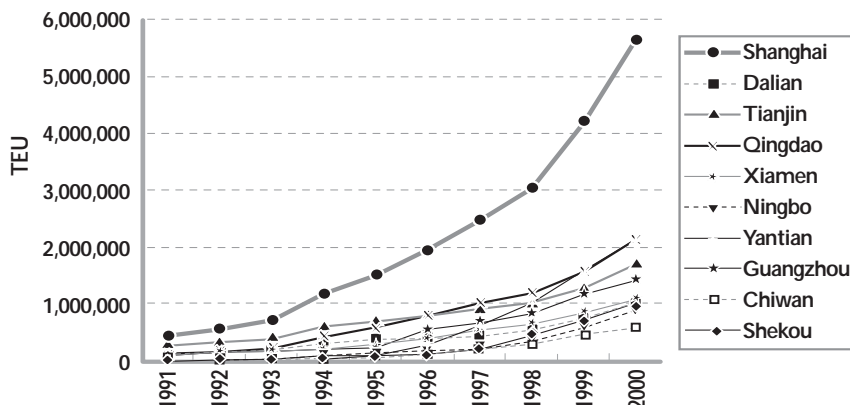
The concentration of container tonnage in East Asia and the intensity of operations are significant not only in regional but also in global terms. Nor is it the simple magnitudes involved that make regional concentration significant. It is also the way in which the ports are linked together into global and regional shipping networks. The mainline of hub/feeder structure focuses on large flows of containers and shipping capacity on to a small number of extremely efficient ports; this, combined with the further distribution capacity of these ports, gives East Asia particular significance at both a global and a regional scale.

1999 saw the economic rebound in Asia long after the financial crisis originating from the Thai Baht devaluation in July 1997. The economic crisis-induced stagnant growth has come to an end. The Asian region has generally turned the corner and is now heading towards economic recovery though the growth is set to slow [17]. World economic growth and world trade are forecasted to improve further in 2000, with estimates for world trade growth at 7.1 percent against 4.5 percent in 1999. Given that a sustained economic cyclical upswing is now underway, the robust performance can be attributed to the acceleration of Asian economic recovery plus an upturn in transpacific shipments in the second half of 1999.

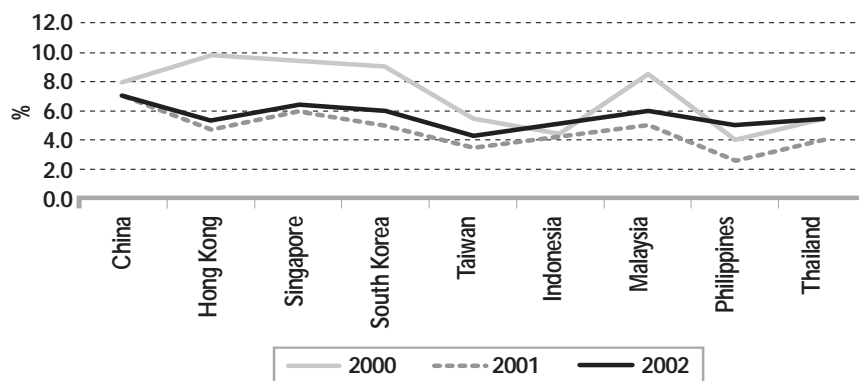
According to the analytic report from Containeirsation International Market Analysis 'The World Container Census 2001', global container output, after remaining largely static for several years, increased by 25 percent in 2000 to a new record high of more than 1.85 million TEUs. The rise in container production was firmly underpinned by improved global trade growth during 2000 and a record delivery of over 600,000 TEUs of additional vessel slots in the same year. Additionally, the world fleet of containers will grow by 40 percent over the next three years, to reach 20.9 million TEUs by 2005, representing a year-on-year growth of 8.5 percent.

Figure 7 illustrates the forecasted real GDP growth in East Asia from 2000 to 2002 surveyed by DB Global Markets Research. It reveals that the East Asian real GDP growth in 2000 outside Japan increased by from 4.0 percent in the Philippines to 8.0 percent in China, 9.0 percent in South Korea, 9.5 percent in Singapore, 9.8 percent in Hong Kong respectively, signaling an upward revision

Figure 6. Container Throughput at the Major Chinese Ports (1991-2000)



Source: Ministry of Transportation, China.

Figure 7. Forecasted Real GDP Growth in the East Asia (2000-2002)

Source: Based on the data from DB Global Markets Research.

of economic expansion in the region. However, East Asian real GDP outside Japan and China will increase by about 5 percent in 2001, down from 7 percent last year, and China will likely turn in about 7 percent. The reason for the regional slide is due to the factor that there just isn't enough domestic demand to offset the feared export slump as consumer spending in Asia is weakening. However, East Asia is more resilient and its vulnerability

to global deceleration is fairly limited.

As predicted by Ocean Shipping Consultants, the share of East Asia in the world container market is set to rise to around 52.4 percent in 2010—equal to a massive 244 million TEUs, making it the world center of highest intensity of liner shipping operations. In that decade, China and the second tier of industrializing countries will really begin to make their mark [18].

NOTES AND REFERENCES

- Major elements which contributed to the phenomenal economic development of East Asia: 1) In most countries of East Asia there is a strong national aspiration toward development which is shared not only by the government but also by the vast majority of the people. 2) In the process of realization of the national aspiration, public and private business sector successfully maintained an efficiently cooperative division of labor and established an export-oriented industrial structure. With few exceptions, East Asian governments demonstrated enlightened leadership with a right set of policy objectives. And at the same time, there was market-oriented private sector dynamism with abundant innovative entrepreneurship. Furthermore, both public and private sectors did not confront each other, rather, they supported each other. 3) Most East Asian countries enjoyed a high savings ratio, which enabled vigorous accumulation of domestic capital. Additionally, labor ethics in general were sound, which generated high productivity. 4) East Asia could enjoy favorable external support. In the first place, the U.S. provided a vast open market for the East Asian exports. It was also the U.S. which guaranteed the security of the region. Japan also played a crucial role in stimulating East Asian economic development by supplying capital, technology and managerial know-how since the 1980's.
- Mariner Wang (1999), *The Knowledge of Global Logistics in East Asia*, Bunrigaku (Kyoto, Japan).
- Mariner Wang, (1997), "The Rise of International Trade and Global Logistics in East Asia: The Case Study Emphasizing Asian NIEs", *Study of Shipping Economy*, 31, Japan Society of Shipping Economics, 117-135.
- Mariner Wang, (2000), *The Global Logistics System in East Asia*, Bunrigaku (Kyoto, Japan).
- Singapore's successful formula in constantly upgrading port facilities was being adopted by its neighbors. Singapore now is facing competition from Malaysia, with its new container ports, airport, highways, railway, and multimedia corridor. However, the Transport Ministry of Malaysia is going to introduce legislation compelling local exporters to use Port Klang. The policy is to increase the RM200 Causeway levy on Malaysian lorries leaving the country. The levy for lorries leaving via the Causeway might be increased by 100 percent to RM400 or more. The proposed law may not require local exporters to immediately use Port Klang for 100 per cent of their cargo, but compel them to reduce the amount dispatched via Singapore within a time frame. Currently, 40 percent of an estimated 3 million TEUs of local cargo were being exports via Singapore. Of this volume, 45 percent originated from the Klang Valley. For further details, see "Efforts to increase use of Port Klang", *New Straits Times*, July 17, 1998, 8 and "Malaysia vs. Singapore: A new spin in the anti-complacency drive", *Asiaweek*, January 17, 1997, 20.
- It is a 25-year contract with the government of Negara Brunei Darussalam to manage, develop and operate the Muara Container Terminal (MCT). The agreement, with an option for a five-year extension, was signed between the Bruneian Government and PSA Muara Container Terminal. The latter is a joint venture company between PSA and Brunei's Archipelago Development Corporation. MCT is the first fully equipped container terminal on the island of Borneo and is well positioned as a regional transshipment hub to serve the growth BIMP-EAGA (Brunei, Indonesia, Malaysia, Philippines and the East ASEAN Growth Area) region.
- See The PSA Corporation Annual Report 2001, 42-43 for further details.
- PORTNET is PSA's unique user-friendly Internet system, it provides end-to-end e-commerce from the point of booking to the point of billing for shipping lines, shipping agencies, freight forwarders and shippers/consignees. Functions include track and track of cargo, submission of electronic bay plans, management of berthing schedules, submission of billing. It was developed in 1984 and was officially launched in 1989. With PORTNET, virtually every aspect of shipping can be managed online. In June 1999, it was also moved to the internet global platform.
- See Chen Shu-Ling (1998), "The Privatisation of Port of Kaohsiung", *KaoPort 21 International Conference on Shipping Development and Port Management* for further details.
- Refer to Mariner Wang (January-March 1998), "The Competitive Advantage of Northeast Asia Hub Ports—Kobe and Pusan: From the Viewpoint of Global Container Transportation" *The Bulletin of Japan Maritime Research Institute*, No.379-381, Japan Maritime Research Institute, and *Toward New Era of Two Hub Port System*, 1998, Korea Container Terminal Authority for further details.
- The 318 km rail line from the South's capital of Seoul to the North's Sinuiju city bordering China, will lay the groundwork for an international railway. Not only will inter-Korea business generate more container throughput, but shippers in Japan and Korea will also get a faster, cheaper route to Europe initially via Pusan or Kwangyang port then via the Trans-Siberian Railway.
- Lloyd's List Maritime Asia, October 2000, LLP Limited, 6-7.
- China has 106 coastal ports and 485 inland ports capable of handling vessels of 10,000 tonnages.
- Lloyd's List Maritime Asia, April 1999, LLP, 32.
- Lloyd's List Maritime Asia, December 2000, LLP Limited, 26.
- Containerisation International, March 2000, 2001, Emap Business Communications.
- There are two reasons accounting for slowing in economic growth. The first is the failure to reform across the region and the lack of a civil society. The second is the dramatic blow to growth that Asia will suffer from a fast and furious hi-tech recession in the U.S. In addition, Asian countries remain saddled with bad assets and debts. Most have dysfunctional institutions and markets to allocate capital.
- Lloyd's List Maritime Asia, March 1996, LLP Limited, 3.



WCO: Future Security and Facilitation of the International Trade Supply Chain

AT the World Customs Organization (WCO) in Brussels, an international task force of Customs experts and representatives from intergovernmental organizations, NGO's and private sector interests involved in trade and transport held their third meeting. They continued work on an action plan designed to secure international trade against the threat of terrorism and organised crime while ensuring smooth trade flows.

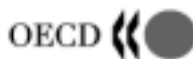
During their discussions, the Task Force, which will report to the WCO Council in June 2003,

- agreed on the 27 data elements required by Customs administrations to identify high-risk consignments and further consultation was agreed to determine, by mode, where the information can be obtained and the earliest possible time it can be provided.
- reviewed a new draft international Convention which will enable the exchange of information and the provision of assistance between Customs administrations. Draft guidelines to assist governments in drafting national legislation to give effect to the Convention were also agreed. The draft Convention will be further considered by the WCO Enforcement Committee next week.
- considered draft international guidelines on Customs/Business co-operation. New guidelines will now be prepared to take account of the needs and different characteristics of each business sector, commencing with the maritime and air transport sectors. A final framework document will be considered at the next meeting of the Task Force.

Earlier, the WCO Secretary General, Michel Danet briefed the Task Force on recent discussions that had been held with the World Bank and other international donor institutions. These concerned the need to assist capacity building of Customs administrations in developing countries. He outlined an initiative in which the WCO and the World Bank hoped to collaborate on var-

ious pilot projects to improve the ability of Customs services to facilitate trade and protect their communities through improved security. In this way, Customs administrations would be better positioned to play a significant role in poverty reduction and economic and trade security.

The Task Force will meet again in Brussels on May 7-9 when it will consider the work conducted during the inter-session and prepare a final package of measures for consideration by the Directors General of Customs from the WCO's 161 member governments at the June 2003 WCO Council sessions.



OECD: Outcome of the Maritime Transport Committee on January 10

The Maritime Transport Committee met on January 10, 2003 and made progress on some high priority items in the context of its work on maritime security and safety. A number of issues resulting from the incident involving the tanker "Prestige" were also considered. In addition, the Committee, as a regular feature on its agenda, heard from industry, with this session devoted to an update from the International Federation of Freight Forwarders Associations (FIATA).

Industry Seminar

FIATA presentation. FIATA provided delegates with a comprehensive review of its history, objectives and organisation. It highlighted certain aspects of the impact of recent maritime security measures on its business activities. FIATA explained the difficulties freight forwarders were facing as a result of the recent US Customs Rules requiring a vessel to provide an electronic cargo declaration 24 hours before the cargo is loaded on board, as well as the requirements for tariff filing with the Chinese State Council. The presentation provided for an informative discussion on aspects of the 1984 US Shipping Act as revised by OSRA and the Regulation of the People's Republic of China on

International Maritime Transportation (RIMT).

Security in Maritime Transport

Update of maritime security activities. Participants considered maritime security measures currently being undertaken at national and international levels by governments and industry. Many countries have set up specific coordinating bodies to give the highest priority to the implementation of the amendments to the International Convention for the Safety of Life at Sea (SOLAS) adopted by the International Maritime Organisation (IMO) last December. These coordinating bodies have the task of not only coordinating with all industry partners in the transport chain but also for coordination between various ministries responsible for ports, justice, finance, etc.

Many countries are also working closely with the United States in the context of its Container Security Initiative (CSI) and are taking necessary measures to meet the US Customs Services requirements to provide cargo declarations 24 hours before loading. One of the main issues arising from the application of maritime security measures is how to meet the costs of these initiatives, especially in ports.

The continuous updating of security measures taken by MTC members will be ensured through the use of the Committee's electronic discussion group.

Ownership and Control. A recent secretariat paper representing the first stage of the Committee's work on ownership and control of vessels was reviewed. This report clearly laid out the means available to potential terrorists to effectively hide their identity while engaged in such activities. The Committee noted that as well as many compliant ship registers, a number of corporate mechanisms were also freely available in many jurisdictions to help potential terrorists hide their identities. The report will be finalised to take into account modifications following its review and is expected to be made available publicly.

The second phase of the project will be an attempt to try to combat these practices by examining various means that may be available to ship registers and governments to reduce the incidence of anonymity. This work should

be completed within 2003.

The "Prestige"

The sinking of the "Prestige" just off the coast of Spain was discussed. While there is no direct evidence that this ship was substandard, it nevertheless raised a number of important related issues. A feature of the incident is that it clearly highlighted that both governments and the public have reached a point where such incidents are no longer tolerable, and there is persistent and strong calls for strong action.

Immediate measures have been introduced by France and Spain which include the banning of single-hull vessels of more than 15 years of age, carrying some types of heavy fuel oil in national waters. It was noted that the European Transport Council has also asked the Commission to come forward with proposals. However concern was raised over the measures which were considered to go against the UN Convention on the Law of the Sea, and some support was expressed to have these matters taken up at the IMO.

The Committee is giving its immediate attention to what it can do to contribute to the overall efforts underway to prevent further incidents.

Safety and the Environment

The Committee considered a comprehensive secretariat report on cost savings as a result of avoidance of environmental requirements. This report, which complements an earlier report covering the avoidance of safety requirements, highlights the economic benefits available to unscrupulous shipowners and operators, which in turn allows them to compete unfairly with responsible owners that meet all of their obligations. This report adds further weight to the efforts of governments, the IMO and the responsible sectors of the industry to eradicate the provision and use of sub-standard ships.

Issues arising from this report, such as incentives/disincentives provided to encourage industry to keep to standards, sanctions for those who breach safety regulations, and prospects for fuel oil trade, were debated.

The report will be finalised and will be published and transmitted to the IMO with a request for their views on the findings and proposals contained in the report.

Availability and Training of Seafarers

The Committee considered a report on the future availability and training of

seafarers, and noted the growing shortage of seafarers, especially junior OECD officers and ratings. The report also highlighted that as well as impacting on the operation of the OECD's fleet, these shortages would also start to seriously impact on shore-based jobs (such as ship inspectors, port managers and operational experts) normally filled by mariners at the end of their sea-going careers.

The report will be transmitted to the IMO and International Labour Organization (ILO) and industry for information and use.

WTO

A member of the WTO Secretariat reported on the developments in the negotiations on trade in service according to the Doha calendar which established January 1, 2005 for the end of negotiations. Offers which concern all services, not just maritime, should start in March 2003 to be followed by bilateral negotiations. The mid-term review will take place at the Fifth Ministerial Conference in Cancun, Mexico, September 10-14, 2003.

Future meetings

The next session of the MTC will take place on June 19-20, 2003.



ISO: Development for International Maritime Security

ISO has initiated and is leading an international pilot program designed to improve security and increase productivity of the international intermodal freight transportation system. The program brings together major industry and government stakeholders in an effort to address security gaps as well as propose solutions to those security concerns through the development of standards for the international trade community. The program, which includes a series of "pilot projects," the development of data exchange standards, container seal standards, and "smart card" standards initiatives, was launched by ISO/TC8 at the 22nd IMO assembly in November 2001. The current status was briefed to IMO in conjunction with the Diplomatic Conference and Maritime Safety Committee meetings in December 2002.

The pilots serve to identify security gaps, baseline current practices, and

propose solutions that address the security concerns as well as customer concerns about cost and transit time. The solutions are then formalized in a set of International Organization for Standardization (ISO) Publicly Available Specifications (PASs) that are implemented by the international trade community and presented to the International Maritime Organization (IMO) for consideration in their Circulars and Conventions.

The objective of the program is

- (1) defining the physical security of cargo and transportation assets, the structure of information systems, associated processes and international business practices
- (2) producing data, process and technology solutions supporting intermodal security and effectiveness that enhance cargo security by providing confidence in container status, location, and history while
- (3) preserving "company proprietary information" and minimizing commercial disruption. The pilots are key to both accelerating the standards development process and to facilitating implementation by industry/government. Each pilot program executes and analyzes movement of containerized cargo within the intermodal system from origin to destination.

Within each pilot, a baseline defining current practices is obtained by following a selected set of containers through a shipment, i.e., the baseline documents, current procedures and technologies used in loading and sealing containers, data and document transmission, port and border crossing inspections and clearance, and final delivery to the ultimate consignee. After analysis of the baseline, shortfalls are identified and corrections are proposed.

A series of pilots is necessary so that practices and issues unique to each intermodal scenario can be examined. Because the focus of this program is on all cargo movements starting from the country of origin, its components are necessarily international in scope. Note that although the names of the pilots refer to marine transits, the program includes movement of cargo through all modes (excluding aviation) and across all borders. A large range of issues related to security will be examined by pilot projects. Input to the standards development and modification process will therefore have had the benefit of prior scrutiny by all program participants.

The active participation in the project

by the commercial and government stakeholders assures that the standards can form the basis for the implementation of an efficient, equitable, stable and secure system for international cargo transportation. The deliverables from this program will include recommendations on new procedures for maintenance and transfer of cargo custody, additional data to be transmitted, sensor interfaces and modes of data communication, the means to search for and access data on an authorized basis, and who assembles the manifest and certifies the ship's container count.

The program relies on existing and emerging standards to speed the acceptance and implementation of the new processes, technologies, and data flows. It focuses on solutions that will be voluntarily implemented by industry and performed cooperatively with governments. A "Senior Level Advisory Board" of major international organizations has been established for the program.

- Current Shipping Company Partners - (1) Maersk Sealand ; (2) APL
- Current E-seal Manufacturer Partners - (1) Savi Technology ; (2) All-Set Tracking

ISO/TC8 International Advisory Panel for Maritime Security Initiatives

- CAPT. Orlando Allard, Ambassador to IMO from Panama
- Mike Toddington, Executive Director, International Assn. Airport / Seaport Police
- Cleopatra Doumbia-Henry, Deputy Director, International Labour Organisation
- Hassan Baage, World Customs Organisation
- P.C.van der Kluit, IAPH Europe Office
- CAPT. Ted Thompson, Executive VP, International Council of Cruise Lines
- Chris Horrocks, Secretary General, International Chamber of Shipping
- Miguel Palomares, International Maritime Organisation
- John Saunders, International Chamber of Commerce
- Henry F. White, President, Institute of International Container Lessors
- Trevor Dixon, World Nuclear Transport Institute
- Diego Teurelinx, European Union Commission
- Joe Angelo, USCG - Chair ISO TC8/SC2, US Delegate to IMO
- Port (Terminal Operations) Directors - Singapore, Panama, Rotterdam, ... et al
- CAPT. N. Robin Lee, Director, Maritime Authority of Jamaica

- Other ISO TC/SC Chairmen
- Mike Bohlman, CSX, Chair ISO TC104; Richard Mabbott, UK, Chair ISO/IEC JTC1/SC17; Others TBD

- Dr. Stephen Flynn, Senior Fellow, Council on Foreign Relations
- RADM Carl Seiberlich, Project Manager, "ISO International Pilot Program"

Upcoming Conferences

IMO Meetings in 2003

Name of Meeting	Session No.	Date Held
Sub-Committee on Flag State Implementation (FSI)	11	Apr 7-11
Legal Committee (LEG)	86	Apr 28 -May 2
IOPC FUNDS*	..	May 6-9
Diplomatic Conference to adopt a Protocol to the 1992 Fund Convention	.	May 12-16
Maritime Safety Committee (MSC)	77	May 28 -Jun 6
Technical Co-operation Committee (TCC) *	53	Jun 11-12
Council	90	Jun 16-20
Sub-Committee on Safety of Navigation (NAV)	49	Jun 30 -Jul 4
Marine Environment Protection Committee (MEPC) *	49	Jul 14-18
Stability and Load Lines and Fishing Vessel Safety (SLF)	46	Sep 8-12
Sub-Committee on Dangerous Goods, Solid Cargoes and Containers (DSC)	8	Sep 22-26
Consultative Meeting of Contracting Parties to the London Convention (LC) *	25	Oct 6-10
Legal Committee (LEG)	87	Oct 13-17
IOPC Funds	.	Oct 20-24
Council *	22nd extraordinary session	Nov 21
Assembly	23	Nov 24 -Dec 5
Council *	91	Dec 5

* Tentative

** Financed by the United States of America

*** Meeting held without interpretation and with documentation in original language only



3rd International Conference on Port Development & Coastal Environment

June 3-6, 2003, Varna, Bulgaria

Conference Topics

- System Approach to Port Development
- Feasibility Studies and Site Investigations
- Lay-out Planning
- Breakwater Design and Construction
- Infrastructure Development
- Dredging Works and Equipment
- Underwater Works
- Navigational Considerations
- Impact and Risk Assessment

- Harbour Architecture & Residential Development
- Planning and Management, Financial Aspects

Inland and Coastal Navigation

- Navigation Infrastructure / Waterways
- Vessel Traffic and Transport Management
- Safety of Navigation
- Ship Manoeuvring Simulation
- Propeller Induced Scour
- Navigation and Shipping Information Systems

Environmental Issues

- Water Quality
- Oil Pollution
- Waste Disposal, Waste Water Treatment
- Environmental Aspects of Dredging

- Pollution Control
- Coastal Erosion Problems & Beach Nourishment
- Coastal Ecosystems
- Impact on Living Resources
- Environmental Impact and Risk Assessment

Coastal Zone Management

- Sustainable Development of the Coastal Areas
- Resource Exploitation
- Siting of Major Industrial Facilities
- Coastal Geology and Geomorphology
- Coastal Structures & Coastal Protection Systems
- Legal Aspects, Economic and Social Aspects
- International Cooperation

Monitoring and Modelling

- Hydrographic Surveying
- Monitoring Systems
- Mathematical Modelling Related to Port Problems
- Coastal, Environmental and Ecosystem Modelling
- Physical Model Tests, Modeling as a Planning Tool
- Data Processing, Data Networks, GIS

Conference Fees:

Authors and non-authors	300 euros
Accompanying persons	170 euros
Students	100 euros

* Late registration (after May 2, 2003) will be overcharged 10% of the conference fee

For further information

Black Sea Coastal Association
11-1, "Kr. Mirski" Str.
9000 Varna, Bulgaria
Tel/Fax: +359 52 602 657
E-mail: office@bsca.bg
URL: <http://www.bsca.bg>

Oil Pollution 2003

May 20 & 21, 2003, London, U.K.

It has been an eventful year for oil pollution response professionals, as the Prestige incident has brought issues raised by the Erika to the fore again. Current EU plans for implementation of proposals to deal with the aftermath of these incidents will have a crucial impact on the tanker industry, and on all involved in contingency planning and oil spill response. This 16th annual event will look closely at the impact of the Prestige and related issues, as well as examining contingency planning in the UK, US and Germany. Speakers will examine in particular the salvor's contribution to casualty response management, removing oil from sunken vessels and the issue of places of refuge.

Program Highlights

- International Regime on Liability and Compensation for Oil Pollution Damage
- Current legal issues and developments
- P&I perspective
- The EU Proposals and timetable for implementation
- Contingency planning in the US, UK and Germany
- Dealing with the media
- An update on International Law and governments' powers
- Salvors' contribution to casualty response management
- Discussion on places of refuge
- Removing oil from sunken vessels

Conference & Workshop Fee: £1,299.00

Conference Fee: £950.00

Workshop Fee: £499.99

For further information

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IBC Conferences
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Tel: +44 (0)1932 893 861
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E-mail: cust.serv@informa.com
URL: <http://www.lloydslistevents.com>

The 27th Shipping, Ports and Terminal Event in Europe

TOC 2003 Europe

June 10 - 12, 2003, Genoa, Italy

Highlights of this year's agenda include:

- SECURITY - A dedicated session on 10 June reviews the latest security regulations from the US and internationally, with analysis from shipping, port and terminal executives - how will security compliance affect business processes and costs?
- CARRIERS' TERMINAL STRATEGIES - What do ocean carriers want from terminals - and vice versa? The lines between the two sectors are becoming increasingly blurred, as more carriers buy into the terminal business. A special session on 10 June will explore shipping network strategy, carrier investment in terminals, the rationale for dedicated vs. multi user facilities and carriers' future terminal performance requirements.
- TERMINAL AUTOMATION AND CONTROL - The technology has advanced dramatically, but the fundamentals of terminal operation remain largely unchanged. Can the industry continue to rely on the 'tried and tested' approach? A high-level briefing on Day Two reviews the results of three ground-breaking unmanned terminal projects and discusses

the business case for automated equipment combined with expert control systems.

- MEDITERRANEAN PORT AND SHIPPING DYNAMICS - We explore the development of Mediterranean deep sea trades and hub ports, and the need for improved short sea and intermodal connections. How will Mediterranean development impact north European ports? And what are the lessons for other regions?

Full Conference Package Fee

£845.00 + IVA @ 20% = £1014.00

Includes any conference session on June 10-11. PLUS one of the following on June 12 (morning only)

- Terminal Operations Briefings

- Mediterranean Port & Shipping Dynamics - Short Sea & Intermodal

Mediterranean Port & Shipping Dynamics only

£450 + IVA @ 20% = £540.00

Includes Mediterranean conference sessions on June 11(morning) & June 12(afternoon)

Terminal Operations Briefings only

£199.00 + IVA @ 20% = £238.88

Includes 'Automation' and 'Specifying Technology' briefings on June 12 (morning)
Delegates from outside Italy may be entitled to reclaim IVA

For further information:

TOC2003 Europe
Informa UK Ltd.
P.O. Box 406, West Byfleet
England KT14 6NN
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Fax: +44 (0)20 1932 893 893
E-mail: cust.serv.fisk@informa.com
URL: <http://www.toc-events.com>

Intermodal Asia 2003

Trade and Transportation - A New Perspective in the Era of Trade Liberalisation

June 24 & 25, 2003

Kuala Lumpur, Malaysia

THE Intermodal Asia 2003 Exhibition and Conference will be the first major international Intermodalism themed event to take place in Asia highlighting pertinent issues effecting the development of intermodalism throughout Asia as well as highlighting the development of sea-air cargo shipments; direct connections to main and feeder ports worldwide; the promotion of rail and road as an integral part of the intermodal chain; the promotion of cross-border trade with present sufficient rail connection to Thailand and Singapore

with longer term rail infrastructure investment into China.

Registration Fee: US\$ 895
(15% discount for IAPH members)

For further information:

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Upcoming Seminars



IPER: Port Management and Operations - Port Finance

June 10-20, 2003, Le Havre, France

PROGRAMME

GENERAL FRAMEWORK

- Legal and financial aspects of different types of port organization
- The public service: financial and economic profitability
- Financial and economic objectives of port organizations
- Return on port investments

COST ACCOUNTING AND BUDGETARY CONTROLS

- Port cost accounting, analysis and monitoring of cost
- Budgetary planning and control

ECONOMIC AND FINANCIAL EVALUATION OF PORT PROJECTS

- Definition of project costs
- Definition of project benefits
- Techniques for comparing costs and benefits
- Case studies

PORT TARIFFS

- Key components of an efficient port tariff
- The structure of a port tariff
- Port dues on vessels and cargoes
- Port tariffs for handling general and containerized cargoes
- a concept for storage pricing
- Comparative study of port tariffs
- The impact of maintenance costs on port tariffs

Participation Fee: 1,900 euros

For further information:

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AAPA Port Directors Seminar

June 19-20, 2003
Chicago, Illinois, U.S.A.

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

Registration Fee: \$395 members
\$500 non-members

For further information:

Cerena Cantrell
American Association of Port Authorities
1010 Duke Street
Alexandria, VA 22314-3579
Tel: +1 703-706-4717
Fax: +1 703-684-6321
E-mail: ccantrell@aapa-ports.org
URL: <http://www.aapa-ports.org/programs/education.htm>

New Publications



IMO:

"Int'l Ship & Port Facility Security (ISPS) Code, 2003"



THE International Ship and Port Facility Security Code (ISPS Code) was adopted by a conference of contracting governments to the International Convention for the Safety of Life at Sea, 1974, convened in London from December 9 to 13, 2002.

This publication includes the ISPS Code, relevant amendments to the SOLAS Convention and other resolutions of the Conference relating to work that must be completed before the Code can be implemented in 2004, revision of

the Code, technical co-operation and co-operative work with the International Labour Organization and the World Customs Organization

The version of this publication is the version authorized by IMO. Any version obtained from other sources should be used with great caution.

Price: £14.00

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AAPA: "Seaports of the Americas 2003"



The American Association of Port Authorities' (AAPA) authoritative and comprehensive guide to the seaports, port authorities & port services industry of the Americas.

- all-new CRUISE terminals & facilities data
- Port Directors & Staffs, Port Authority Officials
- Cruise terminals & facilities cargo terminals & facilities
- Primary cargoes & tonnages, port rankings & forecasts
- AAPA Port Industry Services Directory

Per Unit Cost:

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US\$55.00 (Multiple copies (2 or more) - advance orders)

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ITMMA – University of Antwerp:

“Port Competitiveness”

An economic and legal analysis of the factors determining the competitiveness of seaports



THE world economy has changed thoroughly as a result of an international redistribution of labor and capital, and the process of integration and globalization of markets, production and consumption. The market developments in the world economy have affected the role and the significance of seaports. Modern seaports have become critical nodes within a complex of interacting logistics chains. Seaports have evolved from transport centres to complex logistic and industrial centres. Seaports that fail to establish themselves as key players in such an optimisation process stand a serious chance

of being disregarded as ports of call on international freight routes. Competition among various port actors therefore has become extremely fierce.

The analysis of the competitive position of seaports presented in this book takes into account all the recent changes and developments in the global transport industry. More specifically, this book offers an economic and legal analysis of the factors determining the competitiveness of seaports.

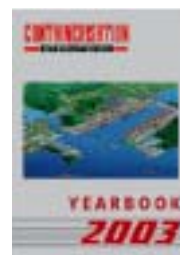
The general aim is to provide a framework for understanding the competitive position of Flanders' seaports within Europe, particularly the position of Antwerp in the Hamburg – Le Havre range

Editors: M. Huybrechts, H. Meersman,
E. Van de Voorde, E. Van Hooydonk,
A. Verbeke, W. Winkelmans

Price: 49.50 euros

For further information

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The book contains all the latest information on the world's top container ports and terminals, transport companies and associations in over 150 countries world-wide, including a complete listing of the TEU throughout parts of the top 350 ports.

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- Analysis of world containership fleet
- World container port traffic league
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- Liner conferences
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- Updated sections on freight forwarding, road haulage, rail and tank operators

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- Container tracing
- Classification societies
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- Marine insurance underwriters



SIRC – Cardiff University:

“Flag State Audit 2003”

FLAG State Audit 2003 provides a comprehensive, independent and critical guide to the shipping registers of the world. It is the result of a 3-year study analysing the regulatory capacity of 37 flag states including national flags, open and second registers.

A unique part of Flag State Audit 2003 is the development of a ratings system which allows the reader to compare at-a-glance the performance of flag states across a range of measures. In addition to providing an overall rating, the system analyses the effectiveness of regulatory regimes in five distinct categories and assigns a grade ranging from A-E (where A=best practice) for each of these areas of activity.

Flag State Audit 2003 (book and CD-ROM) contains:

- background information to the study and a discussion of the flag state regulatory environment
- in depth country reports for each of the 37 flags on the accompanying CD-ROM

- comprehensive ratings for all 37 flags
- detailed explanation of the audit scheme used to assess the regulatory capacity of flag states.

Price: £190 (Book + CD-ROM including postage and packing)

For further information:

Seafarers International Research Centre (SIRC)
Cardiff University
PO Box 907 Cardiff, CF10 3YP
Tel: +44 (0)29 2087 4620
Fax: +44 (0)29 2087 4619
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URL: <http://www.sirc.cf.ac.uk/fsa.html>



Containerisation International:

“Yearbook 2003”

In its 34th year, the CI Yearbook is a comprehensive, authoritative and useful reference book of its kind available to professionals in the container industry.

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Regional economic overview

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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.



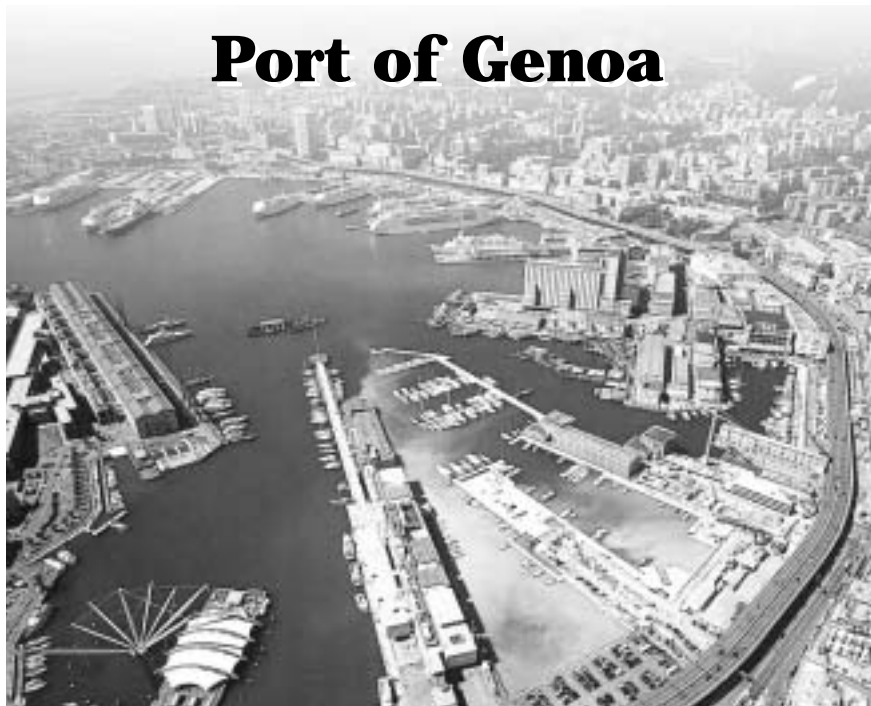
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Information posted: 1. Sailing schedules a. Liner shipping schedules (export/import) to and from Japan b. Liner schedules (export) from Asian countries other than Japan c. Feeder schedules to and from Singapore
2. Ship details 3. Telephone and fax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

Tokyo News Service, Ltd.

Cover of the Month

Port of Genoa



THE Port of Genoa is the natural outlet to the sea for northern Italy's most industrialised area and the ideal location to serve the industrial sector and European consumer markets. In ancient times, Genoa's economic development was indissolubly linked to the berthing of ships. Thus it was the peoples from the sea, with different cultures and lifestyles compared to those of the Ligurian tribes that lived in the mountain hinterland, who established the settlement on the Castle hill around the sixth century B.C.

At that time, the port was nothing but a small bay sheltered by the promontory of Molo Vecchio and probably remained that way up to the Middle Ages. Trade rekindled after the year 1,000 and ship traffic began to flourish. This led to the construction of the first wooden wharves by the wealthiest merchant families (Spinola, Grimaldi, Calci, Cattaneo and others) who imported various types of goods, including spices, silk and other valuables from the Islamic world.

For the entire late Middle Ages, the Ripa, today's Sottoripa, facing the sea, was a business centre: some negotiated purchases, while others worked and unloaded cargo from ships berthed just a few meters from residences. Thus, the port and the city were united by a thin strip of land with arcades - the market, where life pulsed quickly with a colour not very different from what we find today in the oriental kasbahs.

The port reform law (law no. 84 of January 1994) concerning the legislative reorganisation of port issues authorizes Port Authorities to be established to take the place of the previous institutions, consortia, provincial educational offices, mechanical equipment companies and other bodies involved in the control and management of maritime-port property.

The operative management of port areas and terminals was transferred to private operators, while some tasks, quite clearly defined by the law, remain under the Port Authority's jurisdiction:

a. orientation, programming, co-ordination

and control of port operations and of other activities carried out in the port environment, also in terms of safety relative to the risks of accidents related to such activities;

b. maintenance of common port areas;

c. assignment and control of activities to supply general interest services, for payment, to port users.

Over recent decades, ports have become increasingly important owing to the intense development in trade between areas and macro economic regions located even at great distances from each other.

In the Mediterranean market, the Port of Genoa is an entity that, owing to a tradition related basically to its geographic location and, more recently, to the positive developments in traffic and activities resulting from the reorganisation process, will end up playing an important role with respect to future international trade and maritime transport development scenarios.

Based on the analyses performed at a macro level and in terms of individual activity sectors, to achieve the objective of becoming an international port in the Mediterranean basin, a number of choices must be made that are coherent with the current transformations in the maritime-port sector and, more generally, in the transport market. In fact, they represent the port's economic and territorial development guidelines over a ten-year time frame.

The main guidelines can be summarised as follows:

- To facilitate the development of structures to receive containers since that segment has the highest growth rates;
- To identify specific and even specialised areas to handle conventional loads, also considering their high impact in terms of





The headquarters of the Port Authority since 1904 is named after the Casa di San Giorgio, the famous financial institution that administered the public debt and managed tax revenue and has been located here since its foundation (15th century). The medieval structure was built as a city building in 1260.

added value;

- To generate greater efficiency and effectiveness in the intermodal networks to gradually expand the user basin toward the economically more accessible industrial areas (central-southern Europe);
- To create appropriate strategies and structures to develop logistics services;
- To develop the conditions suitable to allow industrial functions related to the maritime-port segment to be developed and established.

In other words, the Port of Genoa is being requested to confirm its penchant for being a complete port, where various commercial, industrial and service functions effectively co-exist. Within the profound changes involving port economies and, as a consequence, the economies of the regions in which the maritime ports are located, territorial resource planning becomes one of the most important competitive factors. This applies not only in terms of the functional identification and specialisation of spaces, but also as a strategic design for economic development.

In this regard, one of the most important factors is the impact that the interventions and development guidelines outlined in the Port Master Plan have and will have on employment since labour today already has a major impact on the metropolitan territorial economy.



The Americas



AAPA: Cooperative Effort with Florida Caribbean Cruise Association

ON February 24, the American Association of Port Authorities (AAPA) and the Florida Caribbean Cruise Association (FCCA) jointly announced that the two organizations will work cooperatively to best serve the port and cruise industries.

The agreement was announced at a meeting of leaders of AAPA and FCCA at the offices of the Tampa Port Authority.

"AAPA is pleased to formalize its close working relationship with FCCA," said Mr. George T. Williamson, port director and chief executive officer of the Tampa Port Authority, who serves as chairman of the AAPA Cruise Committee. "We share many common interests and issues and believe that, through cooperation, we can further enhance fulfilling the needs of those we serve."

Mr. Michele M. Paige, President of FCCA, commented, "One of the FCCA's mandates is to foster a better understanding of the cruise industry; therefore, the Memorandum of Understanding with the AAPA is a meaningful mechanism to further the FCCA's goals."

Mr. Stephen A. Nielsen, Vice-President, Caribbean & Atlantic Shore Operations, of Princess Cruises, who serves as chairman of the FCCA Security Operations Committee, added, "It's long overdue that the AAPA and the FCCA work more closely in dealing with issues which affect the members of both associations. We are delighted at this opportunity to strengthen the relations between our two organizations and to work cooperatively in addressing the many issues which face us."

The agreement expands existing links between the two organizations, according to Mr. Kurt J. Nagle, president of AAPA. "Many of AAPA's major cruise ports are also members of FCCA," he noted. "At the same time, leaders of the cruise lines that make up FCCA's membership have longstanding, favorable working relationships with AAPA members. Further enhancing the relationship between AAPA and FCCA benefits both organizations."

AAPA, based in Alexandria, Va., and

FCCA, with headquarters in Pembroke Pines, Fla., will coordinate event schedules to encourage maximum participation on the part of members of the two organizations and will explore opportunities for joint programming.

The American Association of Port Authorities was founded in 1912 and represents 150 public port authorities in the United States, Canada, Latin America and the Caribbean. In addition, the association represents 300 sustaining and associate members, firms and individuals with an interest in the seaports of the Western Hemisphere. AAPA port members are public entities mandated by law to serve public purposes. Port authorities facilitate waterborne commerce and contribute to local, regional and national economic growth.

The Florida Caribbean Cruise Association is a trade association composed of 13 member cruise lines, which operate almost 100 vessels in Florida, Caribbean and Mexican waters. It was created in 1972 in order to discuss and exchange views on issues relating to legislation, tourism development, ports, safety, security, economic research and other cruise industry issues.



Brunswick: GPA's Report on Record Growth in Auto Industry



MR. Doug Marchand, Executive Director for the Georgia Ports Authority, announced that the import/export of auto/machinery units

through the Port of Brunswick have increased by 40.5 percent in the first six months of fiscal year 2003. "Already this year, the Port of Brunswick - Colonel's Island has processed 166,116 auto and machinery units, an increase of 47,853 units in just six months," said Mr. Marchand. "That is an all time record for Georgia's ports. We are extremely proud of this continued pattern of growth that is helping to make Brunswick one of the largest auto ports on the East Coast."

At Monday's meeting of the Georgia Ports Authority Board of Directors, the Board approved amendments to new agreements between GPA and APS West Coast, Inc. covering the completion of paving and building improvements on 51.42 acres of land leased by APS from GPA. "I am pleased that this expansion and others pending in this same regard will result in future growth for our customers at Colonel's Island," said Mr. Marchand.

He noted that the number of auto and machinery units transshipped through Brunswick increased by more than 150 percent over the past seven years. And, according to a recent article in the Georgia Economic Outlook published by the University of Georgia's Terry College of Business: "The port's decision to focus on cars is the key to its success."

GPA is committed to providing the best service to its customers, employees and partners in the maritime and trucking industries. Furthermore, it is committed to maintaining the most efficient, economical and technologically advanced ports in the maritime industry.



Houston: NYBOT approves PHA's Green Coffee Port designation application

ON February 14, The Port of Houston Authority (PHA) received official notice of the decision by the New York Board of Trade (NYBOT) to approve the PHA's application to be designated as a green coffee port. The decision means that Houston is an approved delivery point for the Coffee "C" futures contract traded on the NYBOT's Coffee, Sugar & Cocoa Exchange. The new contract rules providing for the Houston port will become effective with the March 2005 contract, which begins trading April 1, 2003.

The NYBOT's decision makes Houston the fourth designated green coffee port

in the U.S. joining New Orleans, New York, and Miami. The Port Authority will celebrate this important milestone by designating Friday, February 21, as "Java and Jobs Day" at the Port.

"The Port of Houston's designation as a green coffee port will have a tremendous impact on our local and regional economy," stated Mr. James T. Edmonds, Chairman of the PHA Commission. "Coffee traders from all over the world now have several great incentives to do business here," Mr. Edmonds added.

The Greater Houston Coffee Association (GHCA) estimates that Houston has the potential in the next few years to increase its coffee imports to approximately 3.7 million bags annually - more than double the 1.8 million bags imported in 2002 - as a result of the amount of transportation/distribution warehouse space available locally. The GHCA is working with several banks and trade organizations to develop ways to help local small businesses enter the coffee industry and work with coffee sellers, buyers, retailers and transporters to

help Houston become one of the major distribution centers for coffees imported from Asia, Latin America and Africa.

"The Port has delivered the opportunity that poises Houston for continued economic growth," stated Mr. Tom Kornegay, PHA Executive Director. "We've cleared the way for local businesses to take their enterprises to exciting new heights as dynamic key players in global trade and commerce," he added.

Noting Houston's proximity to 20 million consumers in the greater southwestern U.S., Mr. Kornegay stated, "This is a vital component in the Port Authority's strategy. We view this as a natural progression in our role as a world class trading point."

Projected 2002 Coffee Imports

Source: Port of Houston Authority

New Orleans	264,000 short tons
New York	200,000 short tons
Miami	111,000 short tons
Houston	99,000 short tons



Long Beach: Second-Best Container Total in the Port

SHIPPING terminals at the Port of Long Beach handled the equivalent of 4,524,038 twenty-foot-long container units in 2002, an increase of 1.4% over the 2001 and the second-best total in port history.

"Overall cargo growth was strong in 2002, and we expect the growth to continue in 2003," said port Executive Director Mr. Richard D. Steinke.

For the year, inbound container cargo

climbed 1.2%. The port's imports include such retail goods as consumer electronics, toys, clothing, shoes and household products. Outbound container cargo dropped 10.2%. The port's leading exports include factory machinery and raw materials. With the imbalance in trade, the number of empty containers, nearly all headed back overseas to be re-filled with merchandise, jumped 11.9%.

The port completed the year in December with container cargo volume equal to December 2001, although after factoring out the departure of a leading shipping line, the remaining terminal showed major gains.

Still recovering from October's lockout

Container Trade in TEUs*

Based on Preliminary Figures

	LOADED Inbound	Outbound	TOTAL LOADED	TOTAL EMPTY	TOTAL CONTAINERS
Dec-02	183,917	64,262	248,179	111,457	359,636
Dec-01	191,584	83,660	275,244	84,299	359,543
% change	-4.0%	-23.2%	-9.8%	32.2%	0.0%
Year-to-Date	2,450,165	855,200	2,812,778	1,218,673	4,524,038
2001 YTD	2,420,687	952,845	3,373,532	1,089,435	4,462,967
% change	1.2%	-10.2%	-16.6%	11.9%	1.4%

*TEUs: 20-foot equivalent units or 20-foot-long cargo container

of longshoremen, the port's shipping terminals moved a total of 359,636 twenty-foot-equivalent units (TEUs) in December, which was virtually identical to last December's total. Imports slipped four percent to 183,917 TEUs. Exports dropped 23.2% to 64,262 TEUs. With the terminals clearing their yards of a backlog of empty containers, empties increased 32.2% to 111,457 TEUs.

With the 2001 totals of Maersk Sealand (which stopped calling in Long Beach in August), the port's "same terminals" reported a 33.4% jump in overall container volume. Their imports climbed 28.8%. Exports were up four percent. Empties increased 71.4%.

Long Beach: Port partners with Coalition Waterfront

THE Port of Long Beach has initiated a partnership with the Waterfront Coalition, an organization of major U.S. importers, to promote greater off-hour use of the existing transportation system including ports, warehouses and roadways.

The Long Beach Board of Harbor Commissioners voted unanimously on Monday, March 3, to approve a \$10,000 initial grant to support the Gate Hours Pilot Project with the Waterfront Coalition.

"The message from Washington is that we must fully utilize our existing infrastructure before we can expect federal dollars to expand the Long Beach (710) Freeway," said port Executive Director Mr. Richard Steinke. The port has joined Southland communities in lobbying Congress to fund major 710 Freeway improvements to ease traffic congestion.

"Our new partnership with the Waterfront Coalition will ensure that all stakeholders are cooperating to wring the greatest efficiencies out of the existing transportation network," said Mr. Steinke.

The trucking industry has long requested that the ports' marine terminals remain open longer hours, beyond the current 8 a.m. to 5 p.m., Monday through Friday. In the past, when terminals have opened during off-peak hours, there has not been sufficient truck traffic to make it economical. One problem has been that local warehouses and distribution centers have not been open in sufficient numbers during off-hours to support extended hours in the port.

The Waterfront Coalition project will survey warehouses and distribution cen-

ters in Southern California to identify companies that are able and willing to receive and deliver containers during off-peak hours. The goal is to generate sufficient truck trips to support second and third shift operations in the ports.



Los Angeles: Alternative fuel trucks for use around terminals, in harbor area



AS part of its collective efforts to reduce air emissions in and around the harbor, the Port of Los Angeles this fiscal year has added eight new alternative fuel trucks and cars to its existing fleet of construction vehicles and equipment. The trucks are powerful enough to haul cargo around the nation's largest containerport, yet better for the environment.

Designed to reduce emissions in industrial areas, the four new trucks carry individual costs ranging from \$60,000 to more than \$200,000 and were partially funded by a state incentive program administered by the South Coast Air Quality Management District.

The trucks range in size from medium-duty to heavy-duty and utilize one of three different alternative fuel systems – dedicated Compressed Natural Gas (CNG), Liquefied Petroleum Gas (LPG), or dual-fuel engines – structured primarily on load-carrying capacity. Manufactured by Caterpillar®, the dual-fuel engines were used on the largest new trucks, which each hold a 58,000 gross vehicle weight rating. The dual-fuel system utilizes ultra-low, sulfur diesel fuel only as a pilot ignition to power the principal CNG fuel source. This efficient process allows CNG to comprise nearly 90 percent of the total fuel consumed. At the same time, the trucks maintain the operational characteristics of conventionally-powered engines, while providing environmental benefits resulting from significant reductions in NOx and PM emissions.

Each of the alternative fuel vehicles

serves a unique purpose. The three new dual-fuel powered trucks include a flatbed, tractor-trailer and truck equipped with a hydraulic crane. Another flatbed truck with a mounted aerial manlift relies on LPG as its fuel source. The Port rounds off its collection with a CNG light-duty pickup truck, CNG sedan and two electric-powered station wagons. Some of the new arrivals were ordered nearly two years ago when alternative fuel trucks were not in great demand. Even today, it remains a rarity.

For the past few decades, the Port has implemented numerous environmental enhancements to promote air quality throughout the bustling harbor. The Port instituted an alternative fuel vehicle policy in 1999, but has purchased and operated such vehicles since 1996. In addition to construction equipment, the Port also maintains a fleet of natural gas- and electric-powered passenger cars, trucks and vans. From sweepers to forklifts, the Port has replaced nearly 35 percent of its inventory with alternative fuel.

"Maintaining such a large selection of alternative fuel vehicles and equipment validates our commitment to cleaner air, while encouraging the development and production of these vehicles," said Executive Director Mr. Larry Keller. "The Port wouldn't ask its customers to switch over to alternative fuel vehicles without doing the same itself."

With a world-class reputation based on cutting-edge facility development and meeting the demands of the global community, the Port of Los Angeles remains committed to the environment. Growth and development are balanced with aggressive, broad-based environmental initiatives, diversified community outreach efforts and a comprehensive safety and security program. In addition to meeting and exceeding environmental regulations and industrial compliance, the Port strives to ensure lasting environmental quality.

THE PORT AUTHORITY OF NEW YORK & NEW JERSEY



NY/NJ: The 13 percent growth in 2002

THE Port of New York and New Jersey saw its container volume grow by a dramatic 13 percent in 2002, sparked by a substantial increase in Asian trade.

Port Commerce Director, Mr. Richard M. Larabee said the New York-New Jersey

port accounted for 59.6 percent of the containerized cargo handled by all North Atlantic ports, and 13.5 percent of all U.S. ports.

Port Authority Chairman, Mr. Jack G. Sinagra said, "Approximately 18 million consumers throughout the region depend on the port to provide them with the wide range of cars they drive, the beverages they drink and furniture for their homes. For that reason, we will continue to make significant investments in the port to maintain our position as the East Coast's leading destination for shippers from around the world."

"The 13-percent increase in the port's containerized cargo reinforces our belief that more and more shippers are migrating to the use of all-water services to transport their products from Asia to the Northeastern and Midwestern parts of this country. The port also is an integral link in the logistics supply chain." Mr. Larrabee said.

During 2002, total loaded and empty container volumes handled at the port's container terminals – measured in 20-foot equivalent units – totaled 3,749,014, a 13-percent increase over the 3,316,276 containers in 2001. Loaded containers reported by the Port Import-Export Reporting System (PIERS) were 2,611,386, an 11.9-percent increase over the 2,334,383 loaded containers handled in the port in 2001.

According to data from the U.S. Bureau of Census, total general cargo rose from 20,001,362 metric tons in 2001 to 21,633,277 metric tons in 2002, an 8.2-percent increase. General cargo imports rose 12.4 percent from 13,873,067 metric tons in 2001 to 15,587,567 metric tons in 2002. Imports from Far East Asia increased by 23.6 percent and Latin America rose by 23.3 percent. General cargo exports declined 1.3 percent, from 6,128,295 metric tons in 2001 to 6,046,709 metric tons in 2002.

Total bulk cargo declined by 9.5 percent in 2002 to 48,479,847 metric tons compared to 53,548,466 metric tons in 2001. Bulk cargo exports rose from 2,145,221 metric tons in 2001 to 4,133,507 metric tons in 2002. Iron and steel exports rose 152 percent in 2002 compared to 2001, due to increased shipments of scrap steel. Bulk imports declined from 51,403,246 metric tons in 2001 to 44,346,340 metric tons in 2002, a 13.7-percent decrease. Imports of petroleum products, which are the largest import commodity, declined 11.4 percent. Total cargo volumes (bulk and general cargo combined) declined by 4.7 percent, from 73,549,828 metric tons in 2001 to 70,113,124 metric tons in 2002.

According to the U.S. Bureau of Census

statistics, the port handled 588,815 ocean-borne automobiles in 2002, a 7.2-percent increase over 2001. Of these automobiles, 553,434 were imports, a 16-percent increase over 2001, and 35,381 were exports, a 12-percent decrease over 2001.

To support the increases in cargo volumes, the Port Authority has been involved in an aggressive \$1 billion investment program.

Other 2002 trade highlights include:

- China is the port's largest trading partner and now accounts for nearly 16 percent of the port's general cargo volume. Trade with China increased 23 percent in 2002.
- Italy is the port's second largest trading partner, followed by Germany, India and the United Kingdom.
- Trade with Brazil, the port's sixth largest trading partner, increased 20 percent in 2002.
- The top three cargo import commodities on a tonnage basis were beverages, up 8.6 percent; vehicles, up 8.8 percent; and furniture, up 32.5 percent.
- The top three general cargo export commodities were wood pulp, up 2.7 percent; plastic, down 5.4 percent; and machinery, down 1.3 percent.
- The New York-New Jersey port's share of the U.S. container market in 2002 was 13.5 percent, up from 13.2 percent in 2001 and 12.7 percent in 2000.

Port of Seattle

Seattle: Posts 9 percent increase in container volumes in 2002



SEATTLE'S harbor saw a nine percent increase in the volume of cargo containers moving across its docks in 2002, despite a 10-day work stoppage at West Coast ports and a sluggish regional economy. Container volumes reached 1.44 million TEUs, or twenty-foot equivalent units.

"This rebound shows we're capitalizing on our investments in new docks, terminals and waterfront access to keep trade flows moving," said Port of Seattle Commission Chair Ms. Patricia Davis.

In 2002 the Port completed a \$300 mil-

lion expansion at Terminal 18 that added a dockside intermodal rail yard, a dedicated truck overpass, a new truck gate and doubled the size of the facility to 200 acres. A similar expansion project at Terminal 5 was completed in 1998.

The 10-day work stoppage that occurred at West Coast ports in October was a challenge for the economy and for people throughout the logistics and transportation industry, but it actually brought additional cargo to the Port of Seattle. Six ships that were scheduled to stop at ports in California were diverted to Seattle after work resumed, adding to the Port's year-end totals.

In an effort to continue to capitalize on investments in container terminals, and to bring the benefits of international trade to the entire region, the Port of Seattle partnered with the Port of Tacoma to help bring new import distribution centers for Target and Home Depot to the Puget Sound area in 2002. Both distribution centers are located in Lacey, Washington, and are expected to generate cargo for both Puget Sound ports.

The Home Depot facility, which opened January 30, is expected to generate more than 16,000 TEUs for the two ports in 2003. Volume figures for the Target distribution center, which will open in late April, were not available.

"No state in this country has more of a stake in international trade," Port of Seattle CEO Mr. M.R. Dinsmore said. "Working to maximize our assets to bring more trade to our region is critical to ensuring our economic well-being."

The Port of Seattle continues to lead Washington ports in international container volume, at 1.173 million TEUs, an increase of 11 percent over 2001. The Seattle harbor's domestic container traffic with Alaska and Hawaii increased by one percent to 265,624 TEUs.

Domestic container volumes at Port of Seattle facilities are expected to increase in 2003 as a result of a new lease the Port signed with Northland Services, a major provider of container barge services to Alaska and Hawaii. Northland's 15-year lease at Terminal 115, on the Duwamish River, nearly doubles barge operator's acreage and provides them with the stability to grow their business.

The Northland lease was put together by the Port's recently created business development team. "This team's job is to help existing customers grow and to bring new customers and cargoes to our facilities," said Mr. Charlie Sheldon, Managing Director of the Seaport Division. "They're working hard to fulfill that mission, and I'm confident we'll be announcing more good news in the near future."

Africa/Europe



ABP Southampton: Another record-breaking cruise season

THE much anticipated arrival of Queen Mary 2, the world's largest cruise liner, and a twin cruise-ship naming ceremony will top the list of highlights at Associated British Ports' (ABP) Port of Southampton in 2003, during what should prove to be another record-breaking cruise season for the South Coast port.

In excess of 200 cruise calls are scheduled for the 2003 season, a figure which has more than doubled in the last six years (1997: 91 cruise calls), and one which is expected to far exceed the combined number of calls handled by the UK's other two major cruise ports, Dover and Harwich.

Helping to make up the 200-plus calls will be 11 inaugural visits - the greatest number of maiden cruise-ships ever to visit the Port of Southampton in a single year. Four of the vessels to make their first call to Southampton this year will be named at the port. The cruise ship formerly known as Arcadia will be re-named Ocean Village in April and then P&O's Oceana and Adonia will make UK cruising history when they are named simultaneously in May, followed by the brand-new ship Crystal Serenity in July. In addition to Queen Mary 2 and Crystal Serenity, ABP's Port of Southampton will also welcome a further brand-new ocean-going liner - the Seven Seas Voyager.

Commenting on the year ahead, Mr. Andrew Kent, ABP Port Director, Southampton, said:

"Our cruise business is performing exceptionally well. The number of calls in recent years has rocketed - a sign of the port's strength, and ABP's continued ability to meet customer demand to remain at the forefront of the UK cruise market. 2003 promises to be a very exciting year for the cruise business in Southampton."

This year will see the completion of investments in cruise facilities at the Port of Southampton by ABP totalling over £10 million, including extensive reconstruction and refurbishment of the port's two existing cruise terminals, as

well as the construction of a third cruise facility to handle the growth in cruise business.



Algeciras: 55 million tons of cargo throughput



THE Port of Algeciras Bay recorded 55,028,857 tonnes of Total Cargo Throughput (+4.33%) for last year. This figure reconfirms our leadership of the Spanish Port System. As for financial results, net profit after fund contributions amounted to 15.5 million (+14%) and running costs came to 50.6 million (+8%).

All traffic types grew in 2002, with the sole exception being Fishing. Solid Bulks had a remarkable 11.05% growth and ship-calls to port increased 8.21% to more than 19,000. Significant returns were also seen in Containers - with 2.2 million TEUs; Passengers on regular lines from Algeciras and Tarifa to Ceuta and Tangiers saw 4.4 million people use this service joining Europe and Africa daily; and more than 150,000 HGVs used the same service. Ship supplies also increased by 4.72%.

Last year was a very productive one for the Port of Algeciras Bay. Among the most important events we should mention the leaving of Monaco Port's Floating Dock, the beginning of the Campamento works, the laying of Principe Felipe Quay's foundation stone and the opening of the Port & Industrial Training Centre in San Roque.

Main objectives for 2003 include confirmation of Tarifa Port as a Schengen Frontier, commissioning of the

Customer Attention Service, the railway link to Juan Carlos I Quay container terminal, commissioning of TCA's public container terminal, port promotion events in Spain, Morocco, Latin America and Asia and development of the Saladillo and Llano Amarillo leisure-shopping complexes.

In 2003, investment is set to be 133% higher than the previous year. There are 56.1 million euros set aside for investment, as opposed to the 24.1 million euros last year. Commencement of development work on the Outer Isla Verde project and the continuation of work in Campamento are the main targets for this year's investment.



Copenhagen: Record-breaking season for cruise industry



ACCORDING to the latest figures, 2003 will be a record-breaking season for the cruise industry in Copenhagen. As of January 2003 there were already 247 ships scheduled to dock in the Danish capital, 74 of them as turnaround ports, bringing an estimated 215,000 passengers.

This is particularly good news given the comparatively low figures for 2002, when 178 ships docked in Copenhagen as a result of the global downturn in tourism following the terrorist attacks on the United States. Though that was not as serious a drop as initially feared, the news that the 2003 season will bring even more ships and passengers than 2001 (when 215 ships docked here) is especially encouraging.

The resulting tourist-generated turnover in 2003 is now estimated to be around USD 49m which will combine with a further USD 26m turnover from refuelling of oil and water, harbour taxes and the purchase of ships' provisions to represent a total turnover of USD 75million.

Copenhagen: First call at Toyota's new terminal

First call at Toyota's brand new terminal for distribution of new cars to the Nordic markets

One year ago Copenhagen Malmö Port AB (CMP) signed an agreement with Toyota Motor Marketing Europe NV/SA (TMME) to the effect that one of Europe's largest car terminals was to be built at CMP's operation area in Malmö. Throughout 2002 a terminal area of 220.000 m² has been prepared for the activity. Today the Toyota terminal includes a deployment area for 10.000 new cars, with space for offices, completion plant, a car wash and new roads and railroad tracks.

The annual capacity of the new terminal is approx. 80.000 new cars. The terminal will be completed with two new quays, which are expected to be finished in early 2005. The investment amount of the entire facility is SEK 220 million.

On 17th of February 2003 the first new Toyota and Lexus cars arrived to the Toyota Nordic Hub.

The Toyota and Lexus cars arrived to the Toyota terminal at CMP on board the vessel "Grand Pioneer". The ocean-going vessels, deployed in the line, come from various shipping companies. On average one ocean-going vessel will call at the Toyota terminal at CMP once every week and from Toyota's factories in UK, France and Turkey the new cars will be delivered on board feeder ships about four to five times a week. This means that CMP on average will handle one car vessel every day - including the other car vessels to the port.

The terminal - Toyota Nordic Hub - is run by Toyota Logistics Services Sweden AB (TSLSE) - a subsidiary company of TMME. Together with logistics partners to run the PDI-facility (Pre-Delivery-Inspection), the terminal employs up to 70 persons - an additional 25 persons have been employed by CMP to load and unload the vessels.

Altenwerder (CTA). It is Europe's most modern container terminal from a conceptual and design point of view. Simultaneously, the EUROGATE Container Terminal Hamburg expanded its handling capacity by opening the newly built Berth 7a. In Hamburg's EUROGATE Terminal, the new EUROKOMBI intermodal cargo-handling rail terminal went into operation. Besides further expansion of berths 3 and 4, including terminal space in the Container Terminal Altenwerder (CTA), 2003 will mark the beginning of the expansion of berth 1 at the EUROGATE Container Terminal Hamburg. Modernisation of the neighbouring berths 2 and 3 should follow in the years to come. In the existing port area, the Port of Hamburg has a total capacity potential of roughly 13 to 14 million TEU.

Conventional Handling Declining Once Again

Following a break in the prior year, the decline in conventional handling is continuing in 2002. There was a 13.4 percent decline resulting in a handling volume of 2.9 million tons.

One of the reasons worth mentioning for the decline is that it wasn't possible to maintain the growth achieved in the prior year for handling sacks of sugar and pulp. The decline compared to 2001 was triggered by a poor sugar beet harvest as well as by the increased level of containerising in transporting forestry products in the Baltic Sea region. Between 1995 and 2001, the level of containerising of general cargo shipped from the Baltic Sea region to Hamburg (and vice-versa) increased from 74 to 94 percent. Discontinued departures of the England ferries was an additional cause for the decline in RoRo shipping.

Fortunately, in comparison, there is a slight increase in the conventional handling of metals. Shipping of iron and steel grew by 11.9 percent to 446,000 tons, and metals receiving dropped slightly (-1.8 percent) and only reached 432,000 tons. The decline in iron and steel receiving was almost compensated for by growth in non-iron metals receiving.

The Record Results of 2001 in Bulk Cargo Couldn't be Repeated

In 2002, bulk cargo handling in the Port of Hamburg dropped by 4.3 percent and only reached 37.5 million tons.

The most important factor in the drop was the declining demand for heating oil in Germany. The strong increase in mineral oil handling last year, due to a backlog demand for heating oil, couldn't be maintained in 2002. Seaward receiving in



Hamburg: A new handling record



AT total of 97.6 million tons of seaborne cargo were handled in 2002 in the Port of Hamburg. Thus, handling in the prior year was exceeded by 5.7 percent. The proportion of general cargo handling grew from 57.6 percent in the prior year to 61.6 percent of the total cargo handling in Hamburg.

At 5.7 percent, Hamburg achieved the highest percentage growth on the Northern European continent for ocean-going cargo handling. The growth in shipping in the most important ports of Rotterdam, Hamburg, Antwerp, and the Bremen ports ended up a total of +2.5 percent higher than the prior year (+0.2 percent), and, in spite of the decline in bulk cargo, it was somewhat higher than the average in the nineties. Hamburg's market share increased to 16.5 percent for

total shipping and 27.5 percent for container shipping (prior year: 15.8 percent and 26.1 percent respectively).

Market Share Increased Due To Double-digit Growth in Container Shipping

In the past year, container shipping in Hamburg increased by just under 7 million tons and climbed to 57.2 million tons. This represents growth of 14.9 percent. Thus, the proportion of containers increased to 58.6 percent (2001: 53.9 percent) of total handling in the Port of Hamburg.

Based on the number of twenty feet equivalent units (TEU) handled, container shipping in Hamburg grew by 14.6 percent and, at 5.4 million TEU, it cleared the 5-million mark for the first time ever last year. After completing the expansion of navigable waters in the Elbe in 1999, which guarantees a depth of at least 12.8 m (independent of tide), container throughput in the Port of Hamburg grew considerably faster than in the prior years and was 13.6 percent, 10.4 percent, and 14.6 percent based on TEU. Between 1992 and 1998, there was an average annual growth rate of 7.7 percent. Since completion of the last deepening of the Elbe, Hamburg has become fastest growing container port on the Northern European continent. In order to be well equipped for further growth, Hamburg made its largest single investment to date in the port and in 2002, it opened the Container Terminal

Hamburg fell by 32 percent to 3.6 million tons. Altogether, 11.5 million tons of liquid cargo was unloaded and loaded.

Even suction cargo handling dropped due to the declining volume of feed received and grain shipped. Suction cargo handling reached a total of 6.2 million tons and was therefore about 8.6 percent below the prior year's results.

In grab cargo handling, there was a strong increase in volume due to an increase in the volume of coal and ores received. Coal import increased to 4.4 million tons (+18.7 percent), and in ores receiving, 9.5 million tons were handled (+4.7 percent). At 19.9 million tons (+5.6 percent), grab cargo was the most significant component of bulk cargo.

Hamburg: Bottle-cleaning unit by sea to Thailand via Hamburg

AN unusually large KRONES bottled-cleaning unit was recently delivered by low-loader to the professional packers on the premises of AKF Altonaer Kistenfabrik Adolf Siemens GmbH in Hamburg-Veddel. Unpacked at the manufacturer's plant and weighing a total of more than 40 t, this bottle-cleaning unit was shifted by AKF's own 50-t rail crane into a heated 3,000-m² shed for packing. The unit set a new record for dimensions, being 16.60 m long, 6.60 m wide and 3.85 m high. Meanwhile, additional trucks were arriving with numerous additional parts for despatch to a Thai brewery. While the basic bottle-cleaning unit was being given seaworthy packing in the form of a giant crate, packing of the smaller parts required altogether ten 40' containers plus several 40' flats.

Just two days after delivery in Hamburg, the entire consignment stood ready for loading in a barge supplied by Walter Lauk. With the aid of AKF's crane on rails the safely packed heavy cargo items had simply been swung out of the packing shed into the barge at AKF's own loading berth. Some of them in any case by now exceeded the maximum load dimensions for any transport by road from there to the container terminal.

Transport prior to loading aboard the seagoing vessel followed. By now weighing 50.5 t, at HHLA's Container Terminal Burchardkai the machinery was heaved aboard the Hapag-Lloyd container ship "Hong Kong Express". Without problems or damage of any kind, HHLA staff saw to the safe and punctual loading of the unit and its numerous parts aboard the containership. With a peak capacity of 45,000 cleaned bottles per hour, in Thailand the

assembled unit will then ensure sufficient "reinforcements" for the beer filling process.

East Asia is a growing market for KRONES as a firm that exports all over the world. KRONES AG supplies many other companies besides breweries. Apart from filling equipment for drinks of all kinds as well as cleaning units for glass as well as PET (plastic re-usable) bottles, its product range also includes not only filling equipment, labelling machines, recycling technology and plants for the manufacture of PET bottles. Large and medium drinks companies all over the world are among the clients of this international leader on the drink filling equipment market.



Klaipeda: New trains give new possibilities for cargo delivery and port connection

The train Odessa - Klaipeda

The specialized combined transport train has connected the Baltic and Black seas and offered new possibilities for conveyance of cargo to the countries on its way. The train made the first trip from Odessa (port of Ukraine) to Klaipeda (port of Lithuania) on February 8.

The project of the train named Viking was implemented by the initiative of Lithuanian and Ukrainian governments in cooperation with Belarus. The train car-

ries various types of cargo in 20' and 40 universal, special and reefer containers and wagons. It is also accommodated for transporting road trains and other vehicles. Viking provides a possibility to reach the destination quickly and safely. According to Ukrainian operators, it is also an ecological and economic way for cargo delivery; transportation by train is twice cheaper than by trucks. The train made the trip to Klaipeda in 50 hours. In the future it will take even less time. The green line was given for this specialized train on all state borders. Customs check was arranged for the whole train, not for each cargo separately.

According to the plans of train operators, Viking will run once a week. It provides a possibility to connect the Baltic and the Black seas and reach Turkey, Bulgaria or any other country of the region. The name Viking is a hint that Scandinavian countries could also use the train for transportation of their cargo. The new train enables to use the intermodal transport system.

Train to Moscow in project

Another cargo train will connect Klaipeda and Kaliningrad with Moscow should be launched in May of this year. It is part of the plans of Lithuania and Russia under the project named 2K. This project is based on the intergovernmental agreement to grow the volumes of cargo in the direction of Klaipeda and Kaliningrad. Work groups are negotiating on uniform railway rates.

Asia/Oceania



Auckland: Operations continue strong growth

PORTS of Auckland operations continue to show strong growth, with Port Operations earnings before interest and tax (EBIT) up 8% to \$32.1 million for the half year to December 2002.

Port Operations revenue was also up 8% to \$75.5 million – thanks primarily to increased volumes.

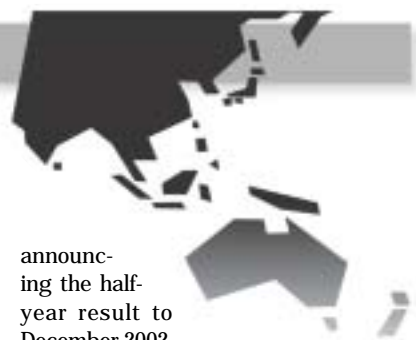
"This is a very pleasing result since Port Operations represents the bulk of the company's business, covering all cargo and container operations and marine services," said Chairman Neville Darrow,

announcing the half-year result to December 2002.

"Growth in container volumes is very pleasing, productivity continues to improve and tight control was held on costs," he said.

Total company-wide EBIT (earnings before interest and tax) – before unusual items – rose 6% to \$36.6 million compared with the first half last financial year.

EBIT for Investment Property and Marinas was \$4.4 million compared with \$4.8 million. The sale of ferry assets for \$10 million in June 2002 resulted in a drop



in leasing income. However, berth-licence sales at Westhaven Marina will have a favourable impact on the full year result.

While the capital reduction in May 2002 resulted in a drop in surplus after tax to \$20.4 million from \$22.7 million, the return on shareholders' funds improved in line with the more appropriately structured balance sheet and the company is now using capital more effectively. The surplus after tax incorporates an increased interest expense of \$5 million.

Earnings per share were 19.2 cents compared with 17.2 cents for the first half last year.

Directors declared an interim ordinary dividend of 15 cents per share, fully imputed for tax. This represents just over 75% of after-tax profits, in line with the policy that total ordinary dividends are to represent 75% of after-tax profits subject to the cash needs of the company.

Increased volumes

Chief Executive Geoff Vazey said that container volumes finished the half year on a high note with a rise of 11% to over 334,000 TEUs (20-foot equivalent units).

"Auckland remains New Zealand's most balanced port, with a 59:41 ratio of full import to full export TEUs for the half year. This makes our metropolitan port an attractive hub as shipping lines seek to balance cargo flows. Transshipment growth of 11% confirms the increase in hubbing on Auckland," Mr Vazey said.

January 2003 container volumes continued to track upwards with a 7% rise over January 2002.

Outlook

"The half-year results confirm that the Company remains on a path of steady growth," Mr Darrow said. The company was achieving value creation by:

- Growing core container business by successfully competing for new services, retaining customers with superior service, growing Auckland as New Zealand's main hub port and enhancing container-freight logistics
- Working to optimise use of key assets by making best use of valuable container-handling space at the terminals through improved layout and use of the inland ports, and by seeking partnerships such as the new North Tugz joint venture
- Working to optimise the value of non-core property assets.

Mr Vazey said that container volumes were on track for another solid full-year performance. The trend towards containerisation was continuing and growth in hubbing was increasing transshipments.



Jurong: Port expansion plan on schedule

THE current expansion phase of Jurong Port's expansion involves commissioning 2 new container vessel berths (Berths J24 and J25) and adding 10 new container yard blocks. The new berths will be equipped with 4 quay cranes (QCs) supported by 12 rubber-tyre gantry cranes (RTGs). At this stage, two QCs have been delivered and are undergoing commissioning works while the remaining 2 will be delivered in March 2003. The 12 RTGs will be delivered in mid-2003 while the 10 new container yard blocks will be operational by June this year. When this phase of expansion is completed, Jurong Port's container handling capacity will grow from the present 600,000 teus per annum to one million teus per annum.

The next expansion phase will see Jurong Port further expanding its con-

tainer handling capacity to 1.4 million teus by mid-2004. Jurong Port has recently ordered 4 super post-panamax QCs for delivery in March and April 2004, it will also place order for additional RTGs and develop more container yard blocks to support the higher handling capacity.

Jurong Port's IT systems have also been developing quickly to coincide with the container handling capacity growth. The Port's Container Terminal Management System is now fully implemented and is operating smoothly while work on various system linkages with external parties such as the Customs & Excise Department, Maritime and Port Authority of Singapore, and PSA Corporation are in progress. We should be able to see the seamless linkages with these external parties established by the second half of this year.



Korean MOMAF: Promotes Customs Free Zone

THE Ministry of Maritime Affairs and Fisheries announced that Special taxation benefits will be given to every foreign logistics firm making investment of at least \$10 million into specially designated customs-free zones here.

The ministry said that it will prepare policy revision bills to activate the use of customs-free zones by next month to begin discussion with related ministries

such as the Ministry of Finance and Economy (MOFE).

Qualifications will become much more lenient for foreign companies advanced in the customs-free area to receive direct tax deductions while domestic companies will obtain incentives for their business development.

Noting the nature of logistics business, where it is difficult to make large-size investments, the ministry decided to lower down the required amount of investments for the benefits to \$10 million or more from a previous amount of



\$30 million or more.

According to sources, the average investment size by foreign logistics companies only reach around \$5 million to \$7 million at present. The ministry's previous minimum investment value has thus been criticized for being too high with no

effectiveness.

For domestic companies, the ministry had been giving such benefits as indirect tax deduction to local firms originally located in areas to be, or newly designated as customs-free zone. From now on, the benefits will be given to those advancing inside the tariff-free zones.

Tax deductions currently given only to simple processing companies will also be offered to integrated-processing and assembling firms in the future.

The activation plans for customs-free zones are prepared in order to energetically attract foreign and domestic companies ahead of the construction of large business supporting complex at Busan New Port and Gwangyang Port.

dramatic expansion.

From barely less than 6 services a couple of years ago, there are now 14 leading shipping lines providing weekly sailings between Northport and major Indian ports of Nhava Sheva, Tutticorin, Chennai, Mumbai, Visakapatnam and Cochin.

The growing number of direct connections with increased frequencies and bigger capacity vessels now offer shippers from Malaysia and India a wider option for their shipments.

With better transit time and increased frequency of the new services, shippers in India now enjoy the advantage of faster connections to mainline services calling at Northport. For transshipment, Northport offers direct connections to ports at all major markets worldwide.

The transshipment via Northport helps shippers in India to save valuable transit time that is otherwise lost in transshipping their cargo via other ports in the region. The savings translate into cost efficiency as well as offer greater competitiveness in landed prices of Indian goods at destinations.

Direct link with Nhava Sheva on the west coast of India tops the list with 6 major consortium members (comprising 14 carriers) providing 7 weekly sailings to and from Northport.

This is followed by Chennai-Port Klang service offered by two major consortium members (consisting of six major carriers) offering four weekly sailings from Northport.

Wan Hai Lines and OOCL offer a weekly eastbound service in their China-Middle East Service that directly connects Nhava Sheva and Northport.

Regional feeder specialist Regional Container Lines together with Sea Consortium also offers two weekly feed-



Nagoya: New affiliation between the ports of Nagoya and Shanghai



Mr. Takahashi (left) and Mr. Cai, shaking hands at the signing ceremony

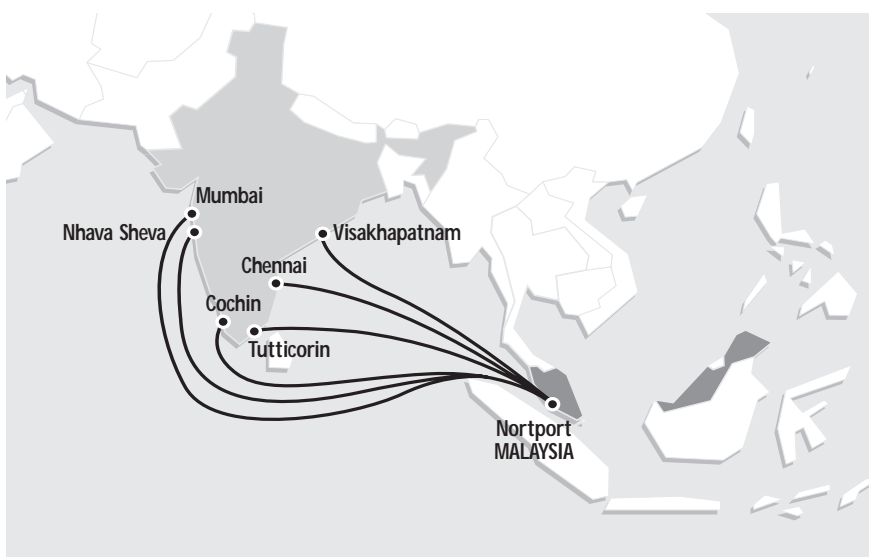
THE Association for the Promotion of Utilization of Nagoya Port (APUNA), an organization of port-related firms near the Port of Nagoya, has signed a friendship affiliation with the Shanghai Port Association (SPA), its counterpart in Shanghai, to establish cooperative ties for mutual benefit in the future.

The agreement was signed by Mr. Jiro Takahashi, President of APUNA, and Mr. Cai Mei Yi, Deputy Executive President of SPA, in Shanghai on February 25. It stipulates that the 2 organizations exchange business-related information on a regular basis and visit each other's city to organize trade promotion seminars. Unlike the existing port-to-port affiliations, this new agreement is essentially industry-driven, and is expected to bring even more tangible and specific benefits to the parties involved.

Mr. Takahashi said in his remarks at the signing ceremony that this unique agreement marked a significant step in the history of ports in both countries, heralding an era of further exchanges in the fields of economy, logistics, and culture. He also expressed his sincere hopes that delegates from the Shanghai Port Association would visit Nagoya in the fall, to further enhance the mutual cooperative ties.

Northport: Improves Indian Ports link

CONSISTENT with the recent increase in the volume of trade between Malaysia and India, the network of direct shipping services between Malaysia's gateway port, Northport and Indian ports has recorded



er connection from Mumbai and Nhava Sheva to Northport.

India Far East Express service mounted by four major carriers - K Line, Pacific International Lines, Dongnama Shipping Co. Ltd and Shipping Corporation of India - provide the most comprehensive network of port coverage with links to 13 ports in six major countries namely China, Singapore, Malaysia, India, S Korea and Sri Lanka.

India Far East Express (I)'s eastbound service connects Nhava Sheva-Colombo-Port Klang-Singapore-Hong Kong and Pusan while the westbound service calls Pusan-Shanghai-Hong Kong-Singapore-Port Klang-Colombo and Nhava Sheva.

Malaysia's national carrier, Malaysia International Shipping Corporation Bhd operates an independent weekly service to Nhava Sheva every Wednesday from Northport. The weekly Straits India Pakistan Service, which connects India, Pakistan and Sri Lanka, offers direct sailings between Tutticorin, India and Northport, Port Klang.

Members of the New Grand Alliance, especially P&O Nedlloyd and NYK, also offer direct services from Northport to Indian ports.

Their joint service links Nhava Sheva, Karachi and Colombo with Northport.

Their South Asia Express Service connects Colombo direct with Northport every Thursday and allows the two carriers to tranship containers from the Indian sub continent to final destinations via their network of worldwide services from Northport. The service offers one of the fastest transit times of four days between Colombo and Port Klang.

Hyundai Merchant Marine, Samudera Shipping Line Ltd and Advance Container Lines are involved in the Bombay-Nhava Sheva Express service and provide direct connections from Colombo as well as from three major Indian ports in a single string. The service calls Northport every Monday and links Bombay, Nhava Sheva and Cochin in India.

In addition, Advance Container Line provides five weekly sailings from Northport to four major ports - Nhava Sheva, Cochin, Chennai and Mumbai - in India.

A number of new ports are also linked with Northport, including Vishakapatnam by Orient Express Line, Chennai (Madras) by Bengal Tiger Line, Tutticorin by MISC and Cochin served by Hyundai Merchant Marine, Samudera Shipping Line Ltd and Advance Container Line.



Sydney: Unique cruise ship gets spectacular welcome

THE World of ResidenSea was welcomed with a spectacular water display by Sydney Ports Corporation's emergency response fire tug, the Shirley Smith, as it made its way into Sydney Harbour on March 5 for the very first time.

The World, the only resort community circumnavigating the globe, was escorted from Bradleys Head to Circular, and berthed at Sydney Ports' Overseas Passenger Terminal (OPT).

"This unique vessel, which has residents as opposed to passengers, has chosen to remain at the OPT in Sydney for five days which is longer than the average cruise vessel visit. This is part of its elaborate sailing schedule to countries that include ports that offer natural attractions and host major events," said Mr. Greg Martin, CEO of Sydney Ports Corporation.

"Sydney Ports was awarded this week, "Best Destination Experience" for the third time in as many years, at the Dream World Cruise Destinations Awards 2002, held in Miami. Therefore, it is no wonder residents on board The World have chosen Sydney as a port of call," said Mr Martin.

Another unique feature of this visit was the decision to manoeuvre the vessel out into Sydney Harbour, where it swung around and berthed again at the OPT, halfway through its stay. This was to ensure that all passengers on both sides of the vessel could take advantage of the Opera House and Sydney Harbour views.

The 43,000 ton vessel accommodates 110 two and three bedroom apartments, with 70% sold at a cost of \$4 million to \$13 million. There are 88 studio apartments on board the 12 deck ship which are available for rent. These spacious homes have been designed by some of the world's leading interior designers.

The residents on board are the first people ever to live at sea in privately owned apartments and enjoy luxuries including four restaurants, a casino, two swimming pools, a full size tennis court, two golf driving ranges, a large fitness centre and a delicatessen.

Qinhuangdao: China's largest imported banana distribution center



PORT of Qinhuangdao commenced banana business in 1995 and had become Chinese largest imported banana distribution center till 1998. The port unloaded 195,200t banana in 2000, heading the list of all ports in China and accounting for 71.77% of Chinese total banana import amount.

Situated at the combination area of North China and Northeast China, with developed railway, road and waterway transportation network and expansive hinterland, Port of Qinhuangdao enjoys exceptional advantages in entrepot trade. According to statistics, Port of

Qinhuangdao has been occupying the first place in China for banana import. Banana unloading business in the port has given great drive to the regional economy and improved the customs tariff and regional revenue.

Taking this advantage, the city of Qinhuangdao is planning to establish a fruit & vegetable trading center this year, which will be the largest in northern China. The center, focusing on Qinhuangdao, with Beijing, Tianjin, Tangshan and the three provinces in Northeast China as joint points and covering the whole China, is aimed at the international market with Japan, South Korea as the keystones.

Attached is banana throughput record in Port of Qinhuangdao since 1995:

YEAR	THROUGHPUT
1995	6900t
1996	114,400t
1997	201,800t
1998	225,800t
1999	238,500t
2000	375,000t
2001	221,800t
2002	195,200t