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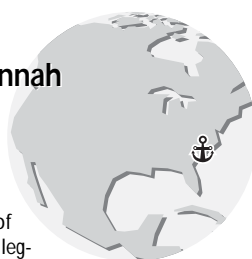
Dr. Satoshi Inoue
IAPH Head Office
Tokyo
Japan

Port of Savannah U.S.A.

CREATED
in 1945 by
an act of
the Georgia state leg-
islature, the Georgia Ports

Authority owns and operates deepwater ports
in Savannah and Brunswick and inland barge
facilities in Bainbridge and Columbus.

The Port of Savannah offers the longest con-
tinuous berthing space on the U.S. East Coast.
Garden Cit Terminal feature more than 1,000
acres for the handling of containerised cargo
and Ocean terminal offers 208 acres for gener-
al, RoRo and special project/heavy lift cargo.
The Port of Savannah also has superior inter-
state and rail connections and new 150-acre
intermodal container transfer facility that reach-
es 26 states throughout the U.S. Related article
on page 29.



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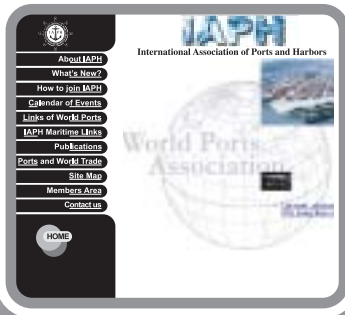
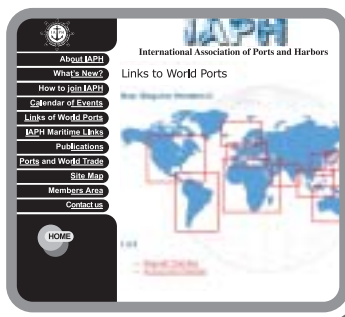
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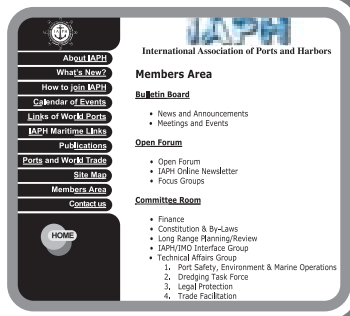
International Association of Ports and Harbors

<http://www.iaphworldports.org>

Did you access the IAPH website?



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

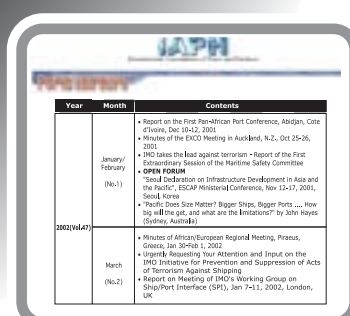
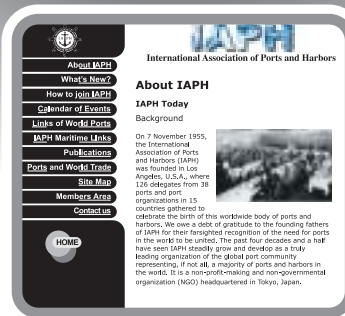
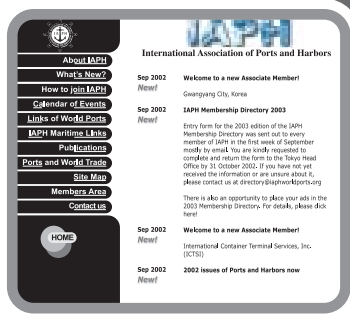


- Calendar of future IAPH meetings and other maritime events

- 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>](mailto:info@iaphworldports.org).

IAPH ANNOUNCEMENTS AND NEWS

23rd IAPH World Ports Conference

Message from Mayor of Durban

The warm and friendly city of Durban is the ideal place to host prestigious international conferences such as the 23rd IAPH World Ports Conference.

This is the first time in the 48-year existence of IAPH that this conference is being hosted on African soil, and we are pleased that you are bringing your maritime experience to Durban so that we can all learn from each other.

The South African ports in general, and the Port of Durban in particular, are in a process of transition. The Port Authority has changed and we are now moving towards concessioning and greater participation by the private sector. Other port authorities in the world have moved down this road already and we can learn a lot from the world's "best practices" and from the international experiences that you, the delegates, are bringing to this forum.

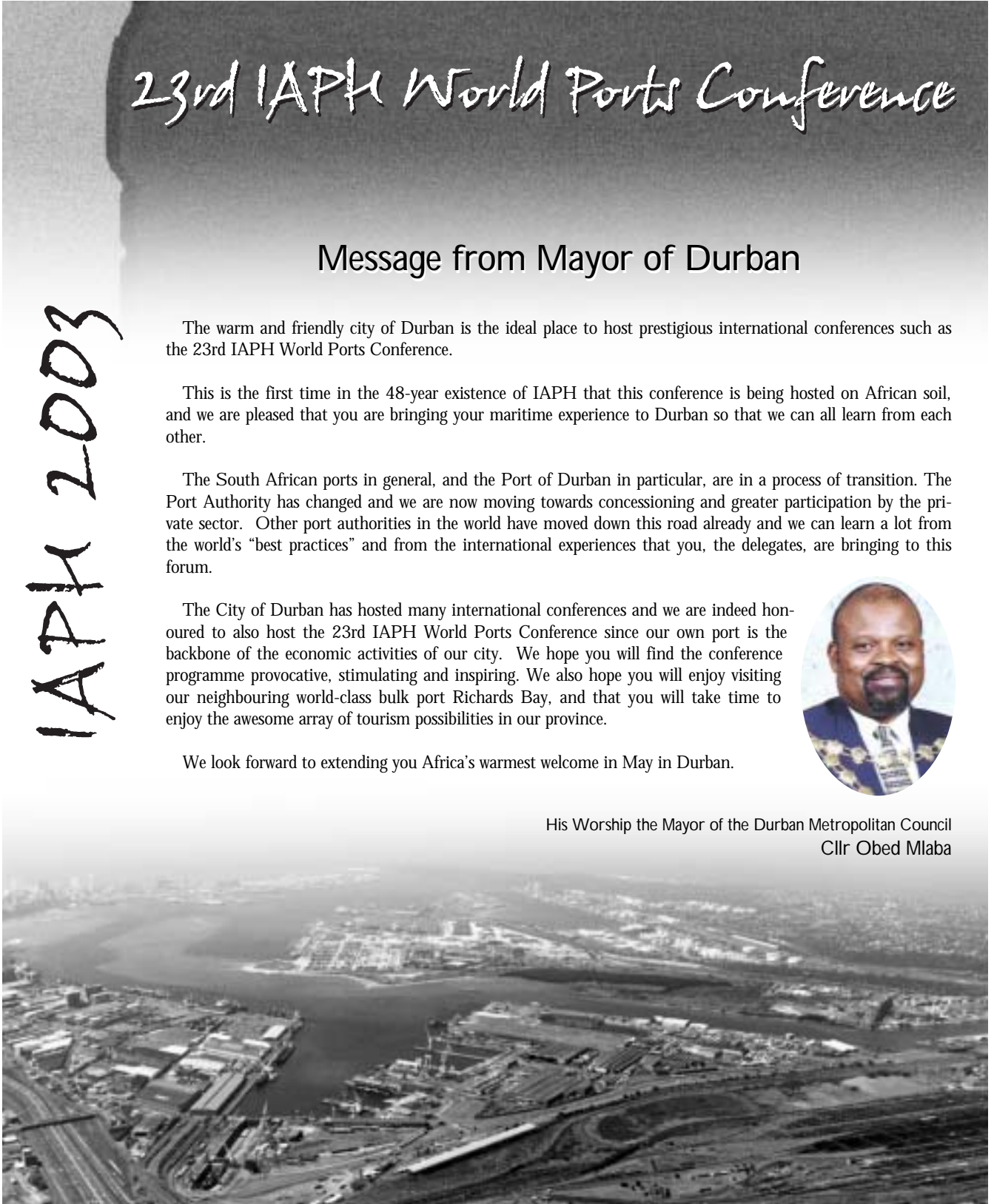
The City of Durban has hosted many international conferences and we are indeed honoured to also host the 23rd IAPH World Ports Conference since our own port is the backbone of the economic activities of our city. We hope you will find the conference programme provocative, stimulating and inspiring. We also hope you will enjoy visiting our neighbouring world-class bulk port Richards Bay, and that you will take time to enjoy the awesome array of tourism possibilities in our province.

We look forward to extending you Africa's warmest welcome in May in Durban.



His Worship the Mayor of the Durban Metropolitan Council
Cllr Obed Mlaba

IAPH 2003



The 23rd IAPH World Ports Conference

Provisional Agenda for Plenary Sessions and Board Meetings

THE provisional agenda for Plenary Sessions and Board Meetings slated to take place during the forthcoming Durban Conference were sent to all IAPH regular members and members of IAPH Board of Directors early April. Members and Directors are invited to attend the Plenary Sessions and the Board Meetings to discuss such agenda items as they are of critical importance to the future of IAPH.

See you all soon in Durban!

First Plenary Session

15:00-17:00 Tuesday May 27, 2003

1. Opening remarks by the Chairperson of the Session (President)
 - (Moment of Silent prayer for the Deceased)
2. Report by the Chair of Credentials Committee
 - Declaration of quorum for the Session
3. Report by the Secretary General
 - Major activities of IAPH since Montreal Conference
4. Report by the Chairperson of the Board of Directors (President)
 - Present status of Membership
 - Financial results for 2001/2002, and the Budget for 2003/2004 for resolution
 - New framework for Technical Committees activities proposed by Long Range Planning/Review Committee
 - IAPH 50th Anniversary commemorative projects
5. Adoption of the Revised Constitution & By-Laws
 - Submission of the (draft) revised Constitution & By-Laws by Legal Counselors, followed by resolution for adoption
6. Other resolutions and bills, if any
7. Reports by Coordinating Vice-Presidents for Technical Committees activities
8. Commendation for winners of "IAPH Essay Contest" and "IAPH IT Award"
9. Closing remarks by the Chairperson of the Session

Second Plenary Session

14:00-15:30 Thursday May 29, 2003

1. Opening remarks by the Chairperson of the Session
2. Election of Honorary members
 - Submission of names of meritorious individuals by the Honorary

- Membership Committee for election
3. Presidential Citation for other meritorious individuals
4. Resolution of thanks for Host etc.
5. 24th Conference in Shanghai in 2005
 - Invitation address by the host port
 - Election of Conference Vice-President nominated and submitted by the Board of Directors
6. 25th Conference in 2007
 - Announcement of the venue
 - Address by the host port
7. Election of President, 1st, 2nd and 3rd Vice-Presidents for the next term
 - Submission of nominees by the Board of Directors for election
8. Farewell address of President
9. Inaugural address of President-Elect
10. Announcement of new Exco members & Chairpersons of Technical Committees
11. Closing remarks by the Chairperson of the Session

Board of Directors Meetings

Full Board Meeting

(Pre-Conference Meeting of IAPH Board of Directors)

15:00-17:00 Sunday May 25, 2003

1. Opening remarks by the Chairperson of the Board (President)
2. Reports by the Chair of Credentials Committee
 - Declaration of quorum for the Meeting
3. Report by the Secretary General
 - Major activities of IAPH since Abu Dhabi Mid-term Board Meeting
4. Report by the Chair of Finance/Budget Committee
 - Account Settlement for 2001/2002
 - Budget for 2003/2004 (to be approved for submission to 1st Plenary Session)
5. Reports by the Chair of Constitution & By-Laws Committee
 - Revision of Constitution & By-Laws

6. Report by the Chair of the Nominating Committee
 - Results of nominations for offices of President, 1st, 2nd, and 3rd Vice-Presidents
7. Report by the Chair of Long Range Planning/Review Committee
 - Proposal and discussion of new framework for Technical Committees activities
8. Report by the Chair of IAPH/IMO Interface Group
 - Port Security
9. Proposal on individuals for referral to the Honorary Membership Committee
10. The 24th IAPH Conference in 2005
 - Presentation by the host Shanghai International Port Group on dates and venue followed by
 - Resolution of the Board of Directors
 - Nomination of Conference Vice-President to be submitted to 2nd Plenary Session for election
11. The 25th IAPH Conference in 2007
 - Report by the responsible Vice-President (Mr. Kornegay) followed by resolution of the Board of Directors
12. Report by the Chair of IAPH 50th Anniversary Committee
 - Presentation on planned activities with provisional financial indications by the Chair followed by the Board's approval for report to 1st Plenary Session
13. Confirmation of new Exco members
 - Presentation of new Exco members by Regional Vice-Presidents followed by confirmation by the Board
14. Others (if any)
15. Closing remarks by the Chairman of the Board

Start-up Board Meeting for the Next Term

(Post-Conference Meeting of the IAPH Board of Directors)

15:30-17:00 Thursday May 29, 2003

1. Opening remarks by the Chairperson (new President)
2. Mid-term Board Meeting in 2004
 - Announcement of the venue and dates by the President
3. Exco Meeting in 2003
 - Announcement of the venue and dates by the President
4. Technical Committees
 - Announcement of new Chairs and members
 - Terms of Reference and work-plan for each Committee for the next term
5. Others, if any
6. Closing remarks by the Chairperson

Important!

Submission of Credential or Proxy Form Requested

AS you have found some important items in the Provisional Agenda, such as adoption of By-Laws Amendments, new Board of Directors and Exco members, Budget for 2003/2004, your submission of the "Notice of Attendance (cum Credential/Proxy Form)" is requested for the purpose of securing a quorum for each valid meeting.

Regular Members

In his recent letter addressed to all Regular Members, Dr. Satoshi Inoue requested that Regular Members advise the name of their representative to the Durban Conference by submitting Credential Form to the Secretary General as soon as practicable, be it by fax or e-mail.

He further stressed that even if one is not attending the Durban Conference such members are able to attend the Conference by proxy by entrusting the voting rights to: the IAPH President, the Regional Vice-President or the representative of Regular Members, who will be attending the Conference.

Members of the Board of Directors

In his recent letter to all Directors, Secretary General Inoue asked all Directors to submit notices of attendance to the planned Board Meetings on the occasion of the Durban Conference.

Dr. Inoue also emphasized that Directors who will not be attending the meetings can still execute their voting rights by entrusting such privilege to the Board Chairman, President Someya, Regional Vice President or other Director who is attending the meetings by submitting a Proxy Form to the Secretary General beforehand.

Your immediate action is requested!

Dr. Satoshi Inoue
IAPH Secretary General
5th Fl. North Tower, New Pier Takeshiba
1-11-1 Kaigan, Minato-ku, Tokyo
105-0022 Japan

Winners announced IAPH Essay Contest for Akiyama Prize 2002/2003

THE IAPH Essay Contest 2002/2003, the theme of which was "My suggestions for changes to improve the quality of service in my port", has been successfully concluded with 14 entries received from 12 IAPH members.

Former Chair of Human Resources Committee, Mr. Goon Kok-Loon announced the final results at the end of February.

• First (Akiyama)* Prize

Mr. Nelson C. Mlali

Tanzania Harbours Authority
Tanzania

for "My suggestions for changes to improve the quality of service" at Dar es Salaam Port, Tanzania

(To be awarded a silver medal, US\$2,000 and an invitation to attend the 23rd World Ports Conference IAPH.

Durban, South Africa, May 2003, with traveling and hotel accommodation provided)

**The top prize is named the "Akiyama Prize" after one of the great founding fathers of IAPH, the late Mr. Toru Akiyama, who served as IAPH Secretary General from 1967 to 1973.*

• Second Prize

Mr. Raouf Y. Ali

Point Lisas Industrial Port Development Corporation Limited (PLIPDECO)
Trinidad and Tobago

for "How to improve port efficiency at PLIPDECO"

(To be awarded cash prize of US\$500)

• Third Prize

Mr. S.H. Rachmanto

Indonesian Port Corporation III
Indonesia

for "Policy on Information Technology of Indonesian Port Corporation III Facing Global Competition"

(To be awarded cash prize of US\$400)

As to the Fourth and Consolation Prizes, there were no entries considered eligible.

ESSAY JUDGING PROCESS

1. The essays were judged independently by 2 judges:

Mr. GOON Kok Loon (Singapore)
Mr. Eddy BRUYNINCKX

(Antwerp, Belgium)

The judges used a consistent set of judging criteria with fixed weighting. The criteria were as follows:

- Clear identification of the problem
- Effectiveness and level of detail of solution
- Compelling quantification of cost versus benefits
- Identification of solution implementation problems and how to overcome them
- Applicability of solution worldwide; impact of solution

The results from each judge were then collated and the top three aggregate scores determined the top three winners. Both judges concurred on the selection of the winners.

ABOUT THE ESSAYS

1. General comments:

The judges are impressed by the thought and effort put into the essays. The coverage of the topics was broad, ranging from strategic papers on improving service quality to detailed suggestions on a new spare parts system for port equipment. We want to thank all participants for their effort and congratulate the following winners:

2. Comments on the winning essays

- Top (Akiyama Prize) Winner:

Mr. Nelson C. Mlali from Dar es Salaam Port, TANZANIA for his suggestions for changes to improve quality of service at Dar es Salaam Port.

Comments: This is an excellent paper, with clear structure, problem identification, well-defined goals and recommendations. There was a razor sharp focus on improving the quality of service in the port. Mr Mlali backed up his recommendations with very detailed explanations and impact analysis. His logical approach was also augmented by outcome analysis, detailing every step and rationale used.

• Second Place Winner:

Mr. Raouf Y. Ali from PLIPDECO, Couva, TRINIDAD AND TOBAGO for his essay on how to improve port efficiency at PLIPDECO.

Comments: The essay focused on operations and productivity at PLIPDECO. Mr. Ali was able to trace down the problem clearly and tackle the problem with a well-developed and logical approach, which was both broad and well-covered. The impact, cost versus benefit and potential implementation problems were well thought through.

• Third Place Winner:

Mr. S.H. Rachmanto, from Indonesian Port Corporation III, INDONESIA for his essay on "Policy on Information Technology of Indonesian Port Corporation III Facing Global Competition".

Comments: Mr. S.H. Rachmanto proposed a strategic Information Technology plan for the Indonesian Ports. He was able to describe the specific Indonesian port technology situation, and follow through with the basic plan ideas, implementation strategy, integration plans and a detailed budget. He made bold recommendations and covered a lot of ground.

Our sincere thanks go to all 14 entrants from the following 12 IAPH Members:

- Cochin Port Trust, India
- Cyprus Ports Authority, Cyprus
- Indonesia Port Corporation II, Indonesia
- Indonesia Port Corporation III, Indonesia
- Kenya Ports Authority, Kenya
- National Institute of Port Management, India
- Paradip Port Trust, India
- Philippine Ports Authority, the Philippines
- Point Lisas Industrial Port Development Corporation Limited (PLIPDECO), Trinidad
- Taichung Harbor Bureau, China
- Port of Tallinn, Estonia
- Tanzania Harbours Authority, Tanzania

Minutes of the IAPH Combined Transport, Distribution & Logistics Committee Meeting

February 19, 2003, Amsterdam



List of participants

- **Mr José Luis Estrada Llaquet**
Planning Director, Puertos del Estado, Spain.
Chairman.
- **Mr. Leonids Loginovs**
Chief Executive Officer, Freeport of Riga
Authority, Latvia.
- **Mr. Vladas Sturys**
Director for Strategy, Klaipeda Port
Authority, Lithuania.
- **Mr. Vasile Pistolea**
Expert, Maritime Training Centre,
Constanza, Romania; President, Romanian
Maritime Association.
- **Macario Fernández Trueba**
Director, Port of Santander, Spain
- **Harilaos N. Psafaratis**
Maritime Transport, NTUA, Greece.
- **Álvaro Rodríguez Dapena**
Intermodal Planning Area, Puertos del
Estado, Spain.
- **Arnold Bakelaar**
Commercial Division Business Development
Logistics, Port of Rotterdam.
- **M. van Schuylenburg MSSc.**
Strategy&Communication Corporate
Development, Senior Project Manager

1. Welcome reception by the Chairman,
Mr. José Luis Estrada, Planning Director,
Puertos del Estado, Spain.

Mr. José Luis Estrada welcomed the
members of the Committee to
Amsterdam.

He offered a special welcome to and
expressed his thanks for the presence of
the new members of the Committee:

- Mr. Vladas Sturys, who had participated in
the Riga Committee
- Mr. Harilaos Psafaratis
- Mr. Álvaro Rodríguez Dapena, who was
presented by the Chairman as assistant and
Secretary of the Committee.
- Mr. Arnold Bakelaar
- Mr. van Schuylenburg

Also, Mr. Estrada justified the holding

of the meeting in Amsterdam and not in
Spain because of tight scheduling and
also to take advantage of the Regional
Meeting Europe-Africa.

Mr. Estrada indicated that all
Committee Members had been invited
to attend, but that some of them had
excused their presence:

- Mr. John Hirst
- Dr. Y. Kawasaki
- Mr. Daniel Loosveldt

2. Approval of minutes from last meeting

The minutes of the last meeting of the
Committee held in Riga, 4th October
2002 were approved unanimously. The
contents of the minutes were published
in a specific article in "Ports and
Harbours" (IAPH "Announcements and
News", December and 2002) and several
copies of this article were distributed to
the assistants.

3. Report of practical cases on logistics and
intermodality

Mr. José Luis Estrada presented a
proposal of a basic schedule to develop
a Report which will focus on collecting
best practical examples of logistics and
intermodality related to ports on a
worldwide scale. The aim of this
approach is to achieve a representative,
clear and pedagogic publication in a
homogeneous format showing best port
practices in the field of logistics and
intermodality. Some examples of pro-
jects to be described could be the fol-
lowing:

- Integration of ports into logistics chains
- Development of logistics zones or distri-
parks in ports or linked to ports
- Development of intermodality at ports
- Development of rail terminals at ports
- Dry ports and inland terminals linked to
ports
- Added-value activities and services at ports
- Others

Mr. Estrada proposed, in principle, a general common format and index for the description of each port experience or project, which is as follows:

- Abstract
- Introduction
- Physical description, including location, configuration, etc. illustrated with maps, photographs, schematics...
- Operational description: operations linked to ports. Service characteristics...
- Economic description, financing schedule and cost-benefit analysis
- Organisation description: public and private agents involved and their relationships.
- Commercial description: market analysis
- General analysis of the integration of the port in the port strategy.
- Conclusions

Mr. Estrada suggested that the cases be finished no later than 15th April, to allow sufficient time to print them before the Durban Conference. All the Members of the Committee are invited to do their own port cases or to try to get cases from other ports which are considered of interest.

Mr. Estrada indicated that so far there are five different reports to be incorporated:

- The Freeport of Riga: Connecting the East and the West", by Leonids Loginovs
- The port of Santander, by Macario Fernández Trueba
- The logistic activities zone of the port of Barcelona, by Santiago Bassols.
- The dry port of Madrid, by José Luis Estrada Llaquet
- The FAMAS project at the port of Rotterdam, by Mr. van Schuylenburg

Mr. Estrada also said that one new case, probably from the port of Antwerp or Hamburg, is likely.

Mr. Vladas Sturis asked for the general structure of the publication that is to

include the port projects, suggesting the possibility of including a prefatory chapter describing the general economic, logistic and transport framework that justifies the development of the projects to be described.

Mr. Harilaos N. Psafaratis proposed to be the author of this prefatory chapter; this offer was accepted by the chairman, who thanked him for his interest.

All of the cases had to be sent by e-mail to Mr. Alvaro Rodríguez, who is to collect them and forward them to the other members of the Committee for analysis and comments prior to printing.

Mr. Loginovs then gave to the Chairman his work entitled "The Freeport of Riga: Connecting the East and the West". Mr. Estrada thanked Mr. Loginovs for his excellent work.

The Committee Members accepted the project, considering that it is very interesting and questions like modal split and intermodality should be emphasized as a general topic which covers the global planning of the project.

4. Objectives of the Committee

Mr. Estrada recalled the objectives established in Riga which are, in the short-term, to initiate a Report about the most interesting cases on logistics and intermodality related to ports on a worldwide-scale.

This could be a kind of systematic report which plays the role of an observatory of cases to be shown to all IAPH members.

Obviously, an intermodal and logistic framework must be established, and a final analysis of the cases should be done, so as to identify general conclusions on the subject.

Mr. Pistolea suggested that making a collection of cases is an important task even though it seems easy in the beginning.

5. Presentation of FAMAS project.

Mr. Arnold Bakelaar and Mr. van Schuylenburg presented the FAMAS ("First All Modes All Sizes") project at the port of Rotterdam.

The goal of this project is to develop, in a public-private partnership, a new generation of container terminals and service centres with connecting Inter Terminal Transportation systems (ITT) at Maasvlakte 2 (MV2). A "combi" organised container terminal is presented in three peninsulas:

- 1 container peninsula with road/rail/barge handling ("compact" design)
- 1 container peninsula with road and barge handling ("combi" design)
- 1 container peninsula with road handling ("distributed" design).

This layout allows enough flexibility to cater to shipping lines seeking different service levels. In total, the container volume estimates for MV1 and MV2 are in 2020 some 8,7 and 5,4 million TEU-moves per year, respectively, with a high level of productivity at all of the facilities.

Some of the Committee members asked about the total cost of FAMAS project and Mr. van Schuylenburg informed that it is near 1,6 billion euros.

6. Conclusions and close of the meeting

All the participants agreed to the general structure presented by the Chairman to develop each port case in the field of logistics and intermodality and a number of 5 or 6 cases were initially established to be finished and prepared before the forthcoming 23rd IAPH World Ports Conference in Durban, 25th to 30th May, 2003.

Mr. Estrada thanked the members for their attendance.



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Membership Notes

New Members

Regular Member

Autoridad Portuaria de Las Palmas [Spain]

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Autoridad Portuaria de Gijon [Spain]

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Associate Member

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Website: http://www.ssi-group.com

IDESS Maritime Centre (SUBIC) Inc. [Philippines]

Address: 2079 A&B Nabasan Pier Naval Magazine Area
SUBIC Bay Freeport Zone, PHILIPPINES

Attn.: Capt. Robert K. Rayner, Managing Director
Phone: +63-47-252-3043
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E-mail: mail@idess.com
Website: http://www.idess.com

Total Soft Bank Ltd. [Korea]

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Attn.: Mr. J. R. Choi, CEO
Phone: +82-51-630-7000
Fax: +82-51-630-7100
E-mail: betty@tsb.co.kr
Website: http://www.tsb.co.kr

Changes

Member Matters:

Shimizu Port Administration Bureau [Japan]

Address: 12F, 5-1 Ote-machi, Shizuoka City, Shizuoka Pref., JAPAN
Phone: +81-54-221-1203
Fax: +81-54-251-1058

Waterfront Vitalization and Environmental Research Center [Japan]

President: Mr. Hideo Nakamura

IAPH Matters:

Board of Directors [India]

Director: Sh. R.B. Budhiraja, Chairman, Jawaharlal Nehru Port Trust
Alternate Director: Smt. Rani A. Jadhav, Chairperson, Mumbai Port Trust

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IAPH Essay Contest for Akiyama Prize 2002/2003 Winning Essay

How to Improve the Quality of Service in my Port



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1.0 INTRODUCTION

- 1.1 A service is any act or performance that one part can offer to another, that is essentially intangible and does not result in the ownership of anything. Services are characterized by intangibility and perishability as they can not be inventoried. Further, they are produced and consumed simultaneously which means; the service provider is often physically present when consumption takes place
- 1.2 Service quality is the customer's subjective experience of the service delivered as compared to expectations.
- 1.3 Sea ports provide terminal facilities for ships to load/discharge cargo as well as temporary storage facilities.
- 1.4 The Port of Dar es salaam in Tanzania located at latitude 6.50 E and longitude 39.170E, is the Gateway to Eastern and Central Africa countries such as Zambia, Democratic Republic of Congo, Rwanda, Burundi, Malawi and Uganda.
- 1.5 Port services are many but it suffices to mention the following key services:-



**A map of Africa showing the position
of Dar es Salaam port in Tanzania**

- Stevedoring operations
 - Ship loading/discharging operations
 - Quay handling of cargo
 - Storage function
 - Cargo delivery function
 - Towing vessels-Tug
 - Vessel pilotage
 - Supply of water to vessels
 - Dockage
 - Dry docking functions
- 1.6 Improved port service quality is a function of many factors some of which are not under the port's direct

control. The following are some of the factors:

• Outside port's direct control

1.6.1 Coordinated and concerted efforts of stake holders in the port industry. This is not under the port's direct control but rather it falls on outboard organizations which work with the port. In Dar es salaam port we have Shipping Agents, Clearing and Forwarding Agents, the Customs Authority, COTECNA, the SGS, Transporters such as the Railway Authorities (Tanzania Railways Corporation - TRC and the Tanzania and Zambia Railway Authority - TAZARA), Road Transporters, The Ministry of Communications and Transport, Quality Controllers such as Radiation Commission, Tanzania Bureau of Standards (TBS), Ministry of Agriculture and Health Personnel to name but a few.

• Under direct port's control

- 1.6.2 Effective supervision of Terminal Operations
- 1.6.3 Quality of labour force and the prevailing motivation packages

1.7 The Dar es salaam Port has five terminals with each dedicated to handling a specific type of cargo. There is a General Cargo Terminal with a capacity of handling 2.5 million tones per annum. It runs from Berth No. 1 to Berth No. 8. It is specifically for General cargo Operations. Second is the Container Terminal which has been leased to a Private Operator. It runs from Berth No. 9 to Berth No. 11. It has a capacity of handling 120,000 TEUs per annum. Third is the Grain Terminal which is specifically for handling and storing bulk grains such as maize, wheat and fertilizer. It is equipped with fully automated SILOS with a capacity of handling 30,000 tonnes of grains at any given time. Fourth, there are two Oil Terminals with one, the Single Point Mooring (SPM) located a few miles off the port. The facility has an ability of berthing tankers of up to 100,000 DWT. The other Oil Terminal is the Kurasini Oil Jetty (KOJ) that has a capacity of berthing tankers of up to 45,000 DWT.

Lastly is the Passenger Terminal which handles an average of 569,000 passengers per year. This work is based on General cargo Terminal operations as the Container Terminal has been privatized. However, there is a Container Section within the terminal.

- 1.8 With such a range of operational terminals, it is important that the key players in the port industry including the Port Authority itself, commit their attention and resources in helping the port to perform its functions efficiently.
- 1.9 This work focuses on improving service quality of the port in-terms of:-
 - 1.9.1 Building up sufficient cargo handling capacity e.g. using state of the art technology, deploying skilled and well motivated labour force and streamlining cargo documentation procedures
 - 1.9.2 Achieving speedy operations and in-turn reduce ship's waiting time, berth time and overall ships' turn-round time.

2.0 IMPROVING SERVICE QUALITY

- 2.1 As the primary activity of Dar es salaam port is loading and discharging cargo onto/from ships, it follows that improving service quality means improving cargo handling operations. However, the concept of improving service quality does not mean that the service levels at our port are currently low and poor, but rather emphasis is placed on improving the service as long as there is an opportunity of doing so which if well exploited, will result into better customer service standards than currently enjoyed.
- 2.2 Cargo handling operations are well explained by berth operations which entail the following components:-
 - 2.2.1 The Ship operation
It is a sequence of four activities namely:-
 - (a) Preparation and hooking on of cargo in the hold
 - (b) Lifting of cargo to the quay
 - (c) Landing of cargo and unhooking
 - (d) Return of the hook to the hold ready for the next pick
 - 2.2.2 The Quay Transfer Operation
In the case of discharging operations, the Quay transfer operation starts where the ship operation ends while in the case of loading operations the quay transfer operation fol-

lows the storage operation. It is the movement of cargo from the quay to storage areas or vice-versa.

- 2.2.3 The storage operation
Port storage is basically in two forms namely open storage (yard) and covered storage (transit sheds). It allows cargo to be organized and consolidated ready for either delivery (imports) or shipment (exports)
- 2.2.4 Delivery/Receipt operation
It forms the last component of the berth operation. It involves handing over of cargo to owners/agents (in the case of import cargo) and receiving cargo ex-town for consolidation before shipment is effected.
- 2.3 Every stage of the Berth operation involves Documentation, Procedures, Manpower and Equipment/Port facilities.
 - 2.3.1 Documentation
This is the process of recording activities on paper as they are done and using the records as evidence where needed. It comprises of written or printed paper that gives information or evidence of the subject under consideration. The port of Dar es salaam to a large extent is still using documentation system inherited from the defunct East African Harbours Corporation and yet, some documents have been added thus making the number of documents used in documenting cargo to be more than 40 Documents.
The following are some of the documents to name but a few:-
 1. Disposal and Declaration Order (D&DO)-main import document
 2. Stream/Breakage/Vehicle Tally
 3. Notice of Commencement of Loading
 4. Gate Pass "A" Manifested Cargo
 5. Rent Memo – THA 6224
 6. Vehicle Inspection Report – THA/6092
 7. Missing or Pilfered Goods Report – THA/6147
 8. Export Acceptance and Shipment – THA/6151
 9. Statement of Cargo Short-shipped
 10. Weekly Statement of Local Export Cargo
 11. THA Combined Customs

Transit/Bill of Entry and D&DO

12. Statement of Service Rendered (SSR)
13. Miscellaneous Port Services-THA 6130
14. Miscellaneous Port Services: Request for Hire of Staff and Mechanical Equipment
15. Motor Vehicle Report
16. Over-landed Cargo
17. Excess-Landed Cargo-THA 6215
18. Short-Landed Cargo-THA/6118-6119
19. Daily Working Report-THA 6100
20. Tonnage Return
21. Tonnage Breakdown
22. Daily Return of Cargo handled
23. Examination Voucher-THA 6052
24. Gate Pass Out "B" – THA/6003
25. Goods Sent to Customs Warehouse THA/6022
26. Want of Entry Slip (WES) – THA/6218
27. Shipping Order
28. Vehicle Inspection Report (VIR)
29. Quay Activity Report
30. General Cargo Terminal Tally Sheet: Loading and Discharging
31. Weigh Note
32. Defective Package Receipt
33. Motor Vehicle Transfer Register
34. Next Shift Working Advice-THA/0790
35. Container Movement Sheet
36. Daily Performance-Container Unit
37. House/House Container Loading List
38. Delivery Advice for Empty Containers by Road/Rail
39. Arrival Advice for Empty containers by Road
40. Container Inspection/Interchange Report
41. Container Examination's Report
42. Want of Entry Slip (WES)

• Problem

The more the number of documents used in operations, the longer the time needed to complete them. Moreover, as completion of the documents is done manually, the degree of error and delays is increased. This problem is common in all stages of the Berth operation.

• Suggestion

- (i) The number of documents should be reduced. This is possible by eliminating those documents whose

functions resemble with some others. In Dar es salaam port we have for example, the following documents:-

• Problem

Import documentation procedure is long and cumbersome. The procedure for processing import documents takes an average of 15 days. This time includes the time taken by procedures outside the port. The port contributes only 13% to the total days spent in processing the documents.

Table I: Documents with similar functions

Documents	Function	Remarks
<ul style="list-style-type: none"> • Stream/Breakage/Vehicle • General cargo Terminal Tally 	To record cargo information during discharging operations	General cargo Terminal Tally sheet if improved can cater for the purpose - the other document should be phased out.
<ul style="list-style-type: none"> • Tonnage Return • Tonnage Breakdown • Daily Return of cargo 	To reflect cargo handled on daily basis in terms of imports, exports, cargo received, cargo transferred and cargo cleared from the port	Daily Return of cargo handled should be improved to accommodate all the functions while the other two documents should be phased out.
<ul style="list-style-type: none"> • Miscellaneous Port Services- THA 6130 • Miscellaneous Port Services: for Hire of Staff and Mechanical Equipment 	<ul style="list-style-type: none"> To record extra services rendered which should be paid for. To specify Client's service requirements 	<ul style="list-style-type: none"> Miscellaneous Port Services-THA 6130 document should be improved to cover Client's service requirements which should be paid for. Request for Hire of Staff and Mechanical Equipment should be discarded

- (ii) Cargo documentation processes should be computerized. This will involve the following:-

- a. Purchasing adequate and suitable computers
- b. Purchasing suitable programs
- c. Training personnel to man the computers and execute documentation processes. The suggested computerization process is dealt with under item 3.0.

• Benefits

- (i) Reduction in the number of documents used will save a lot of time which is currently used in filling in them. It will also reduce costs currently incurred in printing and purchasing stationery.
- (ii) It will reduce delays in customer service thus improving the service.
- (iii) It will reduce the number of people who are charged with the responsibility of filling in the documents

thus saving a lot in-terms of costs associated with them.

- (iv) Speedy and accurate operations will be achieved. Further more, accurate information will be obtained and consequently quality planning will be attained.
- (v) It will reduce the chances for dishonest people stealing through documentation fraud. as there will be a few documents to reconcile.
- (vi) Bureaucracy, will to a great extent be reduced.

2.3.2 Procedures

A procedure is a step by step way of doing things. Cargo handling operations in the port are governed by procedures which are employed in both import and export trade. However, this is an area which needs attention of not only the Port Authorities but also other key players in the port and shipping industry.

Diag. 1: The Flow of Import Documents (D&DO) in the Port

1. Customs Long Room

- Dispatches copies of passed D&DO and Single Bill of Entry to Port Revenue Accounts Office

2. Port Revenue Accounts

- Received documents so dispatched by the Customs
- Documents are checked to ensure validity
- Billing is done so as to secure port charges
- Payments receipts are issued to customers after paying the necessary charges
- Documents are dispatched to the Central Documentation Office

3. The Central Documentation Office

- Documents dispatched from the Revenue Office are received
- Documents are checked to ensure that they are valid and correct in every respect
- A small number is issued for security control purposes
- Documents are dispatched to Manifest section of the Delivery berth.

4. The Manifest section

- Receives documents from the Central Documentation Office
- Checks validity of the documents
- Dispatches the documents to the Delivery point

5. The Delivery point (Shed/Yard)

- Receives documents from the Manifest section
- Traces the cargo which has been specified on the documents
- If the document (Declaration and Disposal Order) has already been released by Customs, cargo is handed over to the customer and evidenced by the preparation of the Gate Pass.
- If the Customs have not yet released the document, it will be dispatched to Customs for verification and release stamp

6. The Check Point

- Checks documents (yellow and white copies), Gate Pass and actual cargo on carriers to ensure that they correspond

- Endorsement and stamping on the Gate Pass by a Check Point staff before allowing cargo to proceed to the Exit Gate.

7. Exit Gate

- Final check-up is done on documents, cargo and the carrier
- The Security personnel endorses on the Gate Pass and stamps on it.
- Retains Gate Pass and allows cargo out of the port area

• Suggestion

- (i) The Custom Authority should cut down red-tapes in:-

- Tax assessment
- Cargo verification

- (ii) Cargo carriers, especially the two railway authorities (Tanzania Railway Corporation -TRC and Tanzania Zambia Railways -TAZARA), should strive to providing fast and reliable service by ensuring adequate supply of wagons.

- (iii) Establishment of a "one stop centre" whereby all players in the delivery documentation procedure will be under one roof.

• Benefits

The above suggested solutions will lead to reduction in the number of days cargo spends in the port which will result in:-

- (i) Saving time by reducing unnecessary delays resulting from shuttling between offices which are widely scattered in town. Mombasa port in Kenya has succeeded to reduce the number of days taken to clear cargo out of the port from 8 days to 1 day!
- (ii) Reducing costs on the part of importers and a possible fall in prices of the goods so handled if other factors remain constant (*ceteris paribus*)
- (iii) Reducing the possibility of occurrence of cargo congestion in the port thereby creating room and enhancing port's ability to handle incoming cargo.

These benefits are nothing else but improvement in the port's service quality.

2.3.3. Manpower/Human resource

- (a) People with ability to work is a key aspect of all the afore mentioned three aspects (documentation, procedures and equipment)

because they are all shaped, deployed and controlled by a human being with a view to achieving efficient operations.

- (b) Service to customers is influenced more than anything by employees' attitudes. Employees must be able to see things through eyes of customers so that

customers will in-turn see the Organization (the Port) through its employees.

• Problems

- (i) Ill-motivated labour force fails to achieve performance targets while motivated labour force surpasses targets as shown hereunder in several ship operations:-

Table II: Impact of Incentive to Performance

S/NO.	SHIP'S NAME	START OPERATIONS	COMMODITY	AVERAGE PERFORMANCE (TONS/GANG-SHIFT)	TARGET (M/TONS)	DIFFERENCE (M/TONS)
1	HELIOS	06/04/02	BAGS SUGAR	143	170	-27*
2	AR RABBU	23/04/02	BAGS SUGAR	308	170	138
3	PECINE	08/05/02	BAGS RICE	59	170	-111*
4	NEGO WES	13/02/02	BAGS RICE	148	170	-22
5	NEGO WES	08/02/02	BAGS RICE	212	170	42
6	AS SALAAM	21/05/02	BAGS SUGAR	160	170	-10*
7	RANA QUEEN	09/01/02	BAGS WHEAT BRAN	150	170	-20*
8	SKY BIRD	23/10/01	BAGS SUGAR	276	170	106

* Ships which operated without incentive.

- (ii) Poorly trained labour force fails to achieve performance targets and contributes to the provision of poor quality service. This is because a poorly trained personnel spends most of the time in trying to study and understand the task at hand. Yet, the performance becomes uncertain.

In Dar es salaam port most of the workers lack customer service training as a result customers are irritated by being unnecessarily delayed. This is especially the case in cargo clearance operations and claim processing.

- (iii) As operations are not sufficiently automated, labour is still needed to perform various operations.

- (iv) Manpower retrenchment exercises have created shortage of staff in categories of equip-

ment operators and tally clerks. When the port is busy, one crane operator serves two working hatches while a Clerk serves up to three gangs. This situation slackens speed of operations as workers become tired in early hours of the shift. This lengthens ship's time at berth.

• Suggestions:-

- (i) The port authority should introduce monetary incentive package to be paid immediately after completion of the task. This will improve stevedoring operations because the more a gang performs the more it is paid in the form of incentive.
- (ii) Training of staff during this time of cut-throat competition in port business should focus on customer care so that every port staff becomes customer

Table III: Customer care Training Programme

Group	No. of Staff	Type of Training	Duration	Estimated Cost (USD)
Delivery point staff	30	Customer care	4 Weeks	51,965
Administrators (claim processors)	10	Customer care	4 Weeks	20,212
Operations Planning staff	5	Customer care	4 Weeks	8,835

oriented. This will honour the old marketing adage which goes as saying "A customer is a King or Queen." As a start, the following customer care training programme can be considered for implementation:-

- (iii) The Port authority should still enhance security of cargo in its premises by providing relevant training and necessary facilities to port security guards.

• **Benefits**

- (i) Gang productivity is expected to shoot up if all other factors remain constant because workers will have been motivated.
- (ii) Customers will quickly and efficiently be served.
- (iii) Number of customer claims resulting from poor handling of cargo will be reduced as a result of improved service quality.

These benefits reveal another face of improved service quality.

2.3.4 **Equipment**

The Dar es salaam port maintains the following fleet of equipment which facilitate port operations:-

Table IV: General cargo Handling Equipment capacity as at July 2002

	Type	No. of Units	Capacity Range (SWL) in M/Tons
General Cargo handling	Front Loaders	2	36
	Empty Handlers	5	20
	Forklift Trucks	35	2.5 - 8
	Trailers	66	40
	Tractors	15	30 - 40
	Mobile Cranes	9	7 - 20
	Portal Cranes	24	5 - 7

• **Problem**

- (a) On the part of the Port Authority

- (i) Constrained capacity of the current equipment fleet whereby our Portal cranes fail to function efficiently when it comes to handling heavy lifts weigh-

ing more than 8 Tons. A ship carrying heavy lifts will in most cases be served by ship's derricks or else risk spending more time at berth.

- (ii) Bureaucratic procurement procedures for spare parts contribute to equipment delays at the Mechanical Equipment workshop when they are sent for repair.
- (iii) Obsolete equipment e.g. most of the mobile cranes further contribute to low speed of performance.

- (b) On the part of Transporters

- (i) The Tanzania Railway Corporation (TRC) for example, has been failing to transport timely, Uganda traffic from the Dar es salaam port mainly due to its constrained capacity especially wagon shortage. So a country like Uganda would view the Dar es salaam port as offering poor services!

• **Suggestion**

- (i) Fleet of the following equipment be checked and new purchases should be considered so as to increase capacity our equipments can safely handle.

Table V: Suggested Equipment purchases

Description	No. of Units	Total Cost (USD)
Reach Stacker	2	625,000
Forklift Trucks (5-8 Tons)	10	468,750
Front Loader	2	400,000
Empty Container Handler (16 Ton)	1	170,833
Total Cost		1,664,583

- (ii) The procedure for procurement of spare parts for equipment should be improved, maintenance routine at the workshop should also be improved so as to reduce the number of equipment under maintenance at any particular time. Efforts should be geared towards reducing equipments' time at the workshop so that they become available for operations.
- (iii) In reducing maintenance costs on the part of the Dar es

salaam port, it is suggested that aged equipment should be disposed of and replaced by new ones. Alternatively, equipment maintenance services could be leased to a private operator and let the Port Authority maintain a small number of mechanics for routine equipment servicing and doing minor repairs.

• **Benefits**

- (i) The Port Authority will spend less money in frequent repairs as old equipment stock will have been replaced by new ones.
- (ii) It is possible through such a process to acquire modern equipment which will improve cargo handling services in the port.

3.0 COMPUTERIZATION OF OPERATIONS

3.1 Current Computerization development in the port

Most of the procedures and operations in the port are conducted manually.

- 3.1.1 There is the Advance Cargo Information System popularly known as "ACIS" project which was launched for the sake of removing non physical barriers arising from outdated communication system and infrastructural bottlenecks and ensuring smooth and sustained traffic flow through the port.

It was aimed at linking all players involved in the movement of goods. These include Shipping Lines/Agents, Clearing/Forwarding Agents, Customs Authorities, Government Agencies, Surface Transport Operators, Shippers, Insurers, Surveyors, and Bankers.

The system has been designed to capture both cargo and vessel information. It is under four main modules namely; the Manifest module, the Harbour Master's module, the Port Statistics module and the Gate Pass module. Through this system, customers could be able to track their cargo at any particular time

- 3.1.2 A Billing system at the Port

Revenue Office is computerized whereby the harbour tariff and the main commodity types have been programmed and interpreted to produce a commodity code dictionary. When the cargo type is entered the amount of charges to be paid is automatically printed on a slip which is handed over to a customer for payment. It is linked to the main server.

3.1.3 Stand alone computers are found in various offices but are mainly used for word processing and facilitating clerical functions.

3.1.4 An internet service under www.tanzaniaports.com has been launched to enable information transfer from one area to another.

3.2 Shortfalls of the current system

3.2.1 Lack of standard office automation software e.g. while the majority of users use Ms Excel and Ms Access as data base software, yet there are some who use Lotus 123. This complicates the transfer of information from one version/program to another.

3.2.2 Poor telecommunications infrastructure. There are frequent interruptions on internet services a problem which denies users timely information.

3.2.3 Inadequate training of staff has led to underutilization of the present computers whereby they are used for formatting rather than data storage and manipulation.

3.2.4 The above shortfalls have led to failure to effect Electronic Data Interchange (EDI) between enterprises and between computers which in the final analysis contribute to delays in offering services.

3.3 Suggested computerization of operations

3.3.1 It was expected that once the project was completed, the Railway Authorities, the Port Authority, the Customs, Transporters and Shipping Lines/Agents would be linked to the Backbone Information System (BIS) and that is when EDI will be possible. In my opinion, if the ACIS is well implemented to cover all areas as anticipated, tremendous improvement in service quality will be

achieved.

3.3.2 This is considered the best alternative in the port because most of the facilities (e.g. computers) for the project have already been purchased and some of the staff have been trained. Therefore the cost element involved will be low.

3.3.3 In view of the above, it is suggested that:-

(a) ACIS should be improved so that all modules are put into operations to achieve all necessary information linkage. For example, if one wants to look at the performance of a certain ship, information should easily be found on one page and not clicking through a range of pages before information becomes available as the case currently is! Currently it is the Harbour Master's module and the Manifest module which are operational.

(b) More staff should be trained in ACIS so that there will be adequate personnel to run the system throughout the above mentioned modules and installed workstations.

(c) Other critical functions not addressed by the system should be added to make it more useful. These functions include:-

(i) Port Planning

- Berthing plan
- Transport Planning
- Labour scheduling
- Equipment scheduling
- Manpower Planning

(ii) Cargo Traffic monitoring

- Cargo (including Containers) tracking (Discharging to delivery/Acceptance to shipment)
- Analysis of cargo handled by category/status/origin/destination
- Equipment usage

(iii) Vessel Traffic monitoring

- Services rendered to ships
- Billing summary

(iv) Port users Database

- Customer satisfaction analysis
- Port users analysis by category and volume of business
- General port users information

3.3.4 Expected Benefits

The following are the expected benefits to be gained from

ACIS improvement:-

(i) Advance information given by the system enables the port authority to plan optimum use of transport networks and standing facilities.

(ii) It will be possible to determine the latest location and status of goods.

(iii) It will form a database for rational corporate planning by transport operators.

(iv) It will act as a platform from which national and sub-regional databases can be built.

(v) Data will be captured only once and will be accessible to many operators. This removes multiple data inputs and associated disadvantages.

(vi) Administrative delays will greatly be reduced due to the fact that relevant information becomes immediately available to authorized operators.

(vii) It will allow direct communication between operators thus avoiding unnecessary physical document transfers and subsequent delays.

4.0 CONCLUSION

4.1 The port authority needs to be dynamic in order to implement the above suggested changes.

4.2 If the suggested solutions are well implemented, port service quality will greatly improve and hence less ship's turn-round time.

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Implementing the National Ports Authority of South Africa's E-Ports Strategy



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1. Background

The "global economy" and the advent of ever faster and more efficient technologies have meant that no country can view itself in splendid isolation. Instead they must focus on broader issues to ensure survival, if not prosperity. This is particularly true in many spheres of life but more especially in politics and economics, resulting in the formation of specialised international forums geared towards the coordination of certain activities. It is this coordination that promotes the probability of success across borders, time zones, exchange rates and political agendas. Although the concept of coordination is an ancient one it is the advances in modern technology that have facilitated new challenges and created new opportunities in this area. Email, videoconferencing, EDI-messaging, the Internet, bullet trains and other such technologies have enhanced the speed of communication/coordination and cannot be ignored in the pursuit of a more efficient world.

Globalised markets have meant increasing trade across borders as the

differentiating competitive advantages of various economies attempt to guarantee the most efficient allocation of resources. Consequently greater trade volumes place corresponding pressure on the utilisation of transport resources required to move cargo, thus necessitating that ports and harbours, as critical nodes in the supply chain, take advantage of the new technological frontier to promote the coordination and efficiency of logistics activities.

Technology in the maritime environment includes faster and larger vessels, more powerful tugs, larger gantry cranes, higher reach-stackers or straddle-carriers, and even fully automated terminals. These technologies are critically important in the physical movement of cargo between ship and shore promising ever-faster handling rates. The silhouette of tall gantry cranes against a city skyline is very impressive but the mere fact that such advanced equipment is available in a port does not guarantee higher productivity or throughput. The efficiency of these cargo-handling technologies is determined by the efficiency of cargo operations planning and also the speed of

customs clearance, which are in turn determined by the availability of cargo-related information.

Cargo will always move physically but without the correct information it will neither be cleared by customs nor be handled in such a manner as to ensure the most efficient and fastest exit from the port by vessel, road, rail or air. This therefore means that the most efficient handling of cargo is only achieved when all the role players in the supply chain process have the relevant information on a timely basis. This information-sharing concept has been encapsulated in different systems throughout the ports of the world and can be most appropriately described as Port Community Systems (PCS) i.e. a system to link the port community, thus enabling the sharing of relevant data with the relevant party at the right time.

These community systems are structured in different ways, some as complete packages of operations management systems combined with messaging capability while others only act as a messaging intermediary between various operations management systems. All have been built to improve the efficiency of information sharing and planning between the port community stakeholders and have met with different degrees of success. Some of the Port Community systems were developed in the 1990's and now need to be redeveloped to catch up with modern technologies despite the concept still being a very relevant and necessary part of improving port efficiency.

After the incidents of September 11, 2001 the world has been on a high state of alert regarding inbound cargo and thus the establishment of the Container Security Initiative (CSI) between ports of the world. The CSI project requires that information about cargo heading for American shores be submitted to US customs electronically and the same initiative is likely to spread to other countries. CSI will promote the information-sharing concept on a global scale if successful.

The challenge remains that in order to use and distribute the information the ports will need to have their own operations management and port community systems, and that the local PCS is able to exchange information with other community systems. For some community system initiatives this will demand a re-evaluation of the basis of the system and may necessitate redevelopment thereof, while for others it is the realisation of already built-in func-

tionality.

In ports where no such initiative exists this period creates the opportunity to build alliances and establish the information-sharing platform that will promote better planning and utilisation of resources in the movement of cargo through ports. It will mean the sharing of data between ports even though off-

the-shelf community systems may not be a functional fit for local port processes. The roadmap for each port is likely to be different but the goal of one global port community information-sharing network is the same. This is the premise upon which the National Ports Authority's e-Port strategy is based.

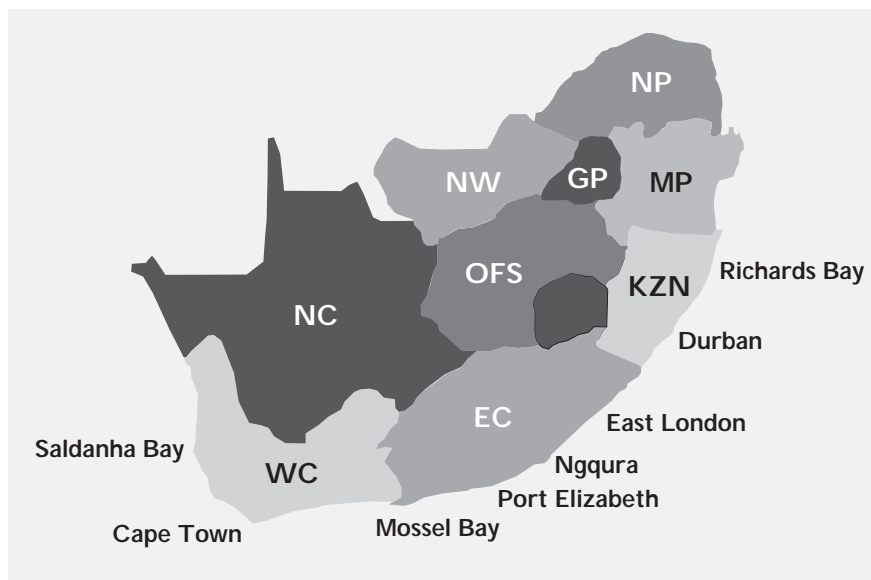


Figure 1: South African Ports

2. The South African Journey

South Africa has 7 commercial ports that are managed by the National Ports Authority (NPA). The provision of port infrastructure, maintenance of entrance channels, aids to navigation and maritime services such as piloting, berthing, tugging, etc. falls within the ambit of the landlord port authority role of the NPA. Terminal operations are still largely managed by the state-owned South African Port Operations (SAPO) although some terminals are in private hands.

Prior to August 2000 a comprehensive port authority called Portnet managed and operated the South African ports, consisting of the NPA and SAPO as a single business unit. The comprehensive model had been in existence for decades but general consensus was developing that the model was inappropriate for supporting the globalisation of the South African economy after the first democratic elections in 1994. Private enterprise would be given a greater stake in operations once the appropriate conditions for concession had been fulfilled. Concessioning can be viewed as a mechanism to achieve

key priorities in the South African economy, namely:

- To increase productivity by introducing international expertise into terminal operations
- To ensure private capital investment in the ports
- To promote foreign direct investment
- To promote black economic empowerment in the maritime industry
- To position the state as a regulator instead of an operator

One of the conditions for concessioning was that the terminal operations be established as separate business units able to be viewed in isolation in terms of their viability. This meant that Portnet had to be split into its Port Authority and Terminal Operations components leading to the launch of a project to facilitate the complex transition of people, processes, assets and finances. The project was called Divisionalisation and resulted in the formation of the Port Authority Division (PAD) and the Port Operations Division (POD). The separation of the financial accounts in the old Port Financial System (Portfin) was fundamental to the successful divisionalisation of Portnet. It became an opportune time to

investigate the possibility of implementing a new financial management information system that would form the foundation for a community system venture.

The divisionalisation also facilitated a review of the basis of the Wharfage tariffs charged by the Port Authority (now the NPA). The recommendation was to change from a value based Wharfage charge to a unit based Cargo Dues charge. Primarily this exercise involved applied statistical modelling to assess the impact on the ports system as a whole, including individual customers because an injudicious application of the new tariff method could have caused certain commodities to become unprofitable to import or export.

During the tariff change exercise it became apparent that the Port Invoicing System (Portis) and Portfin were very difficult to modify and that Ingres database skills were becoming rare and expensive – the database that both the systems were using. Both of the systems were customised developments for Portnet and were thus not supported by a broad skills base other than the companies originally involved in the system design and development.

The technical difficulties relating to old and increasingly unreliable systems confirmed the need for a migration to more robust information systems that were supported by different service providers, thus enabling cost effective maintenance and technical support.

The divisionalisation imperative to separate Port Operations and Port Authority processes and staff was also a driving factor in motivating for the selection of an Enterprise Resource Planning (ERP) system, which is known to be very complicated to implement but promise a range of functionality far beyond just financial management and invoicing systems.

The combination of future concessioning, divisionalisation of Portnet, the change to unit-based Cargo Dues, and the technical support difficulties with the customised systems gave birth to the e-Ports strategy, consisting of 3 phases:

1. Divisionalise into a distinct Port Authority with its own corporate identity, structures and processes.
2. Implement an ERP system
3. Implement a Port Community System

The objectives of the strategy are as follows:

- To promote the efficiency of transactions and logistics activities within the port

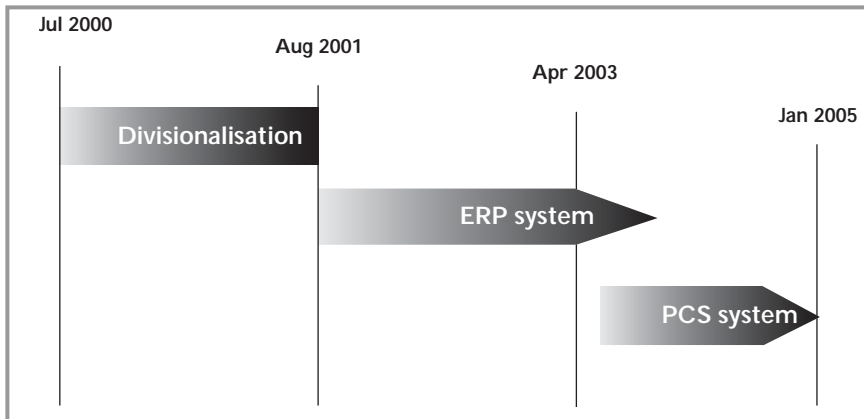


Figure 2: e-Ports Roadmap

community,

- To reduce the transport cost of moving cargo through the South African ports,
- To create a flexible but stable information platform for a landlord port Authority to manage a network of ports.

The Divisionalisation project¹ was successful in managing the multifaceted transition from being Portnet to the new corporate identity of the National Ports Authority. The project had its own unique challenges and achieved the following:

- Managing the change discomfort for Portnet staff
- Allocating the staff to Authority and Operations
- Defining new process responsibilities
- Allocating assets between the Authority and Operations
- Establishing financial statements for both divisions
- Implementing temporary solutions while Portis and Portfin were still being used by both divisions

The next phase was the implementation of an ERP system throughout all 9 sites of the National Ports Authority, being:

- Johannesburg Head Office
- City Deep (inland terminal)
- Port of Richards Bay
- Port of Durban
- Port of Cape Town
- Port of Saldanha
- Port Elizabeth
- Port of East London
- Port of Mossel Bay

3. The ERP Project

An information system project is predictable in terms of the logical steps required to implement it but this is rarely the case in practice. The NPA's ERP project began in August 2001 and was tasked with reengineering business processes and cementing the change by implementing an ERP system to support the new processes.

System Selection and Scope

ERP systems were created to meet the demand for integrated information systems, so that the organisation would

not need to support multiple systems from different vendors on different hardware platforms, operating systems and databases. An ERP system reduces the system complexity of the organisation but provides its own difficulties in that it offers so much functionality that most organisations find it hard to limit the initial scope of the project. The organisation is usually aware of its minimum requirements but is surprised at the range of functionality offered beyond their requirements and offered as part of the purchase price of the total system.

Transnet, the NPA's parent company, had an established relationship with an ERP vendor called SAP (Systems, Applications and Products) and selecting the system was not difficult once the references and system functionality of SAP was confirmed. A previous version of SAP's Human Resources module was already being used by the NPA but was not integrated to the financial systems and would be upgraded to the same version as the rest of the SAP implementation.

The NPA knew which functionality it needed to replace old systems but this was not sufficient to understand the functionality within modules themselves. The system scope offered was as follows:



Figure 3: SAP R/3 modules

At one NPA management conference a labour representative indicated that most organisations don't use 80% of the functionality of SAP and he was correct. The organisation must only use the system functionality that supports its business and its processes even if more is on offer. By way of example: as a Port

Authority the SAP Production Planning module is not a relevant area of functionality to implement.

The ERP project scope initially chosen was:

- Financial Accounting

¹ : The divisionalisation project is study of its own and this paper seeks to illustrate the difficulties and challenges faced during the e-Ports roadmap from a systems implementation perspective.

- Controlling
- Project Services
- Materials Management (Procurement)
- Sales and Distribution (Real Estate)
- Sales and Distribution (Cargo Dues and Marine Charges)
- Plant Maintenance

Whilst the above modules would all be implemented for the first time in the organisation the SAP Human Resource module (Payroll, Organisational and Personnel Administration) was already being used and would only require an upgrade to bring it in synch with SAP version 4.6C. The scope was negotiated and agreed with the consultants.

In hindsight it would have been more appropriate for the system scope to be informed by an external third party that was not affiliated to the consultants appointed to implement the system nor the system vendor. Such a third party should be aware of the full range of system functionality and be in a position to advise on the most relevant scope for the business concerned.

Such a third party may have discovered that due to a configuration anomaly when the previous version of SAP HR was implemented it could not be upgraded to version 4.6C but would need to be re-implemented as if it had never been in place before. The contract entered into allowed for scope modifications to be agreed by following a strict procedure and thus the change from upgrade to implementation of SAP HR was accommodated within the ambit of the contract. It is imperative that contracts allow for leeway to modify and adjust the scope of the project for additions or removal of functionality.

The Third party advisor could also recommend the technical platform best suited to the system concerned, including:

- Hardware platform,
- Operating system,
- Database, and
- Possible high-level architecture.

There might also be significant upgrades of desktop personal computers and this assessment is also key in understanding the project budget. Portis and Portfin used dumb terminals operating off a mainframe and the implementation of SAP required that these terminals be replaced with high specification Pentium 3 desktop PC's. The involvement of the port IT&S managers ensured that such oversights did not happen on the NPA project.

Leadership

The CEO of the National Ports Authority of South Africa, Mr. Siyabonga Gama, ensured that the organisation understood the importance of the SAP project to the future of the NPA as well as that of the industry as a whole. This message was affirmed in every senior management forum and was conveyed to the organisation continuously.

Contingency planning is an absolute necessity for projects and especially in the area of project leadership and the project team. The NPA lost both its Project Sponsor and Project Manager within 4 months of starting the project and needed to replace the project leadership structures at very short notice. It is important that a succession plan is in place for the project leadership and project team. The NPA seconded a new Project Sponsor and Project Manager within hours of losing the previous leadership but went a step further to appoint an Assistant Sponsor as back-up for both the sponsor and project management roles.

Project Team Selection

A mix of young talent and experienced stalwarts of the organisation seconded to the project team ensured that reengineered business processes do not run too far ahead of the organisation itself.

The Project team were put under pressure for a long period while the business processes were being reengineered and the SAP system being developed. It is important that small victories be celebrated to ensure that team members are stretched but not broken. Morale is a vital success factor in the project and must be maintained throughout the duration of their secondment to the team and even thereafter.

The project team must consist of employees who are strong enough to support the system and the processes after the project is finished.

Change Management

The concept of change management is critical to the success of the project especially where the reliance on the enthusiasm of the system users has such a significant impact on the implementation. Few consulting bodies would dare recommend that Change Management is a necessity for an ERP implementation project. In the NPA the term "Change Management" had become tired and predictable especially just after the Divisionalisation exercise had focused on it for more than 12

months.

The consultants had also adopted a recipe approach combining roadshows, presentations and work groups to achieve the change management deliverable. The interventions were too high level and did not focus on the impact of the system on the individual employee. The Change Readiness Assessment conducted prior to the commencement of training therefore indicated a high degree of uncertainty and discomfort among NPA staff.

The project leadership removed all consultants from the change management team and enlisted the services of a young NPA manager to lead the team. The individual had been a labour representative prior to moving into management and had experience across most areas of the business including working on tugs. He had a natural flair for relating to people and was therefore tasked with reinventing the Change Management approach on the project with the change management team.

The first action was to change the team's focus from Change Management to Business Readiness, indicating a broader focus than merely communication and change management exercises. The team also put forward a diagnosis plan to spend face time with the future users of the system to assess where problems existed and then develop interventions relevant to a group or even an individual if necessary. They were granted an "undefined though not unlimited" budget because of the unpredictability of the Business Readiness activities. The Change Readiness Assessment results improved dramatically as a result of the new approach.

The Business Readiness team defined their activities according to the 3 project phases:

1. Pre Go-Live and Training
2. Go-Live
3. Post-implementation

The sustained focus on users at key stages of the project ensured that the project had to contend with technical and user training issues only.

Training

A Training Coordinator was seconded to the project to map role profiles to organisational roles and design training curricula to suit the profile. The strategy outlined for training had to ensure that Trainer competence was available to the organisation from internal resources after the consultants had left and conse-

quently 14 employees were seconded to the project to be trainers.

The strategy identified 4 distinct types of user training required to ensure the system-enablement of business processes is maintained:

1. Operational training

- a. Prior to Go Live
- b. Focus was on giving the user broad awareness of the reengineered business processes as well as the system-enablement thereof
- c. Classroom based learning

2. Experiential training

- a. During Go Live or when new users were being brought onto the system
- b. Support and coaching was offered on site by trainers and/or process team members
- c. On-the-job training

3. Revision training

- a. Revision of the entire process
- b. Classroom or e-Learning based

4. Maintenance Training

a. This training was necessitated by changes made to processes or to the system after Go Live

b. Training modules were updated

c. Training curricula were scheduled for all current users affected by the changes

d. Classroom based depending on the extent of the change to process and/or system

This approach implies that SAP training needs to be continuously available to the organisation and the NPA has elected to multi-skill a small team of trainers to assist the Training Coordinator to ensure that the organisation's users are able to make full use of the SAP system.

SAP System Rollout

The original project plan had placed tight timeframes within which the project had to be implemented but these were revisited to ensure practicality and thoroughness as can be seen in the diagram below:

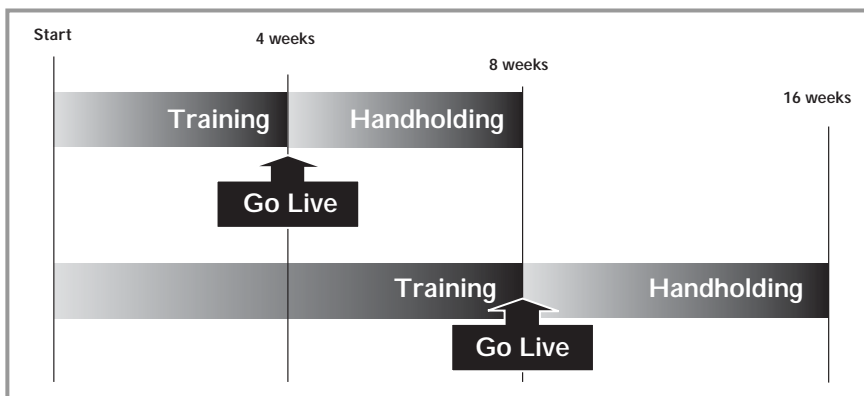


Figure 4: Project Rollout Alternatives

Legend:

- Red – Old project plan
- Blue – Revised project plan

The diagram indicates the project rollout per Rollout stage of the project of which there were three:

- Johannesburg Head Office, City Deep, Richards Bay (174 users)
- Durban (354 users)
- East London, Port Elizabeth, Mossel Bay, Cape Town, Saldanha (224 users)

The original project plan had four rollout phases where Cape Town and Saldanha were the last sites to Go Live with the SAP system. Due to the competence and experience gained by the project team it was deemed feasible to support the last sites in a single rollout despite the vast geographic distances

between the sites. This change allowed the team to spend more time in the ports doing training and handholding, ensuring thoroughness in bringing users onboard the SAP system.

As soon as training in one set of sites was completed the trainers moved on to the next one and the same was true for the process team members doing the handholding support. In the last rollout phase the trainers joined the process team members to do handholding thus ensuring sufficient availability of resources to support each site.

SAP HR

The need to re-implement SAP HR was discovered in July 2002 and a small sub-project was organised and given only 7 months within which to bring the module online with the rest of the SAP system. On the 27th March 2003 the first

payroll was run from the new SAP HR module thus meeting the project deadline. 311 users had to be trained on the new HR module thus bringing the total number of staff trained on various modules of the SAP system to 1069.

The success of the SAP HR sub-project was as a result of the experience gained on the main SAP project and the planning around the laws of someone known only as Murphy.

SAP Project Summary

The Project finished 3 months ahead of schedule and on budget despite all the contingencies that affected the project.

4. Next e-Ports Phase

Having established the NPA's SAP system the focus is now changing to providing the community with the information-sharing platform that forms the last phase of the e-Ports strategy.

The Port Community System (PCS) will consist of a portal layer with built-in workflow, ensuring that information is routed to the party that needs to receive it, instead of requiring that paper documents be delivered and recaptured into multiple stakeholder systems. The NPA is currently working with other port companies to implement an appropriate model for the South African ports.

The first phase is likely to concentrate on the EDI submission of manifests and other documentation as well as the ordering of marine services. Other ports around the world that have implemented similar PCS initiatives have indicated varying degrees of success, some having been in existence long before the Internet came of age.

The success of the PCS initiative depends on the involvement of community stakeholders with the project in process workgroups that will start in May 2003.

5. Conclusion

The NPA is committed to ensuring that it performs its duties as a Port Authority by:

- Providing world class port infrastructure,
- Providing world class marine services,
- Ensuring world class equipment and cargo handling services, and
- Providing world class information architecture in the ports network.

This commitment is evidence of the NPA's pursuit of facilitating trade in the ports it manages and interacts with.



IMO and EC in high-level "Prestige" talks

FOLLOWING a meeting between the Vice-President of the European Commission Mrs. Loyola de Palacio, responsible for relations with the European Parliament, Transport & Energy and the Secretary-General of the International Maritime Organization Mr. William O'Neil, they both expressed satisfaction with the positive and constructive manner and outcome of their consultations concerning the objectives to be achieved in the aftermath of the accident.

Emphasizing the need for shipping to continue to be regulated by global standards, while, at the same time, recognizing the actions, the role and the responsibilities of the European Union, in particular the actions required to be undertaken in the context of the Prestige for a better coastal protection, the two parties concurred that the opportunity should be seized, as soon as possible, for IMO to further enhance the prevention of pollution from tankers at the world-wide level.

Mrs. de Palacio stated that, having regard to the obligations under the European Treaty and the role of the European Commission within the European Union and taking account of the decisions already taken by the European Parliament and EU-Council of Ministers, as soon as the EU Institutions have formulated their position in response to the Prestige accident, appropriate measures would be proposed to IMO by the EU to revise the MARPOL Convention with respect to the regulations related to the phasing-out of single-hull tankers and to prohibit the carriage of dirty oils by single-hull tankers. It might be expected that both the Council and the European Parliament will succeed in finalizing their position by the end of March. Mr. O'Neil welcomed this statement and outlined an expeditious way to handle the EU proposals once submitted to IMO for consideration. The desirability of a global approach to the single-hull tanker issue was recognized.

Both parties also agreed on the need

for proactive action for the detection of structural weaknesses in ageing oil tankers, both single- and double-hulled.

In the meantime, the importance of designating new particularly sensitive sea areas and identifying places of refuge was stressed. The initiative taken by EU Member States to have additional PSSA measures considered at IMO's forthcoming MEPC session in July was welcomed and supported.

With regard to places of refuge, the European Commission welcomed the initiatives already taken by IMO towards adopting appropriate guidelines and underlined the importance of using these guidelines when implementing measures related to places of refuge throughout the EU.

Both sides emphasized the need to enhance flag state performance globally through IMO. Given the commitment of the EU member states towards flag state auditing, the importance of achieving substantial progress on flag state performance at forthcoming IMO meetings (MSC, Council and Assembly) was recognized.

During the discussion, the European Commission stressed the added value the EU is bringing to IMO's work and how the relationship between IMO and the EU could be strengthened. The European Commission referred to its proposal for obtaining an early EU membership at IMO, which it considers will offer it the opportunity to play an even more constructive role within the organization.



BIMCO: BIMCO Adapting to U.S. Customs 24-hour Rule

ON February 2, 2003 the U.S. Customs Service began enforcing new regulations requiring carriers to provide the U.S. Customs with the vessel's cargo manifest (cargo declaration) latest 24 hours before loading, at a foreign port, cargo destined for the U.S. or passing through U.S. ports in transit. It is important to note that the regulations do not apply to bulk cargoes. In the case of break-bulk cargoes

an exemption may be available.

The so called "24-hour rule" has been implemented to try to help the U.S. Customs evaluate the risk of smuggled weapons of mass destruction before the goods are loaded on vessels for importation into the U.S. while, at the same time, enabling the U.S. Customs to facilitate the prompt release of legitimate cargo following its arrival in the U.S.

Failure to provide the required information within 24 hours prior to loading may result in the delay of a permit being issued to discharge the cargo in the U.S. and/or the assessment of penalties or claims for liquidated damages levied on the carrier by the U.S. Customs.

In an effort to protect carriers against the consequences of these new security measures, two standard clauses have been produced by BIMCO for incorporation into voyage and time charter parties, respectively.

Acknowledging the fact that the charterers are usually in a better position than the owners to obtain and assess the correctness of the information provided for the cargo, sub-clause (a)(i) applies the principle that the charterers shall provide all necessary cargo information to the owners to enable them to submit a timely and accurate cargo declaration.

Ideally it would be more expedient if the charterers were themselves to submit the cargo declaration directly to the U.S. Customs. However, given the wording of the regulations, the charterers are only allowed to do so in a very limited number of circumstances. To cater for those situations, sub-clause (a)(ii) stipulates that if permitted by the regulations the charterers must submit the cargo declarations.

Sub-clause (b) sets out the legal consequences for the charterers if they do not comply with the provisions of sub-clause (a).

The first part of sub-clause (c) obliges the charterers to provide security should the vessel be detained, attached, seized or arrested as a result of the charterers' failure to comply with the provisions of sub-clause (a). The second part of sub-clause (c) differs between the voyage and time charter party clause versions as it deals with the consequences of time lost.



Comité Maritime International: CMI held the 7th Int'l Sub-Committee on Issues of Transport Law

February 27 & 28, 2003, London

THE International Sub-Committee on Issues of Transport Law held its seventh meeting in London at the offices of Clyde & Co. on February 27 and 28, 2003.

Representatives from ten national member associations and six industry organizations attended the meeting. (The attendance list is attached.) Mr. Bartaletti of Argentina sent his regrets, explaining that he was unable to attend due to a conflict at the IMO. Mr. Alcántara sent his regrets and provided written comments on behalf of the Spanish Maritime Law Association.

Preliminary Matters

The International Sub-Committee first approved (1) the report of its sixth meeting (Madrid, November 12-13, 2001), which had been published as a draft report in the 2001 Yearbook at pages 305-356, and (2) the proposed agenda for the current meeting, which Mr. Beare had circulated in advance. Prior to the meeting, Mr. Beare had also circulated a list of documents that had been prepared in conjunction with the work of the United Nations Commission on International Trade Law (UNCITRAL), and which related to the work of the International Sub-Committee. All of these documents are available on the UNCITRAL website at www.uncitral.org.

Update from UNCITRAL

Mr. Sorieul, from the Secretariat of the United Nations Commission on International Trade Law (UNCITRAL), and the secretary of the UNCITRAL Working Group on Transport Law, reported to the International Sub-Committee on the current status of the project at UNCITRAL. The next meeting of the UNCITRAL Working Group will be held at United Nations Headquarters in New York from March 24 to April 4 2003. The first week will be devoted to a continuation of the detailed "first reading" of the provisions of the Draft Instrument, which began at the first meeting in New York in April 2002 and continued at the Vienna meeting in September 2002. Mr. Sorieul hoped that it would be possible to finish the

"first reading" at the next month's meeting, but recognized that this might not be possible. The Secretariat's plan is to prepare a new draft of the Instrument after the first reading is completed.

The three working days during the second week of the next month's meeting (i.e., March 31 to April 2) will be devoted to a detailed discussion of the scope of the Draft Instrument. After the next month's meeting, the next meeting of the UNCITRAL Working Group has been tentatively scheduled (subject to approval by the Commission) for Oct. 6 to 17 2003 in Vienna.

Mr. Sorieul explained that the Secretariat's only interest was to produce a document that will be widely adopted. For this to happen, the text must be convincing on its own merit. The convention could not be imposed on anyone. He recognized that this would take time – maybe another two or three years, maybe even five years. Of course, if the project were taking too long, that might be a sign that it had failed and should be terminated.

The Draft Instrument's provisions on electronic commerce may require the attention of a special group that will focus on that subject.

Mr. Sorieul concluded with the observation that the Secretariat's background paper on the Draft Instrument's scope of application (A/CN.9/WG.III/WP.29) was essentially a compilation of various contributions that had been furnished to the Secretariat. As the project progressed, he hoped that the Secretariat would be able to make a stronger intellectual contribution to the work. The Secretariat had no wish to impose its views on anyone, but it hoped to be able to assist in the task of building consensus.

Scope of Application of the Draft Instrument

Door-to-Door versus Port-to-Port Coverage

The International Sub-Committee proceeded to the principal subject on its agenda — a discussion of the scope of the Draft Instrument, beginning with the question whether coverage should be on a door-to-door rather than a port-to-port basis. Most of the delegates saw no need for another port-to-port convention. Ultimately, all but one of the National Maritime Law Associations agreed that the Draft Instrument should facilitate door-to-door carriage (while still applying port-to-port, or even tackle-to-tackle, when the parties contract on a port-to-port or tackle-to-tackle basis). The carrier organizations also supported door-to-

door coverage. FIATA, on the other hand, preferred a solution based on the UNCTAD-ICC Rules, but would not be inflexible regarding a door-to-door system.

The Draft Instrument's Limited Network Solution

Prof. van der Ziel opened the discussion of the network system with a brief explanation of the current text. Draft article 4.2, which gives effect to the conclusions reached at the 2001 Singapore Conference, was designed to create only a "limited" network system. Draft article 4.2.1 had been drafted as a conflict-of-convention provision in light of the English court of appeal decision in *Quantum Ltd. v. Plane Trucking Ltd.*, [2001] 2 Lloyd's Rep. 133, which adopted an expansive view of CMR coverage. Draft article 4.2.1 was also limited to liability issues in order to avoid such problems as transforming a negotiable instrument into a nonnegotiable instrument when the goods are transferred from a vessel to a truck.

A wide range of views was expressed on the limited network solution. Several delegates commented that the network system was inelegant, but that it was effective in practice. A few delegates questioned the correctness of the English *Quantum* decision, but there was no consensus on the appropriate response. Several delegates expressed the view that *Quantum* was inapposite because the Draft Instrument would operate on a different level. Under this view, CMR would operate between the contracting carrier and its European road carrier sub-contractors, but the Instrument could operate between the shipper and the contracting carrier under the door-to-door contract. Other delegates rejected this view. Yet others suggested that *Quantum* was distinguishable because in that case the Warsaw Convention (the alternative to CMR) had not been compulsorily applicable to the relevant leg.

A number of specific suggestions were made. One delegate mentioned that it might be appropriate to have an exception for situations in which a long road voyage was combined with a short sea voyage, such as crossing the English Channel. A few delegates suggested that the problem should be resolved by amending the other unimodal conventions (such as CMR), in conjunction with the preparation of the Draft Instrument, in order to coordinate coverage.

In the end, no firm conclusions were reached on this issue. But it was agreed that confusion has arisen because differ-

ent people have used the term "network system" to mean different things, and that the CMI could help to clarify this confusion. The Draft Instrument's network system is a "limited" one. It applies only to liability issues, for example, and it recognizes other liability regimes only when their source is a mandatory international convention. Some use the term "network system" more broadly when they express support for the concept. The Swedish proposal (A/CN.9/WG.III/WP.26) supports the network system, but would extend the coverage to include mandatory national law. Some would base the inland liability rule on the contracting carrier's rights against the performing inland carrier under their actual contract, while others would base it on the rights that the cargo owner would have had against the performing inland carrier under a hypothetical contract that they might have concluded if they had contracted directly for the inland carriage. A network system that gave effect to any national law and looked to actual contracts could have the effect of eliminating a carrier's liability completely (if the national law permitted freedom of contract).

Options Based on the Treatment of Performing Parties

The UNCITRAL Secretariat's background paper on the scope of application (A/CN.9/WG.III/WP.29) described three options (paragraphs 159-185). During the International Sub-Committee's discussion, none of these three options received the support of a clear majority. Although no one advocated the distinctive aspect of option 2 — using the Draft Instrument to preempt actions against performing parties that would otherwise be available under national law — several delegates expressed the view that the Draft Instrument should not create new causes of action against performing parties that did not currently exist under national law.

Several delegates spoke favorably of option 1. Prof. Berlingieri noted that it was similar in many ways to the Italian proposal (A/CN.9/WG.III/WP.25), which also called for the uniform coverage of the Instrument on a door-to-door basis as between the contracting parties, and in actions against the maritime performing parties. He suggested that it might be possible to permit cargo interests to proceed against performing carriers (on a network basis) by using some form of subrogation, whereby the cargo interests obtained the same rights against the carrier's subcontractors as the carrier could have asserted. This idea would

need to be studied in more detail if the basic concept is accepted.

Some National Maritime Law Associations and all of the carrier interests supported a variation of option 2 in which the Instrument applied on a network basis and the only cause of action recognized under the Instrument was against the contracting carrier. Unlike option 2, these delegates recognized that direct actions against other performing parties would continue to be governed by national law.

There appeared to be a wide consensus for the concept of uniform coverage within the port-to-port area. Several delegates expressed the view that the final Instrument must be a door-to-door convention when appropriate, but that it must also be the unimodal convention for the maritime mode. Thus this Instrument should provide the governing rules in all actions involving maritime performing parties. There was also some dissent, at least at the margins. One delegate suggested, for example, that States should be allowed to opt out of coverage for pilots.

Mixed Contracts of Carriage and Forwarding

It was agreed that confusion has arisen because people have misunderstood the purpose and effect of draft article 4.3. The CMI should help to clarify that article 4.3.1 is not a mechanism for a carrier to escape its liability for the agreed carriage of the goods. It instead provides legitimate protection, which the carrier can already obtain under current law if it structures the transaction appropriately, and at the same time enables the carrier to accommodate the commercial needs of the cargo interests.

No one doubts that a carrier can agree to transport goods only as far as an ocean port, leaving the cargo owner with the responsibility for arranging transport from the port to the desired inland destination. If a cargo owner wishes to move goods from the Far East to Calgary, for example, it may contract with an ocean carrier to take them as far as Vancouver, and then contract with a road or rail carrier to transport them from Vancouver to Calgary. Similarly, current law would permit this same cargo owner to contract with the ocean carrier to move the goods to Vancouver, and then — in a separate contract — to retain the ocean carrier (acting as its agent) to arrange the inland carriage with the road or rail carrier.

For commercial reasons, many shippers prefer to structure the transaction in this way (with the ocean carrier acting

as the principal for the ocean voyage and merely as an agent to arrange the inland carriage), but to have a single document evidencing both of the carrier's two independent obligations. Draft article 4.3.1 accommodates this desire and provides the legal framework to clarify the parties' rights and obligations.

The risk of structuring the transaction in this way, with a single document evidencing two independent obligations, is that an innocent third party might fail to recognize the separate obligations, and instead conclude that the carrier was responsible for the performance of both legs of the journey. Paragraph 56 of the commentary accordingly stresses the importance of the parties' "express" agreement to this type of arrangement. Of course, it will still be necessary to decide exactly what should be required to satisfy this requirement, but it would clearly be something more than a standard form clause on the back of a bill of lading.

Freedom of Contract and the Application of the Instrument to Charter Parties and Other Types of Contracts

Article 3.3.1 of the Draft Instrument recognizes the possibility that the traditional charter party exception of the Hague and Hague-Visby Rules might be extended to "contracts of affreightment, volume contracts, or similar agreements." It has also been proposed that these agreements between sophisticated parties (other than charter parties) might be dealt with under chapter 17, which addresses freedom of contract. Under this proposal, contracts of affreightment, volume contracts and similar agreements would be subject to the Instrument as a default rule, but the parties would have the freedom — as between themselves — to derogate from the Instrument in whole or in part.

The majority of delegates who spoke on this issue favored the total exclusion of these agreements under chapter 3 rather than the freedom of contract solution under chapter 17. Mr. Larsen was particularly concerned by the possibility that addressing the issue under chapter 17 would gradually lead to the coverage of charter parties under the Instrument. There was also wide support for the proposition that any solution to this problem should not adversely affect third parties. Just as bills of lading issued under charter parties must comply with the Hague and Hague-Visby Rules, so third parties who acquire rights under transport documents should be protected by the new Instrument.

The Swedish Proposal

Several issues were raised by the Swedish proposal (A/CN.9/WG.III/WP.26). Perhaps the most prominent was the proposed extension of the network system to preserve mandatory national law (in addition to mandatory international conventions). A wide range of views was expressed. Some were concerned that such a recognition of national law would too greatly undermine uniformity. A possible solution to this concern would be to preserve mandatory national law that was directly based on a mandatory international convention. This would be adequate to address the needs of European countries (such as Sweden) with domestic legislation modeled on CMR. Others, in contrast, suggested that political constraints might require the preservation of all national law, not just mandatory national law. In the United States, for example, railroads and truckers might well object to the mandatory coverage of the Instrument.

Several delegates felt that the Italian proposal (A/CN.9/WG.III/WP.25) would be adequate to protect the legitimate interests addressed by the Swedish proposal. The Italian proposal would give Swedish cargo claimants (or indeed any cargo claimants willing to come to Sweden to bring suit) the ability to recover from road carriers in Sweden on the basis of the Swedish CMR-style legislation. The only cargo claimants that would not be protected would be those that were unwilling to sue in Sweden, and it was hard to see what interest Sweden would have in protecting these foreign parties.

The Swedish proposal to calculate compensation based on the value of the goods at the place of receipt rather than the place of delivery was criticized by every delegate who addressed the issue.

Finally, the Swedish proposal advocated, in cases when the place of damage cannot be established, that the limitation amount should be based on the highest amount that might govern. This proposal was also criticized by every delegate who addressed the issue.

Concluding Issues

The International Sub-Committee decided that it would probably be unnecessary to hold another meeting until after the fall UNCITRAL meeting in Vienna. It was thought that the next meeting should be held after a new draft was available, that this would not happen until the UNCITRAL Working Group had finished its "first reading" of the

entire Draft Instrument, and that this was unlikely to happen at the New York meeting this spring. Mr. Beare noted that the Working Group would need to decide when it was appropriate to reconvene the International Sub-Committee, but added that these views would certainly be considered.

Mr. Beare reminded the International Sub-Committee that a CMI Colloquium would be held in Bordeaux in June, and that Issues of Transport Law were on the agenda for Thursday morning, 12 June, at 9:00 o'clock. He invited delegates to make suggestions as to the subjects that should be covered at this session.

Finally, Mr. Beare thanked Clyde & Co. for their hospitality and logistical support during the International Sub-Committee's deliberations.

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IAASP: Named in U.S. Maritime Transportation Security Act 2002

THE International Association of Airport and Seaport Police (IAASP) have been named as a resource under section 109 of the Maritime Transportation Security Act of 2002.

The secretariat and members of the board were involved in liaison with the legislators and interested parties in the development of the Act.

The Chairman of the Senate Commerce, Science and Transportation Committee, Senator Hollings (D-SC) authored and introduced the Port and Maritime Security Act, which coordinates the Coast Guard, Customs Service, and Immigration and Naturalization Service with local port security entities to implement collaborative long-term solutions for seaport, anti-terrorism, and security efforts. Hollings' port security legislation was signed into law by President Bush on November 25, 2002.

The US Secretary of Transportation is now in the process of coordinating meetings to consult on standards with the Federal Law Enforcement Training Center, the US Merchant Marine Academy's Global Maritime and

Transportation School, the Maritime Security Council, the International Association of Airport and Seaport Police, the National Cargo Security Council, together with other Federal, State or local governments or local law enforcement agencies or other individuals who are determined to have pertinent expertise.

Chief Superintendent, Henk van Unnik, with the Port of Rotterdam Police in the Netherlands and President of the IAASP, said "This new legislation is part of the commendable and progressive initiatives that the US is making to protect its seaports. We are pleased to be a part of this process because it is in accord with our major objectives to influence the standards of safety and security in ports and share information and experience."



ISU: Pollution Survey records sharp rise in tanker assistances

MEMBERS of the International Salvage Union (ISU) recovered nearly one million tons of potential pollutants during salvage operations last year. During 2002, emergency assistance was provided worldwide for 268 vessels with cargoes and bunkers threatening pollution, as against 247 ships in 2001.

The results of the ISU's latest annual Pollution Prevention Survey show that oils, chemicals, other pollutants and bunker fuel recovered last year totaled 957,122 tons, as against 539,073 tons in 2001. This amounts to an increase of 77.5%.

ISU President Joop Timmermans says: "ISU salvors have recovered over 10.4 million tons of potential pollutants in the nine years to end-2002. This increase in total pollutant recovery is a sharp contrast to the pattern which emerged in the three years 1999-2001, when recoveries were running at round half a million tons. This reflected the absence of VLCCs and ULCCs in the casualty workload. In the case of 2002, however, a single large tanker casualty resulted in a significant increase in the total crude oil recovery figure. There was also a substantial increase in the recovery of 'other pollutants', such as diesel oil, aviation fuel and slops."

Forty-three of the ISU's 47 members

responded to the latest annual survey. In 2002, ISU salvors responsible for the 268 salvage assistances recovered the following:

- 63%, crude oil
603,736 tons (340,413 tons in 2001)
- 1%, chemicals
8,179 tons (60,476 tons)
- 28%, other pollutants (e.g., gasoline, slops, dirty ballast, etc.)
272,556 tons (72,911 tons)
- 8% bunkers
72,651 tons (65,273 tons)

Joop Timmermans adds: "Last year there was a modest increase of 8.5% in the number of casualties assisted, yet we saw a 77.5% increase in the amount of potential pollutants salvaged. The now relatively rare case of a large tanker provides the explanation for much of this increase. At the same time, there was a dramatic 86% fall in the tonnage of chemicals salvaged, while, in contrast, the amount of bunkers salvaged rose by just over 11%."

The major change in 2002, however, was in the "other pollutants" category which increased nearly four times on the 2001 figure.

The ISU's Pollution Prevention Survey began in 1994. In the nine years to end-

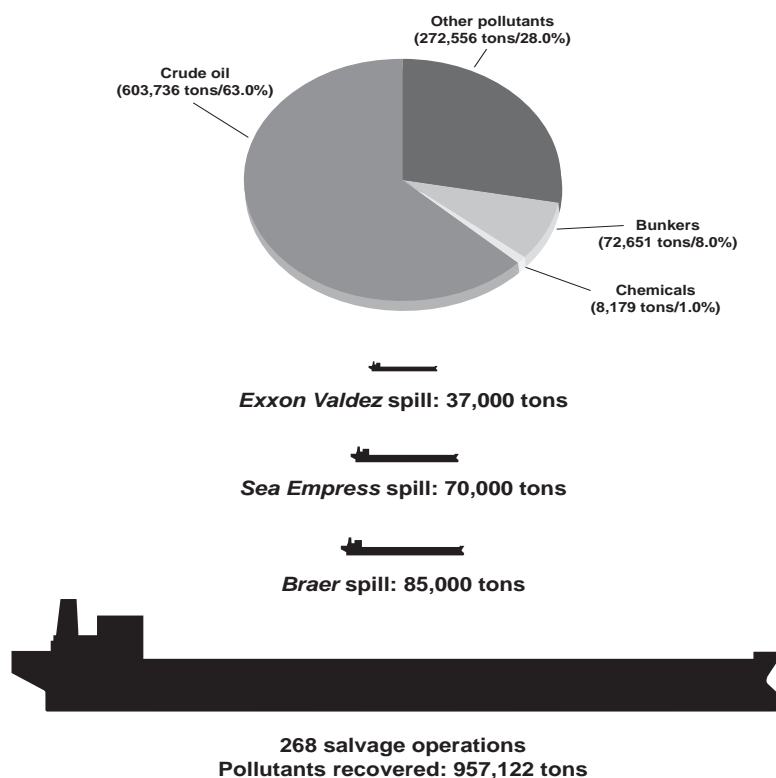
2002, ISU salvors recovered 10,402,247 tons of potential pollutants. This total consists of 8,615,298 tons of crude oil, 563,040 tons of chemicals, 574,711 tons of bunkers and 649,198 tons of "other pollutants" (recorded as a separate category for the first time in 1997).

During 2002 there was a sharp rise in the number of tanker salvage operations - 39, as against 19 in 2001. The single very large tanker was carrying 240,000 tons of crude oil. This case accounts for nearly 60% of the increase in potential pollutants salvaged. This vessel became disabled in Chinese waters during severe weather. It was salvaged by a locally based ISU member, who towed the tanker to a sheltered location and carried out a ship-to-ship transfer of the entire cargo. The tanker was then towed to a repair port.

Last year saw another substantial increase in the number of casualties - tankers and other vessels - requiring ship-to-ship transfer services of cargoes and/or bunkers. The total rose from 15 cases in 2001 to 35 in 2002.

Lloyd's Form continues to be the most regularly used form of salvage contract. Just under 35% of the services in 2002 involved LOF - a proportion little changed in 2000 or 2001.

ISU: RECOVERY OF POLLUTANTS BY MARINE SALVORS - 2002



TOP 30 Container Terminals in 2002 (Throughput in TEUs)

Rank (2001) ¹	Port	2002	2001	% change	TEU change
1 (1)	Hong Kong	18 600 000 ²	17 900 000	3.9	700 000
2 (2)	Singapore	16 800 000	15 520 000	8.2	1 270 000
3 (3)	Busan	9 436 307	8 072 814	16.9	1 363 493
4 (5)	Shanghai	8 610 000	6 340 000	35.8	2 270 000
5 (4)	Kaohsiung	8 493 000	7 540 524	12.6	952 476
6 (8)	Shenzhen ³	7 613 754	5 076 435	50	2 537 319
7 (6)	Rotterdam	6 500 000 ⁴	6 102 000	6.5	398 000
8 (7)	Los Angeles	6 105 863	5 183 520	17.8	922 343
9 (9)	Hamburg	5 373 999	4 688 669	14.6	685 330
10 (11)	Antwerp	4 777 387	4 220 780	13.2	556 607
11 (12)	Port Klang	4 530 000	3 759 512	20.5	770 488
12 (10)	Long Beach	4 526 365	4 462 971	1.4	63 394
13 (13)	Dubai	4 194 264	3 501 820	19.8	692 444
14 (14)	New York/New Jersey	3 700 000	3 316 272	11.6	383 725
15 (18)	Qingdao	3 410 000	2 640 000	29.2	770 000
16 (15)	Bremen/Bremerhaven	2 998 598 ⁴	2 915 169	2.9	83 429
17 (20)	Gioia Tauro	2 954 571	2 488 332	18.7	466 239
18 (19)	Tokyo	2 900 000 ²	2 535 841	14.4	364 159
19 (16)	Felixstowe	2 750 000 ⁵	2 800 000	-1.8	-50 000
20 (21)	Laem Chabang	2 749 194	2 367 430	16.1	381 764
21 (26)	Tanjung Pelepas	2 660 000	2 050 000	30.2	610 000
22 (23)	Manila	2 516 000 ⁵	2 296 151	9.6	219 849
23 (28)	Tianjin	2 410 000	2 010 000	20	400 000
24 (22)	Yokohama	2 336 000 ⁵	2 303 780	1.4	32 220
25 (25)	Algeciras	2 229 141	2 151 770	3.6	77 371
26 (32)	Guangzhou	2 180 000	1 730 000	26	450 000
27 (27)	Kobe	2 000 000 ²	2 010 343	-0.5	-10 343
28 (31)	Keelung	1 918 598	1 815 854	5.7	102 744
29 (29)	Nagoya	1 890 000 ²	1 872 272	0.9	17 728
30 (50)	Ningbo	1 860 000	1 210 000	53.7	650 000

Notes: ¹: 2001 ranking based on "World Container Port Traffic League", CI Yearbook 2003;

²: port's estimate; ³: includes Chiwan, Shekou and Yantian; ⁴: provisional;

⁵: CI estimate; Tanjung Priok omitted due to lack of data – in 2001, it ranked 26th

Sources: Ports, CI Yearbook 2003 and ci-online

more innovative methods of port and harbour designs and coastal protection works and shoreline management. Some of these rapid changes are in the area of modeling of coastal hydrodynamics which includes ocean wave modeling and wave modeling and wave transformation models from deep waters to shallow waters as well as state-of-the-art 3-D circulation models.

Marine Environment

Marine environment is coming under increasing pressure from transboundary pollution, nuisance/toxic organisms in ballast waters, oil spills, chemical spills, dredging, treatment of dredged materials, sewage discharges and algal blooms among other major concerns.

Innovative Ship Designs and Operations

Ships are continually striving to achieve higher capacity and to satisfy performance and safety. These developments often influence port design, operations and management.

Navigation and Maritime Training

The digital era has seen radical advances in technologies relating to navigation and maritime training. This leads to significant changes to the traditional methods of navigation and maritime training.

Registration Fees*

- Individual Registration
\$820/US\$520
- Group Registration**
\$750/US\$470
- Author & Co-author
\$680/US\$430
- Student Registration
\$400/US\$260
- On-site registration
Group Registration**
\$800/US\$520

* Registration fee is for conference only and is inclusive of documentation, refreshments and lunches and 1 banquet and exclusive of accommodation and travel.

** 3-5 delegates from the same organization. Please contact the Conference Secretariat for special rate for more than 5 delegates.

Upcoming Conferences

International Conference on Port and Maritime R&D and Technology

September 10-12, 2003
Singapore

THE objective of the International Conference on Port and Maritime R&D and Technology is to promote

research and development and application of advanced technologies for port and maritime management and operations.

Port Development Management and Operations

This session shall serve as a platform to allow broad discussions of new concepts and approaches to port development, management and operations.

Coastal/Hydraulics Engineering

Rapid changes in coastal engineering infrastructure and technologies have enabled

For further information
Conference Secretariat
Ace: Daytons Direct (International) Pte Ltd
2 Leng Kee Road #04-02
Thye Hong Centre Singapore 159086
Tel: (65)6379 5261/6475 9377
Fax: (65)6475 2077/6475 6436
Email: admin@acedaytons-direct.com
URL: www.mpa.gov.sg/homepage/
conferences/RDT/main.html



Dunkirk: Short Sea Shipping How to turn a European challenge into day-to-day practice

September 18-19, Dunkirk, France

FOR a number of years, the Port of Dunkirk Authority has been organising an international symposium (French/English) for the economic circles, administrations and local authorities involved in port management, logistics, transport and international trade.

The subject selected is quite topical in a time when road traffic congestion prompts European and national authorities to implement alternative solutions reached by consensus.

High calibre guest speakers from the EU and European Associations representing the ports, shippers, service providers, ship owners or agents will each shed a specific, quite topical light on the various solutions they have implemented or the hindrances they come up against in the course of their professional activities.

Subjects:

- Which factors offered the most significant contribution to the evolution of European Short Sea Shipping in the EU in the past few years? Does the current situation still call for more actions to smooth the way, or is it satisfactory?
- Can specific good practices that helped to improve the situation be emphasised?
- How can transport operators be persuaded to make use of short-haul shipping and to contribute towards its development? Is there any benefit for them to switch from competitive or distrust attitudes to a code of partnership?
- Can shippers, and should they play a part and commit to promote Short Sea Shipping with their vendors, or do they conversely expect offers from their service providers? – What is the process in practice?
- What part governments and BP2S should play in promoting Short Sea Shipping? Are the various EU countries reacting in the same way? Will the new members of the EU slow down or rather speed up the process?

Registration Fee:

- Before July 1: 250 euros
- After July 1: 350 euros

2 or more participants from the same company: 150 euros per participant

The fee includes:

- The attendance to the two days seminar
- The technical visits
- The acts of the seminar
- 2 lunches and an early arrivals' reception
- An evening party

For further information:

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World Customs Exhibition and Forum September 22 - 25, 2003 Budapest, Hungary

HUNGARY will host the World Customs Exhibition and Forum new technologies September 22 to 25, 2003. Organized by the Hungarian Customs and Finance Guard under the auspices of the WCO, the theme of this event will be "Customs and the security of international trade".

Forum topics

- Responding to international terrorism through collective action
- The WCO initiatives on security and facilitation of the international trade supply chain
- An assessment of international terrorism threats to international trade
- The International Chamber of Commerce vision of swift and secure multi modal international trade
- Radioactive substances
- Chemical and biological weapons
- Controlling the illegal movement of persons
- Securing the international maritime fleet, freight and the facilities
- New technologies within the trade supply chain to enhance security
- Implications and solutions for securing air, maritime freight, express • mail and rail freight from threat of terrorism

The Symposium will provide an international, multidisciplinary forum for representatives from governments, universities and industry to present non-confidential technical papers and participate in a variety of panel and group discussions. The focus of the symposium will be "Customs and the security of international trade".

September 23 (Tuesday)

Plenary sessions

Senior officials will focus on all areas relating to the following topics:

- Securing the international trade supply chain whilst facilitating the flow of legitimate trade

- The impact of the latest initiatives coming from international organizations on international trade
- The value of technical solutions to government strategies for securing the international trade supply chain
- The level of current threats to the trade environment and the formulation of counter measures

September 24 – 25

U.S. Customs

Speakers will focus on all areas relating to the security equipment and their use in airports, seaports, inland offices, vehicles and buildings. These non-commercial papers will present state-of-the-art technology, enabling the audience to:

- Gain an appreciation of the benefits and limitations of the technologies currently available
- Gain an overview of new technologies available in the fight against terrorism
- Learn about the latest technological trends
- Understand the infrastructure required to implement these technologies

The presentations will be given in workshops divided up as follows:

- Workshop 1: Non-intrusive inspection equipment for cargo
- Workshop 2: Non-intrusive inspection equipment for baggage
- Workshop 3: Non-intrusive inspection equipment for body searches
- Workshop 4: Test and detection equipment
- Workshop 5: Information technology
- Workshop 6: Identification and detection of persons

Exhibition themes:

Latest security measures, equipment and their utilization, security equipment and their use in:

- Airports
- Seaports
- Inland
- Vehicles
- Buildings

Exhibition Topics:

- communication equipment
- Document verifiers & document readers
- Equipment – tools – safety
- Software & services
- Surveillance equipment
- Test & detection equipment
- Screening equipment

Participation Fee

- WCO members up to 2 persons: Free
- WCO members over 2 persons: 600 euros
- Non-WCO members: 600 euros

Participation Fee includes: Seminars, entrance to exhibition, abstracts of the forum, welcome bag, (pen, notepad), list of participants, meals (lunches, refreshment breaks), closing banquet Transfers from/to venue, from/to official cere-

monies. Transfers from/to airport is asked to be individually organized by airport shuttle bus or taxi.

Registration Deadline: July 15, 2003

For Further Information:

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URL: <http://www.wce.hu>

Global Automotive Logistics 2003

October 9-10, Barcelona, Spain

RUNNING for the 5th consecutive year, the Global Automotive Logistics Conference and Exhibition (GAL) to take place in Barcelona this October will present itself in a completely new light to attendees.

Due to the constant major changes through which the vehicle manufacturing industry has gone, GAL has rethought its standard exhibition concept and come up with a profoundly new and unique proposition.

Feed-back from attendees over the course of the past two years has testified to the need for a new approach and resulted in GAL entering the conference market in 2003 with a fresh outlook on conventional exhibiting. This year GAL will offer exhibitors the opportunity to design a personal package according to their budgets and the amount of exposure they wish to achieve. The flexible format will allow precise time planning and optimal efficiency. The prices for GAL 2003 will be calculated on a pre-determined package basis, according to which features exhibitors select from a comprehensive menu of marketing activities and opportunities. Packages range from silver and gold to diamond and platinum extras, each of which can be tailored according to exhibitors' individual requirements. Packages will include features such as meeting areas, web presence, complimentary golf day passes and platinum extras, such as the overall sponsorship of the golf tournament.

Further emphasising the interactive structure of the event, brand new GAL will provide participants with information targeted to their needs and the opportunity of interactive networking between the wide range of automotive logistics professionals, vehicle manufacturers and tier suppliers that attend the event.

The restructuring of the conference plays a significant part in a larger development plan aimed at creating the atmosphere of a "market-place", facilitating interaction, learning experiences and involvement with customers and potential clients in workshops, break-out sessions, case studies and personal development sessions.

In order to maximise personal and professional output for participants, the workshops and keynote sessions will be timed to allow plenty of aspects of automotive logistics, plus management, leadership team-working and problem-solving issues. Attendees will be able to create individual programmes by selecting from a menu of break-out sessions and workshops and will thus spend more time learning about and discussing their specific areas of interest.

Smaller discussion groups and workshops of 30-50 will ensure open communication and exchange of ideas between people working in the same sector of the market.

The event will feature between two and four workshops running in parallel on the afternoon of Day 1 and morning of Day 2, plus a keynote session on the morning of Day 1. Additionally the exhibitors will be able to offer meetings and discussion sessions outside the conference rooms providing attendees with the possibility of showcasing their companies and market objectives.

Key topics on the break-out group menu for the two-day conference include:

- Tier supplied logistics
- Finished vehicle logistics
- Security in the automotive supply chain
- European vehicle production trends and distribution strategies
- Packaging and container management
- Car transport / handling technology and systems
- Problem solving and team working

For further information:

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URL: www.globalautologistics.com

- 4 Port Economics
- 5 Finance, Accounting and Budgeting
- 6 Health and Safety
- 7 Environmental Issues
- 8 Port Security and Emergency Response
- 9 Project Management: Principles and Techniques
- 10 Buying a Port - A Case Study

Specialist Modules

- A Marketing in the Ports Industry
- B Managing Marine Operations in Ports
- C Managing Cargo Operations in Ports
- D Port Engineering Services and Management

Course Fees

- **Diploma Fee: £2000**
This covers the core modules and binders, one Specialist Module; assignment marking; tutorial seminar costs; examination costs and the issuing of a Diploma/Certificate.
- **For Interest Only Fee: £1400**
This covers the Core Modules and binders only (Specialist Modules are not available with this option).
- **Air Courier Fee: An additional charge of £200**

For further information:

Lloyd's Maritime Academy
Telephone House, 69-77 Paul Street,
London EC2A 4LQ, UK.
Tel: +44(0) 1932 893 859
URL: www.lloydslistevents.com/dlportmanagement

Port Operations & Management Programme September 8-22, 2003 London, UK

AIM OF THE COURSE

This is essentially a Management Development programme, its content and structure is designed to match the vision, requirement and expectations of senior personnel whose remit is to reform and align their organization in the light of globalisation.

PROGRAMME

- A European Ports Study Tour will include structured industrial and technical visits in either, and or France, Belgium and The Netherlands
- Future vessel size and trends i.e. mega vessels, fast ships and the implications to ports and terminals
- New concepts in port and terminal development
- Commercialisation, port ownership and privatization in the transport sector
- Institutional change and port reform
- Management of change
- Resource management to include: availability, deployment, utilization and optimization of resources

Upcoming Seminars



The National Sea Training Center
presents its fourth on year course delivered
by distance learning, leading to a

Diploma in Port Management 2003-2004

Commences August 29, 2003
Enrolling Now

A modular course in ten core parts with a choice of specialist modules

Core Modules

- 1 Introduction to the Business of Ports
- 2 People Management
- 3 Business Management and Customer Focus

- Information technology and applications in cargo handling and associated functions
- Applications workshop
- Safety, quality, productivity and performance
- Strategic management tools and techniques
- Selected UK based industrial/technical visits
- Workshop for comparative analysis

Fee: £5,745.75 (£4,890.00+VAT855.75)

For further information:

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Tel: +(44) 121 410 3008
E-mail: ripa.training@capita.co.uk
URL: www.ripainternational.co.uk

New Publications

ITMMA - University of Antwerp "Transport Economics"

(Editors: **Gust Blauwens, Peter De Baere, Eddy Van de Voorde**)



TRANSPORT economics has become a well-developed discipline with branches in many areas of economic science. Consequently, it is not easy for a reader to acquire a general overview. Many good handbook on transport economics are restricted to one particular perspective. There are, for instance, very sound treatises on transport policy, on logistical analysis, and on econometric model building within the transport industry. The purpose of the present handbook, however, is to combine four different perspectives in a single volume and to provide a general overview.

The four parts have been written independently. Thus, if required, the reader can restrict himself to whatever part he finds to be of particular interest. Likewise, an effort has been made to allow the reader to choose whether or not to examine the mathematical techniques presented. Those who wish can skip the formulas and mathematical passages and still retain an interesting and coherent text.

Part 1 is a descriptive exposition, as one finds in certain American textbooks. In this instance, though, the focus is on the situation in Europe. Part 1 deals with the economic significance, the organization and regulation of transport in the European Union. Novice students, who are confronted with transport issues for the first time, will find information in this part that will help them orient themselves in this new field.

Researchers looking for statistics or general information on transport in Europe will also find an interesting overview here.

Part 2 discusses the optimization of transport from a management perspective. How should a transport firm calculate costs? How can one plan the trips of vehicles optimally? How is customers' waiting time affected by the deployment of additional vehicles? What is the right moment to replace old vehicles with new ones? How can one take account of stock costs in transport decisions? Should an importer who acquires goods from an overseas origin choose for air transport or maritime transport? What is the ideal size of a consignment? Which prices maximize the profit of a transport supplier? Decision-makers within transport firms or logistics departments, who face this kind of questions, will find methods and techniques in part 2. This part of the book is based on carefully selected analyses of operational research which have proven their worth in decades of practical application. The data come from consultancy work within transport firms and companies involved in own-account transport.

Part 3 is concerned with the macroeconomic dimension of transport. Here, anyone who wants to forecast mobility growth, or examine

traffic flows on a regional infrastructure network, or assess the impact of deregulation of the transport sector on transport costs and market structure, will find the techniques of economic or econometric analysis that transport experts can offer.

Part 4, finally, deals with transport policy, more in particular policy on transport pricing, taxation and subsidizing, as well as investments in infrastructure. Part 4 is a must for anyone involved in the ongoing political debate on mobility. Familiar concepts such as external costs, road pricing and cost-benefit analysis are explained using concrete data.

This handbook will encourage rational analysis and contribute to successful decisions, both within transport firms and in policymaking.

Price: 62.00 euro

For further information:

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"Bulk Carrier Register 2003"



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WORLD PORT NEWS

Cover of the Month

Port of Savannah

Garden City Terminal ranks as the United States' fourth largest containerport



DAILY operations are running like clock work at the Garden City Terminal (GCT), one of the nation's top four container ports and the fastest growing port in the U.S. South Atlantic. The terminal is one of six port-owned and operated facilities of the Georgia Ports Authority (GPA) and its corporate headquarters.

Nearly 75 percent of the cargo handled through the Port of Savannah is containerized cargo, measured in TEUs, or twenty-foot equivalent units. The GPA hit a record level of TEU handling in fiscal year 2001, when over one-million TEUs were handled by GPA – primarily through the Garden City Terminal. The port again hit the one-million TEU benchmark in fiscal year 2002, but this time just 11 months into the operating year. At eight months into operations for FY03, the port has again breached the one-million TEU threshold in new record time, having handled 1,004,535 TEUs (between July 2001 to February 2003).

The Port of Savannah also moves break-bulk and bulk cargoes, which represent 8.6 percent and 16.5 percent of the GPA Port of Savannah cargo mix

respectively.

Within the 1,200-acre terminal is a container-handling facility featuring seven contiguous berths totaling 7,726 linear feet—which is the longest contiguous dock on the U.S. East Coast. Port of Savannah has over 50 ocean carriers / steamship lines making vessel calls and connecting this busy cargo magnet to over 300 ports around the globe.

In April 2003 the Garden City Terminal will commission two new super post-Panamax cranes and has an option to purchase two more, from the Finnish cranemaker, Konecrane, VLC Corp. These will bring the terminal's inventory of ship-to-shore container cranes to 13.

The advantages the Port of Savannah is able to offer shippers are many, but mainly include: ample international trade lanes (through 50 ocean carriers), ample storage (1.3 million sq. ft. of warehousing) ... ample protection (through water-side and landside port security initiatives) ... and more than ample inter-modal connections ... through two Class 1 Railroads (CSX Transportation and Norfolk Southern), an on-terminal rail facility (Mason ICTF), as well as connec-

tions through two interstates (I-95 and I-16) and over 100 motor carriers.

The top cargoes handled via the Garden City Terminal during fiscal year 2002 included machinery, vegetable oils and linerboard and woodpulp.

In addition to the Garden City Terminal, the GPA runs three other deep-water terminals: Ocean Terminal, also in Savannah, is located at the foot of the Talmadge Bridge, 2.2 miles downriver and within view from the GCT. It is dedicated to the movement of bulk, ro/ro (roll on/ roll off) and project cargoes.

Seventy miles south of Savannah, the GPA operates two terminals at Georgia's other deepwater port, The Port of Brunswick. The Port of Brunswick Colonel's Island Terminal is dedicated to the movement of dry agricultural products in bulk, as well as automobiles and machinery. The Port of Brunswick Mayor's Point Terminal handles general cargo. GPA owns a third Brunswick terminal, Marine Port Terminal, which it leases to a private company, which handles both general and bulk cargoes.

In addition to the deepwater terminals, GPA inland barge terminals, located in Bainbridge and Columbus, Georgia, help move inland cargoes to seaports through the Apalachicola-Chattahoochee-Flint River system. They offer low cost barge transportation service to/from the Gulf of Mexico and major markets in the Southeastern United States.

Georgia's public and private port sector activities directly or indirectly support 80,100 jobs, are responsible for \$1.8 billion in personal incomes, produce billions of dollars in sales revenue to benefit the state's economy and generate \$585 million in state and local tax receipts each year.



The Americas



Canaveral: Celebrates its 50th anniversary

THE Canaveral Port Authority broke out the props for a 1950s-themed, feel-good ceremony to celebrate Port Canaveral's 50th anniversary and recognize its contributions to the region.

The event – the first of a series of activities through the year – included a grand entrance by port commissioners in '50s-style hot rods, a stage done up like an old-fashioned diner, Port Authority staff members decked out in leather jackets and poodle skirts a la "Grease," and a performance by The King - Elvis Presley, aka Eric Olsen of Jacksonville.

Apart from the pomp, the event had a nostalgic feel, with several former port officials in attendance, including former Port Authority Executive Director, Mr. Glen Cheek; his successor, Mr. Chuck Rowland (now also retired); and former Port Commissioner, Mr. Buck Buchanan.

But the main purpose of the event was to pay tribute to the port itself, from its growth from a small commercial fishing inlet when it opened in 1953 to the world's second-busiest cruise port today to something even larger in the future, if current commercial-development plans – including hotels and an amphitheater – come to fruition.

"We've had a lot of milestones," Port Commissioner, Mr. Ralph Kennedy told the crowd of about 100 people.

According to the Port Authority, the idea of creating a port on Cape Canaveral first surfaced in the late 1800s, when the U.S. Navy was considering opening a port on Florida's East Coast.

But it took a special act by the Florida Legislature in the early 1950s for the port to be formally established. Port Canaveral was dedicated on Nov. 4, 1953.

Wedge between Cape Canaveral Air Force Station and Kennedy Space Center to the north and the city of Cape Canaveral to the south, Port Canaveral has 3,300 acres, including a stretch of land that runs inland along the Barge Canal.

The port's district covers central and northern Brevard, with commissioners elected from voters within that area.

Until 1986, the Port Authority collected property taxes from its district. Since then, the port has been self-sustaining, in that it supports itself from revenue derived solely from business and recreational activities within the port.

Since 1955, the port has handled more than 100 million tons of cargo shipped to and from 35 countries. The port also has drawn 13.4 million cruise passengers since 1964, including a record of more than 1.9 million passengers in fiscal 2002 ended Sept. 30, ranking it second world-

wide to the Port of Miami.

"Among the port's biggest challenges this year will be making preparations for the arrival of more cruise ships that will be home-based at Canaveral, as well as handling the numerous security issues that have been raised since the 2001 terrorist attacks," said Port Authority Executive Director, Mr. Malcolm McLouth.

"In retrospect, the port's growth has been impressive," said Mr. Cheek, who retired from the Port Authority in 1980.

"I'm amazed at what's happened" since then, he said. "I really think they're on the right track."

Reproduced from an article by Scott Blake in FLORIDA TODAY



Houston: Joins Smart and Secure Tradelanes (SST)

THE Port of Houston Authority (PHA) joins with other major port operators worldwide as the newest partner in Smart and Secure Tradelanes (SST), a rapidly expanding global security network deploying advanced security practices, business processes, and enabling technologies to improve the security and efficiency of worldwide ocean container shipments.

The PHA Commission voted during a public hearing on March 31 to participate in SST, an industry-driven initiative that has attracted more than 40 supply chain partners committed to closing security gaps in the global supply chain by building an automated security infrastructure at major ports worldwide that enables connectivity between supply chain participants and technologies. By becoming an SST partner, the PHA will install Radio Frequency Identification (RFID) reader infrastructure that communicates in real-time with a powerful software platform linked to a Transportation Security System application, enabling real-time monitoring of containers equipped with smart electronic seals.

Since launched last summer, hundreds of "smart and secure" containers equipped with electronic seals and monitored automatically via the global security network have been shipped between Asia and Europe into the United States. The PHA's participation helps extend the network to a fourth continent – South America – to ensure the security of ship-



Photos by Malcolm Denemark, FLORIDA TODAY ©2003

ments entering the United States from that part of the world. The focus of the initiative in Houston will be on end-to-end container security, starting with shipments at the shipper/manufacturer origin, and tracking them from ports of origin in Europe and Latin America to the Port of Houston.

The announcement was made jointly by the PHA and the Strategic Council on Security Technology, a global advisory resource and catalyst for improving the security of supply chains that was a founding partner in SST.

"As one of the leading container ports in the U.S., the Port of Houston Authority should undertake every appropriate measure to ensure container safety and security," said PHA Chairman Jim Edmonds. "Our involvement with Smart and Secure Tradelanes will enhance our proactive approach to security through best practices and technological leadership, which will protect both the lives and livelihoods of people in this region," he added.

Unlike other participants in SST who seek greater security of U.S.-bound shipments, Transoceanic plans to leverage the network to ensure the security of outbound shipments it manages from the Port of Houston to international destinations. One of its initial applications is planned for a major building project in Kabul, Afghanistan.

Although industry-funded and initiated, SST partners work in close coordination with a number of U.S. and non-U.S. government entities, especially to ensure compliance with such government initiatives as U.S. Customs' Container Security Initiative (CSI) and Customs Trade Program Against Terrorism (C-TPAT), and Custom's 24-Hour Advance Manifest Rule.

Founding members of SST include three of the world's largest port operators – Hutchison Port Holdings (HPH), P&O Ports and PSA Corporation – which together manage about 70 per cent of the world's container shipments at their port and terminal facilities. SST's objective is to rapidly deploy a baseline infrastructure that provides real-time visibility, physical security through non-intrusive, automated inspection and detection alerts, as well as a complete audit trail of a container's journey from origin to final destination.

The SST solution leverages technology and infrastructure of the U.S. Department of Defense's Total Asset Visibility (TAV) network, a battle-tested, real-time response information system that another SST partner (Savi Technology) helped to build. TAV, the world's largest wireless cargo tracking network, was designed and deployed to track all military shipments during times of peace and conflict through

truck, train, and ship transportation – from the factory to the foxhole. The TAV network is built on existing U.S. and international standards that allow open integration of automatic identification and data collection technologies.

SST leverages TAV's existing infrastructure and proven automatic identification technologies, including Radio Frequency Identification (RFID), satellite tracking systems, sensors, and biometrics that are integrated with enterprise-class software.

About the Strategic Council on Security Technology

The Strategic Council on Security Technology is an international assembly of top executives from the world's largest port operators, major logistics technology providers, four-star generals, former public officials and prominent transportation consultancies. Acting as an international resource, the Strategic Council on Security Technology is committed to helping ensure greater supply chain security through best-of-breed practices and technologies while working with a variety of other industry associations.



Long Beach: Debuts "Healthy Harbor" initiative

ON March 17, The Port of Long Beach launched "Healthy Harbor Long Beach," a comprehensive environmental initiative building on recent successes that have improved air and water quality and expanded wildlife habitats throughout the port area.

During a ceremony, port and city officials

outlined Healthy Harbor and unveiled the initiative's logo – a light green pelican and light blue waves under a yellow sun set inside a deep blue field shaped like an "H." The logo will be used on brochures, posters and other Port materials to help strengthen the identity of environmental programs currently administered by the Port and several new efforts that will be announced over the next year.

Earlier Monday at its regularly scheduled meeting, the Long Beach Board of Harbor Commissioners approved the Air Quality Improvement Program that is the first element of the Healthy Harbor initiative. The Air Quality Improvement Program combines existing and new efforts that surpass state and federal requirements and commit millions of dollars to reduce diesel emissions by promoting the use of alternative fuels and pollution-control devices. The program, which calls for close cooperation with the tenants and the shipping lines, also includes efforts to reduce truck traffic congestion, because idling and slow-moving trucks produce more emissions than trucks moving efficiently.

"In recent years, the Port of Long Beach has made great strides in enhancing air quality, water quality and wildlife habitats in the region, as symbolized by the Healthy Harbor logo," said John Hancock, President of the Long Beach Board of Harbor Commissioners. "Through the Healthy Harbor initiative, we are building on our successes by focusing even more attention and taking an even more aggressive approach toward protecting our natural resources, and re-dedicating ourselves to being a good neighbor."

Mayor Beverly O'Neill noted that the Port is an economic powerhouse, generating thousands of jobs and millions of dol-



lars in economic activity. "We can continue to improve our quality of life while reaping the economic benefits of port activity," the Mayor said.

The Air Quality Improvement Program exceeds state and federal requirements because it aims to reduce diesel emissions from tenant- and port-owned vehicles and equipment as well as locomotives – so-called off-road sources that are less regulated by the U.S. Environmental Protection Agency and the South Coast Air Quality Management District.

For example, the program calls for the port to:

- Conduct at least one pilot project in cooperation with one or more terminal operators to study the feasibility of using liquid natural gas or other alternative fuels in yard tractors, forklifts or other heavy-duty terminal equipment;
- Undertake a major study of the "cold-ironing" of ships, whereby they would use electric rather than internal combustion power while at berth;
- Require tenants to prepare plans to significantly reduce emissions by 2007; and
- Actively promote and fund efforts to develop advanced technology for truck scheduling and freeway message systems that will reduce truck congestion and idling.

Many of these efforts are already under way. For example, the port has already begun evaluating the cold-ironing of ships and has undertaken programs to install pollution-control equipment and convert tenant-owned and port-owned vehicles to alternative fuels. In addition, the port has built on-dock rail, overpasses and other infrastructure improvements that reduce truck congestion and idling and thereby limit diesel emissions.

The Port of Long Beach has a history of protecting natural resources through innovative environmental programs utilizing an array of methods in a wide variety of settings. For example, the Port:

- Developed a comprehensive stormwater pollution prevention program that received a California Environmental Protection Agency award.
- Successfully relocated a black-crowned night heron nesting area, including more than 50 trees, from the former Long Beach Naval Station.
- Earned a U.S. Environmental Protection Agency Western Environmental Hero Award for safely utilizing contaminated sediments from other Southern California locations as part of a structural fill to create new port terminal land.
- Went beyond state requirements to reduce dust from petroleum coke storage and shipping facilities by making rigorous infrastruc-

ture and housekeeping improvements, in addition to the mandated changes such as covering petroleum coke piles and adding spray systems to conveyor belts.

- Cleaned up a state superfund site containing chemical and petroleum waste dumps on property acquired by the port, and preventing contamination in runoff from port property.

A recent study found that San Pedro Bay is thriving, supporting approximately 45 million fish belonging to 74 species in a healthy ecosystem. The productivity and habitat quality have increased markedly since the last comprehensive study of San Pedro Bay in 1976, according to the results. Separate studies have shown San Pedro Bay supports 100 species of birds, including three endangered species.

"The people at the Port of Long Beach have always been committed to protecting our environment for future generations," Hancock said. "Just like others in the community, we use our coastal waters and shorelines for recreation. We're environmentalists, too."



Nanaimo: Busy time for the Port Authority



THE Nanaimo Port Authority invested \$3.2 million in infrastructure during 2002. Improvements included the upgrading of the Wharfinger Office, the addition of a new and larger Comfort Station to provide public washroom facilities along the waterfront as well as washroom and shower facilities exclusive to the over 7,000 pleasure vessels which annually visit the port.

Tied in with the new structure is an additional 500 feet of walkway along the waterfront. "The new walkway provides the finishing touch to one of Nanaimo's most heavily used and finest assets," commented President & CEO Mr. Bill Mills. "The construction phase may have taken us slightly longer to

complete than was originally estimated, however, we have a wonderful new facility which will benefit both locals and visitors for many years to come."

Docks were also realigned and extended to accommodate the new Nanaimo Harbour Lynx ferry service scheduled to start up in the spring of 2003. The port also reconfigured the parking lot to allow for a passenger drop-off service and sufficient space for bus parking and turn-around.

New business generation has also been a priority for the port. Considerable time and effort has been placed on the development of local cruise business, new transportation initiatives and bulk loading opportunities at the Duke Point Deep Sea Terminal.

"We are excited about several new business opportunities which will assist in the diversification of use at our two terminals," commented Mr. Doug Peterson, Manager of Marketing & Sales. "While several are still in the developmental stage we hope to have a new operation at one of our terminals this spring."



Tacoma: Record Year in 2002

THE Port of Tacoma strengthened its position in 2002 as the leading seaport in the Pacific Northwest, setting yearly records in the following categories:

- Operating Revenues - \$72.9 million
- Containerized Cargo - 1,470,834 TEUs
- Intermodal Activity - 362,344 intermodal lifts
- Auto Imports/Exports - 180,173 vehicles

"This growth and our port's strong financial performance – plus our ongoing commitment to road, rail and marine infrastructure investments – contribute to the region's economy," said Port of Tacoma Commission President Dick Marzano. "It's great to have a record-setting year, but our focus is an even better future."

At the close of business on December 31, 2002, the Port of Tacoma had generated operating revenue of \$72.9 million, up 19 percent from 2001. The previous record was set in 2000 at \$62.3 million.

"It's not surprising that in a year of record volumes, we would also set a record for operating revenue," said Andrea Riniker, the Port's Executive

Director. "We are proud of our accomplishments, but we are not sitting back on our laurels. Our Port Commission has authorized a \$341 million capital improvement plan, designed to continue our momentum and keep the Port of Tacoma growing as a major Pacific gateway well into the future."

The Port of Tacoma closed 2002 at 1,470,834 TEUs (twenty-foot equivalent units) – an 11.4 percent increase from 2001. According to Brendan Dugan, the Port's Senior Director of Marketing and Trade, the 2002 record will soon be exceeded. "We are set to begin first-phase construction of a new container terminal for Evergreen Marine Corporation (Taiwan) that will eventually have 237 acres and a 1.2 million-TEU capacity," he said, noting that Phase 1 of the new terminal is scheduled for completion in late 2004. "This opens Evergreen's current 75-acre terminal, which has an annual capacity of 450,000 TEUs, for a new tenant or expansion of an existing customer."

The Port of Tacoma's 2002 container volume was driven by a 19 percent growth in international business, said Dugan, explaining the new China-Pacific Northwest service of Lloyd Triestino (Italy), which started in April 2002, was the largest single factor in this growth.

Meanwhile, at the Port's three major intermodal yards, intermodal lifts (transfers of containers between ship and rail) increased markedly in 2002. The Port handled 362,344 intermodal lifts in 2002 – an increase of 36.6 percent from 2001. Each of the Port's three intermodal yards recorded volume increases in 2002, led by a 69 percent gain at the North Intermodal Yard (NIM). Serving Evergreen, Lloyd Triestino, "K" Line (Japan) and Yang Ming Marine Transport Corp. (Taiwan), the NIM benefited from Lloyd Triestino's new China service and from "K" Line's partnership with Hanjin Shipping Co., Ltd. (Korea), significantly expanding its cargo volume through Tacoma.

The Port's investment in rail infrastructure over the past year, including the completion of a \$7.8 million NIM upgrade, also contributed to this success, explained Jeannie Beckett, the Port's Senior Director of Inland Transportation. "Following the October lock-out (a 10-day interruption of shipping activity), our rail system and intermodal yards responded with record productivity, quickly alleviating the cargo backlog and allowing the Port to pursue additional business opportunities."

The Port also set an automotive import/export record at 180,173 vehicles – 6.3 percent more than 2001. According to Bob DeWald, the Port's Senior Director of

Industrial Development and Real Estate, the increase can be attributed to purchase incentives offered by automakers, which kept U.S. auto sales strong despite the weak economy.

The largest auto processing company in the country, Tacoma-based Auto Warehousing Company (AWC), processes vehicle imports for Isuzu, Kia, Mazda, Mitsubishi and Suzuki at the Port of Tacoma. The Port is currently building a \$40 million, 145-acre dedicated auto processing facility for AWC and the Port's five automotive customers. "With this new facility, its built-in efficiencies and the Port's efficient inland transportation connections, we certainly expect this area of our business to expand considerably in the future," DeWald said.

Security was another area of achievement in 2002, said Timothy J. Farrell, the Port's Deputy Executive Director. "The Port of Tacoma has been a leader in the issues of port facility security and supply

chain security," he said, noting the Port's work with legislators and a joint grant award applied for and issued to the Ports of Tacoma, Seattle and Everett by the Transportation Security Administration. "We have worked in partnership with other ports nationally and internationally on these issues, and we have played a central role in Operation Safe Commerce (OSC)."

OSC is a federally funded program that will provide a test-bed for new security techniques, designed to increase the security of container shipments – from the point of origin through the supply chain to the point of destination.

Looking ahead, Port officials expect 2003 to be another year of records. However, the rapid growth experienced in 2002 is projected to level off. According to Doug Ljungren, the Port's Business Planning Manager, container business is expected to grow 4.4 percent, and total intermodal activity by 5 percent.



Vancouver: First phase of Container Expansion Strategy unveiled

THE Vancouver Port Authority (VPA) unveiled the first phase in its overall container terminal expansion strategy to increase capacity at the Port of Vancouver. With the announcement, the Port of Vancouver will add an extra 360,000-twentyfoot equivalent units of containers (TEUs) at the port's two Burrard Inlet container terminals, Centerm and Vanterm, for a new total capacity at the Port of Vancouver of 1.97 million TEUs by 2005. This represents the first step in the VPA's overall plan to reach 4 million TEUs of capacity by 2020.

"Growth in containerized trade has been a global phenomenon and we envision the opportunity to expand our market share and increase our competitive position," said Captain Gordon Houston, President and Chief Executive Officer, Vancouver Port Authority. "We believe we are one of the best prospects for economic renewal in British Columbia. Today's announcement puts us on a solid path to facilitate trade for Canadians, create additional jobs and capture new business in this expanding sector."

In 2002, handling containers at the Port of Vancouver was responsible for

9,000 direct jobs. By 2005, the added capacity at Vanterm and Centerm will create 1,400 new direct jobs. Every container that crosses the dock at the Port of Vancouver is worth \$450 in wages, \$550 in GDP and \$1,200 in economic output. Over a decade, the Port of Vancouver has seen its container volumes triple from 441,054 TEUs in 1992 to 1.46 million TEUs in 2002.

"Each year, the Port of Vancouver has demonstrated its ability to make a positive economic impact on this region in terms of jobs, taxes and other revenue," said Mr. David Stowe, Chairman, Vancouver Port Authority. "But this port is now facing crucial issues. In order to succeed, certain challenges must be overcome including regulatory issues, access to capital, infrastructure requirements and competitive threats from U.S. ports."

The additional capacity and increased productivity at Centerm and Vanterm will be achieved by implementing new technology. The throughput capacity of the facilities is expanding on the existing footprints. Vanterm will have its current capacity of 435,000 TEUs increased by 100,000 to 535,000 TEUs. Centerm will have its current capacity of 340,000 TEUs increased by 260,000 to 600,000 TEUs.

Total development costs are estimated to be \$110 million for the two terminals. Construction is slated to begin at Vanterm this summer with expansion at Centerm following later.

Africa/Europe



ABP Cardiff: A welcome boost to Cardiff's Steel Trade



STEEL volumes are set to increase at Associated British Ports' (ABP) Port of Cardiff, following a five-year contract signed between ABP and existing steel customer Duferco UK Ltd which will underpin a £620,000 investment by ABP at the South Wales Port.

ABP will invest in the modification of an existing port warehouse to create a bespoke steel import and distribution facility for Duferco UK Ltd – the trading arm of Italian steel producer Duferdofin.

This investment will involve the purchase of two brand-new gantry cranes and the re-location of a further two port gantry cranes to meet Duferco's requirements for handling specialist long-steel products.

The modifications to the terminal, which is located on the port's Queen Alexandra Dock, are expected to be completed by October this year. Once fully operational, Duferco will concentrate the majority of their steel imports through ABP Cardiff to take maximum advantage of the terminal's tailor-made facilities. Duferco has been importing long-steel products through ABP Cardiff since 1999.

Budha Majumdar, ABP Port Director, South Wales Ports, said: "This is an important strategic development for Cardiff, and further underlines the success of ABP's growth strategy, which is to attract new business by investing in first-class facilities. It also consolidates Cardiff's position as a major steel-handling port in the UK. We are delighted with the further commitment shown by Duferco to the port, and we look forward to working in partnership with them."

Bob Brannan, Managing Director,

Duferco UK Ltd, commented: "Duferco UK has been working with ABP throughout the UK for some time. ABP understands our requirements and this agreement serves to underline our faith in the long-term success of a partnership with ABP South Wales in achieving the Duferco group's future objectives."



Antwerp: Port Security Council set up

AT the December 2002 IMO Conference it was decided to make safety plans for ships and water transport terminals compulsory as of July 1, 2004. In the meantime the EU Commission is also taking various legislative initiatives, including a draft directive requiring a safety plan for the entire port area and measures for ensuring the security of the logistical chain.

In order to prepare for this, the Antwerp Port Federation considered it opportune to set up a Port Security Council. The council is chaired by the harbourmaster, Mr. Jan Verbist, and will coordinate the overall safety policy of the port.

The bodies represented on the council are the Antwerp Port Authority, the Antwerp Port Federation (AGHA) and its member associations (Belgian Shipowner's Association, Antwerp Shipping Federation, Antwerp Freight Forwarding and Logistic Association, Professional Association of Antwerp Master Stevedores and Port Operators, and Royal Association of Traffic Flow Controllers), the Federal Police and the Customs. Since the security of the entire logistical chain is involved, it will also be necessary in future to consult with representatives of the various transport modes.

Within the Port Security Council various working parties will be set up to

deal with subjects such as ship security, terminal security, loading, the port area as a whole and hinterland connections.

In addition to preparing an all-embracing safety plan, attention will be devoted to providing support with drawing up individual safety plans, training aspects and coordination with the existing disaster plans.

Bilbao: 54 million-euro contract awarded for new dock



THE Port Authority of Bilbao has awarded the contract for the building of Dock AZ1 in the Outer Abra to the Temporary Consortium, Ferrovial-Agroman. The works have been awarded for 53,959,000 euros with a 25-month completion period. Dock AZ1 will be built against the breakwater at Zierbena, 400 meters from its end: it will be 800 meters long with a surface area of 200,000 square meters and will have 21-meter depths. It will be used for solid bulks.



Cork: Enhanced cruise facilities



TO cater for the steadily increasing size of modern cruise ships, the Port of Cork is upgrading its facilities at the Cobh Cruise Terminal. The works include the installation of a

new mooring bollard and local strengthening of the existing quay wall using mini-piles and rock anchors. The improved facilities are designed to provide accommodation for cruise ships up to 280 metres in overall length and will be completed for the upcoming cruise season. This will enable ships such as Royal Caribbean's *Grandeur of the Seas*, which is scheduled to make three calls this year, to berth at the Cobh Cruise Terminal. The Terminal is located directly beside the Cobh Heritage Centre – a moving audio-visual experience of the history of Irish emigration and of the Port of Cork's wonderful maritime tradition – and within a few hundred metres of the enchanting town of Cobh with its imposing cathedral and multi-coloured houses and business premises.

Record Season

This year promises to be a bumper one at the Port of Cork with record numbers of cruise ship calls and passenger numbers. There will be a 25% increase in vessel numbers to 33 cruise ships over the period 7 May to 21 October and these vessels will offer passenger capacity of 34,000 compared with 20,000 visiting cruise passengers last year. The liveries of most of the world's leading cruise lines will again be in evidence – in addition to Royal Caribbean, the traditional Cork welcome will once more be extended to P&O Cruises, Princess Cruises, Celebrity Cruises, Holland America Line, Cunard Line, Seabourn Cruise Line, Silversea Cruises, Hapag Lloyd, Seetours, Lindblad Expeditions, Fred Olsen, Costa Crociere, Saga Cruises, Transocean, Peter Deilmann and Voyages of Discovery. All cruise ships will berth at the Cobh Cruise Terminal with the exception of Celebrity Cruises' 90,000-

tone Constellation which will berth at the Ringaskiddy Deepwater Terminal and Seabourn Cruise Line's *Seabourn Pride* which will berth in the heart of the city of Cork.

Cruise visitors to Cork will experience the many delights of Ireland's second city – chosen as Europe's City of Culture for 2005 – as well as some of Ireland's most popular visitor attractions such as Blarney Castle, the Lakes of Killarney, the Jameson Heritage Centre and the Waterford Crystal factory and showrooms. For golfing enthusiasts the magnificent championship course at Fota Island – home of the Murphys Irish Open in both 2001 and 2002 – and the renowned and uniquely challenging course at the Old Head of Kinsale are extremely popular with cruise passengers while ardent sailors will delight in sailing out of Royal Cork Yacht Club – the world's oldest yacht club, founded in 1720.

Major Economic Impact

Cruise traffic calling at the Port of Cork provides an impressive 13 million per annum contribution to the economy of the southern part of Ireland and in the process accounts for 126 full time equivalent jobs. Aggregate expenditure by passengers and crew last year amounted to 7.6 million euros of which passengers accounted for 6.2 million euros and crew for 1.4 million euros. These were the principal findings of a report undertaken at the end of the 2002 cruise season when the Port of Cork Company commissioned Dr. Richard Moloney of the Centre for Applied Policy Studies at University College Cork to update a report on the Economic Impact of the Port of Cork's Cruise Liner Traffic first carried out during the 1997 cruise season. The report was based on a survey of spending

among cruise passengers arriving at the Port of Cork and the spending was analysed in an input-output framework. In this way the direct, indirect and induced effects of this spending on the economy were calculated.

Commenting on the report, Seán Geary, Deputy Chief Executive, Port of Cork said that its findings confirmed the important role of the Port of Cork in expanding the regional economy and in contributing to the welfare of businesses and residents in the hinterland of the port. He said that direct pro-active marketing of the Port of Cork to the cruise industry over a number of years was now bearing fruit and he was pleased that the record number of cruise passengers due to visit the port this year would provide an added stimulus to the economy.

Hamburg: Port railway boasts increasing figures for 2002



HAMBURG's port railway, that handles all goods traffic within the docklands of Hamburg, was able to transport a total of 28.1 t of goods during 2002. This means an increase of about 5.2 % against the previous year. The container traffic also increased by 9.4% during the same period and reached a total of 920,000 TEU.

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Namibia: The Port of Walvis Bay increases IT storage space

In line with Namport's expansion program the Port of Walvis Bay has just expanded its storage facilities. A new shed with an undercover storage capacity of 2,000 square meters has been added next to berth number eight in the port area. The storage facility has a length of 96 meters, width of 20 meters and has a height restriction of 10 meters. Undercover storage areas are very limited in the port and therefore we had to start looking at intermediate solutions to provide this facility to clients where the need arises from time to time.

"This storage facility is a mobile shed which can be moved to any other area depending on the needs of the clients in the port. This is just another phase in Namport's policy to provide flexibility in service delivery to our clients," says Jerome Mouton, Manager Marketing and Strategic Business Development. This shed used to be based at the Port of Lüderitz where it was used for the Kudu Gas exploration project.

After the withdrawal of the project from this port, Namport acquired the facility and relocate it to the Port of Walvis Bay where it will mainly be used for the storage of transit cargo. This also to some extent anticipates in the demand for storage requirements for cargo imports to the Zambian and Zimbabwean, Democratic Republic of the Congo markets in the near future.

Traffic for this Port has increased significantly during the past year and as a result the demand for more storage space has also increased. It is also in line with Namport's aim to become the hub for imports and exports for the SADC market.



PMAWCA: New Board of Directors

On the occasion of the 26th Session held from January 10 to 25 in Luanda, the Republic of Angola, the Annual Council of PMAWCA elected a new board of directors in replacement of the previous board led by Mr. Jean Marie Aniele of Congo.

However, Mr. Aniele still remains chairmanship of PAPC until May 2003 when a new president as well as a new executive secretary will be elected.

The new Board of Directors of PMAWCA is as follows:

- President
Mr. Ferdinand Assogba Dognon
Managing Director, Port Autonome de Cotonou, Benin
- 1st Vice President
Mr. Filomena Da Silva
Managing Director, National Directorate of Merchant Marine & Ports, Angola
- 2nd Vice President
Mr. Adama Deen

Managing Director, Gambia Ports Authority, The Gambia

- Treasurer

Mr. Aminu Dabo

Managing Director, Nigerian Ports Authority, Nigeria

- 1st Member

Mr. Siyam Siwe

Managing Director, Port Autonome de Douala, Cameroon

- 2nd Member

Mr. Awa Beleyi

Managing Director, Port Autonome de Lomé, Togo

The term of the above board of directors is 2 years (2003 – 2005).



Riga: Cargo turnover in 2002 increases 21.7% over 2001

The total cargo turnover during 2002 in the Freeport of Riga reached 18.1 million tons, which was by 21.7% more than during 2001. The Freeport of Riga has reached the highest cargo turnover during existence of the Riga Port.

If compared to indicators for 2001, the liquid bulk cargoes handled in the Freeport are showing the sharpest increase. Last year 5.3 million tons of liquid bulk cargoes are handled, which was 46.8% more than during 2001.



Rotterdam: Customer Service Center set up

THE Port of Rotterdam Customer Service Center (CSC) opens its doors for business on March 3, 2003. The establishment of this facility will provide the Port of Rotterdam with a central 'one-stop shop'. Interested parties such as Port Management, the Chamber of Commerce and Deltalinqs want to use the centre to enhance the port's customer orientation by providing fast, accurate answers to the hundreds of questions received each year by the various organizations associated with the port. As yet, this is a pilot project and it will last until the end of the year.

According to Mr. Theo Willemsen, who heads up the project, 'This is our response to a request from industry. Every year the port misses out on numerous opportunities simply because important questions are not passed on to the appropriate organizations'.

Each year, the port's Knowledge Center alone deals with about 2,500 questions relating to statistics, addresses and cargo flows. Numerous other questions are received by the Rotterdam Port Promotion Council, the Customs, the DCMR Environmental Protection Agency and the municipality.

The way in which all of these questions are routinely dealt with leaves much to be desired. We want to change all that, not just for industry, but also for the public at large.

The CSC aims to answer 50 percent of the questions itself. The remaining questions will be forwarded to other information counters. Even so, the CSC will continue to monitor the way in which these questions are answered.

Those customers who are already familiar with port procedures are of course quite free to go through the usual channels. Another task for the CSC is to analyse all of the questions received. This can provide valuable management information that will help us to make structural improvements to the service level.

The CSC will initially have six members of staff, all of whom have been fully briefed on port procedures. It is based in the World Port Center on the Wilhelminapier (next to the Hotel New York). During office hours, the CSC can be reached between 08.00 and 18.00 by phone at +31-(0)10-2521111, by fax at +31-(0)10-2521100 or via the Internet site, www.portofrotterdam.com.

Shannon Foynes: m.v. Arklow River makes maiden voyage to Foynes



A new 4,500-ton vessel, the m.v. Arklow River, made its way into Foynes port on its maiden voyage.

The vessel was built in Holland and on February 27, 2003 final handover was made to the officials of owners Arklow Shipping Ltd, whose offices are based in Arklow, Co. Wicklow. The vessel sailed immediately after handover from Holland to Hamburg to load its first cargo of over 4,000 tons of fertiliser, and then sailed to Foynes where SJ Murphy & Co acted as ship's agents. After discharging its cargo she will then sail around the Irish coast to Dublin to load a cargo of ore, bound for North Spain.

Shannon Foynes Port Company Chief Executive, Brian Byrne, commented on the arrival: "The maiden voyage of any vessel is a special occasion and Shannon Foynes Port Company is delighted to welcome the m.v. Arklow River and her crew. Arklow Shipping Ltd is regular traders on the Shannon Estuary and we are particularly pleased that the vessel was under the command of a man with local family roots.

Vostochny: Modernization of Russian Transport System

THE construction of methanol and oil terminals, two largest investment projects of Vostochny Port, has been included in the agreement signed by Sergey Frank, Russian Minister of Transport, and Sergey Darkin, Governor of the Primorsky region. These projects will be realized within the framework of special federal program "Modernization of Russian Transport System."

The first line of the methanol terminal with 400,000 tons capacity is to be put into operation this spring. It will be the first Russian Far-Eastern Complex spe-

cializing in methanol transshipment directed to customers of APR countries. According to the expert's evaluation, this new complex of Vostochny Port surpasses its foreign analogues at the expense of technological characteristics, especially security measures and high level of automation. The final total capacity of the complex is 1 mta.

The construction of the oil terminal will increase Vostochny's throughput by

4mta. The port begins to fit the basic equipment this March. The first line of the oil terminal is planned to be put in operation by 2004.

"Severstaltrans," the main shareholder of Vostochny Port, considers that realization of these projects and extension of the traditional port's cargo base will permit to increase the present capacity by 10 metric tons in the year of 2006.

Asia/Oceania



Fremantle: Growth in Container Trade

THE Port of Fremantle's container trade increased by 12 per cent in the first six months of the current financial year, compared to the same period of the previous year. Substantial increases in coastal container trade and transshipment cargo were contributing factors.

General and bulk trades in the Inner Harbour also increased, up by almost 4 per cent on the previous year's figure.

Inner Harbour imports showing a significant increase were sugar, manufactures of metal, furniture and plastic

wares. Among Inner Harbour exports showing strong growth in the first six months was stock feed (hay, chaff and other fodders), up by 33 per cent on the same period last year. Wool exports, however, were down by almost 20 per cent.

Bulk exports in the Outer Harbour were up by 2.9 per cent, but bulk imports were down by 4.9 per cent in the 6 months to the end of December 2002, compared to the same period the previous year. Among bulk commodities which showed a substantial increase in Outer Harbour trade were ammonium sulphate, potash, sulphur, refined petroleum, and silica sands.





Gladstone: Achieves record throughput

THE Port of Gladstone has notched up another milestone, handling a record 5.53 million tons of cargo during the month of March.

A significant backlog of vessels in the wake of heavy February rains resulted in peak demand at the port's wharf centres, which handled a total of 5,530,542 tons during March. This was more than 600,000 tons above the previous record of 4,922,062 tons established in April last year.

Gladstone Port Authority's (GPA's) RG Tanna Coal Terminal (RGCT) made a significant contribution to the result, achieving a new throughput record for the month. The terminal handled more than 3.7 million tons of coal and 39 vessels during March, compared to the previous record of 3.5 million tons and 33 vessels set in January.

GPA Chairman Ross Dunning explained the high utilisation rate at the RGCT wharf, as GPA worked to clear a vessel backlog, had contributed to the result.

Mr Dunning also acknowledged the efforts of GPA's production and maintenance workforces in reducing numbers at Fairway Buoy from levels in excess of 20 to the single vessel currently anchored.



things. A big thank you to our customers and friends who have voted for us - thank you for this endorsement. We will be working even harder from now on in order to live up to your expectations."

He went on to say: "I would also like to take this opportunity to thank the Jurong Port team - you are a great team to work with."

Mr Fong Yue Kwong, President, Jurong Port added: "We sincerely appreciate the strong support for Jurong Port. The Award is a good testimony of our mission to excel and an endorsement of our performance. Winning the Award is another step forward in our pursuit to operate a premier gateway for containers

in the region. We are dedicated in our efforts to serve the interests of our customers. And together, we hope to develop firm partnerships as we move ahead."

Jurong Port was established in 1965 to handle bulk and conventional cargoes. It was corporatized in January 2001 and its Container Terminal commenced operations in July 2001 with an annual handling capacity of 200,000 teus. Since then, an aggressive expansion programme went underway. Jurong Port's current container handling capacity is 600,000 teus which will be increased to 1,000,000 teus by mid 2003 and 1,400,000 teus by mid 2004.



Jurong: The Best Emerging Container Terminal Operator - Asia

ON March 19 evening, during Cargonews Asia's 2003 Asian Freight & Supply Chain Awards Ceremony held at The Fullerton Hotel Singapore, Jurong Port was awarded "Best Emerging Container Terminal Operator - Asia". Other finalists in this category were Guangzhou Container Terminal, China; Shekou Container Terminal, China; and Westport Port Klang, Malaysia.

After receiving the award, Mr Matthew Chan, CEO of Jurong Port said: "This award is a very big encouragement to us. More importantly, the industry is telling us that we are doing the right



MPA: Singapore is once again "Best Seaport in Asia"

THE Port of Singapore has once again won the "Best Seaport - Asia" award at the 17th Annual Asian Freight & Supply Chain Awards (AFSCA), making it the 15th time that the Republic has been presented this prestigious honour by the international maritime community. Other finalists in the same category include the port of Hong Kong. Capt Khong Shen Ping, Director (Port), received the award on behalf of the Maritime and Port Authority of Singapore (MPA) at a ceremony held at the Fullerton Hotel on March 19 evening.

Previously known as the Asian Freight Industry Awards (AFIA), the AFSCA is organised by Cargonews Asia to recognise the best cargo transportation play-

ers in the world, covering seaports, airports, shipping lines, air cargo carriers, rail operators, road hauliers, container terminal operators, logistics service providers and other players in the freight and supply chain.

The Port of Singapore continued to grow steadily in spite of the weak global economy, achieving yet another new record in total shipping tonnage for 2002. Last year, the total shipping tonnage for the Port reached 971.7 million gross tons (GT), surpassing the 960.1 million GT mark recorded in 2001.

The Port also performed well in 2002, both in terms of total cargo handled and container traffic. The total cargo handled for 2002 was 335.12 million tons, up 6.9% from the 313.49 million tons in 2001. For containers, a total of 16.94 million TEUs (twenty-foot equivalent unit) were handled by the Port last year, an increase of 8.8% over the 15.57 million TEUs in 2001.

Statistics for January 2003 indicate a continuation of the upward trend. Shipping tonnage for January 03 reached 84.3 million GT, up 4.5% from the 80.7

million GT in January 02. Container throughput reached 1.4 million TEUs in January 03, compared to 1.3 million TEUs in the same month last year.



Osaka: A Nexus of People Trade and Information

SUPPORTING a consumer base of 17 million, the Osaka Metropolitan area is an economic base comparable to that of the capital, Tokyo.

For more than 1400 years, Osaka has played an integral role in maritime trade and cultural exchange, through sea traffic with Mainland China and the Korean Peninsula. Even today, due to the predominance of water-based transportation, incorporating the ocean, rivers and the city's many canals, Osaka has come to be known as the "Water Metropolis".

A domestic cargo distribution centre, connected to the hinterland through an extensive rail, road and sea network, as well as being linked, internationally, to over 600 ports in 130 countries, the Port of Osaka handles approximately 100 million tons of cargo annually, making it the economic core of Western Japan.

Superbly located on the easternmost tip of the 'Aegean of Japan', the Seto Inland Sea, the Port of Osaka offers the closest cruise ship access to the World Heritage Cultural Sites of Kyoto and Nara, as well as being only a 40-minute expressway drive away from the Kansai International Airport. As such, the port is actively promoting itself as the perfect Fly/Cruise des-

tinuation.

Functioning as the port's passenger gateway, the Tempozan Passenger Terminal is visited by increasing numbers of cruise ships annually. Recent figures indicate that the Port of Osaka is one of the busiest cruise ports in Japan: 6 vessels in 2000, 8 vessels in 2001, 13 vessels in 2002, and 12 vessels scheduled for 2003. (as of March 2003). Moreover, in February 2002, the largest cruise ship ever to visit Japan, the "Star Princess" (approx. 110,000t), called at the port and is scheduled to return in October 2003. Located adjacent to the passenger terminal, the Tempozan Harbor Village, a massive entertainment complex, featuring a shopping centre, hotel, art museum and one of the world's largest aquariums, becomes even more alive with the arrival of a visiting cruise ship.

In addition to the Tempozan area facilities, a 10-minute shuttle boat across the 400-metre wide channel takes visitors to the movie theme park, Universal Studios Japan. Proving popular with both international and domestic guests, the park was visited by 11 million people in its first year.

Furthermore, the port is also serviced by a twice-weekly ferry service to the sister city/port of Shanghai, which carried 11,900 passengers and 430,000 tons of cargo in 2001. In addition, on the occasion of the FIFA World Cup Co-hosting, a thrice-weekly service to sister port/city, Pusan, was established in April 2002.

The City of Osaka is undertaking a range of ventures, such as the creation of new industries and culture, with the aim of attracting domestic and international visitors, as well as striving to become a truly international tourist destination. To this end, facilities in the Osaka Bay area, such as Universal Studios Japan,

Tempozan Harbor Village and the Osaka Maritime Museum, which details the history of the region's maritime trade, combine to attract 26 million visitors annually.

The Port of Osaka is continuing its strong commitment to improving harbor facilities and developing the cruise-ship market, in order to become a truly international gateway, an international tourist destination and a hub for people, trade and information.



PSA: Asia's Best Container Terminal Operator Award



PSA Corporation (PSA) was voted the Best Container Terminal Operator (Asia) at the Asian Freight & Supply Chain Awards (AFSCA) by its customers and industry professionals. This is the 14th year that PSA has clinched the prestigious title. The awards dinner ceremony was held on 19 Mar 2003 at the Fullerton Hotel in Singapore.

Mr Stephen Lee, Chairman, PSA Corporation Ltd, said, "PSA would like to thank all our valued customers and business associates for their continued support and vote of confidence. This award testifies to the excellent working relationships we have with our customers. We look forward to strengthening them further."

The Port of Singapore garnered the Best Seaport (Asia) Award and Changi International Airport Services secured the Best Air Cargo Terminal Operator Award.

AFSCA was known as the Asian Freight Industry Awards (AFIA) for the past 16 years. The annual event is organised by Hong Kong-based trade journal Cargonews Asia. More than 13,000 readers of Cargonews Asia were polled to select the companies which they deemed were the best service providers in 34 industry-specific categories.





Sydney: Unique Port-Land Transport Forum sets action agenda for Container Growth Management

In an industry first, more than 20 senior decision makers in the Sydney freight transport industry came together on March 19, to set an action agenda to ensure land operations catering for existing and future volume growth in container trade remain efficient.

Sydney Ports Corporation CEO, Greg Martin, said the forum was triggered by the difficulties experienced by the land transport chain servicing Port Botany's container terminals in the last quarter of 2002.

Mr Martin said the congestion in the freight transport system during that time, with relatively low container throughput numbers in comparison to future demand estimates, necessitated a stronger resolve to carefully examine the port-land interface and land transport system and rapidly identify potential areas where improvements are achievable.

"The recent peak period of container trade is a yearly trend but exacerbated the problems within the freight transport chain - from ship arrival through to delivery to consignee," said Mr Martin.

"The coming together of a range of industry operators, signals the willingness of all to put the past behind us with the purpose of endorsing actions to improve the interfaces of operations and communications within the transport chain.

"Stevedores, NSW RTA, trucking companies, container parks, rail companies, shipping lines, E-Commerce, Customs Brokers and Forwarders Council of Australia Inc, and Transport NSW have given Sydney Ports the mandate to drive the actions required to ensure long lasting benefits."

The action agenda agreed to by the forum covers four interrelated issues:

1. Container depots & transport chain hours of operation: Determine the actions required to manage empties in an environment where capacity is almost reached and declining availability of affordable land to expand. Objectives include an assessment of: which hours of operation can be incrementally expanded; factors affecting future supply and location of container depots in the Sydney Basin; methods to

encourage an increase in 2-way loading; and an assessment of an 'electronic bill board' concept to facilitate 2-way loading.

2. Rail Strategy: Confirm freight rail requirements that will lead to an increase in reliability and confidence of its use by a more focussed control of train operations. The Botany Rail Steering Group will investigate options for increased operations control including an assessment of the Port Waratah Coal Services Ltd modal in Newcastle. It was recognised that rail was not a cure for all problems currently affecting road movements.
3. Communications: Establish communications systems across the transport chain that are consistent and compatible. This initiative will examine opportunities to improve data communications, including recommendations made in the recent report by the Sydney Ports Cargo Facilitation Committee on "Documentation Flow". It will also assess the potential benefits and dis-benefits of accreditation of road and rail carriers and other chain participants.
4. Planning: The objective is aimed at examining improvements in forecasting (in the short and medium term) combined with contingency planning and identification of triggers that would signal the need to adjust capacity management such as hours of operation.

Sydney Ports General Manager, Commerce and Logistics, Simon Barney, said the forum's mandate recognises Sydney Ports' leadership role in recent years and the need for continued leadership to coordinate efforts required across the transport chain that will ensure greater efficiency as future volume grows towards 3 million TEUs by 2020.

Mr Barney emphasised there was recognition by the industry that they each had a joint accountability and responsibility to identify and implement solutions.

"There was acknowledgment that the freight transport chain participants needed to look beyond their sphere of operation to work towards consistency of processes and to ensure that the relative size of operators does not inhibit the pursuit of a truly integrated and efficient port industry," he said.

Mr Barney reiterated his earlier comments made during December's peak import season, that effective management of empty boxes is fundamental to the port of Sydney and large empty flows are built into the future plan at Port Botany.

Sydney Ports is anticipated to reconvene the forum in the 2nd half of this

year to review progress against the four key interrelated issues.



PAT: Feasibility study on management of regional ports

PORT Authority of Thailand has been conducting a feasibility study on management of 2 regional ports: Multi-Purpose Port in Ranong Province and Chiangsaen Port in Chiangrai Province.

Results from an initial study show that Multi-Purpose Port in Ranong, the construction of which was completed in 2000, can be key in the transportation by sea along the shore of Andaman, particularly the import and export from and to Myanmar. It can also become part of the network connecting ports in South Asia, supporting trade expansion among 5 countries, Bangladesh, India, Myanmar, Sri Lanka and Thailand, in accordance with the government's policy and the framework for economic cooperation of the 5 countries (BIMST - EC). However, where it is located by the Kraburi River, the depth of the channel is 6 - 14 metres, small yard in port area and the approach road being narrow, winding and steep, therefore, it is currently suitable for general cargo vessels.

Regarding the other port "Chiangsaen", it is currently under construction, due for completion in May 2003. It has been built to support trade expansion of countries in the north Mekong region, being China, Myanmar, Laos, and Thailand. In particular, trade between Thailand and South China has been increasing rapidly. The transportation of goods utilizes Mekong River with the majority of cargo ships being from China. Human labour is used in the transfer of goods by the river bank. The development of the port will offer convenience and safety for the trade activities.

The study group led by Mr. Chalermkiat Salakkam, Director of The Project and Planning Department, estimated that the results of the study will be completed within May 2003 and, with the decision of the PAT to undertake the management, will negotiate with the Treasury Department, Ministry of Finance which is responsible for the two ports.