

IAPH Officers (2003-2005)

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Rotterdam Municipal Port Management
Netherlands

First Vice-President
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Executive Director
Port of Houston Authority
USA

Second Vice-President
Datin Paduka O.C. Phang
General Manager
Port Klang Authority
Malaysia

Third Vice-President
Mr. Siyabonga Gama
Chief Executive Officer
National Ports Authority of South Africa
South Africa

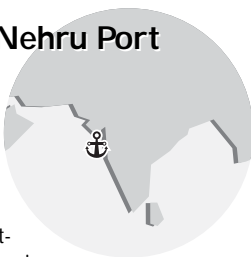
Conference Vice President
Mr. Lu Haihu
President
Shanghai International Port (Group) Co., Ltd.
China

Immediate Past President
Dr. Akio Someya
Executive Vice President
Nagoya Port Authority
Japan

Secretary General
Dr. Satoshi Inoue
IAPH Head Office
Japan

Jawaharlal Nehru Port

- Modern port of India
- Commissioned in May 1989
- Planned with a view of decongesting Mumbai and serving as a Hub Port for this region.
- Highly automated operations
- Main concentration on core activities
- Ambitious expansion plans
- Excellent industrial relation
- Accredited with ISO 9002 certification
- Handles about 55-60% of the total containerised cargo of India
- Ranked 28th among the top world-class container ports



Related article on page 22.

Contents

IAPH ANNOUNCEMENTS AND NEWS

President Struijs visits Head Office and Shanghai	3
Committee Report: Legal Protection Committee	7
IAPH's New Office – Why Another Move?	8
IAPH Japan Seminar in Tokyo • IAPH Membership Directory 2004 - Thank you for your cooperation! • Membership Notes	9

OPEN FORUM

Work of the International Labour Organization (ILO) Concerning Security, Safety & Health in Ports by Bala Subramaniam	10
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MARITIME NEWS & INFORMATION

IMO: Interim Guidelines for RSO-ISPS	14
IMO: December 2003 Meeting to consider proposals for an accelerated single-hull tanker phase-out	16
IMO: Ballast Water Convention set for adoption in 2004 • OECD: Outcome of the Maritime Transport Committee Meeting June 2003	17
Upcoming Conferences:	
Globalization of Export Control • Trans Pan Pacific 2003	19
China Ports & Terminals Summit 2003	20
TOC 2003 Americas	21
New Publications	21

WORLD PORT NEWS

Cover of the Month

Jawaharlal Nehru Port, India	22
------------------------------------	----

The Americas

Transport Canada: Signs Memorandum of Cooperation on Shortsea Shipping •	
Charleston: Volume reaches all-time record high	23
Houston: Responds to Latest Public Comment Period for Bayport • Long Beach: Hanjin, TTI and MTC donate \$100,000	24
Nanaimo: Study proves Economic Impact of Port • Stockton: Department of Homeland Security Awards Grant	25
Vancouver: New mid-year record in containers, growth in forest products and potash	26

Africa/Europe

ABP: Interim results for the six months ended June 30, 2003	26
Antwerp: Record semester with continued strong growth for containers •	
Cape Town: Big player in ship repair industry	27
Copenhagen: Straw pills - New commodity in Copenhagen • Cork: 14 million-euro cruise spin-off	28
Hamburg: 14.9 percent increase in container handling • Riga: Cargo transportation via container train between Riga and Moscow	29

Asia/Oceania

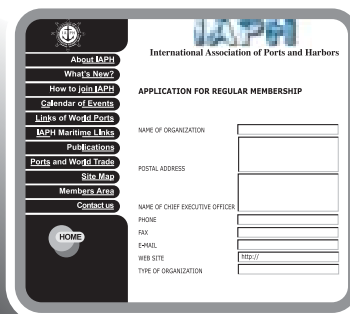
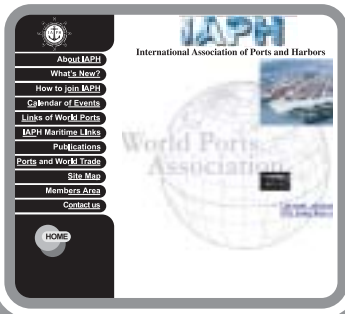
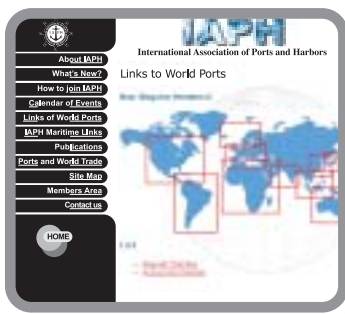
Auckland: Strong Financial Performance continues for 2002 - 03	30
Gladstone: \$80 million expansion project boosts capacity • Kaohsiung: Planning to establish Free Port • Kitakyusyu: Tachinoura welcomes New South Korea Service	31
Westport: Increases box storage capacity • Pusan: Pusan Sinhang, the new preferred Port Name • Singapore: Challenges of Port and Maritime R&D and Technology in the next decade	32



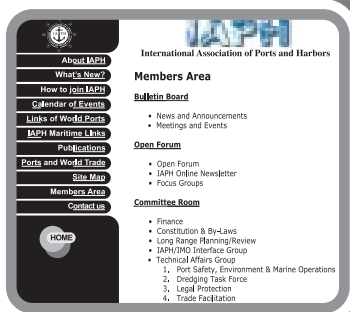
International Association of Ports and Harbors

<http://www.iaphworldports.org>

Did you access the IAPH website?



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

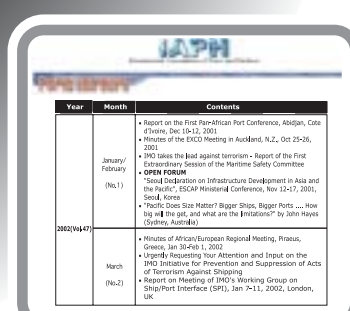
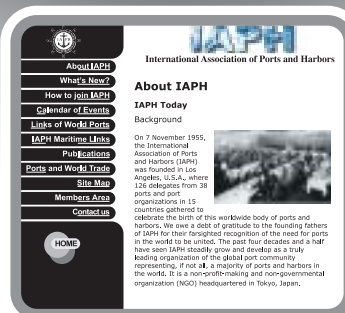
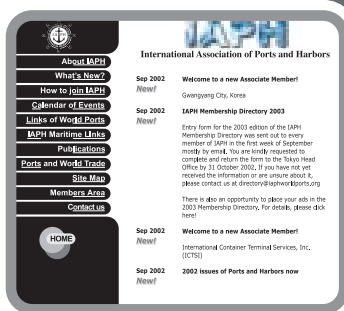


- Calendar of future IAPH meetings and other maritime events

- 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

President Struijs visits Head Office and Shanghai

IAPH President Pieter Struijs visited Tokyo together with Mr. Peter Mollema of Rotterdam Municipal Port Management on August 5-6.

President Struijs had meetings with Secretary General Dr. Inoue and Deputy Secretary General Hioka on various issues of IAPH activities in the coming years, such as further development of relationship/cooperation with other international organizations, and enhancement of the European Office.

During his stay, President Struijs made a courtesy call to Mr. Hiroshi Kanazawa, Director-General, Ports and Harbours Bureau, Japanese Ministry of Land, Infrastructure and Transport. The Japan Port and Harbour Association hosted a dinner reception to welcome his visit to Japan as the new IAPH president.

The 24th World Ports Conference in Shanghai was another important agenda item. President Struijs, Vice President Phang, Secretary General Inoue and Mr. Mollema, visited Shanghai from August 7 to 9 to discuss with Mr. Lu Haihu, Conference Vice President and President of the Shanghai International Port Group Co., Ltd. (SIPG), various issues relating to the IAPH Shanghai Conference in 2005.

Mr. Lu and his senior staff warmly welcomed the mission, and "Draft Program for the 24th IAPH World Ports Conference" was presented in detail by Mr. Lu with PowerPoint slides on each item. Though still early in draft stage it covered the venue and dates, conference theme, host and sponsors, day-to-day program, post conference tours, participants and invited VIPs, organizing committee and secretariat, registration fees, accommodation arrangement and timetable for the preparation work. The followings took shape during the meeting:

- Venue:
The Shanghai International Convention Center



It is located in the rapidly developing Pudong district facing the famous Bund which was the main venue for the 2001 Asia-Pacific Economic Cooperation (APEC) Meeting

- Keynote Speakers:
 - Congratulatory address by Mayor of Shanghai
 - Keynote Speech by Minister for Communications, China
- Working Sessions:
Chairs of Technical Committees most relevant to respective Working Session's themes should be asked to make introductory presentations at the beginning of each Working Session, highlighting major issues under the theme from the port management point of view, the Committee's salient activities and achievements and IAPH official positions on these issues.

Mr. Lu, expressing his gratitude for the mission's kind assistance and support, stated that SIPG would further modify, adjust and refine their draft program taking into account all the mission's suggestions, and submit it for consideration by the EXCO in October. In return, thanking the SIPG once again for its hard work for the Shanghai Conference, President Struijs promised to provide the fullest support and assistance to SIPG. All attending the meeting expressed their commitment to continued their endeavors and collaboration for the great success of the Shanghai Conference.



Committee Report

Legal Protection Committee

May 24, 2003, Durban, South Africa



Bruno Vergobbi

DRAFT MINUTES OF THE MEETING

Present :

- Mr Jacques Braems
Port of Dunkirk Authority
- Mr Carlos Ferrari
Dirección Provincial de Puertos de Buenos Aires
- Mr Michael Foster
TT Club
- Mr Argentina James
Port of Houston Authority
- Mr Thomas Kornegay
Port of Houston Authority
- Mr Noël Kouadjane
Port Autonome d'Abidjan
- Mr Jean Mongeau
Montreal Port Authority
- Mrs Cleopatra Shiceka
NPA of South Africa
- Mr Peter Struijs
Rotterdam Municipal Port Management
- Mr Bruno Vergobbi
Port of Dunkirk Authority

Excused:

- Mr Takao Hirota
The Overseas Coastal Area Development Institute of Japan
- Mr Marcel-Yves le Garrec
Port Autonome de Bordeaux
- Mr Peter van der Kluit
IAPH representative in Europe
- Mr Geoffrey Vazey
Port of Auckland
- Mr Frans van Zoelen
Rotterdam Municipal Port Management

Opening

In his opening address the Chairman, Bruno Vergobbi, indicated that Mr Takao Hirota, who has long been serving as a member of our committee for

Japan, wished to retire from this committee and proposed to be replaced by Professor Takehisa Nakagawa.

The Chairman proposed to vote a resolution addressing many thanks to Mr Takao Hirota for his valuable contribution to the work of the Legal Committee. His resolution was carried unanimously.

Then he addressed a special welcome to those who participated for the first time in this CLP meeting : Mr Carlos Antonio Ferrari, General Secretary, Buenos Aires Port Authority; Mrs Cleopatra Shiceka, Executive Manager, Legal Dept. National Ports Authority of South Africa; and Mr Kouadjane Noël, Legal Adviser, Abidjan Port Authority.

Then he thanked the other members for participating in this meeting.

1 Approval of the Agenda

The participants approved the agenda. However the Chairman informed the members that Mr Michael Foster has prepared a paper concerning the PIC procedure in connection with the Rotterdam Convention and that this topic would be added to the agenda.

He also mentioned that item 6.2 was maritime security (instead of safety).

2 Approval of the minutes of the last meeting in Amsterdam on February 19, 2003

Only two members of this group, B. Vergobbi and J. Braems, attended the meeting in Amsterdam and they approved the minutes.

J. Braems also pointed out that he had received approval from Messrs,

Marcel-Yves le Garrec and Frans van Zoelen, both of whom had attended the Amsterdam meeting.

Finally the minutes were approved.

3 Matters arising from the minutes

Nothing was raised.

4 Appointment of Professor Takehisa Nakagawa (Japan) as CLP member

Dr Satoshi Inoue recommended Professor Takehisa Nakagawa, a professor of the Graduate School of Law at Kobe University (Japan). Therefore he sought our approval to officially appoint him as a member of our committee. The proposal was approved unanimously.

5 CLP report on the activities of this group

The Chairman presented the Powerpoint version of the report he will offer during the IAPH Open Forum on Wednesday May 28, 2003 and he invited the members to comment on the report as and when necessary.

During the ensuing exchanges, CLP members discussed in depth the role of the committee, its administration, its added value and its future role.

Running of CLP

Mr Ferrari said that the long trip made it difficult to attend ordinary meetings. Mr Mongeau also pointed out that the journey was too long for a short meeting (half a day).

During the previous meeting in Montreal, Marcel-Yves Le Garrec indicated that South America should be represented in CLP and the Chairman stressed that this condition is now fulfilled with the presence of Mr Ferrari. However he was convinced that it would be difficult to convene all members for a meeting in Europe. He recalled that most of the meetings are held in Europe because, according to its TOR, the CLP is required to pay particular attention to the work of the IMO in London.

Mr Mongeau asked whether it would be possible to have some meetings by video conference or phone.

Mrs Cleopatra Shiceka proposed that non-attending members submit by e-mail their comments or papers concerning the agenda.

Mr Vergobbi said that Internet meeting would not be very convenient and he hoped that the reinforcement of the European IAPH office will bring more efficiency to prepare and follow up work on legal issues.

On this subject one could also notice that Mr Brian Watt, an expert who knows the IMO's legal work quite well, was a candidate to be a CLP member as representative of PMAESA, as was Mrs Cleopatra Shiceka from NPA South Africa.

It was further suggested that it would be most useful if some common problem faced by ports (for example security) could be considered by the members from different regions, to indicate how this problem is tackled from a legal standpoint in their countries and regions (Europe-Africa, Asia and America).

The role of CLP

The terms of reference, which were read, indicate the theoretical role of CLP. However Mr Mongeau thought it was necessary to build up the relationships with other committees.

The Chairman, B. Vergobbi, found that other committees might examine operational questions and should propose to CLP to study some questions from a legal perspective. It may be the case for the problem of security and environment.

J. Mongeau agreed and wondered if the operational decisions should not be supplemented by legal consequences.

It was also suggested that CLP should organise a conference or seminar on some topics and report to all members.

Added value of CLP

Mr Ferrari mentioned that some members would like to have value for the money they pay and he suggested that for international issues, it would be useful to use the IAPH website to explain how an issue is legally addressed in different countries.

The Chairman raised the problem of the restricted work force and thought that the IAPH office in Europe may consider this work.

Legal need

It seemed important, at this point, to have a survey of all international instruments.

J. Braems indicated that he had extracted from 2 papers published in the IAPH magazine (*) a preliminary list of international conventions impacting on ports.

(*) *October 1993 MY le Garrec (French version) and September 1998 Capt Peter Heathcote.*

From those papers it emerged that

matters concerning ports are mainly :

- I. Safety of ship operations
- II. Maritime Commerce + maritime claims
- III. Prevention of Marine Pollution

The provisional list of those conventions is given in annex 1.

The main differences between the two papers was the introduction of European Legislation.

Members unanimously considered that IAPH members would strongly appreciate it if the CLP could implement - with the co-operation of other committees and the secretariat - a kind of database on a website providing the list of the international conventions impacting on ports.

For each convention we should consider a list of synthetic information (see annex 2).

This list should be discussed during the next meeting. Also the ways and means to implement this project will be on the agenda.

Future Work

B. Vergobbi reminded members that the survey conducted in 2001 allowed us to have a better knowledge of the legal interest of ports which brings out 5 most important topics :

- 1) Port development vs environmental protection.
- 2) Legal regime of harbour activities and liberalisation of services.
- 3) Need for harmonized rules for waste collection.
- 4) Legal relations with terminal operators.
- 5) Security.

6 Follow up of several issues in the field of international law:

B. Vergobbi indicated that the agenda wrongly mentioned safety instead of security. The difference between the two concepts lies in the damaging intention (security) or non-damaging intention (safety).

6.1 – Places of refuge (result of the survey concerning a compensation fund)

J. Braems reported that Frans van Zoelen did not receive any reply concerning the cases of ships taking refuge in ports which could be put forward to justify a compensation fund, so this question was postponed.

6.2 – Maritime Security

J. Mongeau indicated that Montreal was fighting with the Federal Government to determine who is legally

responsible for taking security actions.

Security measures are very expensive, and he believed that the police (municipality) or army (State) had a liability in this field and, therefore, had to pick up the cost.

The real problem is the cost.

B. Vergobbi considered that the implementation of ISPS code is a national problem to be addressed under domestic legislation.

It was also suggested that a legal opinion might address the civil and legal consequences of the Port Authority's liability in the implementation and monitoring of security measures.

For example, J. Mongeau indicated that less than 3% of containers are controlled. Does this fact commit the liability of the port ?

The convention was silent on the role of the Port Authority: the document only mentions "designated National Authority" (DNA) in each country. Customs should probably be in charge of these questions.

P. Struijs, when attending the CLP meeting, stressed that security is the most important problem facing ports.

B. Vergobbi agrees with this and presented a summary resume of our discussions concerning the future work of CLP and particularly the need to have more contacts with other committees. Indeed he considered that most topics are already being addressed by other committees, generally on an operational aspect, so it was desirable for CLP to focus on the legal aspects.

P. Struijs suggested that the chairman should have informal contact with the chairmen of other committees.

The Chairman indicated the determination of CLP to implement a kind of database on the international conventions impacting on ports.

J. Mongeau indicated that Jose Perrot should be contacted for website-related action.

6.3 – U.S. Container Security Initiative

The CLP found that the Trade Facilitation Committee has to look at the consequences for ports and to raise legal questions if necessary.

7 General discussion concerning ways to increase the added value of CLP after the survey on the legal needs of ports: easy access to maritime conventions.

This question was debated in depth on item 5 of the agenda.

7 bis – Rotterdam Convention PIC Procedure

This question was raised two years earlier by Mr Brown Ondego, IAPH representative in the UNEP organisation and was postponed several times on the agenda of CLP.

In fact, M. Foster had made a survey on this question and found that this convention is not really within the scope of the CLP.

However he presented a paper (see annex 3) to review the situation.

8 Report on the work of IMO

J. Braems reported from IMO Website on the last session, 86th session (April 28 – May 2, 2003).

7 topics were on the agenda. The following are of special interest for CLP.

Wreck removal

According to a submission prepared by the IMO Secretariat:

- IMO's competence to consider and adopt treaties, regulating coastal state intervention for wreck removal, fully reconciles with IMO's universal mandate (navigation safety, prevention of marine pollution).
- UNCLOS (United Nation Convention on the Law of the Sea) does not block the development of new treaty instruments even if they not inconsistent with the provisions of UNCLOS.

In consequence the IMO work includes:

- A detailed review of the draft document (WRC) developed by a correspondence group.
- An instruction for the correspondence group to further develop the draft.

The AIM of WRC is the following:

- Provide international rules on the rights and obligations of:
 - states
 - shipowners

dealing with wrecks, drifting sunken cargo threatening the marine environment or navigation.

- Evaluate the possible need for financial security arrangements.

A report will be prepared for the 87th session, in October 2003.

Review of SUA Convention & protocol

A request was addressed to the correspondence group to continue the review of the SUA convention and its

related protocol for the Diplomatic Conferences in 2004 or 2005.

The Aims are:

- To ensure appropriate enforcement on persons committing unlawful acts against ships.
- To broaden the ranges of offences.
- To include offences against security of navigation alongside with safety.
- To consider the possible inclusion of provisions for boarding of vessels (preliminary discussion).

In March 2003 the ratification situation was the following: convention ratified by 87 states representing 75,74 % of world merchant tonnage. Protocol ratified by 79 states representing 75,41 % of World Merchant tonnage.

Implementation of HNS Convention

The situation in March 2003 is the following:

- Ratified by 3 states rep 1.87% of world merchant tonnage and 8 in process.
- Mini level : 12 states (4 with more than 2 MGT).

A meeting of interested States is organised from June 3-5, 2003 in Ottawa to promote ratification. The report of the correspondence group is planned for the 87th session in October 2003.

Place of refuge

LEG reviewed the Assembly's resolution on Guidelines on places of refuge and Maritime Assistance Services prepared by the Sub-Committee on Safety of Navigation (MSC).

A need emerged for :

- Urgent guidelines because of existing loopholes (states or ships are not subject to compulsory insurance).
- More time for the study of CMI.
- Proposal to consider draft guidelines from a legal point of view.
- Transmitting a list of potential legal issues.
- Giving final comments in the 87th session in October 2003 and submitting them directly to the November-December 2003 assembly.

Other Topics not followed up by CLP

- Regional Economic Integration Organisations becoming parties to treaties.
- Seafarer claims.
- Measures to protect crews and passengers against crime.

9.1 – CMI Works

"York Antwerp rules" are a set of professional international agreements used as a basis to split expenditures incurred by the parties to the common maritime adventure for the purpose of preserving the ship or cargo or both from perils.

This is not an international convention but a set of rules for private contracts for the insurance of maritime transport.

They are also used for example for the towage of a ship, which can be considered as being provided under an assistance contract or salvage contract.

MY Le Garrec, who is a representative of CLP for CMI, considered that this question does not fit into the TOR of CLP.

However this question may be transmitted to another technical committee for consideration : trade facilitation, marine safety, other....?

9.2 – UNCITRAL Works

For the 41st session of the working group on electronic commerce, IAPH appointed Ms Karen Ryan Tobia, Port of New York, as representative of our organisation.

On the agenda, the main topics were:

- Provisions for a draft convention : electronic contracting.
- Legal barriers to international instruments relating to international trade :
 - 2 documents prepared by the secretariat
 - 1 oral report by the secretariat
- Oral report by the secretariat on the progress of the work concerning the transfer of title by electronic means.

On that occasion we had no information on the work of this 41st session and this topic will be on the agenda of our next meeting.

10 CLP terms of reference for 2003/2005

Members confirmed that no change should be introduced to the previous terms of reference.

11 Date and place of the next meeting

It was decided to have a meeting in Rotterdam at the same time as the EXCO meeting on Monday, October 27, 2003.

A part of the CLP meeting would be a common meeting with the committee on Port Safety, Environment and Marine Operations, chaired by Fer Van de Laar (Amsterdam).

The timetable and the address of the meeting is:

Monday, October 27
Rotterdam Hilton Hotel
 10 – 12 : Regular CLP Meeting
 14 – 17 : Combined CLP/PSEMO Meeting

12 – Other business

There being no further business on the agenda, the meeting was declared closed by the Chairman.

ANNEX 1

List of International Conventions Concerning Ports

In the first category: safety of ship operations

- SOLAS 60, revised by London Convention 1974
- COLREG S (72)
- STCW 78 et 95
- INTERNATIONAL CONVENTION on load line 66
- International Convention on Tonnage Measurement of Ships 69
- London Convention 1965
- Recommendation OMI 1975 (ship control)

In the second category: Maritime Commerce + Maritime Claims

- FAL 1965
- Convention Code for Liner Conferences 1974
- Hamburg Rules 1978 (carriage of goods by sea)
- The Hague – Visby Rules 1968 & Protocol 1979
- Legislation of ships convention 1986
- International Convention on Maritime Liens & Mortgages

In the third category: Prevention of Marine Pollution

- Marpol 1973 & Protocol 73/78
- International Convention on Oil Pollution Preparedness (OPCR 1990)
- London Dumping Convention 1972 (prevention of Marine Pollution & Protocol 1996)
- International Convention on Civil Liability for oil Pollution Damage (CLC) 1969 – 1984

International Convention on the Establishment of an International Fund for oil Pollution Damage 1971

ANNEX 2

Detailed Information

- Name of the convention
- Acronym or short name
- International organisation in charge of it
- Summary description (in plain language)
- Date of first approval
- Dates for revision
- Reasons for revisions
- Applicability (situation of ratification)
- Stakes for ports
- Links with other conventions
- Key words
- Internet hyperlink with other websites

ANNEX 3

Technical Report by Mr Michael Foster

An important provision in the international trading world relating to chemicals concerns Prior Informed Consent (PIC). This is the concept where the trading of certain pesticides and chemicals having substantial

hazards attached to them is to be the subject of prior notification from the export country to the import country and, with certain chemicals, the agreement of the import country to accept them. The PIC procedure was first agreed at the Rotterdam Conference organised by the United Nations Environment programme (UNEP) in 1989. At that time it was a voluntary procedure but the Earth Summit in Rio in 1992 decided that it should be given legal force and since then many nations have introduced legislation. The European Union, for example, has adopted a Directive that extends the provisions further. The administration of the international scheme is run by the UN's Food and Agricultural Organisation (FAO) based in Rome. UNEP has published a book "PIC – the Rotterdam Convention".

The basic procedure relates to 25 substances, of which 20 are pesticides and 5 are chemicals. The potential exporter is required to notify his Designated National Authority (DNA) who will contact the DNA in the import country who may either agree that it may be exported or refuse to accept it. A minimum of 60 days notice is required. Nigeria has said that it will not accept any shipments of PARATHIONE for example. The list of chemicals etc may be found on www.pic.int - this also has the DNAs listed of which there are two for Nigeria. Enforcement will vary from country to country – it may be the customs authority, labour inspectorate or environmental authority.

If a country wishes to export to the EU, the 60 days prior notification has to be given the European Commission in Brussels. This is administered by the European Chemicals Bureau (ECB) who, in conjunction with the national government, decides whether the substance may be accepted or not. There is a useful website www.ecb.jrc.it that may provide further information.

Tokyo News Service's Website

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



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

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

Tokyo News Service, Ltd.

IAPH's New Office Why Another Move?



From left to right: Hotel InterContinental Tokyo Bay, South Tower New Pier Takeshiba, Azur Takeshiba and North Tower New Pier Takeshiba

WHEN you heard the news about IAPH Head Office's relocation in the September issue, you might have questioned why we should move again - and only a few hundreds meters. Yes, there was a reason why we had to move a block.

Moving to Bigger and Nicer Office at No Cost

The Head Office had been located on a part of the fifth floor of the North Tower New Pier Takeshiba Building, rented from Tokyo Teleport Center Company Limited (the Owner) since December 1999. A couple of months ago, the Owner revealed to us their plan to rent the whole floor to another tenant and asked us if IAPH would be prepared to consider moving to another place. And, indeed, the Owner offered us a bigger office on the 7th floor of the South Tower New Pier Takeshiba Building, which is also owned and managed by the Owner. They further said they would compensate us for all costs involved in the move. In other words, we got a bigger office at no cost. Isn't this a great deal! So, we decided on the relocation after getting Officers' approval.

South Tower and New Office Space

1 The South Tower is located some 200 meters from the North Tower and is directly connected with the Hotel InterContinental Tokyo Bay, and also conveniently located next to a station of Yurikamome Transit Line.



2 The office space offered is 279 square meters. This is an increase by 46 square meters or 20% as compared with the existing office space (233m²) in the North Tower.

Conditions of moving

- 1 As to the rent, the Owner offered the identical overall sum of rent and utilities as applied to the existing office space in the North Tower. As such, we face no change in our annual expenditures for office rent and utilities; in fact, our rent is lower on a square meter basis.
- 2 Costs of moving: The Owner undertook the costs for moving inclusive of those fundamental costs to be incurred for office room partitions and remodeling.

Other Advantages of New Office

- 1 The new office space is facing the river on one side and a plaza on the other.
- 2 Reflecting the younger age of the building, the office space is fully compatible for under-floor wiring and IT equipment.
- 3 Ceiling is higher than that of the North Tower. Room lighting is more sophisticated.
- 4 Views are nicer, although direct view on the outer harbor is limited.
- 5 Access to the South Tower is easier for visitors arriving on foot, by car or train.
- 6 No change in the telephone/fax numbers and e-mail addresses.

Looking Forward to Your Visit on Tokyo's Waterfront

Having moved over the weekend, September 20 and 21, we have just settled into the new office. We really look forward to welcoming you all at this new Head Office before long. Please be advised that only our mailing address has changed:

7th Floor, South Tower, New Pier Takeshiba, 1-16-1 Kaigan, Minato-ku, Tokyo 105-0022, Japan

But other contact details; telephone/facsimile numbers, e-mail address and URL remain unchanged.

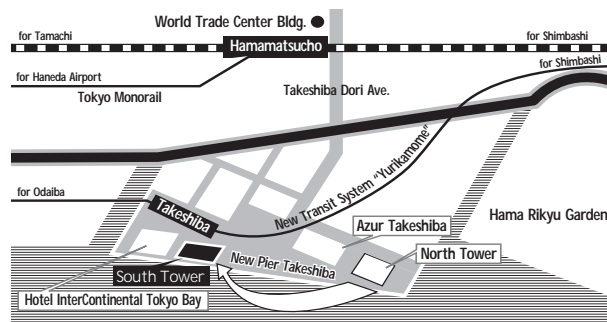
Effective from September 24, 2003
the IAPH Head Office is located on:

7th Floor, South Tower, New Pier Takeshiba, 1-16-1 Kaigan, Minato-ku, Tokyo 105-0022, Japan

Other Contact details remain unchanged !

Tel: +81-3-5403-2770 (no change) Fax: +81-3-5403-7651 (no change)

E-mail: info@iaphworldports.org (no change) URL: <http://www.iaphworldports.org> (no change)



IAPH Japan Seminar in Tokyo

Reporting on the Durban Conference



ON July 28, 2003, outcomes of the Durban World Ports Conference were discussed at the 16th IAPH Japan Seminar in Tokyo, which was organized by the Japan IAPH Foundation. The Foundation, established 30 years ago by the Japanese port community for assisting the sustenance of IAPH Headquarters, holds this Seminar annually to promote IAPH activities among port and maritime industries in Japan. This year, some 100 IAPH members and experts from port authorities, governmental bodies, shipping industries, construction industries, consulting firms and many others attended the event.

The Seminar was started with Dr. Akio Someya's inaugural address and general report on the conference. Mr. Kouhei Obara, Director, Construction Division, Ports and Harbours Bureau, Ministry of Land, Infrastructure and Transport, and the guest



of honor, delivered a message supporting IAPH activities and encouraged the audience to take active participation in IAPH. Six presenters reported their summary of all the Working Sessions at the Durban Conference.

- **Mr. Yoshihiro Koshiba**
Director General, Port and Urban Projects Bureau, City of Kobe
Working Session 1:
"Prospects and challenges of the global economy and trade"

- **Mr. Masazumi Shikamori**
Director and Managing Executive Officer, Toyo Construction Co., Ltd.
Working Session 2:
"Emerging trends of world shipping and logistics"
- **Mr. Taisei Uehara**
President, Hokkaido Port & Harbor Economics Institute
Working Session 3:
"The Impact of IT – Logistics and technical innovation on ports"
- **Mr. Motonori Hashima**
President, Kobe Port Terminal Corporation
Working Session 4:
"Port Security"
- **Mr. Tadashi Itoh**
Director, Comprehensive Planning Division Port and Harbor Bureau, City of Osaka
Working Session 4:
"Environment Management"
- **Mr. Masaharu Oda**
Deputy Director, Southern Area Management Division, Yokohama Port Management Office, City of Yokohama
Working Session 5:
"Challenge for the future"

On the same occasion the IAPH Japan Society, with Dr. Akio Someya presiding, met to review and discuss activities of IAPH Technical Committees. Japanese members of Committees who had attended the Durban Conference presented their detailed reports to the audience.

"It is indeed our pleasure and a great encouragement that these kinds of local activities are successfully organized to share fruitful discussions of the Durban Conference among the local port community," Secretary General Dr. Inoue commented.

The seminar was followed by a reception where the participants enjoyed chatting with their IAPH friends from all over Japan. At the reception Dr. Akio Someya and Mr. Rinnosuke Kondoh were congratulated for their election as IAPH honorary members.

IAPH Membership Directory 2004

Thank you for your cooperation!

ENTRY forms for the IAPH Membership Directory 2004 were sent to all IAPH Coordinators by e-mail/fax/postal mail in early September. We would like to ask you to update the data for the Directory including your latest information of your organization. Please complete the entry form and return it to IAPH Secretariat by Friday, October 31.

Since its first edition in 1967, the IAPH Membership Directory has been used as an informative business tool and now it is

circulated to key persons of maritime industries in over 80 countries. Annually updated and published, it contains information on profiles as well as contact detailed of every IAPH member including your organization.

Needless to say, there is no charge for being listed in the IAPH Membership Directory.

If you have any questions, please contact at directory@iaphworldports.org or send fax at 81-3-5403-7651.

Membership Notes

New Member

Associate Member

APEC-Antwerp/Flanders Port Training Center [Belgium]
Address: Italelei 2, 2000 Antwerp, BELGIUM
Contact: Mr. Paul Verkoyen, CEO
Phone: +32-3-5-23-22
Fax: +32-3-205-23-27
E-mail: paul.verkoyen@haven.antwerpen.be
Website: <http://www.portofantwerp.be/APEC>

Change

The Japan Port and Harbor Association [Japan]

President: Mr. Kiyoyasu Mikanagi

The Chittagong Port Authority [Bangladesh]
Chairman: Mr. A.M.M. Shahadat Hossain

Work of the International Labour Organization (ILO) Concerning Security, Safety & Health in Ports



Bala Subramaniam
Senior Maritime Consultant
ILO, Geneva, Switzerland

This paper was presented at the Working Session of the 23rd IAPH World Ports Conference held in Durban, and has been specially revised for Ports & Harbors courtesy of Mr. Bala Subramaniam.

1. BACKGROUND

The International Labour Organization (ILO) was founded in 1919 and became the first United Nations system specialized agency in 1946. It is the only UN agency which is "tripartite", where not only governments but also employers' and workers' organization have both a voice and vote. The International Labour Organization is supported in its work by the secretariat which is the International Labour Office. The goal of the ILO is to achieve decent work for all workers, including port workers. The ILO pursues this goal through several means of action, including: the adoption of international standards, that is Conventions and Recommendations; the development of codes of practice and guides; the development of training programmes; the provision of technical advisory services to our constituents; and the hosting of tripartite meetings. We have a long history of work in the port sector, especially as concerns the promotion of safety and health of port workers.

2. ILO INSTRUMENTS

The ILO has adopted several of specific standards for the port sector. These

include: the Dock Work Convention, 1973 (No.137) and the Dock Work Recommendation, 1973 (No.145); the Occupational Safety and Health (Dock Work) Convention, 1979 (No.152) and the Occupational Safety and Health (Dock Work) Recommendation, 1979 (No.160). It has also published a Code of Practice on Safety and Health in Dock Work and the Guide to Safety and Health in Dock Work. These standards, code and guide are intended to protect port workers, and therefore is relevant to the issue of security, safety and health in ports.

The ILO also has also adopted instruments that promote safety in general, such as the Prevention of Major Industrial Accidents Convention, 1993 (No. 174) and its accompanying Recommendation (No.181) for the prevention of major accidents involving hazardous substances and the limitation of consequences of such accidents. Both of these instruments apply to major hazard installations including, ports, port facilities and offshore installations. They are concerned with the prevention of large-scale disasters such as fires and explosions. They are complemented by a Code of Practice on the Prevention of Major Industrial Accidents and a Manual on major hazard control to assist countries in developing policies in this area.

3. PORT TRAINING

The ILO has developed and is implementing a global Portworker Development Programme. As part of this programme the first 30 units of training for portworkers has been developed and implemented. The training covers all aspects of container handling and transport. Safety aspects are covered in each of the course modules, and a generic container terminal safety manual and a container terminal operations manual is included as part of the PDP materials. It is envisaged that new modules will be developed on port security and on the safe handling of dangerous bulk liquids and gases at the Dock.

4. SAFETY AND HEALTH IN DOCK WORK

ILO makes a major contribution to the port industry in the field of health and safety. From 1929 when the first ILO convention on Safety and Health in Dock Work was adopted, ILO has contributed a package of internationally agreed measures. Occupational Safety and Health (Dock Work) Convention, 1979 (No.152) and the Occupational Safety and Health (Dock Work) Recommendation, 1979 (No.160) are supplemented by a Code of Practice and Guide. Convention No.152 represented a substantial change from the previous Convention and, although we know that many nations have adopted the principles of Convention No. 152, it is of some regret that only 20 member States¹ have actually ratified it. Nevertheless, it is still a valid standard today and ILO hopes that further ratifications will follow. At the same time, ILO has recognised that its Code of Practice and the Guide, which together give the practical ways in which the principles of the Convention can be achieved, are in need of revision and a major project had been commissioned to combine and update those documents.

5. MARITIME AND PORT SECURITY

The September 11 attacks in the United States of America have of course led to increased international concern about maritime security, including port security. In response to the attacks, the IMO's Assembly, in November 2001, adopted Assembly Resolution A.924

concerning "Review of measures and procedures to prevent acts of terrorism which threaten the security of passengers and crews and the safety of ships". The resolution instructed the appropriate bodies of the IMO to review, on a high priority basis, the instruments purview to determine if they needed to be updated and if there were a need to adopt other maritime security measures that might be appropriate. It also requested the competent authorities of the IMO "to take account of the work of other international organizations competent in the development of standards for transport-related safety and security on land, air and sea, as well as industry organizations". The Assembly also decided to convene a Diplomatic Conference on Maritime Security in December 2002 in order to amend the appropriate Conventions. The Director-General of the ILO, concerned by the impact of the events of September 11 on seafarers and port workers, wrote to the Secretary-General of the IMO in November 2001 proposing that the ILO and IMO work together, within the limits of the respective mandates of each Organization, to address and manage the crisis. The Secretary-General of the IMO responded positively.

5.1 ILO/IMO Cooperation on Maritime and Port Security

The ILO has participated in the many IMO meetings which have addressed maritime and port security issues. These have included meetings of the Maritime Safety Committee; its Inter-sessional Working Group on Maritime Security; its Sub-Committee on Dangerous Goods, Solid Cargoes and Containers; as well as the Facilitation Committee; the Facilitation Committee's Ship Port Interface Working Committee; and, of course, the Diplomatic Conference on Maritime Security.

In January 2002, the twenty-ninth session of the Facilitation Committee (FAL) assigned to its Ship/Port Interface Working Group (SPI) the task of reviewing, among other things, IMO MSC/Circ.443 concerning Measures to prevent unlawful acts against passengers and crew on board ships. The SPI submitted its report to the FAL Committee and recommended that security considerations should not be restricted to passenger ships and ferries including their passengers and crew and related terminals. Security considerations should, in its view, cover all ships, persons on board (passengers and

crew), offshore terminals and the whole port area including port approaches, port operations and persons ashore (port personnel or nearby inhabitants). The SPI also recommended a port security management system covering all port operations and proposed its possible consideration by a joint IMO/ILO port security working group.

The first meeting of the IMO Maritime Safety Committee's Inter-sessional Working Group on Maritime Security, held from 11 to 15 February 2002, considered the development of a ship security code and a port facility security code. The 75th session of the MSC considered reports of both the ISWG and the SPI working group and endorsed the recommendations made to it for submission of a draft resolution to the Diplomatic Conference calling for the setting up of a Joint IMO/ILO Working Group on Port Security.

The second meeting of the ISWG, held from 9 to 13 September 2002, discussed in detail the requirements for port security. The ISWG developed, among other things, requirements for port facility security to be included in Chapter XI-2 of the Safety of Life at Sea (SOLAS) Convention to be submitted to the MSC and then to the Diplomatic Conference. The amendments included provisions establishing a new International Ship and Port Security Code (ISPS) comprising a mandatory section (Part A) and recommended section (Part B). The question of whether the ISPS Code should cover the security of the ship and the immediate ship/port interface or whether it should go beyond the latter was discussed.

At this meeting, the representative of IAPH, in his statement pointed out that the port industry and in particular port facility managers had procedures and systems currently in place, which took care of the majority of the safety and security concerns in ports. Furthermore he stressed that safety was directly related to security and any security plan should therefore only be complementary to the safety-related contingency plans. He said that the guidance given in Part B of the draft ISPS Code was too detailed and would go beyond the perceived ship/port interface and that the guidance on this part should be kept to a minimum and that it should be left to the proposed Joint ILO/IMO Working Group to develop detailed provisions. International Association of

Independent Tanker Owners (INTER-TANKO), Port Management Association of Eastern and Southern Africa (PMAESA) and the International Confederation of Free Trade Unions (ICFTU) supported the view expressed by IAPH.

The IMO Diplomatic Conference of Contracting Governments to the International Convention for the Safety of Life at Sea (SOLAS), 1974, adopted the proposed amendments to the SOLAS Convention establishing a new Chapter XI-2 on maritime and port security, including provisions concerning the International Ship and Port Security (ISPS) Code. The ISPS Code sets requirements for the security of the ship and the immediate ship/port interface. The overall security of port areas has been left to further joint work between the ILO and the IMO

5.2 ILO action on seafarers' identity documents

Following the September 11th attacks in New York and Washington, many countries, and especially the United States, put in place increased security measures in ports and airports. Seafarers, in certain cases, were prevented from going ashore. Security guards were placed on gangways in order to ensure that the seafarers remained on board. The travel of seafarers to join ship and return home became more difficult and subject to increased control. Urgent measures were therefore needed to restore confidence in the seafarers' identity document, to facilitate seafarers' movement and to address increased security concerns.

Immediately after the September 11th attacks, the International Maritime Organization (IMO), in addition to the issues noted earlier, began working on improved security measures for the maritime industry. Meanwhile, the ILO's Governing Body, recognizing the need for swift action, in March 2002 decided to place on the agenda of the June 2003 Session of the International Labour Conference an item concerning improved security of seafarers' identification with a view to the adoption of a protocol to the Seafarers' Identity Documents Convention, 1958 (No. 108). The ILO held several consultations on this issue and prepared a report, containing, among other things, a questionnaire - including a preliminary draft of possible provisions of the new instrument on seafar-

ers' identification. The replies from member States which were compiled for inclusion in a report that was submitted to the 91st Session, June 2003, of the International Labour Conference, showed that the new instrument should be a new Convention rather than a Protocol to the existing Convention No. 108. The report included a draft instrument for consideration and adoption by the Conference.

The International Labour Conference met in Geneva, Switzerland, June 2003 and adopted a new Convention on seafarers' identity. At the conclusion of the conference the ILO Director-General Juan Somavia said in his wrap-up of the Conference, "Whether addressing immediate threats to security at work or tackling long-term challenges like global poverty, the ILO has shown that it is relevant, effective and grounded in a detailed knowledge of how the world works", Mr. Somavia called the new Convention on seafarers' identity, adopted by a vote of 392 for, none against and 20 abstentions, a "pioneering work in a sensitive area" which guarantees "a balance between the rights of the world's 1.2 million seafarers, as well as trade interests and security concerns".

The new Convention on Seafarers' Identity Documents (C185 - Seafarers' Identity Documents Convention (Revised) 2003) replaces ILO Convention No. 108, adopted in 1958. It establishes a more rigorous identity regime for seafarers with the aim of developing effective security from terrorism and ensuring that the world's 1.2 million seafarers will be given the freedom of movement necessary for their well-being and for their professional activities and, in general, to facilitate international commerce.

The Convention sets out the basic parameters and allows the details in its annexes, like the precise form of the identity document (ID), to be easily adapted subsequently to keep up with technological developments. A major feature of the new ID, on which full agreement was reached, will be a biometric template based on a fingerprint. A Resolution accompanying the Convention requests the ILO Director-General to take urgent measures for the development of "a global interoperable standard for the biometric, particularly in cooperation with the International Civil Aviation Organization (ICAO)". It also makes provision for the facilitation of shore

leave and transit and transfer of seafarers, including the exemption from holding a visa for seafarers taking shore leave.

To avoid the risk of an ID being issued to the wrong person, the Convention also requires ratifying member States to maintain a proper database available for international consultation by authorized officials and to have and observe adequate procedures for the issuance of IDs. Those procedures, which cover not only the security aspects but also the necessary safeguards for individual rights, including data protection, will be subject to transparent procedures for international oversight.

With the heightened concerns about port security since the 9/11 attacks, a new seafarers' identity document will be a substantial contribution to international security by helping to ensure that the identity of seafarers in ports, airports and aboard ships can be positively established through the most modern means available.

6. CODE OF PRACTICE ON SECURITY, SAFETY AND HEALTH IN PORTS

6.1 Safety and Health in Dock Work

It is indisputable that the ILO publications Safety and Health in Dock Work (1977) and the Guide to Safety and Health in Dock Work (modified 1988) require revision to take into account the many changes that have occurred since their publication. It also accepted that the captioned publications are out of step with existing ILO instruments - ILO Occupational Safety and Health (Dock Work) Convention, 1979 (No.152) and Occupational Safety and Health (Dock Work), 1979 Recommendation (No.160). More recently risk assessment has emerged as the tool for benchmarking and determining safe working practices. Further, due to the dangers posed by increasingly complex cargoes being handled, it has become necessary to ensure ports (and port workers) are able to respond quickly to incidents that have the potential to inflict significant damage to personnel, property and the environment. The September 11 attacks have of course led to increased international concern about maritime security, including port security. Safety and security issues are complementary. In order to provide a safe and secure environment for workers it is

necessary to address the issues concerning security and safety comprehensively. Therefore, a comprehensive revision of the existing Code of Practice and Guide to Safety and Health in Dock Work and the preparation of a new Code of Practice on Port Security was undertaken by the ILO.

6.2 Development of a Code of Practice (guidance) on Port Security

In order to take progress on the work required to address security issues beyond the ship/port interface, the ILO convened four informal meetings attended by the IMO and representatives from governments, industry and the ICFTU (representing workers). IAPH was represented in all the three meetings. The first meeting was convened during the IMO's ISWG on 12 September 2002 the second at the headquarters of the International Transport Workers' Federation (ITF), London on 3 October 2002 and the third in Madrid, Spain on 13 and 14 February 2003. A final meeting of the informal working group was convened at the ILO from 23 to 25 April 2003. The meetings discussed details of the work to be undertaken to comprehensively address the security requirements of all port areas and adjoining environs. Based on the discussions which took place at these informal meetings, the ILO secretariat is developing a draft Guidance document for consideration of the proposed ILO/IMO Working Group on Port Security.

The informal meetings considered that port areas were different from each other and in certain cases they extended over wide areas including inland areas. There could therefore be no single solution and that port security should be looked at from the land-side interface rather than from the ship/port interface. The meeting discussed details of the work to be undertaken to comprehensively address the security requirements of all port areas and adjoining areas, including industrial complexes. The need was expressed for generic guidance concerning an overall port security plan that would combine the land-side interface with the ship and port facility plans. This would provide for seamless integration of contiguous security plans and would represent an important step towards a total solution for the transport sector.

The eight major areas of focus were identified as follows:

- 1 seamless integration of contiguous security plans;
- 2 definition of port, scope of port security plans;
- 3 security assessments and content of generic port security plan;
- 4 organizational issues, including port authorities as addressees of the guidance and other transaction partners (maritime and non-maritime), establishment of a port security committee, coordination issues;
- 5 all aspects of personnel issues, including access control, identification, awareness raising, training and qualifications, impact on labour;
- 6 linkage between security and safety; and
- 7 disaster preparedness, response and crisis management. The guidance should permit adaptation commensurate with the risk profile of the port and should involve all relevant organizations. The possible guidance to be developed would be harmonized with the IMO's ISPS Code so as to provide a seamless arrangement;
8. technical assistance for developing and transition countries would be necessary and could be provided as part of ILO's Portworker Development Programme (PDP).

6.3 ILO/IMO Working Group on Port Security

The IMO Diplomatic Conference of Contracting Governments to the International Convention for the Safety of Life at Sea (SOLAS), 1974 adopted a Resolution (No. 8) entitled: Enhancement of Security in Co-operation with the International Labour Organization (Seafarers' Identity Documents and Work on the wider issues of Port Security), called, *inter alia*, for the establishment of an ILO/IMO Working Group to undertake any further work, which may be required, on wider issue of port security. Possible terms of reference for such a working group were adopted by that Conference.

The 286th Session of the ILO Governing Body approved the setting up of the ILO/IMO Working Group on Port Security with the following composition: four worker and four employer representatives, nominated by the ILO Governing Body, and eight Government representatives nominated by the IMO in consultation with the ILO. The working group met at the ILO, Geneva from 9 to 11 July 2003.

The Working Group was composed of eight Government experts nominated by the IMO from Brazil, Egypt,

India, Nigeria, Panama, the Philippines, the United Kingdom and the United States. Four Employer experts and four Worker experts were nominated by the ILO. Three of the Employer experts and four Worker experts participated in the meeting. In addition, there were 14 advisers and eight observers.

The terms of reference of the Meeting were as follows:

- (a) consider and recommend, for the purpose of enhancing security, safety and the protection of the environment, the form and content of any further guidance, which may be required, on the wider issue of port security, including the relationship between ship and port security and the wider security and safety and the protection of the environment considerations relevant to port areas, including the question of verifiable identification of those working within these areas or having access to such areas;
- (b) consider the need for any mandatory requirements relating to the above and, if such a need is identified, to recommend the form and content of such requirements; and
- (c) prepare and submit a report (including interim work and progress reports) on the aforesaid, together with the relevant reasons and justifications thereto, as well as an assessment of the impact, benefits and costs of the recommendations, for the consideration of the International Maritime Organization and of the International Labour Organization.

The Working Group had before it the draft code of practice (guidance) on security in ports (ILO/IMOWG-PS/2003/1), which it decided to adopt as the basis for the discussions. This document was prepared by the ILO and is the outcome of four previous ILO informal meetings and in some cases it provided alternative texts in square brackets. The meeting considered all agenda items as previously listed and produced a new draft Code of Practice on Port Security. The report of the meeting will be submitted to the ILO Governing Body and to the IMO MSC.

6.4 Next Steps

The ILO Governing Body at its 283rd (March 2002) and 285th (November 2002) Sessions considered and approved a Meeting of Experts on Security, Safety and Health in Ports.

The meeting of Experts on Security, Safety and Health in Ports will be convened in Geneva, Switzerland from 8 to 12 December 2003.

It is expected that the result of the work of the Joint ILO/IMO Working Group would feed into the ILO Meeting of Experts on Security, Safety and Health in Ports which will be convened by the ILO in Geneva from 8 to 12 December 2003. A separate working group of that meeting of experts will consider a draft guidance document on port security. The results of the ILO meeting of experts will be submitted for approval to the ILO Governing Body at its 289th Session (March 2004) and to the 78th Session of the IMO MSC (May 2004). It is anticipated that the Code of Practice on Safety and Health in Dock Work will be published soon after and the Code of Practice (guidance) on Port Security will be published in time to coincide with the entry into force of the 2002 amendments to IMO SOLAS Convention (July 2004).

7. CONCLUSION

The ILO is making a significant contribution to the port industry in the field of health and safety. The ILO has recognised that its Code of Practice and the Guide on Safety and Health in Dock Work, which together give the practical ways in which the principles of the corresponding ILO Instruments can be achieved, were in need of revision and therefore, a major project had been commissioned to undertake this revision. The ILO is also developing a Code of Practice (Guidance) on Port Security to comprehensively address port security issues.

In the year 2000, IAPH attained non-governmental organisation (NGO) consultative status at ILO and IAPH appointed a liaison officer to serve as a link between the two organisations. ILO welcomed this initiative and believes that the working relationship between the two organizations is very worthwhile and productive. Furthermore, representatives of the IAPH have participated and contributed to the work of the ILO concerning port security issues. It is anticipated that the ILO will develop and implement appropriate training programs on the subject of port security and would welcome any cooperation from IAPH in this effort. It is hoped that these cooperative efforts can continue and the ILO looks forward to working with IAPH jointly facing the future.



IMO: Interim Guidelines for RSO-ISPS

1. The Maritime Safety Committee at its seventy-seventh session (May 28 to June 6, 2003), bearing in mind the provisions of section 4.3 of Part A and sections 4.3 to 4.7 of Part B of the International Ship and Port Facility Security Code (ISPS) on Recognized Security Organization (RSO), developed the attached Interim Guidelines for the authorization of recognized security organizations acting on behalf of the administration and/or designated authority of a contracting government.
2. The interim guidelines may be revised, based on the experience gained on the implementation of the new SOLAS Chapter XI-2 and the ISPS Code and, in particular, with the designation of RSOs after July 1, 2004.
3. Member governments and international organizations concerned are recommended to bring this circular to the attention of all parties concerned.

ANNEX

Interim Guideline for the Authorization of Recognized Security Organizations Acting on behalf of the Administration and/or Designated Authority of a Contracting Government

General

- 1 Under the provisions of SOLAS regulation I/6 and, inter alia, SOLAS regulation XI-2/1.16 "Special measures to enhance maritime security," Recognized Security Organization (RSOs) may be delegated specific functions on behalf of the Administration and/or the Designated Authority of the Contracting Government. The following functions may be delegated in whole or in part to RSOs:

- .1 approval of ships security plans;
- .2 verification for ships
- .3 issuance and endorsement of International Ship Security Certificates; and
- .4 development of port facility security assessments.

- 2 In no instance may the RSO approve, verify, or certify a work product that it has developed (e.g. preparation ship security assessments, preparation ship security plans or of amendments under review).
- 3 Control in the assignment of such authority is needed in order to promote uniformity of assessments, verification, approval and certification activities required by SOLAS chapter XI-2 or by Part A of the International Ship and Port Facility Security (ISPS) Code. Therefore, any delegation of authority to RSO, should:

- .1 determine that the security organization has adequate resources in terms of technical, managerial and operational capabilities to accomplish the tasks being assigned, in accordance with the interim guidelines for RSOs acting on behalf of the Administration and/or Designated Authority as set out in Appendix 1;
- .2 have a formal written agreement between the Administration or Designated Authority and the RSO being authorized;
- .3 specify instructions detailing actions to be followed in the event that a ship is found not in compliance with the relevant provisions of international requirements for which the RSO has been delegated authority;
- .4 provide the RSO with all appropriate instruments of national law giving effect to the provisions of the conventions or specify whether the Administration's and/or Designated Authority's standards go beyond convention requirements in any respect; and
- .5 specify that the RSO maintain records that can provide the Administration and/or Designated Authority with data to assist in interpretation and implementation of specific convention regulations.

Verification and Monitoring

- 4 The Administration and/or Designated Authority should establish a system to ensure the adequacy of work performed

by the RSOs authorized to act on its behalf. Such a system should, inter alia, include the following items:

- .1 procedures for communication with the RSO;
- .2 procedures for reporting from the RSO and processing of reports by the Administration and/or Designated Authority;
- .3 additional ship and port facility inspections and audits by the Administration and/or Designated Authority or other delegated organizations;
- .4 the Administration's and/or Designated Authority's evaluation/ acceptance of the certification of the RSO's quality system by an independent body of auditors recognized by the Administration and/or Designated Authority; and
- .5 the Administration and/or Designated Authority should monitor and verify the activities related to security delegated to the RSO as appropriate. The Administration and/or Designated Authority maintain the ultimate authority continue or revoke delegations to RSOs.

Appendix 1

A Security Organization may be recognized by the Administration and/or Designated Authority to perform statutory work on its behalf subject to compliance with the following interim guidelines for which the recognized security organization (RSO) should submit complete information and substantiation.

General

- 1 The relative size, structure, experience and capability of the RSO commensurate with the type and degree of authority intended to be delegated thereto should be demonstrated.
- 2 The RSO should be able to document capability and experience in performing security assessments, developing risk assessments, conducting maritime verification, approval and certification activities for ships and/or for port facilities and their ancillary equipment, as appropriate.

Specific Provisions

- 3 The following should apply for the purpose of delegating authority to perform

port facility security assessment and ship verification, and certification services of a statutory nature in accordance with regulatory instruments which require the ability to integrate ship and port interface operational considerations with maritime security threats, and to develop, verify and audit specific requirements:

- 3.1 The RSO should provide for the publication and systematic maintenance of procedures in the English language for the conduct of activities to ensure compliance with delegated authorities pursuant to SOLAS chapter XI-2, Updating of these procedures should be done on a periodic basis at intervals acceptable to the Administration.
- 3.2 The RSO should allow participation in the development of its procedures by representatives of the Administration and/or Designated Authority and other parties concerned.
- 3.3 The RSO should be established with:
 - .1 an adequate technical, managerial and support staff capable of developing and maintaining its procedures; and
 - .2 a qualified professional staff to provide the required service representing an adequate geographical coverage as required by the Administration and/or Designated Authority.
- 3.4 The RSO should be governed by the principles of ethical behaviour, which should be contained in a Code of Ethics and as such recognize the inherent responsibility associated with a delegation of authority to include assurance as to the adequate performance of services as well as the confidentiality of related information as appropriate.
- 3.5 The RSO should demonstrate the technical, administrative and managerial competence and capacity to ensure the provision of quality services in a timely fashion.
- 3.6 The RSO should be prepared to provide relevant information to the Administration and/or Designated Authority, as necessary.
- 3.7 The RSO's management should define and document its policy and objectives for, and commitment to, quality and ensure that this policy is understood, implemented and maintained at all levels in the RSO.
- 3.8 The RSO should be subject to certification of its quality system by an independent body of auditors recognized by the Administration and/or Designated Authority. The Administration and/or Designated Authority may serve as the auditor.
- 3.9 The RSO should develop, implement and maintain an effective internal quality sys-

tem based on appropriate parts of internationally recognized quality standards no less effective than the ISO 9000-2000 series, and which, inter alia, ensures that:

- .1 the RSO's procedures are established and maintained in a systematic manner;
 - .2 the RSO's procedures are complied with;
 - .3 the requirements of the statutory work for which the RSO is authorized, are satisfied;
 - .4 the responsibilities, authorities and interrelation of personnel whose work affects the quality of the RSO's services, are defined and documented;
 - .5 a supervisory system is in place that monitors the actions and work carried out by the RSO;
 - .6 a system for qualification of assessors, surveyors, and auditors and continuous updating of their knowledge is implemented;
 - .7 records are maintained, demonstrating achievement of the required standards in the items covered by the services performed, as well as the effective operation of the quality system;
 - .8 a comprehensive system of planned and documented internal audits of the quality related activities in all locations is implemented;
 - .9 the RSO has established a process and procedures to assess and monitor at periodic intervals the trustworthiness of its personnel;
 - .10 the RSO has established processes and procedures to ensure that appropriate measures are in place to avoid unauthorized disclosure of, or access to, security sensitive materials relating to ship security assessments, ship security plans, port facility security assessments and port facility security plans, and to individual assessments or plans; and
 - .11 a procedure for providing feed back and information, as appropriate, to its customers.
- 4 The following should, in addition, apply for the purpose of delegating authority to perform certification services of a statutory nature in accordance with regulator instruments.
- .1 the provision and application of proper procedures to assess the degree of compliance of the applicable shipboard maritime security measures and management systems;
 - .2 the provision of a systematic training and qualification regime for its professional

personnel engaged in the maritime security management system certification process to ensure proficiency in the applicable quality and security management criteria as well as adequate knowledge of the technical and operational aspects of maritime security management; and

- .3 the means of assessing through the use of qualified professional staff the application and maintenance of the security management system both shore based as well as on board ships intended to be covered in the certification.

Specialized expertise

- 5 Each RSO shall be able to demonstrate by means of established process, procedures, and relevant documentation the following minimum capabilities following the guidance in paragraph 4.5 of part B of the ISPS Code:
 - .1 expertise in relevant aspects of security;
 - .2 appropriate knowledge of ship and port operations, including knowledge of ship design and construction if providing services in respect of ships and port design and construction if providing services in respect of port facilities;
 - .3 their capability to assess the likely security risks that could occur during ship and port facility operations including the ship/port interface and how to minimize such risks;
 - .4 their ability to maintain and improve the expertise of their personnel;
 - .5 their ability to monitor the continuing trustworthiness of their personnel;
 - .6 their ability to maintain appropriate measures to void unauthorized disclosure of, or access to, security-sensitive material;
 - .7 their knowledge of the requirements of SOLAS chapter XI-2 and part A of the ISPS Code and the guidance contained in part B of the Code and relevant national and international legislation and security requirements;
 - .8 their knowledge of current security threats and patterns;
 - .9 their knowledge of recognition and detection of weapons, dangerous substances and devices;
 - .10 their knowledge of recognition, on a non-discriminatory basis, of characteristics and behavioural patterns of persons who are likely to threaten security;
 - .11 their knowledge of techniques used to circumvent security measures; and
 - .12 their knowledge of security and surveillance equipment and systems and their operational limitations.

IMO: December 2003 Meeting to consider proposals for an accelerated single-hull tanker phase-out

AN extra session of IMO's Marine Environment Protection Committee (MEPC) will be convened in December to consider the adoption of proposals for an accelerated phase-out scheme for single-hull tankers, along with other measures including an extended application of the Condition Assessment Scheme (CAS) for tankers.

The proposed amendments to MARPOL 73/78 were discussed during the week-long forty-ninth session of the Committee, ending July 18.

Speaking on behalf of the Secretary-General Mr. William O'Neil at the close of the session, Assistant Secretary-General Mr. Efthimios Mitropoulos said that the outcome of the intense negotiations on the issue was successful in general terms, although the decisions made were not final, pending the extra MEPC session in December.

Although a number of points within the overall context of the proposed draft

amendments to MARPOL were left in square brackets (awaiting final decision), "the outcome of this week's work shows the emerging trends on which governments, the industry and, as necessary, the Secretariat should work between now and December to pave the way for consensus decisions to be made at the end of the day," Mr. Mitropoulos said.

"We should, therefore, be hopeful that the good spirit of co-operation, which prevailed during the week, will also be demonstrated in December so that IMO would be able, once again, to do what it was founded to do, that is to encourage and facilitate the adoption of global standards to regulate shipping, and that it does so on the basis of realistic, pragmatic and well-balanced consideration of items on its agenda," he added.

Single-hull tankers - proposals to amend MARPOL 73/78

The MEPC held extensive discussions in a working group and in plenary in relation to proposals to amend MARPOL 73/78, submitted by all the fifteen

Member States of the European Union, calling for further acceleration of the phase-out timetable for single-hull tankers, an immediate ban on the carriage of heavy grades of oil in single-hull tankers and for the Condition Assessment Scheme (adopted in 2001 in the wake of the 1999 Erika incident) to be applied to tankers of 15 years of age and above.

The outcome of the discussions was as follows, with further discussion scheduled for the extra MEPC session in December, which will consider, with a view to adoption, the proposed amendments to MARPOL 73/78:

- The MEPC agreed on an accelerated phase-out for Category 1 tankers (pre-MARPOL tankers). This would bring forward the final phasing-out date for these tankers to 2005 from 2007.
- The MEPC discussed the proposal to bring forward the phasing-out of category 2 and 3 tankers (MARPOL tankers and smaller tankers) to 2010 from 2015. While there was substantial support in principle to the 2010 deadline, there was also concern relating to the phase-out of tankers of less than 20 years old in 2010



ISRAEL PORTS AUTHORITY

PORTS DEVELOPMENT PROJECT ADMINISTRATION

Pursuant to the Agreement on Government Procurement and the Tender Laws of the State of Israel, the Israel Ports Authority ("IPA") notifies:

DREDGING CONTRACTORS

that the IPA will be tendering for the Supply of the Works to accomplish:

DREDGING AND SAND BY-PASSING AT THE PORT OF ASHDOD, ISRAEL.

The Works basically consist of dredging 180,000 cu.m of sand from the sea bed annually off the coast of Ashdod south of the Port of Ashdod and then transporting it approximately seven kilometers and placing it north of the Port of Ashdod.

The works will be carried out during the months of December 2003 - February 2004 and repeated during the months September - December of the years 2004 and 2005.

The IPA shall proceed with the selection of the Contractor through a two stage process with Prequalification in the first stage. Contractors wishing to participate in the tender will first be screened on the basis of the Prequalification criteria out set in the Prequalification and Tender Documents. Then the tenders of just those Contractors which have been Prequalified will be opened.

A more detailed summary of the requirements and of the works is contained in the "Summary Announcement of Planned Procurement" which can be obtained from the IPA by fax, free of charge, upon request to the IPA as follows:

Tel: 972-3-5657035
Fax: 972-3-5622173

or can be viewed on the Internet at:

www.israports.org.il

that this would lead to. There was a suggested proposal, for further consideration in December, which could see the operational life of these tankers extending to 2015 or until the ship reaches a specified age (e.g., 20, 23 or 25 years), subject to satisfactory results from the Condition Assessment Scheme (CAS).

- The MEPC agreed, in principle, that the CAS should be applied to single-hull tankers of 15 years, or older (as against being applicable to all Category 1 vessels continuing to trade after 2005 and all Category 2 vessels after 2010.) The MEPC agreed to circulate the proposed CAS amendments with a view to consideration for adoption at the extra session in December.
- The MEPC noted the proposed consequential enhancements to the CAS scheme which would be needed. The Committee further noted that in order to adequate CAS to future challenges such as its possible application to double-hull tankers or enhanced requirements for tankers carrying heated cargoes, intensive work is needed. It noted with appreciation the offer by the United

Kingdom would host an informal meeting on these issues with industry and interested administrations, prior to the extra MEPC meeting in December.

- The MEPC considered the proposed draft regulation on the carriage of Heavy Grades of Oil (HGO) in single-hull tankers, which would ban the carriage of HGO in single-hull tankers. The MEPC agreed on the need for further technical discussion at the December meeting of the proposed new regulation 13H on prevention of oil pollution when carrying heavy grades of oil, in particular in relation to the physical properties of heavy grades of oil (including their definition, in relation to density and/or kinematic viscosity) and in pollution combating.
- The MEPC noted the differing views on the issue of tankers carrying HGO engaged in domestic trades, regarding possible exemptions for tankers on local voyages and agreed this was a policy matter for a decision later.
- The MEPC agreed that the Informal Group of Experts should be re-established to review the impact of the proposals discussed at this session.

tier approach.

Tier 1 includes requirements that would apply to all ships, including mandatory requirements for a Ballast Water and Sediments Management Plan, a Ballast Water Record Book and a requirement that new ships shall carry out ballast water and sediment management procedures to a given standard or range of standards. Existing ships would be required to carry out ballast water management procedures after a phase-in period, but these procedures may differ from those to be applied to new ships.

Tier 2 includes special requirements which may apply in certain areas and would include procedures and criteria for the designation of such areas in which additional controls may be applied to the discharge and/or uptake of ballast water. The text for Tier 2 remains to be developed.



OECD: Outcome of the Maritime Transport Committee Meeting June 2003

THE Maritime Transport Committee met on June 19-20, 2003 to review work undertaken and consider future projects in relation to its program of work, notably in the areas of security and safety. In addition, during what has become the Committee's traditional industry session, the P&I insurance industry provided the Committee with a very useful insight into day to day business of the Clubs.

• Election of officers

The Maritime Transport Committee reconfirmed the Chairman and elected new members of the bureau. The composition of the Committee's bureau is as follows:

- Chairman: Mr. Bruce Carlton (United States)
- Vice Chairmen: Mr. Rysanek (Canada), Mrs. Dilling (Denmark), Mr. Baek (Korea)
- Extended Bureau: Australia, Greece, Japan, Poland, United Kingdom

[Please Note: The election of Poland to the Extended Bureau is subject to final confirmation.]

• New Participants

The Committee welcomed Estonia, participating for the first time as an observer.

IMO: Ballast Water Convention set for adoption in 2004



THE Marine Environment Protection Committee at its 49th session in July 2003 agreed a finalized draft of the proposed International Convention for the Control and Management of Ships' Ballast Water and Sediments, and agreed to hold a diplomatic conference from 9 to 13 February 2004 to adopt the Convention in accordance with the agreed timetable already approved by the Council.

The Committee conducted an article-by-article review of the draft taking into account the report of the second intersessional meeting of the Ballast Water Working Group.

The problem of harmful aquatic

organisms in ballast water was first raised at IMO in 1988 and since then the MEPC, together with MSC and technical sub-committees, has been dealing with the issue. In order to help developing countries understand the problem and monitor the situation, IMO is implementing the GEF/UNDP/IMO Global Ballast Water Management Programme (GloBallast) and has provided technical support and expertise.

The problem of invasive species is largely due to the expanded trade and traffic volume over the last few decades. The effects in many areas of the world have been devastating. Quantitative data show the rate of bio-invasions is continuing to increase at an alarming rate, in many cases exponentially, and new areas are being invaded all the time. Volumes of seaborne trade continue overall to increase and the problem may not yet have reached its peak.

It is estimated that about 10 billion tons of ballast water are transferred globally each year, potentially transferring from one location to another species of sealife that may prove ecologically harmful when released into a non-native environment.

The proposed new instrument is being developed on the basis of a two-

• Shipping Policy Developments

This is a standing item on the Committee's agenda. The Committee discussed several policy developments, including recent maritime agreements, new legislation, important safety related activities, and Greece's achievements under the rotating EU presidency.

• Security in Maritime Transport

Update of maritime security activities. Participants brought each other up to date with the latest security measures being undertaken by governments and industry. This included new security regulations and measures taken in respect of the IMO International Ship and Port Facility Security (ISPS) Code, the revised SOLAS Convention, and the United States Container Security Initiative (CSI). The extent of security-related measures in place, or in the process of implementation, highlighted the high priority that has been accorded to this issue by all participants at the MTC.

Risk Assessment and Economic Impact Report

The Committee reviewed the second report undertaken in the context of its current work on maritime security. This report attempts an assessment of risks faced by the maritime transport network, and a detailed appraisal of costs associated with measures that have, or will be implemented, in response to possible terrorist activities in the maritime sector.

A key finding of the report that will be of particular interest to governments is that while the cost of implementing these security-related measures is high, the financial cost (putting to one side for the moment the human cost) of not taking every opportunity to reduce the risk and the incidence of terrorist attacks is considerably higher. Also, the report found that some of the measures being implemented have a real potential of improving the efficiency of transporting trade, to the extent that in the long run this could largely off-set the costs of implementing the security measures.

The Committee also declassified the report, and it will be made available publicly during the month of July.

Alternative approaches to international maritime transport

The loss of the tanker "Prestige" in November 2002 and other maritime disasters have had severe consequences for the marine environment and have

threatened the livelihood of thousands. These incidents, however, have caught the attention of both governments and citizens, and there is increasing pressure for remedial action to be taken.

The MTC noted work currently being undertaken by the UN, IMO and ILO and considered the contribution it could make to the overall efforts underway to effectively minimize the incidence of such catastrophes. The Committee noted a proposal submitted by the Secretariat for some original and innovative work to be undertaken in an effort to explore all possible solutions that could provide an effective response to the ongoing risks posed by substandard shipping. The Committee will be defining areas where it can bring its own expertise to bear, and will be developing its own agenda, in consultation with other agencies, to undertake further analysis on this issue. The Committee will review these proposals in the lead up to its next meeting in November 2003.

• Safety and the Environment

Possible incentives

One of the elements of the Policy Statement on Substandard Shipping released by the MTC in April 2002 was that the MTC members would work with the industry to develop the concept of incentives for quality shipowners. While both governments and industry considered this to be a very positive approach to encourage shipowners (and others, such as cargo interests, brokers etc.) to attain and maintain high standards, there were some concerns over the possibility of incentives turning into subsidies, and the possible distortion of competition by incentives being applied unevenly or selectively. Industry was also concerned about the potential complexities of any schemes that might be implemented. On the other hand, specific disincentives for substandard operators attracted some interest.

The Committee discussed the points raised by industry. It recognised that it had concentrated on the quality of the ship but that in order to take a more informed decision on the follow up to give to the issue it would also need to complete the picture by including the human element and by expanding on incentives schemes already in existence. The Committee decided to further refine the concept and to revert to the matter at a later stage.

Marine Insurance Proposal

This is another element of the MTC's

Policy Statement on Substandard Shipping. The MTC approved a project proposal to undertake, with the assistance of the marine insurance industry, a study on the international marine insurance industry. The purpose of this study is to establish whether it would be feasible to remove cover from substandard ships while still maintaining the necessary risk spreading coverage for the rest of the industry, and without affecting the cover afforded to genuine victims of incidents caused by substandard ships.

This work will be carried out in consultation with the P & I Clubs and with the International Union of Marine Insurers (IUMI).

• WTO

A member of the WTO secretariat brought the Committee up to date with the negotiations on trade in services according to the Doha calendar. It was noted that progress had been slow and that it had not proved possible to meet the deadlines set out by that calendar. Although maritime was not distinct from other services it was an essential component of the overall negotiations.

Participants in the services negotiations had been exchanging bilateral initial requests since June 30, 2002. Between March 31 and June 12, 2003, 27 of the 145 WTO Members had submitted initial offers, and of those ten had a maritime component. It was noted that, for the maritime element, it had been decided to start with best offers made during previous negotiations.

A draft ministerial declaration will be issued in July 2003 and progress will be reviewed at the 5th Ministerial Conference in Cancun in September 2003.

• Support Measures

The Committee reiterated the priority it places on its work on transparency of support measures, and Delegations undertook a commitment to provide, by June 30, 2004, data on support measures in place as at end December 2003.

• Dialogue with Non-member Economies

The MTC discussed the outcome of the January 2003 Workshop held with a number of Non-member Economies. Comments from both OECD and non-OECD participants suggested that the Workshop had been a success. The Committee reaffirmed its wish to maintain the excellent contacts with its non-member partners, and will endeavour to

more closely involve them in its mainstream work. The Committee also approved in principle the organisation of a further seminar or workshop towards the end of 2004.

Upcoming Conferences

Globalization of Export Control

November 17 - 19, London, U.K.

THIS is a major policy conference, as well as a practical event giving assistance on how to manage export controls, with additional streams on US ITAR and US Antiboycott Controls. This year, high-level representatives of 14 governments and 11 major companies will debate current and future export controls policy. The conference will open with a session on Economic Sanctions with participation from the US Treasury Dept, the EU Commission and the UN Head of Sanctions.

The format of the conference, with a number of panels, rather than straightforward presentations, offers an unrivalled global meeting place for delegates to hear a wide variety of views, and give ample opportunity for audience feedback and networking.

Day 1

- **A Conversation on Economic Sanctions**
With sanctions now a headline topic, top UN, EU and US officials describe key programmes, including their own interaction. Time reserved for delegate participation.
- **Dual-Use Exports Controls in a New Era**
- **Export Control Act - Consultation Process**
- **Export Controls and Corporate Governance**
- **Strategic Export Controls in India**
- **Counter-proliferation and Multilateral Controls**
Senior officials in America, Europe and Asia discuss national programmes and roles in "multilateral control regimes".
- **Foreign Employees ("Deemed Exports" and Visas)**
Executives of multinationals describe regulatory management in "post 9/11 era" of tight visa controls and "deemed export" regulations and discuss with US Bureau of Industry and Security.

Day 2

- **Transshipment and Border Controls**
New and long-standing national pro-

grammes are described and "best practices" shared.

- **SIMULTANEOUS STREAM A**
US International Traffic in Arms Regulations
- **The US Experience - Presidential Review, Congress and the ITAR**
- **The Transatlantic Perspective**
Officials from key munitions-exporting countries discuss national programmes and impact of US policy reviews, including proposals to change "ITAR" requirements for certain countries and reaction to US Defense and State Department panel.
- **Managing Sales Worldwide in Times of Bioterrorism**
A European company's experience of dealing with biotech export compliance.
- **SIMULTANEOUS STREAM B**
US Antiboycott Controls
- **Corporate Compliance**
Larger and smaller firms based in and out of the US discuss compliance programmes in times of rapid organizational, strategic and regulatory change, and a senior US export official discusses the compliance environment.
- **US Reexport Controls and Other Aspects of US Jurisdiction**
- **Government-Industry Relations**
Panelists from Europe, Japan and US will discuss how governments obtain advice from industry "in the public interest", for "win-win" outcomes.

Day 3

- **Working with U.S. Partners for Export Compliance**
- **British and German Open General Licenses**
- **Encryption Controls**
- **Tech Data and Software Controls**
- **What's Ahead for Export Controls and Sanctions?**
Panelists and delegates in annual "crystal ball" discussion, with time for debate.
- **Export Management Systems**
Analysis of best practice for export management systems.

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Trans Pan Pacific 2003

November 24-25
Melbourne, Australia

Session 1:

The Future Trends of Trade Patterns - Impact and Opportunities

Prospects for Growth and Trade in ASEAN

- Trade liberalisation in ASEAN and ASEAN Plus
- Implications for cross-border trade
- Towards an ASEAN Economic Community

Following Trade - Liner Shipping

- How will changes in world trade shape container shipping services over the next decade?
- Continuous or discontinuous change - can we expect more of the same or have recent trends worked themselves through?
- Where is the international port system headed - more aristocratic or more egalitarian?

Review of the factors accounting for Hong Kong success and lessons that can be drawn for the future of port competitiveness

- Maintaining position as the world's largest container port for the last ten years
- The question of competitiveness in a climate of political change and change in trading policies in Asia
- The implications for trade in Asia with the new trading agreement - CEPA

Session 2:

Shipping Trends and The Impact on The Total Logistic Chain

Container leaders of the future - dominated by the mega carrier - a single operator perspective (consortium vs. single operator)

The Development of International Container Shipping and its Implications for the Region

- Asian container trends in their worldwide context
- Consolidation in transshipment ports
- Consolidation of shipping lines
- Measures of capacity constraint and the impact of ship arrival patterns on container terminal capacity

The Impact of German Financing Schemes for International Maritime Business

- The KG System is one of the driving forces of privatisation
- Liners vs. ship owners - a constant struggle
- How the diversification of private equity reflects the mood of the shipping industry

Session 3:

Port Expansion and Operations –Where to Go and How to Adapt to Future Changing Trends to Remain Competitive

A Terminal Operator's Perspective: Port Terminal Competition – How Much Does a Shipping Line Respond to Mere Pricing – How Much Do Other Factors Play a Role?

- Increasing crane intensities leads to under-utilised assets and greater peaks and troughs of service demand ... conflict of service v price
- Off window vessel arrivals requiring on window service results in unplanned peak demand ... conflict of service v price
- Stevedore – Consortium / Line relationships move up a gear

Consolidation or Expansion of Hubs – The New Dimension of Hub Ports and The Impact on Destinations Ports

- Patrick's investment proposals
- Economies of scale versus competition
- Bringing Public-Private Partnerships to a new level

Container leasing future trends – changes in trend – pros and cons in leasing or owning the containers

- A review of the current situation
- Future influence: marketing and manufacturing trends
- Individual characteristics: quality and ageing
- Transport of refrigerated perishables in containers

Rotterdam - From Landlord to Main Port Manager

- A port as a player in the global market of shipping and logistics
- Quality as a selling point
- Hinterland strategy and geopolitical trends

US Customs and Border Protection – Focus on Security

- Customs -Trade Partnership Against Terrorism (CTPAT)
- Customs and border protection – Customs Security Initiative (CSI)
- Customs and border protection against advanced manifest transmission requirements (24 Hours Rule)

Session 4:

Latest Trends in Logistics Operations and Intermodalism – Responding to Market Needs

International Airfreight – Transportation Services Being Offered by the Airline Industry to Meet Market Requirements

- The international airfreight market over the years
- Major players and alliances
- Service packages – Tailored to customers' requirements

Integrated logistics? – The Challenges of Integrating and Outsourcing the Supply Chain

- Integrated logistics networks? – Why customers demand ever-reducing lead times and what is driving this need to change?
- China has become the manufacturing engine of the world and, at the same time, it has embraced the challenge of integrated logistics. Latest trends and challenges in providing integrated logistics solutions with China
- The changing role of 3PL's within Asia as it becomes the cornerstone of today's leading MNC supply chain

An Integrated and Efficient Logistics /Transportation Sector

- The new reform battleground five years on from the waterfront dispute
- Strengthening the links between ports and the total logistics chain
- What are the impediments?
- How can they be addressed?
- What role for the Australian Logistics Council?

Session 5:

Information Technology – Thriving Force Behind Today's Businesses

Control Systems and Automation – Pushing the Limits of Container Handling Efficiency

- Until recently, computer systems have supported change rather than driving it
- Now container terminals are dependent on Real Time Control Systems
- Container handling automation is the present day next revolution
- Access to information is vital to manage cargo flows

Enhancing Port Competitiveness by Integrated Port Logistics Information Management Systems

- Various solutions in upgrading terminal productivity and efficiency
- Leading information use having IT benefit – Information is money
- Future IT system upgrade planning

Energy Supply on Cranes With Carrier Systems: Latest Technology and Innovation

- Standard carrier solutions – crane applications – examples, experience and technical background
- Low pushing and pulling forces – the key for a successful operation of carrier systems
- New carrier solutions – short travel up to very long travel, low and high speed, low noise and long life

Beyond Visibility - Electronic Fulfilment Systems are the Only Means of Achieving and Sustaining Supply Chain Improvements

- RFID and managing shipment timelines for improved control
- Managing static and mobile networked inventories to reduce the total pipeline investment.

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China Ports & Terminals Summit 2003

November 27 –28, Shanghai, China

Day 1

Panel 1: Restructuring & Opening Up of China's Ports & Terminals Market

Panel 2: Strategic Planning of Major Players in China

Day 2

Panel 3: Investing in China Ports & Terminals Market and Project Financing

Panel 4: Effective Solutions for China's Ports & Terminals Market

Key issues:

- Restructuring & opening up of China's ports & terminals market
- Implementing international standards in China's ports industry
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- Outline of financing options for developing ports
- Differentiating port services through branding strategies to increase market ability
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TOC 2003 Americas

December 2-4, Panama City, Panama

Day 1

- **Keynote Address**
Serving the Americas in the Coming Decade
- **Plenary Session**
Business Challenges & Strategies Terminal Operators in the Americas
- **General Session 1**
Hemispheric Logistics Trends & the Impact on Carriers & Terminals
- **General Session 2**
Carrier Demands - The Drivers of Terminal Service & Productivity
- **General Session 3**
Flexible Supply Chains, Flexible Terminals? Redefining the Role of Ports and Terminals within Shippers' Supply Chains

Day 2

- **Briefing**
Compelling Issues to be Considered for a Possible Panama Canal Expansion: Are the Canal and the Industry Ready?
- **General Session 4**
Americas Trade Dynamics, Part 1 - All-Water Service versus West Coast Landbridge
- **General Session 5**
Americas Trade Dynamics, Part 2 - Transshipment versus Direct Call Strategies
- **Business Session 6-A**
Developing & Investing in Latin America - Country Briefings & Project Case Studies
- **Operations Session 6-B**
Part 1 - Rethinking Business Processes & Information Flows within the Terminal & with Users
Part 2 - Technology through the Business Case Looking Glass
- **Terminal Site Visit**

Day 3

- **Breakfast Briefing**
Port Security and the Impact on the Supply Chain
- **General Session 7**
Balancing Labor, Equipment and IT to Optimize Productivity
- **Briefing & Discussion**
The Automated Terminal: Will it have a Role in the Americas?
- **Rail Tour & Terminal Site Visit**

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New Publications



IMO:

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THIS Manual provides a practical guide for anyone who is concerned with drafting radio navigational warnings or with the issuance of meteorological forecasts and warnings for the high seas under the GMDSS, as well as for the mariners who are expected to use the information they receive in such warnings and forecasts. It is assumed throughout that the navigational warnings are being issued under the auspices of the IHO/IMO World-Wide Navigational Warning Service (WWNWS) and that the meteorological forecasts and warnings are being issued under the patronage of the WMO, and in accordance with the requirements of IMO resolution A.706(17), as amended. The WWNWS includes two major international radio warning services as components, namely, NAVAREA warnings and coastal warnings.

It is particularly intended to provide the best form of words for use in all types of navigational warnings and meteorological forecasts and warnings in the English language. Note has been taken of the IMO Standard Marine Communication Phrases, where appropriate.

The Manual cannot provide specimen texts for every type of event which may occur. However, the principles that are illustrated may be applied in general to drafting messages for every kind of navigational warning and covering all types of hazards, and for the issuance of meteorological forecasts and warnings for the high seas.

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THIS latest report on global container terminal operators from Drewry provides an in-depth review of the world's leading terminal operators as well as an analysis of the

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- Steam and coking coal demand
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- Minor bulk demand

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Cover of the Month

Jawaharlal Nehru Port



JAWAHARLAL Nehru Port, commissioned in May 1989, is India's Most Modern port. The Port was initially planned to be a "Satellite Port" to Mumbai, mainly with a view to decongesting traffic at Mumbai Port, but has actually become the country's largest container handling port. The port currently handles about 55-60% of the country's containerized cargo. The port has one of the most modern cargo handling facilities among the major Indian ports, besides having a huge backup area for cargo handling and future development of various facilities. Due to the port's commitment to offer seamless service to its customers, the major shipping lines of the world do business at JN Port. Thus today, in such a short span, JNPT is ranked 28th among the top world-class container ports.

Jawaharlal Nehru Port is well connected by Rail & Road to its hinterlands by direct linkages all over the country. The primary mode of container cargo movement is via road which accounts for about 70% of the total movement. The port is also well connected to rail through both western & central railways. About 30% of the total containerized cargo moves via Rail on CONCOR to the various inland container depots spread all over the country. The port also handles the containerized movement of cargo through coastal transshipments from Kandla Port and Mumbai ports.

JNPT has taken a number of initiatives in implementing government policies for the participation of the private sector in the ports. The Nhava-Sheva International Container Terminal (NSICT) promoted by P&O Ports is the first private and most

modern container terminal of India developed at a cost of \$270 million. This terminal located within Jawaharlal Nehru Port has a continuous quay length of 600 meters alongside 680 meters of JN Port's container terminal (JNP CT). This Private terminal operator was awarded the licence for 30 years in July 1997 to construct, operate, manage and maintain a 600-meter container terminal on a Build, Operate and Transfer basis. With the capacity to handle 12 million TEUs of containerized cargo, it has been operational since the year 2000.

In order to meet continuous growing demand of the business community and trade partners to have additional facilities for handling the growing market of container traffic, the port is developing its third container terminal by converting the Bulk Terminal into a Container Terminal on a BOT basis by the year 2005-06. The capacity addition by this project would be 15 million tons per annum with an investment of Rs. 900 Crores. Simultaneously, the plans for the development of 4th container terminal are also in the pipeline for the terminal to be ready by 2008-09.

To meet demands for handling general cargo and liquid bulk cargo, the available service berth was converted into two multipurpose berths in the year 1995-96. This has resulted in augmenting port capacity by 3 million tons. After commencement of handling liquid bulk cargo, the port has witnessed continuous growth; to meet this growth in liquid cargo, the port granted a license in 1999-2000 to construct a liquid cargo jetty with 300 meters quay length, twin berths on a BOT basis for a period of 30 years to the consortium

formed by BPCL and IOL. The new liquid cargo jetty with twin berths commenced its operation in March 2002 with design capacity of 5.5 million tons per year.

The transshipment activity at JN Port is steadily gearing up. The Govt. of India is planning to develop JN Port on the West Coast and Chennai on the East Coast as major hub ports for handling transshipment cargo of neighboring countries. To facilitate handling of transshipment containers received from feeder vessels and to handle general cargo, JNPT constructed two shallow draught berths of 445 meters length, which commenced in September 2002, designed to handle 1.2 million tons of cargo in a year.

Indian ports particularly, after liberalization of the economy in the early 90's were handling more traffic than their capacity. During the year 2001-02, all major ports in India handled total cargo of 288 million tons which include 37 million tons of containerized cargo.

JN Port handled 26.84 million tons of total cargo during the year 2002-03 which includes 22.86 million tons of containerized cargo. Thus, JN Port alone handles about 55% of the country's total containerized cargo. The traffic projection for the year 2006-07 is 415 million tons for all major ports in India and for JNPT, the projected traffic is 36 million tons.

The Port has a state-of-the-art vessel traffic management system (VTMS) for the safety of the cargo and vessels. The port has also provided a container tracking service to its customers. To keep pace with technological developments in ports, JNPT is in the process of implementing and commissioning Electronic Data Interchange (EDI) with a view to increasing efficiency, reducing paperwork and removing procedural bottlenecks.

To bridge the gap between port capacity and projected traffic, achieve efficiency and economy in port operations, the Govt. of India has already taken various policy decisions including announcement of guidelines for private sector participation, joint ventures and foreign collaborations in the major ports and JNPT in particular as follows:

Dredging project for the deepening of the approach channel: JN port shares the common channel with Mumbai which is presently maintained up to a depth of 10.7 meters to 11 meters below chart datum. JN port approach channel which is an extension of Mumbai harbor channel also

has a draught of 11 meters. The port is now considering deepening of the draft of the approach channel to 14 meters to enable larger vessels to call on the port and hence has drawn up a development plan for undertaking capital dredging at an estimated cost of Rs. 700 Crores. The contract is proposed to be awarded by March 2004 with the work to be completed within 27 months of awarding.

Augmentation of equipment is also on the anvil along with the increase in the number of railway lines to double and the expansion of roads by widening them from two lanes to four lanes. The project is expected to be completed by mid-2005. The port is also committed to implement-

ing the ISPS code.

To provide backup and improve support activities connected with port operations, the State Government has identified India's largest Special Economic Zone (SEZ) near the port mainly to promote foreign investment in a comprehensive range of economic activities from manufacturing to trading and financial services in an unfettered business environment. The SEZ Scheme seeks to create simple and transparent systems and procedures for enhancing productivity by way of offering special facilities, which include corporate tax holiday, no license for import and export, duty free import, etc.



Charleston: Volume Reaches All-Time Record High



IN 333 years, the port of Charleston has never been busier. Container volume through Charleston increased 11% to more than 1.68 million TEUs in the port's most recent fiscal year (ended June 30), marking a new all-time record. Charleston's sister port in Georgetown handled 1.5 million tons of bulk and breakbulk cargo, on par with the previous year. Port Royal tonnage declined 30% to 130,000 tons.

Imports from Asia accounted for a large portion of Charleston's growth, with total loaded imports increasing 15% to 723,000 TEUs and loaded exports rising just slightly. Operating revenues topped \$110.2 million, also an all-time high and an increase of 10% from the previous accounting period. Meanwhile, direct operating expense was held in check, rising less than 3%.

"Last year was our strongest accounting period on record using just about every measure," said Mr. Bernard S. Groseclose Jr., President and Chief Executive Officer of the South Carolina State Ports Authority. "But it's important that we keep the heat on our capital projects while continuing to control costs."

To improve utilization of existing terminals, the Ports Authority is moving forward with a two-year, \$128-million capital improvement plan that will allow the port to handle increasing cargo volume while maintaining productivity. All the work will be funded through internal sources, not tax dollars. In addition, the Charleston Harbor Deepening & Widening Project to -45 feet at low water is nearing its February 2004 completion date.

Improving security while maintaining the smooth flow of cargo also remains a priority. Charleston was awarded nearly \$4 million in federal grants in the first two rounds of funding through the Transportation Security Administration, and the port recently committed to the Customs-Trade Partnership Against Terrorism, or C-TPAT.

Several new business accounts highlighted the year:

- Two carriers began new all-water services between Charleston and Asia through the Panama Canal. Maersk

The Americas

Transport Canada: Signs Memorandum of Cooperation on Shortsea Shipping

ON July 21, Transport Minister David Collette announced that Transport Canada and the U.S. Department of Transportation have signed a Memorandum of Cooperation on shortsea shipping, following a commitment made by Minister Collette and U.S. Secretary of Transportation Norman Y. Mineta last month. The two departments will share information and experience, with a goal of enhancing the use of marine transportation.

"The signing of this agreement demonstrates the close ties and excellent working relationship between the two departments," said Minister Collette. "This is also a good example of Transport Canada's commitment to working with foreign partners and stakeholders to enhance marine transportation as a safe, efficient and reliable component of our transportation system."

Shortsea shipping refers to the movement of cargo and passengers by water over short distances along coastlines, to and from nearby islands, or within lakes and river systems. Encouraging shortsea shipping will help ease freight transportation congestion and improve air quality.

Secretary Mineta acknowledged the need for the agreement and said, "Canada is America's largest trading partner and freight traffic between our countries is expected to increase dramatically over the next 20 years. New options for reducing border freight con-

gestion are critical, therefore, to both the Canadian and U.S. economies."

The memorandum will facilitate increased transportation productivity and energy efficiency by applying advanced ideas and concepts to shortsea shipping. The memorandum calls upon the transportation departments of the two countries to:

- collaborate and cooperate with each other in sharing knowledge and information on shortsea shipping technology in all appropriate situations;
- support research and development efforts of mutual benefit through the exchange of information and experience;
- keep each other informed of policy decisions, directives, and changes that may affect them whenever possible; and
- aid in each other's efforts to promote shortsea shipping when opportunities arise.

In Transport Canada's recently released vision for transportation in Canada, the department committed to explore opportunities to promote shortsea shipping. This would help alleviate roadway congestion, facilitate trade, improve use of waterway capacity, promote modal integration, and cut greenhouse gas emissions.

Sealand added Charleston to its TP7 service, while the Grand Alliance started their new ECX2.

- Major contracts were renegotiated or extended with several of the port's key ocean carrier customers, including Atlanticargo, Farrell, CP Ships and the Grand Alliance.
- BMW shipments of finished vehicles and parts continued to increase at a double-digit pace. The automaker's South Carolina plant produces the world's supply of BMW X5s and Z4s.
- An agreement with American Port Services secured thousands of inbound Asian containers for a major retailer.
- The Port worked closely with the Military Traffic Management Command's 841st Transportation Battalion to load several ships for Operation Enduring Freedom.

Operationally, the port continued to provide world-class productivity while improving safety:

Reducing Turn Times – Charleston's new real-time inventory tracking system, Yard

Management System (YMS), proved its worth. Since December, turn times, or how long it takes a trucker to deliver or receive equipment, have been slashed 21% to just over 24 minutes at the North Charleston Terminal. This improved productivity came in the face of 28% volume growth. Preparations are underway to deploy YMS at the Port's largest container facility, the Wando Welch Terminal.

Vessel Production – Charleston's crane productivity also remained among the highest in the world, with a year-long average of 37.5 moves per crane per hour – 913,050 total lifts during the year on 24,335 total crane production hours. This figure is expected to increase with the delivery of two new container cranes in the second quarter of FY04.

Improving Safety – In three years, a renewed safety initiative reduced the number of recordable injuries 29% and decreased lost work days by 83%. The incident rate, which measures how the port compares to others in the industry, has declined nearly 25% since 2000.

zone around the facility will include a landscaped sight and sound berm that will be 20 feet tall. The buffer zone also includes part of an extensive stormwater collection system that will protect Galveston Bay. Lighting systems designed to use black light poles and specially designed fixtures will limit nighttime impacts.

The PHA's Bayport plan also involves jurisdictional wetland replacement at a ratio of more than three to one to increase the habitats available for fish, waterfowl and other coastal wildlife. Furthermore, the beneficial use of dredged material will create an additional 200 acres of intertidal marsh.

"The Port Authority has drawn on expertise developed in other ports around the world to make the proposed Bayport facility environmentally sound," Edmonds said. "We will continue to review our development plans as new environmental technologies and techniques evolve."

The PHA is committed to meeting ISO 14001 standards upon the completion and opening of the Bayport facility. The PHA last year became the first U.S. port to achieve compliance with ISO 14001 standards through its environmental management system at the Barbours Cut Terminal and the Central Maintenance Facility.



Houston: Responds to Latest Public Comment Period for Bayport

THE port of Houston Authority (PHA) respectfully welcomed the decision by the U.S. Army Corps of Engineers on August 12 to issue a new Public Notice with a 30-day public comment period on PHA's proposed Bayport Container and Cruise Terminal. This new comment period is required by the Corps to allow the public to remark on two new components of PHA's mitigation plan. These new features would compensate for the habitat and other ecological values that are perceived to exist on the property.

The PHA has developed plans to preserve two areas of habitat, 456 acres on the lower San Jacinto River and 500 acres on the Katy Prairie, in response to the comments of resource agencies and citizens. The PHA believes that this additional preservation of valuable habitat completes a package that more than compensates for the impacts from the proposed terminal facilities.

The Corps will consider public comments as it finalizes its Record of Decision (ROD), which is expected in September. The ROD will authorize one of three

actions related to a construction permit for Bayport: 1) issuance of the permit, 2) issuance of the permit with modifications or conditions, or 3) denial of the permit. The Corps' permit decision is expected to be announced in September.

"We support the Corps' desire to work through all of the outstanding issues," said Mr. Jim Edmonds, Chairman, PHA Commission. "Our commitment to additional environmental mitigation is yet another example of the port striving to exceed environmental standards and be responsive to our community stakeholders."

The Corps released its Final Environmental Impact Statement (FEIS) on the proposed Bayport project in May. The FEIS evaluates issues related to the PHA's planned facility, including potential impacts on air quality, water quality, noise, security, traffic and other environmental and social factors. The document reflects consideration of all public comments that were submitted following the November 2001 release of the Corps' draft environmental impact statement (DEIS). The appendix to the FEIS includes all comments submitted on the DEIS and the Corps' response to those comments.

The PHA's design for the Bayport facility includes several mitigation measures to compensate for environmental impacts. For example, the use of clean fuel and clean engine technology will help reduce air emissions. A three-mile-long buffer



Long Beach: Hanjin, TTI and MTC donate \$100,000



ON the one-year anniversary of the opening of Hanjin Shipping Co.'s new Port of Long Beach container terminal, Hanjin and its terminal operators, Marine Terminals Corp. and Total Terminal International LLC, have announced that they are donating a combined \$100,000 to five local charities and community services groups.

Hanjin Shipping of Korea opened the first phase of its 375-acre Pier T container terminal in August 2002. At the time, the Terminal Island facility was the

largest exclusive-use container facility in the United States. Foregoing a party to commemorate the opening, and mindful of the current crisis in public support for community services, Hanjin and its terminal operator, Total Terminals (a partnership of Hanjin and Marine Terminals), chose to take the money set aside for festivities and make a major donation to community groups.

"We've always tried to be a good corporate citizen," said Mr. Ole Sweedlund, Hanjin's Deputy Managing Director, at a presentation ceremony Aug. 21. "We've had a lot of success here, and we thought we should pay back the community for its support."

"We congratulate Hanjin, TTI and MTC for these very, very generous and unprecedented donations," said port Executive Director Richard Steinke.

After consulting with the Long Beach Board of Harbor Commissioners, whose members are very active among local community groups, the top management of Hanjin, Marine Terminals and Total Terminals chose to divide \$100,000 equally.

They presented \$20,000 each to the American Red Cross, Greater Long Beach Chapter; Atlantic Community Economic Development Corp.; the Orange County Chapter of Juvenile Diabetes Research Foundation; Long Beach Symphony; and the Long Beach Area Council of the Boy Scouts of America.

Former Harbor Commissioner Roy Hearrean recommended the Red Cross, Commissioner Doris Topsy-Elvord the Atlantic economic group, former Commissioner Carmen Perez the diabetes foundation, Commissioner John Hancock the symphony and Commissioner John Calhoun the Boy Scouts.

The Red Cross provides disaster relief; the Atlantic Community group offers job training in Long Beach; the Juvenile Diabetes foundation provides information about juvenile diabetes; the Symphony offers performances and musical educational programs; and the Boy Scouts helps young people to develop leadership, citizenship and fitness skills.

employment is ships' pilots for large cargo vessels.

- businesses at the Port are significant employers in the Nanaimo region. By comparison the Nanaimo School District has approximately 2,100 employees and Nanaimo Hospital has approximately 1,600 employees.

Business activity at the port of Nanaimo includes marine cargo, port-related forestry and manufacturing activity, cruise ships, tourism-related, government services, and ferry transportation.

Total cargo volume in 2002 was approximately 2 million MT with export cargo representing approximately 30% of the total. Seaplane traffic represented approximately 80,000 passengers in 2002 and volumes from January through May of this year indicate the potential for a record year.

Growth in passenger traffic through the port will continue to increase with the start up of the new HarbourLynx passenger only fast ferry service running between downtown Nanaimo and Vancouver. Passenger increases are also expected in the cruise industry, an area where the port is actively promoting Nanaimo as a major cruise destination. Twelve visits from pocket cruise vessels are expected this year and in late June Nanaimo hosted a visit from the 640 ft. World of ResidenSea.

A key to the future success of the port will be found through both better utilization of existing facilities and diversification of the economic base into non-traditional economic and tourism-related businesses.



Nanaimo: Study proves Economic Impact of Port



PORT of Nanaimo businesses generate 3,700 direct jobs according to a study contracted by the Nanaimo Port Authority. When multiplier effects are included, total jobs created by port activity increase to in excess of 10,000 making the Port one of the major job generators on Central Vancouver Island. The study was conducted by Vancouver-based InterVistas Consulting, specialists in economic impact studies who have completed similar projects for the Vancouver Port Authority, the Fraser River Port Authority and the Vancouver

International Airport.

Their findings showed that the Port directly generates over \$160 million in gross domestic product and over \$410 million in economic output. If multiplier effects are included, the total national impacts generated are \$500 million GDP and \$1.1 billion in economic output.

"The study shows that the port generates jobs, taxes and economic activity for Nanaimo, Vancouver Island and B.C.," said NPA Chairman John Ruttan. "The port is an economic generator and a major community asset." In addition to the economic activity the report calculated that port businesses activity generated \$29 million in federal taxes, \$14 million in provincial taxes, and \$2 million in municipal taxes. "Every business at the port generates jobs," said NPA CEO Bill Mills. "These jobs result in money spent in the community and taxes for every level of government."

Other key results from the project included:

- the average annual compensation at the port pays \$40,571, nearly 20% higher than the provincial average wage.
- while the majority of the 3,700 port-related jobs are at the port, almost 1,000 off-site jobs are directly created by port activity. An example of this



Stockton: Department of Homeland Security Awards Grant

ALMOST half of the \$28.5 million in new federal grant money for California port security upgrades will go to the state's three biggest shipping centers: Long Beach, San Francisco and Oakland.

But the inland port of Stockton will get \$336,204.00 of the \$28.5 million grant proposal. Port Director Richard Aschieris said he was happy with what the port got though, because otherwise, the port would have to divert dollars from other areas that create family wage jobs. In comparison with security at other ports, Mr. Aschieris said, secu-

city already "stands very tall" at the Stockton port, which has its own police force, including canine patrols.

Mr. Aschieris said the port grant money likely would go for perimeter sensors, security camera equipment and fencing.



Vancouver: New mid-year record in containers, growth in forest products and potash



THE port of Vancouver broke a new mid-year record in shipments of containers, posting 14 consecutive years of growth in full foreign containers, according to statistics released today by the Vancouver Port Authority (VPA). The Port of Vancouver also posted solid gains in forest products and potash while many other bulk commodities and the Port's cruise sector experienced declines.

"The strong continued growth in containers speaks to the role that the port of Vancouver can continue to play in increasing jobs and building our economy in the future," said Captain Gordon Houston, President and Chief Executive Officer, Vancouver Port Authority. "With planned expansion at our container terminals, we have the ability to create thousands of new jobs and billions in new economic activity."

In the container sector, total container growth surged 16 percent to 752,819 Twenty-foot Equivalent Units (TEUs) shipped. Strong North American consumer demand for Asian-produced goods continued to fuel increases in imports. Total laden imports increased 21 percent to 346,749 TEUs. On the export side, total laden exports increased to 301,193 TEUs, a 3 percent gain.

For the first time in 21 years, the port of Vancouver's cruise sector experienced a decline. The number of revenue passengers decreased 19 percent over the same period last year with 328,853 revenue passengers. At mid-year, the number of sailings decreased to 111, down from 123 sailings over the same period

last year. Intense competition from the port of Seattle and the loss of frequent, regularly scheduled Pacific Northwest cruises accounted for the decline. The cruise industry injects \$508 million into the Canadian economy each year. Each sailing represents \$1.5 million in economic benefits.

"With the erosion of business in our cruise sector and expansion required in our container sector, it is crucial that changes are made to the Canada Marine Act in order for the port of Vancouver to remain competitive," said Capt. Houston. "At this moment, U.S. ports are making massive infrastructure investments that threaten our ability to compete both now and in the future."

Total shipments of forest products grew 3 percent to 3.8 million tons. Wood pulp shipments remained even with last year with 2.1 million tons shipped. Higher shipments of wood pulp to China offset lower shipments elsewhere. Lumber shipments increased 11 percent to 929,000 tons, due largely to higher export volumes in Japan, China and Taiwan.

Overall total tonnage at the port declined 6 percent to 31.6 million tons. Dry bulk shipments decreased 10 percent to 20.6 million tons. Coal, the port of Vancouver's largest single commodity, experienced a 4 percent decline with 11.7 million tons shipped. The global econom-

ic slowdown, tough international competition, and damaged shiploaders during the first half of the year at one of the port's coal terminals accounted for the decreases through the Port.

Total shipments of grain decreased 44 percent to 2.2 million tons due to both poor weather conditions and the grain workers lockout, which ended December 2002. Grain exports during the lockout were diverted through Prince Rupert and it took the first few months in 2003 for the Port of Vancouver to see scheduled shipments come back through Vancouver. Poor weather conditions in 2002 resulting in low crop yields accounted for the decline in volumes. Shipments of wheat declined 60 percent compared to the same period last year with 1.05 million tons shipped. Following are statistics for other bulk commodities:

- Canola decreased 5 percent to 980,000 tons
- Potash climbed 7 percent to 2.6 million tons
- Sulphur shipments increased 1 percent to 2.76 million tons
- Liquid bulk shipments decreased 2 percent with 3.2 million tons shipped
- Total chemical shipments decreased 13 percent to 1.2 million tons shipped
- Petroleum products increased 6 percent with 1.9 million tons shipped

Africa/Europe



ABP: Interim results for the six months ended June 30, 2003

Financial highlights

- UK ports and transport turnover up 7% to £172.0 million (2002: £161.2 million).
- UK ports and transport operating profit up 4% to £74.0 million (2002: £71.0 million), underlying UK ports and transport operating profit up 4% to £74.5 million (2002: £71.5 million).
- Pre-tax profit up 4% to £69.6 million (2002: £66.9 million), basic earnings per share up 5% to 15.5 pence (2002: 14.7 pence).
- Underlying pre-tax profit reduced by 1% to £66.6 million (2002: £67.6 million), underlying earnings per share reduced by 2% to 14.6 pence (2002:

14.9 pence) reflecting this year's phasing of property sales.

- Interim dividend up 4% to 6.75 pence (2002: 6.50 pence).
- Strong cash flow, underlying operating profit to operating cash flow conversion 97% (2002: 106%).

Operational highlights

Strategy implementation continues to produce growth in UK ports

- Growth in roll-on/roll-off trade, deep-sea container traffic, vehicle imports and exports, agribulk volumes, forest products and cruise-ship calls.
- Progress on major growth projects

on the Humber and at Dibden, Southampton.

- Cost-reduction programme substantially complete – will deliver cost savings of at least £3.0 million per annum.

Continuing pipeline of new business

- 10 new long-term contracts won in 2003.
- Over 60 new contracts won over the last three-and-a-half years.

ABP Group Chief Executive, Mr. Bo Lerenius commented on the results and prospects: "Given the uncertain economic climate, the performance of the group's UK ports business is particularly pleasing. Again, this demonstrates the benefit of focusing the business on long-term contracts with quality customers. This leads the group to believe that the new contracts which have been secured over the past three-and-a-half years will underpin continued growth for the group's UK ports business during the second half of the year."



Antwerp: Record semester with continued strong growth for containers

DURING the first six months of this year the traffic of maritime goods amounted to 70,575,000 tons. During the same period of 2002, 64,073,000 tons were handled.

The figures for the first semester of this year also represent a new absolute record, with a growth factor of 10.1% as compared to the first half of 2002.

Container traffic in general cargo once again experienced a strong increase of 15.5% as compared to the first six months of 2002. During the first half of 2003, 30,197,481 tons of containerised goods were handled. Expressed in units container handling grew by 14.0% to 2,667,796 TEU. During the month of April the growth even reached more than 22%.

On the other hand, as compared to 2002, conventional general cargo registered a drop of 2.8% to 7,124,235 tons. This evolution is alarming considering the labor intensive character of this traffic. The reduced inbound traffic of paper and cellulose (-17%) is responsible for this decline. After many years of constant decline the export of steel has once again shown a growth of 10.6 %. The structural decline of the West-European demand lies, as with the

previous year, at the basis of a reduced import.

Improved harvests and an increase in market share as the result of new contracts are responsible for a 7.9% growth in the transshipment of fruit.

The ro/ro traffic increased by 2.2%. The number of cars on the other hand rose by 1.9% as compared with the first six months of 2002. The increase in market share of new cars from Japan and Korea is reflected by the growth of the inbound traffic. The ending of the trade boycott with Iraq will open new opportunities for increased export of used-vehicles as from the second half of 2003.

Additionally, the handling of bulk goods also increased by 9.3%, registering a total volume of 30,338,000 tons.

The strong growth is noticeable in the liquid bulk goods (+14.5%). The traffic of crude oil increased by 34.6%, as also the petroleum derivatives by

9.3%. This striking increase is the result of the reopening of two refineries after a temporary shutdown during the same period last year, as also the increased attractiveness of the port of Antwerp as a chemical distribution junction.

With dry bulk goods (+3.2%) the handling of ores rose (+11.1%), whereas the traffic in coal dropped lightly. The increased inbound traffic of iron ore is the result of the increased demand in the Walloon part of Belgium, whereas the traffic of coal remains cyclic and fluctuates according to the climatic conditions.

During the first six months a total of 7,810 sea-going vessels called at the port of Antwerp, representing an increase of 0.2%. The total gross tonnage amounts to 111,937,271 GT. This signifies an increase of the average gross tonnage from 13,859 GT to 14,333 GT.



Cape Town: Big player in ship repair industry



THE port of Cape Town is poised to expand the port's ship repair facilities to meet current and future demand for ship repair work. The port is inviting proposals for the construction of a multi-million rand ship repair facility at the Elliot Basin in the Ben Schoeman Dock within the port.

The National Ports Authority (NPA) will award a concession for the development and operation of the facility to a private consortium, at the conclusion of the tender process.

Mr Billy Cilliers, Planning Manager of the port of Cape Town, said present facilities, namely the Syncrolift, Robinson Dry Dock and Sturrock Dry Dock, regularly have to turn vessels away. Bookings are being made as far as eight months in advance. He said the port needed additional capacity to

service the smaller vessel market and the construction of a new ship repair facility was the best solution.

The alternatives of expanding existing facilities or building the required four floating docks were not viable, as there was inadequate space for development within the respective facility areas. Commercial development and business at the Victoria and Alfred Waterfront also provide an environment of often conflicting operations at the Robinson Dry Dock and Syncrolift facility, both of which accommodate smaller vessels.

The port's under-capacity in facilities servicing smaller vessels has prompted the ineffective use of the larger Sturrock Dry Dock, as it accommodates the overflow of smaller vessels, while the dock is intended for the more lucrative, larger vessel shiprepair market.

Mr Sanjay Govan, Port Manager of the port of Cape Town said, "The incorrect use of facilities has resulted in a loss of revenue for NPA and the local economy, as the more lucrative, larger vessel market can not be serviced adequately."

The development could take place over 18 months, which excludes the NPA and Transnet procurement and administration processes.

"The new ship repair facility would increase the port of Cape Town's competitiveness in the port system by attracting private investment to the port, and the new ship repair will facili-

tate economic growth, since increased ship repair capacity will allow a bigger market to be serviced. The development will ensure that existing and potential market demands are met with the correct infrastructure," Mr. Govan said.

The Port of Cape Town provides ship repair infrastructure that is predominantly used by off-shore vessels, research vessels and local and foreign fishing vessel fleets.



Copenhagen: Straw pills new commodity in Copenhagen



ON September 4, there was first call of a new import commodity. Amagerværket (an electricity and district heating power plant) has adjusted one of their three boilers. In the future Amagerværket is going to use a larger proportion of biomass fuel. The coal depot has partly been moved into two facilities where the new product can be handled and stored properly. Amagerværket has invested a large amount in the change, which in the future will reduce the annual derivation of CO₂ with 185.250 and SO₂ with 210 tons.

First call with biomass fuel was onboard "Sandra" which arrived previous evening carrying 2,600 tons of straw pills. "Sandra" departed less than 24 hours later.

The new facility for biomass fuel has a total storage capacity of 31,500 tons and the boiler will consume 63 tons an hour. Every year Amagerværket expects to use 130,000 tons of straw pills. Maiden call for this commodity arrived from the newly established factory at Junkers industries.

The remaining two boilers will still consume coal for the production of electricity and district heating. Shipping from Amagerværket includes plaster. This commodity is a by-product from the Amagerværket's smoke purifying plant. Annually Amagerværket produces and ships approx. 13,000 tons of plaster. Plaster

is used in the production of plasterboards.

Amagerværket has two 53-m high bulk cranes giving the possibility of unloading vessels up to 33 m above quay level. Each crane has a capacity of 500 tons of coal/hour. The crane capacity, for handling biomass fuel, is expected to be 450 tons/hour.

Water depth next to Amagerværket is 12 metres, so even large bulk carriers can be accommodated.

Sandra is a bulk carrier 2,282 GT, length 83.45 meters, width 13.40 meters and draft 6.10.



Cork: 14 million-euro cruise spin-off



From left to right: Seán Geary, Deputy Chief Executive, Port of Cork Company; Captain Papanikolaou, master GTS Constellation; Dr. Richard Moloney, University College Cork; Micheal McCormack, President, Cobh & Harbour Chamber of Commerce.

IN 2002 the port Of Cork's cruise traffic boosted the economy of the South West of Ireland to the tune of 13.77 million euros and in the process accounted for 126 full-time equivalent jobs. These were the principal findings of a major report commissioned by the port Of Cork Co. and undertaken by Dr. Richard Moloney of University College Cork under the title "A Study of the Economic Impact of the port Of Cork's Cruise Traffic." The results of the study were announced by Mr. Dermot O'Mahoney, Chairman, port Of Cork Co., at a reception on board the cruise ship *Constellation* at the Ringaskiddy Ferry Terminal before a representative gathering of public dignitaries and port customers.

The study indicates clearly the extent to which expenditure attributable to the cruise sector makes a vital contribution to the local economy. This contribution is linked throughout the region through purchases of goods and services, payment of income to employees and the maintenance and creation of jobs. On the basis of these results, the benefits for the region are substantially greater than the cost of upgrad-

ing facilities at the Cobh Cruise Terminal to accommodate vessels such as the *Constellation*. Mr. O'Mahoney said that one of the major challenges facing the Port is finding the means of funding a multi-million-euro investment which will do much to enhance the cruise experience of passengers visiting our Port and will encourage them to return and spend additional time with us in the future.

The mega cruise ship *Constellation* - owned by Miami-based Celebrity Cruises and part of Royal Caribbean International, the second largest cruise company in the world - arrived at the port Of Cork from Le Havre. Larger in tonnage than the *QE2* (91,000 gross tonnage compared with 70,000 gross tonnage), in maximum passenger capacity (2450 passengers compared with 1791 passengers) and at 965 feet in overall length is two feet longer, this French built ultra modern vessel is on her second call to the port Of Cork, having last June on her maiden season. Alone among Irish ports, the *Constellation* can berth alongside at any stage of the tide and she will make a third call to the port in 2004.

Tourist attractions and the hospitality sector of the Greater Cork Area will receive a major financial boost this week as, in addition to the *Constellation*, there will be three further cruise ships calling to the Port, all of them berthing at the Cobh Cruise Terminal. With a combined total capacity of 7600 passengers and 2900 crew, this will be the busiest week of the 2003 cruise season. On July 23, the German-owned *Deutschland* will arrive at 0800 hrs with 600 mostly German passengers and 240 crew members and will depart at 1900 hrs. On July 24, Holland America Line's (part of the Carnival Corporation - the largest cruise company in the world) *Magnificent Rotterdam* will berth at 0700 hrs with up to 1700 passengers and will sail at 1700 hrs. Finally on Saturday Hapag Lloyd's beautiful new five star vessel *Europa* will berth at 0900 hrs with 400 passengers and 245 crew.

During the week the main beneficiaries of the visiting cruise passengers will be the major local attractions such as Cork City, Blarney Castle and Woollen Mills, the Lakes of Killarney and Muckross House, the picturesque towns of Cobh and Kinsale, the Jameson Heritage Centre at Midleton, the Cobh Heritage Centre and the Waterford Crystal plant.

In 2002 the port Of Cork played host to 26 cruise ships and 19,800 cruise passengers while 2003 is a record year with 33 cruise ships offering capacity for 31,000 passengers. The latter figures are certain to boost still further the impressive economic contribution of the 2002 cruise season.



Hamburg: 14.9 percent increase in container handling

WITH a 7.2 percent increase in overall turnover Hamburg is also positioning itself in front of other Northern European all-purpose ports. In the first six months of 2003 they achieved an average handling increase of 5.8 percent.

In the first six months a total volume of 51.3 million tons of seaborne cargo was loaded and unloaded at the Port of Hamburg's cargo handling terminal. This represented an increase of 7.2 percent compared to the same period last year. Whilst bulk cargo handling only increased by a negligible 0.7 percent, the 11.5 percent increase in general cargo turnover brought a volume gain of 3.3 million tons.

In the first half of 2003 a record 2.9 million TEU's (20-feet equivalent unit) were handled at the Hamburg Container Terminal. This represented an increase of 14.9 percent compared to the same period last year. This means that, for the fifth year in succession Hamburg can show a double-figure increase in container turnover. The increase in container handling since 2000 was clearly over the average growth rate for the ports in Northern Europe (Bremen/Bremerhaven, Rotterdam and Antwerp). This allowed Hamburg to increase its market share.

The 23.4 percent increase in Far East container traffic decreased briefly to 19.6 percent during the second quarter due to the effects of the SARS epidemic. Overall container traffic in this area – a particularly important one for Hamburg – increased by a clear 21.4 percent in the first half of the year. Hamburg's position as the port with the largest quantity of traffic to and from China remains unchanged. One new development is the fact that Hamburg is now becoming the most important seaport for all the "Far East shipping" area in northern Europe.

In the South Asian and Southwest Asian shipping areas increases of between five and 10 percent were also recorded. Container traffic with the Indian Subcontinent in particular increased by a clear 11.3 percent. New and revamped scheduled services will bring further growth in the second half of the year.

After the slight decreases in business on the North American East Coast and Canadian trading routes were recorded in the first quarter of 2003, more cargo was handled in the second quarter than in the

same period last year. In the first half of 2003 Hamburg's North American container turnover increased by 0.8 percent.

The first half of 2003 brought an increase in container traffic with the east and west coasts of South America of 12.5 percent and 13.3 percent respectively. Because of the crisis in Argentina exports to South America remained lower than imports from that region. Imports increased strongly following the devaluation of the Brazilian Real and the Argentinian Peso. New scheduled services from Hamburg had already been established by mid-2002.

Together with new scheduled overseas container services, countless new feeder services were also started from Hamburg to the Baltic Sea region in the first half year. The Combisped Container Terminal in Lübeck (CTL) also commenced operations during the same period. Hamburg's position as the most important hub and assembly point for Baltic freight was further upgraded and it also increased its decades-old cutting edge in Scandinavian traffic. In the first six months of 2003 container traffic with Scandinavia achieved an increase of 15.2 percent. Container traffic via Hamburg with the rest of the Baltic Sea region (Finland, Russia, the Baltic States and Poland) even achieved an increase of 27.1 percent. The export boom to Eastern Europe recorded last year is continuing this year as well. Seawards trade to and from Eastern Europe provided the highest growth in all shipping areas with increases of 27.1 percent in the first half of the year.

A significant portion of the increase is due to the continued rise in traffic with the Russian Federation. The Russian Federation now occupies sixth place on the list of "Hamburg's Ten Most Important Trading Partners." In the first half of the year some 125,000 TEU's were processed in both directions (+ 19.1 percent).

Conventional Cargo Handling Decreases

The relocation of the departure point for the ferry to England from Hamburg to Cuxhaven at the beginning of 2002, the closing of the Cellpap Forest Products Terminal at the end of 2002 and the dissolution of the Harms Car Feeder Service in 2003 may be the reasons for the drop in conventional cargo traffic, which decreased by 16.1 percent in the first six months of the year. Some other causes of the drop in handling quantities in this area were the poor sugar beet harvest which led to low sugar production, the civil war in West Africa and the effects of the war in Iraq.

Still important imported goods include tropical fruit, non-ferrous metals, paper and cellulose. Significant product groups in shipments of conventional freight included

iron and steel products, project cargo and motor vehicles. Besides a new scheduled service which has been carrying bananas from South America to Hamburg since the beginning of the year, the Pearl String Service of the Rickmers Line was started in April. More new services were started in July and August.

Hamburg's bulk cargo traffic set to increase

In the area of bulk cargo a total of 19.3 million tons of freight was handled in the first half of 2003 at the special terminals for grab goods, suction goods and liquid cargo. This corresponds to an increase of 0.7 percent. Handling of grab goods increased by 1.2 percent and achieved a total volume of 10.3 million tons. Significant products in this area are imported coal and ore.

The handling of liquid cargo grew compared to the same period last year and showed an increase in handling volume of 5.7 million tons, which corresponds to an increase of 0.6 percent. Imports of mineral oil products in particular increased during the last four months and with a volume of 642,000 tons showed the highest level since March 1999. The 3.3 million tons of suction goods handled was just one percent under the result for last year.



Riga: Cargo transportation via container train between Riga and Moscow

THE State Sh/C "Latvijas Dzelceļi" (Latvian Railway) from the beginning of October is planning to start container carriages via special container train in route Riga – Moscow – Riga.

According to proposition of stevedoring companies and with support of Moscow colleagues a special train carrying containers will be organized. The train will operate once a week in compliance with the schedule. The new service will ensure container carriage from the Freeport of Riga to the Riga railway station in Moscow quickly, safely and on time.

The train will not be delayed on the borders and according to the calculations the costs planned will be able to compete with road transport.

The train will be formed from 37 platforms, with three universal 20 – 24-ton containers to be placed on each of the platforms.

Asia/Oceania



Auckland: Strong Financial Performance continues for 2002 - 03



PORTS of Auckland has delivered another solid result for the year to June 30, 2003. "It is pleasing to report that the Company continues to perform strongly," said Chairman Neville Darrow, announcing the full year results. The surplus after tax, including unusual items, rose 2% to \$47.6 million. Earnings per share were 44.9 cents, an increase of 24% over last year.

The 2003 year-end result includes an additional interest cost of \$8.6 million associated with the return of capital to shareholders in May 2002. Accordingly, the most appropriate indicator of performance is earnings before interest and tax (EBIT). Group EBIT rose 9% to \$76.3 million and EBIT for Port Operations, which covers cargo-handling and marine activities, rose 7% to \$64.4 million. EBIT for Investment Property and Marinas rose 18% to \$11.6 million as a result of a successful berth unit sales programme at Westhaven Marina.

Port operating expenditure was held to \$85.6 million. This represents a 4% increase, achieved against a 9.5% growth in container volumes and 10% rise in breakbulk cargoes. Port Operations costs as a percentage of revenue dropped 2% on the previous year.

Delivering a decade of value

The annual results announcement is the 10th since Ports of Auckland listed on the New Zealand Stock Exchange in October 1993.

Chief Executive Geoff Vazey said that the quality 10-year financial returns were a result of a consistent operational performance that had achieved significant growth, efficiency and cost-effectiveness. "Over 10 years, container volumes have almost doubled from 341,200 in 1994 to 649,600 in 2003. Breakbulk volumes have

grown 44%," Mr Vazey said.

"The fact that container volumes have grown at over twice the rate of breakbulk reflects the trend of increasing containerisation and also our reduction of breakbulk business in favour of containers. It supports our focus over the past decade on development as New Zealand's leading container hub port and our more recent work to improve the country's container freight supply chain.

"Efficiency and cost effectiveness have improved markedly. While container volumes have nearly doubled, port operating expenditure has increased by less than a quarter and the average cost to the customer per container has reduced 24%," Mr Vazey said.

Servicing the big ships

Productivity improvements were illustrated by a 26% improvement in crane moves per hour since 1994, he said.

Regarding the new-generation containerships that began calling at Auckland on fixed weekly schedules in December 2002, Mr Vazey said: "This time last year we said we were ready for the big ships. We won the business for Auckland and now we're doing it extremely well and at a high rate of productivity despite the significantly larger container exchanges these vessels bring."

Auckland rates top for productivity among the six Australasian ports and fifth among all 17 international container ports on the 4,100 eastabout round-the-world service according to a customer study. Only Rotterdam, Zeebrugge, Philadelphia and Hamburg are ahead of us. These are huge international ports handling up to 15 times Auckland's throughput. "It is extremely gratifying to receive hard international evidence of our high performance direct from our customers," Mr Vazey said.

Logistics

Mr Vazey said work had continued during the year on improving the container freight supply chain.

"The Company's South Auckland inland ports are already playing a role in optimising road transport logistics by reducing

container dwell time at the seaport and allowing greater volumes to be repositioned at night when roads and motorways are flowing freely," he said.

"After-hours container moves grew 38% during the year to comprise 28% of all truck moves, which proves we are making real progress on reducing port-related traffic during peak hours."

On the subject of rail Mr Vazey said: "New Zealand's rail infrastructure needs to deliver advantages to the supply chain that links exporters to world markets. Rail has a small share of New Zealand's long-haul freighting. Rail's lost advantage needs to be converted into a much increased share of the long-haul market segment. We anticipate that the prospective change to New Zealand's rail services will produce the formula for this improvement to the country's supply chain."

Reclamation consents extension

The Company is seeking an extension of the 2006 consents lapsing date for the Axis Fergusson container terminal reclamation so that maintenance dredgings can be recycled into the reclamation for up to another 10 years.

Extending the consents lapsing date would result in an altered capital expenditure profile that represented a net present value benefit to the Company of approximately \$20 million, Mr Vazey said.

Outlook

"Looking ahead, we will continue to proceed along our clearly stated path of working to optimise the container freight supply chain, growing our core container handling and marine services businesses, and reducing our investment property portfolio," Mr Darrow said.

"The full year results confirm that the Company remains on a steady upward trend."

Mr Vazey said that volumes performance in the first month of the year (July) had been a bit flat, having come off the consistent buoyant growth during 2002-03. Total TEUs were up just 1% for July compared with July 2002, but were up 9% for 12 months.

"We are seeing the effect of higher exchange rates on primary and manufactured exports. We are also seeing the effect of a fragile Auckland import market due to weakening demand as the economy slows."

The coming year was likely to be challenging in an initially subdued economic climate. However, Ports of Auckland was well placed for continued steady growth in container volumes, with established operating efficiencies in place and with strong competitive advantages.



Gladstone: \$80 million expansion project boosts capacity



GLADSTONE Port Authority (GPA) is now equipped to handle more than 40 million tons of coal a year at its RG Tanna Coal Terminal (RGCT) with official opening of the \$80 million RGCT expansion project on June 25.

The project, which was officially opened by Minister for Transport and Main Roads Steve Bredhauer MP, positions this key Australian port to meet increased demand from coal exporters.

The expansion project has boosted the terminal's capacity from 30 million tons per annum (Mtpa) to 40 Mtpa, cementing RGCT's reputation as one of the world's largest coal terminals. (RGCT is expected to handle just under 35 million tons of coal this financial year.)

GPA Chairman Ross Dunning said today's opening marked a major step forward for the Port of Gladstone, cementing its reputation as one of Australia's premier bulk commodity ports.

"The RGCT expansion project will enable GPA to further grow port trade, particularly given the ongoing development of Central Queensland's coal reserves."

Mr Dunning also acknowledged the efforts of contractors and GPA employees who worked on the multi-million dollar project.

"Despite the scale and complexity of this project, it was completed in a timely manner and within budget. At the same time, there was minimum disruption to day-to-day operations at the terminal."

The expansion project encompasses a new wharf extension; a berth pocket and departure channel to service the structure; and the construction of Stockpile No. 15. Also associated with the project was an upgrade of the train unloading system, which boosted the associated capacity by 50 percent.



Kaohsiung: Planning to establish Free Port

AS part of the National Development Plan, the Executive Yuan-drafted "Statute for Establishment and Management of Free Ports" is under deliberation by the Legislative Yuan. The draft legislation for free ports sent by the Executive Yuan to the Legislative Yuan incorporates two major innovations. One is simplification of administrative procedures, and the second is the adoption of the "inside the country, outside of customs" concept.

CEPD Chairwoman HO Mei-yueh, responsible for the draft, points out that in order to provide for future government reorganization, in the short term the main principle will be to make as few changes in the structure of government as possible while defining the operating structure of free ports. There will be a "Free Port Coordinating Committee" under the cabinet which includes relevant ministries and agencies to oversee the development of free ports and handle larger matters that the ports themselves are not capable of dealing with.

The central government body with authority over a given free port will select a managing agency for the free port, and provide support to that managing agency. The concept of "inside the country but outside of customs" is a defining feature of free ports in Taiwan. Ho says that international airports or harbors that are suited for establishing free ports can apply to have neighboring publicly or privately owned land designated as free port zones. As Ho explains in details: "Inside a free port, there are no customs duties or commodity or business taxes."

Items that enterprises in the free ports import will in principle be free from inspection. At the same time, enterprises will be allowed to undertake limited commercial activities in the zones. Companies will be able to freely move goods around, manage their own operations, bring in commercial activities, and do some advanced processing.

The general consensus between the Executive Yuan and the Legislative Yuan is as follows:

1. Port Areas: International Navigation Zone, International Port Area, and Connected Industrial Zone between these two areas.
2. Port Operation: including import-export, warehousing, logistics, delivery, repacking,

manufacturing, assembling, reprocessing as well as support services including loading and unloading, hotel, financial, and restaurant services.

3. Free circulation of commodities: After customs declaration, goods from either domestic ports or abroad can be stored in warehouses or shipped freely to other domestic ports or abroad.
4. Tax reduction: overseas goods will be tax-free, with exemption from tariffs, commodity taxes, and business taxes; goods in a free port ready for export are exempted from business taxes.
5. Autonomous management: A wide variety of business operations in a free port can enjoy autonomous management, including storage, delivery, consolidation, and processing.

In accordance with the government's own "Plans for Free Ports" under its "Challenge 2008—International Development Plan," KHB has sought approval to set up a Free Port in Kaohsiung, thereby enhancing the competitiveness of KaoPort. KHB has drafted an operational plan and a feasibility study incorporating such factors as management organization, bidding, financial plans, control over entrance/exit of vehicles, and cost-benefit analysis.



Kitakyusyu: Tachinoura welcomes New South Korea Service

Number of Sailings Serving Kitakyushu at a Record 206



SINOKOR Merchant Marine Co., Ltd. of South Korea on August 25 launched a new liner service that links the Port of Moji's Tachinoura Container Terminal with Pusan and Masan via four sailings a week.

Although two sailings are currently operated daily (Monday-Saturday) between Moji and Pusan, the new service is the first to cater to the Moji/Pusan-

Masan trade.

The Port of Kitakyushu is the largest port in the Kyushu and Chugoku regions in terms of the number of services and sailings it accommodates.

The port recently passed the 200-sailings-per-month milestone, and now handles 40 services offering 206 sailings including 70 on routes to South Korea.



Westport: Increases box storage capacity



WEST port has further increased its container handling capacity with the completion of the final phase of its Container Terminal 3 (CT3) project.

CT3 consists of a 600m-quay (completed in early 2001), a new container stacking yard, a 3,000-sq. m container freight station and a maintenance and repair workshop.

Based on four-high stacking, the CT3 yard can hold 16,584 TEUs. The CT1 container yard has 2,760 ground slots while the CT2 yard has 4,824.

The CFS, which is Westport's third, with nine loading bays, will allow more space for clients to carry out related activities such as stuffing and unstuffing and re-packaging. The M&R workshop is designed for repairing rubber-tyred gantries, top-loaders and reach stackers.

Westport now has 2km of quay length equipped with 20 post-Panamax quay cranes for container handling.

Klang Multi Terminal, the operator of Westport has plans to construct additional wharves with a total length of 2.4km. The proposed wharves are meant to receive vessels of up to 120,000 deadweight tons and with a 10,000-TEU capacity.

The existing wharves can receive seventh-and eighth-generation container-ships of between 80,000 - 115,000.

For the non-container sector, the port proposes to build a fourth liquid bulk terminal in 2003. The 100m-berth will be designed to receive vessels of 100,000 deadweight tons and with a draft of 16m.

Pusan: Pusan Sinhang, the new preferred Port Name



DOMESTIC and foreign shipping companies and agents approved of the name 'Pusan Sinhang' for the new port in Pusan.

The Northeastern Asian Logistics Center under the Busan Development Institute conducted a poll on September 2. The 210 domestic and foreign shipping companies participated in the poll.

The answers were divided into several parts: 92% preferred Pusan Sinhang and only 2% preferred Pusan-Jinhae Sinhang.

The largest reason for liking Pusan Sinhang was that Pusan Port is a well-known port, at 75.4%. The second-largest reason was the convenience of using the port, at 8%. The third reason was the location of the port, at 7%. More than 80% of shipping companies were interested in the opening of a new port.

71% intend to use the new port while 86.1% knew about the conflicts between Pusan and Kyoungnam Province in determining the name of the new port.

The Citizen's Movement for making Pusan a world-class port announced on September 3 that the results of the recent poll meant that the name "Pusan Sinhang" was the clear victor and the dispute should end. It also requested the government establish a research institute the port in the PCCI (Pusan Chamber of Commerce and Industry), and repeal the policy of reducing Pusan Sinhang and to take prompt action on naming the new port in Pusan.



Singapore: Challenges of Port and Maritime R&D and Technology in the next decade

CHALLENGES for the next decade in port and maritime research and development (R&D) and technology were the focus of the 2nd International Conference on Port and Maritime R&D and Technology (ICPMRDT), held from September 10-12 in Singapore.

Five main sessions, which were based on the theme "Port and Maritime R&D and

Technology," featured at the 3-day conference. They are Port Development, Management and Operations; Coastal/Hydraulics Engineering; Marine Environment; Innovative Ship Designs and Operations; and Navigation and Maritime Training. These are key areas that offer great commercial potential for the maritime R&D and technology sector.

The organisers, namely, the Maritime and Port Authority of Singapore (MPA), Nanyang Technological University (NTU), National University of Singapore (NUS), Ngee Ann Polytechnic (NAP), Association of Consulting Engineers Singapore (ACES) and the Singapore Maritime Academy (SMA), have lined-up an impressive list of speakers from around the world.

Mr Pieter Struijs, Executive Director, Rotterdam Municipal Port Management and President, International Association of Ports and Harbors, shared on "Risk Management as the Basis for the Reliable Port Concept," which focused on the importance of maritime R&D and technology to ports and its future development.

The human element in shipping remains a primary factor in ensuring ship safety. Speaking on this area was Professor Osman Kamil Sag, Dean, Maritime Faculty, Istanbul Technical University and International Maritime Organisation (IMO)/STW Sub-Committee Chairman. Professor Sag delivered a paper on "Quality Standards and Globalisation of the Maritime Training in the Next Decade." It will cover the international mandatory provisions on Maritime Education and Training (MET), the different types and levels of MET in the world, and a proposed MET Accreditation Standard for the next decade.

Ms Grace Fu, Chief Executive Officer, Singapore Terminals, PSA Corporation Ltd, gave a special paper on the commercial assessment of PSA's bridge crane operations.

Other keynote speakers included Professor Han Ligteringen, Chair of Ports and Waterways, Delft University of Technology, the Netherlands; Professor Thomas D. Waite, Program Director, Environmental Engineering, National Science Foundation, USA; Dr. Eric Wolanski, FTSE, Leading Scientist, Australian Institute of Marine Science, Townsville, Australia; and Vice Admiral James C. Card, Senior Vice President (Technology), American Bureau of Shipping. Some of the local prominent speakers at the ICPMRDT included Professor Choo Yoo Sang, Director of the Centre for Offshore and Maritime Engineering, NUS and Professor Tan Soon Keat, Director of the Maritime Research Centre, NTU.