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Port of Tanjung Perak

Port of Tanjung Perak as the main and biggest port in East Java, also the second largest port in Indonesia, functions as a sea transportation gateway to the Eastern Indonesia.

The situation of cargo transport mode had changed, such that traffic and cargo volume had increased and ship size had got larger in the last 10 years. Since 1981 the Tanjung Perak Port had no development in the conventional berthing facilities except the container terminal facilities. More conventional cargoes are recently containerized and carried on large container ship.

Under such trend of trade and traffic demand it is necessary to improve the port productivity institutionally as well as to develop the port facilities and port related infrastructure in and around the Tanjung Perak Port area. The previous master plan of Tanjung Perak Port is reviewed and a new master plan including the land use concept along the coast of Tanjung Perak are required.

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Any Help for ISPS Implementation?

“IAPH – ISPS Code Q&A Board”
can give you practical solution

<http://www.iaphworldports.org>

The screenshot shows the IAPH website's 'Question & Answer Board' interface. The page features a navigation menu on the left with links such as 'About IAPH', 'What's New?', 'How to Join IAPH', 'Calendar of Events', 'Links to World Ports', 'IAPH Maritime Links', 'Publications', 'Ports and World Trade', 'Site Map', 'Members Area', and 'Contact us'. The main content area displays the IAPH logo and the title 'Question & Answer Board'. Below the title, there is a link to 'submit a question' and a 'Number of Question: 6' indicator. A table lists various questions and their details:

Subject	Questioner	Number of Response	Time	Number of Access
PORT OF DJIBOUTI INVESTING IN SECURITY AND THE FUTURE	xxxxxx	0	2004-03-18 11:08:50	2
ISPS Code Implementation	xxxxxxxx	0	2004-02-10 13:40:43	45
Contracting Government PFSA Approval Format	xxxxxxxx	2	2004-02-07 02:39:14	52
Port Security Plan Implementation	xxxxxxx	1	2004-01-22 01:39:55	163
Implementation	xxxxxxxx	1	2004-01-22 01:37:38	108
template to carry out port facility security assessment	xxxxxxx xxxxxx	3	2004-01-21 18:49:03	140

Below the table, there is a 'Submit a question' section with input fields for 'Your name', 'Your port', 'Email', 'Subject', and 'Message'.

The “Question & Answer Board - Implementation of ISPS Code” is found in the Members Area of the IAPH website to facilitate the exchange of relevant information and share experience among the IAPH member ports.

This forum is only accessible by IAPH members with a User ID and Password. If you have forgotten your ID and Password, please contact us at info@iaphworldports.org.

IAPH ANNOUNCEMENTS AND NEWS

President Struijs speaks at IAPH Japan Seminar in Tokyo

ON August 6, 2004, the 17th IAPH Japan Seminar was held in Tokyo organized by The Japanese Foundation for IAPH. The Foundation, established 30 years ago by Japan's port community to assist in supporting IAPH Secretariat, holds this Seminar annually to promote IAPH activities among port and maritime industries in Japan. This year, some 80 IAPH members and experts attended the event representing port authorities, governmental bodies, the shipping industry, construction industry, consulting firms and many others.

Following a welcoming address by Mr. Shingo Fujino, President of The Japanese Foundation for IAPH, Mr. Heizou Kitoh, Director General of the Ports and Harbours Bureau, Ministry of Land, Infrastructure and Transport, the guest of honor, delivered a message reaffirming the Ministry's support for IAPH activities and also encouraged the audience to actively participate in IAPH.

Prior to his presentation, entitled "The Modern Port Manager", IAPH President Pieter Struijs expressed his appreciation for the steady support of the Foundation and Japanese Port Community.

He made a distinction between two aspects of a port: between the port manager and the port operator, public and private. The role of the port authority has been changing to cope with current issues world ports are facing, such as Safety, Infrastructure, Price/performance, Sustainability, and Security. He discussed each issue and stressed the important role of IAPH as a Matching Platform for communication with the various parties concerned.

Mr. Struijs looked ahead to IAPH's 50th Anniversary in 2005 and the 24th



IAPH World Ports Conference in Shanghai on May 21 - 17, 2005, at the end of his presentation.

Mr. Mitsutoyo Okada, Deputy Secretary of Tokyo MOU, made a presentation about his organization (Memorandum of Understanding on Port State Control in the Asia Pacific Region) and

it's activities.

Unfortunately, Mr. Lu Haihu, representing the host of the 24th IAPH World Ports Conference, could not attend the seminar due to his tight schedule. His welcoming message and information on the Conference details were presented by the IAPH Secretariat.

On the same occasion, the IAPH Japan Society, a voluntary group of Japanese IAPH members, met to review and discuss activities of IAPH Technical Committees. Japanese members of these Committees presented detailed reports based on the latest meeting minutes.

"It is indeed our pleasure and a great encouragement that these kinds of local activities are successfully organized to share fruitful discussions of IAPH Technical Committees 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.



ICHCA International's Conference and Associated Meetings 2004



Mike Compton
Proprietor, Circlechief AP

Interrupting our new series of articles aimed at discussion of topical issues that relate to safety and health in port operations, the author was invited to write about the recent Biennial Conference of our sister organisation ICHCA International.

THERE are two main international organisations generally representing the port industry and its operations – IAPH and ICHCA International*. The former is concerned with Port Authorities and their responsibilities whereas the latter is primarily concerned with cargo operations. As such they complement each other, have a close relationship and regularly work together. Their respective safety groups collaborate with each other and their biennial conferences are held in alternate years. Between Durban last year and Shanghai next year it was, therefore, the turn of ICHCA International this year. This article describes the events that took place and considers some of the issues discussed.

LAS PALMAS IN MAY

ICHCA International's first Biennial Conference and the 27th Continuous Cargo Handling Conference was held in May in Las Palmas on the island of Gran Canaria in the Canary Islands. Situated off the western bulge of Africa, Las Palmas sits astride many trade routes and proved to be an excellent and popular venue and, what is more, one that was well attuned to the main theme.

THEME OF THE CONFERENCE - ROLE OF HUB PORTS IN MARITIME TRADE

As with IAPH Conferences, ICHCA International includes other meetings within the main event and this article is concerned with what took place and some of the issues that arose that may be of interest to IAPH members. The overall theme of the Conference was the role of regional hub ports in world maritime trade and three separate maritime areas were considered in this respect – the Indian, Mediterranean and Atlantic oceans. Some

ports have, since maritime trade first developed, found themselves located in a pivotal position on trade routes and have consequently flourished through offering various port services to the ships on those routes. Many of these ports are situated on islands and that was a common theme with the three cases examined during the Conference – Cyprus, Mauritius and the host port of Las Palmas.

NEWER ROLES EMERGING

However, what was also clear was that newer roles have more recently emerged which are resulting in such ports taking on additional, more varied, strategic roles. In addition to the traditional function, the possibility of acting in the role of a hub port for the region has emerged and with that the possibility of acting as a strategic distribution centre. Trans-shipment cargoes can now constitute the main throughput in many such places. Another fast developing feature was the cruise industry. Islands have a special attraction of their own and, reflecting their passengers' preferences, cruise ships are being attracted in increasing numbers.

CHANGING SHIP DESIGN

A second major issue considered by the Conference was the effect on ports of changing ship design and one aspect of this directly related to the future role of hub ports. With over 100 new container ships being built at present, each of which will be larger than any currently in the world's fleet, there is shortly going to be a huge expansion of the mainline deepsea container fleet. At the same time, that will have a spin off effect on the feeder fleet which, it is understood, tends to be older tonnage. As such, it is likely to be replaced by many ex mainline vessels. The effect of this will

be to see feeder shipping becoming more modern and consist of much larger vessels than has been the case. The mainline ship of today will become the feeder vessel of tomorrow. Furthermore, with the new larger deep sea ships possibly restricting, or being restricted to, the mainline ports that they will call at, feeder shipping is likely to increase and hubs further develop.

EFFECTS ON HUB PORTS

The implication for hub ports is that they must be prepared for and, in particular, able to handle the larger feeder ships. It is often said, and there is no doubt that it is a truism, that a ship only earns money when it is at sea. The key will, therefore, lie in the cargo handling capabilities and, consequently, those hub ports that have a good location and have ensured that they are efficient and have the right equipment with well-trained personnel and good terminal operations will flourish and that was a clear message from the Conference.

DEVELOPMENT OF FAST FERRIES

The Conference also heard about the most recent developments in the field of fast ferries. With the host port due to start up such a service shortly, island hubs are likely to be positioned where services based on the latest technology in this field become possible. In fact, this technology which is developing quite quickly could assist in expansion of the hub concept.

ROLE OF CENTRES OF HIGHER LEARNING

Another issue that was considered was possible collaboration between centres of higher learning and the transportation industry. Presentations from Universities in Tokyo, Toledo (US) and Gran Canaria, together with a paper from the UK showed that, whilst there is much research that does take place, it tends to be on a project-by-project basis and that, if there was more collaboration between the researchers and the industry as well as between such centres, a fuller potential could be realised. One of the papers gave an example of such collaborative research. This was concerned with how to reduce carbon dioxide emissions in container transportation and was carried out by the University of Marine Science and Technology in Japan. It also reported on remarkable results of reducing such emissions achieved by companies who have applied the conclusions.

TRAINING, DANGEROUS GOODS AND SECURITY

Other sessions considered port training, dangerous goods and security. With the IMDG Code now having become mandatory and SOLAS and the ISPS Code at the

time of the Conference only weeks away from becoming mostly mandatory, there clearly was a need for training in those areas. As these issues were developing at the time of the Conference, delegates were brought up-to-date with the latest position on each of them. The Conference also benefited from a lunchtime presentation from the ILO Director responsible for Sectoral Activities. This reported on the latest development of the ILO/IMO joint guidelines on maritime security. Although the IMO has "stepped ashore" with the ISPS Code, there is a limit to how far it can extend and these guidelines are intended to complement the ISPS Code and to take up on the shoreside where the ISPS Code left off*. Reflecting one of the important roles of the host port, there was also a session on refrigeration and the handling challenges this poses.

OTHER MEETINGS INCLUDING THE INTERNATIONAL SAFETY PANEL

An AGM, a full Board meeting and a General Meeting were all held by ICHCA International during the week and it finished with the 42nd meeting of the International Safety Panel (ISP). This was a particularly intensive meeting, even by the Panel's own standards. However, one issue that was dealt with demonstrates the co-operation that exists between IAPH and ICHCA International. Following a suggestion made at IMO's DSC Sub Committee last September, a paper on inspections by maritime administrations of cargo transport units carrying dangerous goods had been drafted as a basis for a joint submission from the two organisations. This was considered by PSEMO at its meeting in Charleston in April the week before the Las Palmas meeting and by ISP at its meeting on 6/7 May. As a result, a revised document was developed which has since been agreed by both parties and submitted to IMO within the submission timescale for the DSC meeting. Both organisations will be represented at the Sub Committee meeting, due to be held during the last week of September, and will speak in favour of the paper.

The events in Las Palmas were well received by all those who attended. José Manuel Arnáiz Brá, President of the Port of Las Palmas accepted the invitation of James Hartung, Chairman of ICHCA International Ltd, to become the organisation's Honorary President for the next two years and that capped a very successful week.

* this is not intended to take anything away from the valuable contributions made by the international associations representing harbour masters and also pilots
 + this guidance has now been published and is available from the ILO in Geneva

Amendment

In the article entitled "Places of Refuge – CMI Conference in Vancouver May 31-June 4 2004," which was carried in Ports & Harbors (June-August 2004 Vol. 49 No. 6), part of the column – "IAPH stance on Place of Refuge" – was missing. The complete text of the article appears in this issue (September 2004 Vol. 49 No. 7). We hope interested readers will go through the article again. We are very sorry for the inconvenience.

**Places of Refuge
 CMI Conference in Vancouver**

May 31-June 4, 2004



Frans van Zoelen

Acting Chair of the Legal Protection Committee

IAPH was represented by Mr. Frans van Zoelen, Acting Chair of the Legal Protection Committee at the recent meeting of Comité Maritime International (CMI)'s 38th International Conference in Vancouver, May 31-June 4, 2004.

NEXT to typical maritime law subjects like General Average (Revision of the York-Antwerp Rules 1994) and the Amendments to the 1988 SUA Convention (Convention for the Suppression of Unlawful Acts Against the Safety of Maritime Navigation), the CMI did put the subject of Places of Refuge on the agenda of its Conference in Vancouver, June 2004.

This is a further proof of the fact that the subject of Places of Refuge has been brought firmly under the international spotlight. This attention was prompted by various ships in distress, the best known examples of which were the ERIKA, the CASTOR and the PRESTIGE.

A Place of Refuge is a place where a ship experiencing difficulties seeks refuge in order to remedy those difficulties. A place of refuge may be calm coastal waters, a bay or a fjord but naturally in most cases it will be a harbor or a port basin. This is why the present subject is of particular importance to ports and port authorities.

In December 2003, the 23rd session of

the IMO Assembly adopted Guidelines on Places of Refuge for Ships in Need of Assistance. The purpose of the guidelines is to offer States, captains, shipping companies and salvage companies an operational framework to respond effectively when ships experience difficulties. This provides a common approach to enable complementary action to be taken by the respective parties. In particular, the guidelines offer a method of determining the operational situation of the ship in distress. The guidelines are also important to coastal states because they assist in selecting a suitable Place of Refuge for the ship in distress. Explanatory notes on the IMO guidelines are given in Ports & Harbors, ... edition, page Although these are guidelines, it is expected that their systematic application will lead to the departure points and courses of action incorporated therein acquiring a normative character. This means that the guidelines will become legally relevant, which will manifest itself mainly in validating the course of action pursued by the parties involved after the event.

However, the guidelines do not address the liability and compensation issues regarding damage resulting from the decision to admit a ship in distress to a Place of Refuge or to refuse such admission. The Legal Committee of the IMO was asked to examine these issues and in particular to investigate whether the existing compensation systems are sufficient or whether more is required. In turn, the Legal Committee asked the Comité Maritime International (CMI) to arrive at an opinion on this matter in order to give direction to the debate on these complex subjects. As you will know, the CMI is an organization that unites authoritative experts on maritime law.

The CMI subsequently formed an international working group in order to deal with the matter properly. The working group succeeded in placing the subject of Places of Refuge on the agenda of the 38th CMI Conference, held in Vancouver from 31 May until 4 June, and to this end identified a large number of questions for debate. Because the subject of Places of Refuge is of great importance to the international port community, the International Association of Ports and Harbors has published a so-called discussion paper setting out its opinion on the questions that were formulated. A copy of that discussion paper can be found in the members' area of the IAPH website (www.iaphworldports.org), as can the stance adopted by the IAPH at the conference in the debate on Places of Refuge.

At CMI's Plenary and Assembly meetings it was decided that CMI's working group on Places of Refuge will continue its work in cooperation with IMO, other international organizations and all interested parties and further that the working group will submit a report to the IMO and the Executive Council of CMI on Places of Refuge and particularly on the liability and compensation regimes.

It is expected therefore that CMI's working group will meet again in the second half of 2004 in order to finalize on the basis of the considerations made in Vancouver its responses to IMO's questions. This means that that CMI's report could be available for the Legal Committee of IMO of April 2005.

IAPH stance on Places of Refuge

In the CMI Conference in Vancouver, Mr. van Zoelen express IAPH's views and concerns over the issue of Places of Refuge which summarized as follows

1. Should there be an International Convention?

In the opinion of the International Association of Ports and Harbors the key topic of the subject Places of Refuge is coming to one clarifying framework in order to assess whether a ship in need of assistance should be given permission to enter a Place of Refuge. A Place of Refuge can be quiet coastal waters, a bay, a fjord, but in most of the cases a Place of Refuge is of course a harbor or a port basin.

As illustrated by Professor Eric van Hooydonk in his paper, *The Obligation to Offer a Place of Refuge to a Ship in Distress*, there is at this moment too much confusion about this question.

IAPH is of the opinion that the international community is served by an approach in which there is a balancing of interests between:

The ship in difficulty and the marine environment on the one hand

The interest and related risks at stake in the Place of Refuge on the other hand.

This balancing of interests should be done on a case-by-case basis because every incident has its own characteristics.

This approach does not give too much leeway if this *modus operandi* is laid down in an international rule of law, preferably a convention. This rule can have a very brief scope:

"(a) A State deciding on allowing a ship in distress entering into a Place of Refuge of this State, shall not do so before having assessed all related interests and risks on the basis of the decision-model on Places of Refuge for Ships in Need of Assistance which is attached to and part of this Convention.

The decision to grant or to refuse entrance towards a ship in distress to a Places of Refuge has to be transparent and verifiable in order to validate this decision after-

wards."

In this approach it will be safeguarded that decisions on requests for Places or Refuge will be made carefully, thoroughly and take into consideration all interests and related risks.

2. Should officials who make decisions face criminal liability where conduct is manifestly reckless?

What the international community is seeking for in the first place in the context of Places of Refuge is a way of operating or modeling the decision making process which leads to "optimal decisions" and as a consequence of this, will deserve broad international support.

A subsequent question is how we can safeguard that this decision-making process will indeed be applied and will not be manifestly reckless. The best stimuli for this are monetary or financial consequences. This consequences will manifest themselves if the decision maker, the authority who decided on the request for granting a Place of Refuge, faces civil liability because he did not apply the decision-making process as he should have done; or if he refused a Place of Refuge where he should have given access, or he granted a Place of Refuge where he should have refused it.

Having to bear the damage caused by the faulty decision is in itself a perfect stimulus.

The instrument of criminal liability is not really functional and might lead to uncertainty, thereby delaying the decision-making process.

3. Should there be a requirement for reception facilities?

IAPH supports the view that the availability of reception facilities like floating docks will have tremendous positive effects on coping with the problems we encounter if a seagoing ship meets difficulties.

A floating dock in quiet coastal waters is in itself a Place of Refuge where the difficulties can be overcome away from residential and other sensitive areas.

Floating docks and other reception facilities should be the result of cooperation between states on a regional basis. States, which are gathered around a sea basin like the

Mediterranean or are in the vicinity of an intensively used seaway, have to cooperate.

As a matter of fact it is in the interests of the States to be prepared to combat the difficulties they meet if a ship in distress enters their jurisdiction. So it is a task for a State to invest in such pre-active facilities. The inclination to do so of course depends on the vulnerability of a specific coast and the other characteristics of the coastline.

So a regional approach seems to be sensible here.

4. Does the law require greater clarity in the area of civil liability where damage ensues from a decision to grant or refuse a Place of Refuge?

If the decision-making process concerning Places of Refuge is modeled via the balance of interests on a case-by-case basis and is laid down in a rule of international law, IAPH is of the opinion that the civil liability does not require greater clarity. Indeed, the decision then has to be transparent and verifiable in order to be exposable for validation of this decision afterwards by a judgement on the basis of civil law.

What is a point of concern for this association is of course the damages caused in a Place of Refuge after the ship is granted access on the basis of a perfectly sound decision.

How sound and thoroughly the decision-making process on granting access has been, this does of course not exclude the possibility of causing damage in a Place of Refuge.

IAPH is of the opinion that additional measures have to be created in order to safeguard those (in most cases ports) which have to abide by the decision of a State to grant access to a ship in distress.

This means a solution has to be found for the situation where such damages cannot be recovered as a consequence of the limitation of liability or the absence of an additional regime. A separate regime has therefore to be created for non-compensable damage caused by a ship in distress in a Place of Refuge.

The legitimization for such an additional regime is that those who have to undergo such an extreme and extra-ordinary decision as to accept a ship in distress in their waters, should not be left to suffer the consequences.

5. Should the IMO Guidelines on Places of Refuge for Ships in Need of Assistance (NAV 48/19 Annex 12) be included in an Instrument?

Yes, the IMO Guidelines on Places of Refuge for Ships in Need of Assistance (NAV 48/19 Annex 12) should be part of the Instrument as an Appendix.

6. Should IMO Guidelines on Shipowners' Responsibilities in respect of Maritime Claims (IMO Resolution A898 (12) be included in an Instrument? and Should compulsory insurance and direct action against insurers be included in an Instrument?

IAPH already asked attention for the necessity of creating an additional regime for non-compensable damage caused by a ship in distress in a Place of Refuge and suffered by those who did have to undergo the decision of a positive response towards a ship in distress seeking shelter in a Place of Refuge.

All options should have to be studied including those mentioned in these two questions.

7. Should States be entitled to require financial security before granting entry to ships in distress?

Yes, States should be entitled to require financial security before granting entry. This possibility is, for instance, functional where in the weighing of interests only monetary risks are involved. If the monetary risks attached to permitting entry are neutralized by such a financial security, this will tip the balance in favor of the ship. For this it would be indeed useful to prepare a standard for undertaking.

8. Is there scope for a voluntary scheme to be set up to fund liabilities arising from decisions to allow a Place of Refuge?

If this question points at the so-called Salvage Reward for Ports, IAPH, however sympathetic the suggestion may be, has some hesitations.

In IAPH opinion granting access to a ship in difficulties should not be the mere result of the impulse of a

financial incentive which might be ignored after all: a ship in distress should be admitted on the basis of the outcome of the balance of interests on a case-by-case basis.

9. Should Places of Refuge be designated in advance and publicized?

All bays, fjords, harbors and port basins are potential Places of Refuge. It is more useful to make known or disclose the reception facilities which are in or near the vicinity of a such a potential Place of Refuge and which can make a Place of Refuge more suitable than it looks at first sight and which information can be useful for shipping and salvor companies.

10. Should there be criteria for determining the Place of Refuge in contingency plans?

Yes, there should be criteria for determining the Place of Refuge in contingency plans. These criteria will probably develop further on the basis of experience. So these criteria should not be formulated as a static rule.

11. Should an Instrument seek to ensure that decision making about a Place of Refuge should be made by an independent person?

The decision-making process should be at a distance from the political field.

Even if the person or authority involved has a certain independence, this person or authority acts on the basis of jurisdiction derived from the State.

Therefore compensation questions, like those for measures which are not reasonable, should not be considered otherwise than if they were prescribed by the state.

12. Is there a need for decision makers to be appointed on a regional basis?

No, each State should exercise its own decisions concerning its own territory. It goes without saying that close cooperation between States who are gathered around a sea basin like the Mediterranean or are in the vicinity of an intensively used seaway, is not only useful but also necessary.

IAPH Bursary Scheme Report: International Program for Port Planning and Management

New Orleans, Louisiana, USA
May 17-28, 2004



Mr. G. Brahma
Deputy Chief Vigilance Officer, Mumbai Port Trust


ON receipt of financial assistance from the IAPH Bursary Scheme, I attended the 20th International Program for Port Planning and Management, in New Orleans, Louisiana, USA. The program was conducted by Port of New Orleans in collaboration with the University of New Orleans. The program was of 2 week duration where 33 participants from different countries took part (list attached). The program started on 17th May with the inaugural presentation by Mr. Tim Jorder, Course Director. The two week program comprised of classroom lectures by guest faculty (list attached), group discussion and individual presentations by each participant. The following topics were covered in the course of two week program.

- (1) Strategic Planning & Port Sector Reforms
- (2) Trends in Ports & Shipping
- (3) Port Operation and Productivity
- (4) Port Capacity and Technology
- (5) Dredging and Environmental Concerns
- (6) Intermodal Transport in Europe
- (7) Navigational Safety
- (8) Port Security
- (9) Leasing
- (10) Cruise Terminals & Tourism
- (11) Capital Program Management
- (12) Information Technology/CRESCENT System
- (13) Port Privatization
- (14) Port Competition Regulation
- (15) Political and Community Relations
- (16) Personal Behavior Management

Besides intensely interactive classroom lectures on the above topics, guest faculty drawn from various fields presented case studies and shared their experiences with the participants. The most interesting presentation was by Dr. Paul Kent, Managing Director, Nathan Associates, on Port Competition Regulation and Port Political and Community Relations and Port Sector Reforms and Privatization. Another interesting topic on worldwide trends in Ports was made by Dr. Anatoly Hochstein, Director, National Port and Waterway Institute, University of New Orleans. He also presented a paper on Port administration vis-a-vis privatization. Technical topics on dredging and environmental concerns in a port and Information technology were also covered by the faculty, who have years of experience in the port and shipping industries. A special session was devoted to emerging trends in shipping, i.e. Cruise Tourism.

Intermodal transport in Europe was

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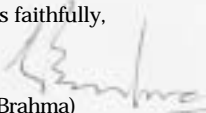
The Secretary General,
The International Association of Ports and Harbors,
7th floor, South Tower New Pier Takeshiba,
1-16-1 Kaigan, Minato-ku,
TOKYO- 1050-0022.

**Sub : Report on training program captioned
"International Program for Port Planning
and Management. New Orleans,
Louisiana, USA, May 17-28, 2004."**

Honorable Sir,

This is to convey my heartfelt thanks and gratitude to your Honor for being kind enough to grant financial assistance from IAPH Bursary scheme which enabled me to attend the above training program. The experience gained by me has been invaluable. The platform offered me an opportunity to interact with senior professionals of Port industries all over the world and distinguished faculty members drawn from various disciplines. It is heartening to find that International Association of Ports and Harbors is offering yeoman's service to the Port and shipping industry by encouraging Port executives to explore their potential by participating in such training programs. A brief report on the training program is forwarded herewith for your kind perusal.

Thanking you.

Yours faithfully,

(G. Brahma)
Dy.CHIEF VIGILANCE OFFICER 07/07/03

also covered during the program. A special session was devoted to Port Safety with particular reference to ISPS code. A visit was also organized to the Port of New Orleans. The same was interesting and exposed the participants to the working of Port of New Orleans. The participants were also taken to the United States Coast Guards Vessel Traffic Service Center at New Orleans where a lucid presentation on navigational safety was made by Mr. George Paul, Training Coordinator. The highly technological advancement in the field of navigational safety, particularly in a riverine port, was explained to the participants. Property management in a port with special emphasis on leasing was also covered by one of the senior Managers of the Port of New Orleans.

Instead of going into greater details of the wide range of topics covered in the two-week training program, I would like to highlight the following areas which were not only interesting but also topical in today's shipping scenario:

PORT SECTOR REFORMS AND PRIVATIZATION

Port Sector reform is an important challenge faced by ports in countries undergoing economic restructuring as well as ports of advanced economies facing financial austerity, diminishing Government subsidies and more intense competition from neighboring ports. This has resulted in basic restructuring and providing essential forms of Port administration and management has become the first priority for improving port performance. The ultimate objective of any institutional restructuring is to provide the port with sufficient autonomy and management and financial flexibility to meet the present and future needs of port users and to react to competitive threats and opportunities. In such a scenario, privatization is the most far-reaching and effective strategy to achieve the above objectives. The presentation by Dr. Kent on the subject addressed the basic process utilized in the transition towards privatization. It focused on the port competitive and operating environment as the critical consideration in the privatizing approach. Emphasized was that nothing would be gained from a privatizing effort if it results in converting a Government monopoly into a private one. Competition as a control against monopolistic bias is witnessed in varied

competitive settings. The example of Port of Costa Rica's multi-port system was presented and widely discussed.

Any port trying to strategise for improving its performance should stress the following: (1) Liberalization; (2) Privatization; (3) Port administration; and (4) Modernization.

In today's scenario, the critical problem areas in port administration are as follows:

- (1) Politicisation of Port administration
- (2) Bureaucracy in the Port administration
- (3) Rigid hierarchy in Port management
- (4) Lack of formal Port policy, Port objective, and Port performance statement
- (5) Lack of effectiveness in Port operation and management
- (6) Lack of effective Port marketing and responsiveness

The activities of a port, particularly a national port, affect the national economy. It generally performs in a monopolistic setting and the success or failure affects national infrastructure. At the municipal or regional port, the thrust is focused on regional economy and regional infrastructure, whereas for a private port, its activities affect the stake holders because there are single-user terminals with specialized facilities and no monopolistic threat. The activities of the private port impact very little on the regional or national infrastructure system.

Any port embarking on a privatization exercise must look into the following considerations:

- (a) The present level of cargo facilities
- (b) Extent of competition
- (c) Existing/planned layout

It also should be pre-decided whose services are needed to be privatized. In today's scenario, generally the following areas are being privatized by many ports all over the world.

- (i) Cargo handling, including vessel, terminal and berth, storage and gate operation
- (ii) Security
- (iii) Piloting and tug assistance
- (iv) Maintenance/capital dredging
- (v) Repairs and maintenance of navigational aids
- (vi) Equipment maintenance and repairs

The Specification of operating arrangement, like the BOT model, management contract and licensing have also to be examined very carefully. As regards an administration's performance in any privatizing process, the

focus should be on controllable costs, which are operating ratio, labor ratio, labor productivity and financial productivity. The problem areas need to be identified by categorizing into core and non-core employees. The most important factor of identifying function/watching for redundancy has to be made particularly in a developing economy like India. Most of the privatizing endeavors run into difficulty as the stake holders are wary of absorbing or taking over the liability of excess port labor.

Privatization Methods:

Build-Own-Operate (BOO) - A private consortium finances and builds a facility, and then owns, operates and collects revenue on the facility for an unlimited period of time.

Build-Operate-Transfer (BOT) - A private consortium receives a concession to finance, build, own, and operate a facility for a limited time period, after which the facility is transferred to the sponsoring government free of charge.

Build-Transfer-Operate (BBO) - A private consortium buys an existing facility from the government, expands or repairs it, and then operates and collects revenue on the facility on a permanent basis.

Build-Develop-Operate (BDO) - A private consortium leases an existing facility, expands or repairs it and then operates and collects revenues on the facility for the duration of the lease.

Temporary Privatization - A private firm takes over operation and maintenance of an existing facility, expands or repairs it, and operates it until the firm collects enough revenue to recover the cost of expansion/repair, including a reasonable return on capital, or until its temporary franchise expires.

The other presentation on "Port Political and Community Relations" was also educative. The speaker highlighted that the role of any port varies in accordance with the legislative mandate of the country, its position in the bureaucracy, its strength and nature of operation, extent of the management and financial autonomy, and by the types of stake holders/customers of the port services. There need to be a balance between the organization goal and the needs of stake holders that should be the motto of the port which can continuously be revised depending on market conditions, Government priorities, and organizational resources. Most of the public port organizations, in addition to serving as a tool for economic development, allocate resources in various strategic Port activities. An organiza-

tion must strive to interact with knowledge of its stake holders directly or implicitly because essentially the message to stake holders through customers is that it recognizes their emphasis and is committed to serving their needs. Any omission on this part by the port may send the wrong message that the port does not give them priority.

The ports being major players in the economic activities of any country, are always in the limelight and focus of public attention. Therefore, port executives should be careful in their dealings with the press and media.

The following phases of the privatizing process were explained to the participants.

- (a) The principles of port organization.
- (b) Understanding the ownership and control of assets in public ports.
- (c) Understanding the desirable extent of public port autonomy under various conditions.
- (d) Learning the level of authority of national, regional, and municipal ports.
- (e) Understanding the role of government in support of and control over privatization.
- (f) Becoming familiar with methods for transferring labor from public to private employment.
- (g) Learning finance, investment, and pricing policies in the process of port restructuring.
- (h) Having the opportunity to discuss alternative forms and methods for port privatization in specific countries.

The faculty explained the working pattern and the organizational objectives of various categories of ports.

Port Categories:

Category 1: National Ports

- activities substantially affect national economy
- encompass primarily public terminals serving many users
- possibly represent monopolistic setting
- have substantial impact on nation's infrastructure (e.g. road and water access)

Category 2 : Municipal /Regional Ports

- affect primarily regional economy with minor impact on entire country
- encompass public terminals
- substantially affect related regional infrast. systems (e.g. road access)

Category 3: Private Ports

- activities affect primarily direct users,

with minor impact on region's/nation's economy.

- single-user terminals with specialized facilities
- monopolistic threat is minimal
- do not substantially affect region's/nation's infrastructure systems.

CONSIDERATION FOR INSTITUTIONAL RESTRUCTURING

To summarize, the following issues were discussed and deliberated upon by the faculty and participants

Key Issue:

To define the Govt.'s role

A. Competitive environments

- Maintain Govt. role at minimum, limiting it to :
 - Marine Safety
 - Marketing and Promotion
 - Planning
 - Provision of Water and Land Access
 - Information and Data Services
 - Customs Services, etc.

B. Non-Competitive (Monopoly) Environments

- Avoid Monopolistic Abuses by Private Operators:
 - Strict, Contractuality Assured, Control over Tariffs, Charges and Quality of Services

Labor:

- Focus is on job security, Pensions, and Severance Pay
- Treat Labor Settlement as priority
- Financial Settlement Including:
 - Lump Sum Severance Package
 - Employment with Port Authority
 - Employment with Private Company
 - Shares of Private Company
- Training and Retraining
- Forms of Agreement as a Function of Profitability and Sources of Funds

FINANCE, INVESTMENTS, AND PRICING

- Under-investment due to increase of Profit (Private) or Conservative Planning (Public)
- Investment in activities not related to Ports
- Inflexibility in pricing and linkage to performance
- Increasing Financial Autonomy
- Improving Financial Management and Decision-Making Authority
- Pricing Strategy incorporating a mix of Financial, Marketing and Operational Objectives
- Monitoring the avoidable costs of activities.

Customs

Conflict in Customs vs. Port Missions
Improving Interface between Port and Customs Operations

- Coordinating Committees
- National Customs/Port Policy Committee
- Alleviating Congestion by moving Customs Off-Terminal

Improving the Trade Facilitation Process

- Privatization
- Computerized Management Information System
- Computerized Selectivity-based Inspection
- Electronic Data Interchange (EDI)

Commercialization

- Makes Port Management Accountable for Performance
- Existence of Corporate and Strategic Planning Process
- Management Freedom to Establish Mission and Scope of Services
- Management Freedom to Limit Staff Requirements and Introduce Performance/Productivity Incentives
- Retains Access to Public Financing

LIBERALIZATION

- Enhance Performance Through a Competitive Environment
- Conflicts: Cross-subsidization of Unprofitable Services.
- "Cream Skimming" – Private Sector Engages in Profitable Services only.
- Financial Support of Public Ports From other than Port Services Sources.

Extent of Centralization of Port Authorities

Level of Govt. that has ultimate control of Ports:

- Central/National
 - Benefits from Optimizing Allocation of Investments
 - Limits Responsiveness to Users/Evolves Bureaucratization.
- Regional :
 - Greater Responsiveness to Market
 - Priorities might not reflect National needs
- Municipal :
 - Best reflects Local conditions / Needs
 - Port's needs may be subordinated to other Municipal Priorities.

Development Trends in Containerization

Dr. Ashar, an acknowledged authority on shipping, particularly containerization, presented a paper on the above subject calling it the "fourth revolution." He

explained the history of containerization right from its invention up to its latest manifestation. He dwelt on intermodality and other aspects of container terminal management.

While explaining the advent of containerization, which revolutionized shipping all over the world, Dr. Ashar explained the first revolution i.e. invention of the marine container by Mr. Malcolm Mclean and Mr. V.S. Trucker in 1966 who were originally focused on improving cargo transport, which led to changes in ship design, and development of gantry-based container terminals. Marine containers became the universal standard cargo unit allowing the transport system a linear expansion by creating a door-to-door delivery system. This revolution radically reduced shipping turn round time for the port which resulted in growth of ship movements.

The second intermodal revolution expanded the land penetration of maritime containers by creating land bridges. This allowed the shipping lines to rationalize their itineraries by reducing the number of ports of call and creating load center ports. It also resulted in further growth in shipping lines along with expanding terminal sizes.

The third, transshipment revolution which began in Asia led to changes in infrastructure of the ports all over the world. Later on it spread worldwide creating hubs and ports along with a related network of mother and feeder shipping services. As was the case with the previous two revolutions, the third revolution also induced growth in ports and shipping, particularly in shipping employed by mother services and the hub ports serving them. The transshipment revolution is still unfolding and is expected to shape the future of liner shipping. The presentation by Dr. Ashar gave a futuristic vision of the port and shipping industries in 2020. It gave reference to the proposed structural changes in the Panama Canal and emerging technological developments in the shipping industry.

Apart from the classroom sessions, the most interesting and informative part of the program was that I got the opportunity to interact with top-notch professionals of ports industries from all over the world. This offered me insights and broadened my perspective. I convey my heartfelt thanks and gratitude to the Chairman and Deputy Chairman for giving me an opportunity to participate in the training program. I am also grateful to the Secretary General of IAPH for his kindness in granting me the financial assistance for participating in the program.

IAPH Membership Directory 2005

Thank you for your cooperation!

ENTRY forms for the IAPH Membership Directory 2005 were sent to all IAPH in Coordinators by e-mail/fax/postal mail early September. We would like to ask you to update the data for the Directory including the latest information of your organization. Please complete the entry form and send it back to IAPH Secretariat by Friday, October 29.

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 90 countries. Annually updated and published, it contains information on profiles as well as contact details for every IAPH member including your organization.

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

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

Membership Notes

New Members

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Changes

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IAPH Meetings

- **September 15 (p.m.), 2004**
Officers Meeting
NYC, New York, USA
- **December 13-15, 2004**
IAPH Africa/Europe
Regional Meeting
Alexandria, Egypt
- **January 10-13, 2005**
IAPH EXCO Meeting
Yokohama, Japan
- **February 1-4, 2005**
IAPH Asia/Oceania
Regional Meeting
Tehran, Iran
- **May 21-27, 2005**
24th IAPH World Ports
Conference
Shanghai, China
- **October, 2005 (t.b.c.*)**
IAPH EXCO Meeting
Presidential Choice
- **February, 2005 (t.b.c.*)**
IAPH Africa/Europe Regional
Meeting
Sines, Portugal
- **May 20-25, 2006**
IAPH Mid-Term Board
Meeting
Dunkirk, France
- **October, 2006 (t.b.c.*)**
IAPH EXCO Meeting
In Japan ?
- **April 27-May 4, 2007**
25th IAPH World Ports
Conference
Houston, Texas, USA

* Notes: To be confirmed.

Intermodal Integration to Expand Port Hinterlands

The original text of this paper was presented at the Third International Gwangyang Port Forum held on April 22-24, 2004 in Gwangyang, the Republic of Korea and recently modified slightly for IAPH.



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INTRODUCTION

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) is the regional headquarters of the United Nations Secretariat in Asia and the Pacific. Founded in 1947 in Shanghai, China, it moved to Bangkok, Thailand in 1949. It consists of 53 members and nine associate members.

The Asia and Pacific region is unique in many contrasting ways. UNESCAP covers an enormous region stretching from Turkey in the west to the Pacific island nation of Kiribati in the east, from the northern borders of the Russian Federation in the north to New Zealand in the south. The extremes of geography range from small island states to landlocked countries, and extremes of inhabitation, from globally connected megacities to remote villages that are accessible only by foot. The region contains developed countries, developing countries, economies in transition and least developed countries.

With over 3.8 billion people in 2002, Asia and the Pacific is also the most populous region in the world. Sixty seven per cent of the world's poor are in Asia and the Pacific. Twenty one per cent of the region's population is estimated to live in absolute poverty, living on less

than one dollar a day, while 50 per cent live on less than two dollars a day. Uneven economic growth, social development and income distribution further perpetuate the vicious cycle of poverty in the region.

The current wave of globalization has stimulated international trade, investment, tourism and economic growth along with the introduction of a rule-based international trading system and rapid technological and operational changes in transport and communications. During the 1970s and 80s, the average rate of world economic growth was 2.6% and world trade grew at a rate of 3.8%, 1.5 times as fast as the world economy. During the 1990's this ratio of trade growth to GDP growth has changed. The value of trade grew by 6.7% annually compared to 2.9% of economic growth, around 2.3 times as fast as world GDP.

Many countries have benefited from these developments but others remain marginalized and locked in poverty. Transport and communications networks in these developing countries are

not adequately connected to the global network due to underdeveloped infrastructure and logistics systems increasing costs and reducing competitiveness.

SHIPPING AND PORT DEVELOPMENT IN ASIA AND THE PACIFIC

Traditionally, most Asian countries have relied on maritime transportation for their export and import trades, because industrial development has tended to occur along the coastal regions.

It is therefore not surprising that 40% of world fleets are operated by Asia/Pacific countries while only 26% of world trade in terms of value originates from or destined for Asia/Pacific countries. Furthermore, 50% of world container port throughputs are handled at the Asia/Pacific ports, and the six biggest container ports of the world are in the ESCAP region with 19 Asian container ports being in the world's top 30.

Recognizing the importance of shipping and ports to the countries in Asia and the Pacific, UNESCAP undertakes container traffic forecast periodically to provide a planning context for informed decision making by governments, shipping lines and port authorities in the region.

The most recent study¹⁾ was published in 2001 with in-depth analysis of the likely maritime development scenarios across the region within a comprehensive planning context. The study investigated international container trade flows to provide medium- and long-term forecasts of the region's container shipping and port capacity requirements through to the year 2011.

According to the 2001 study, the total volume of international container handling at the ports of the ESCAP region is expected to increase from 95 million TEU in 1999 to 216 million TEU in 2011 with an annual average growth rate of 7.1 % per annum.

A new study is currently being undertaken in collaboration with KMI and APEC²⁾ and draft forecasts will be available by the end of 2004 for discussion at regional seminars.

- 1) United Nations, Regional Shipping and Port Development Strategies under a Changing Maritime Environment, 2001.
- 2) For details, see APEC project database (<http://203.127.220.68/apecp1.nsf/websearch/B12BEFD0C5B0AD7348256DF800183295?OpenDocument>).

NEW CHALLENGE: EXPANDING PORT HINTERLAND

The increased volumes of containers moving through the ports, regardless of whether they are hub ports or feeder ports, place great stress on the land transport interface and generate a need for faster and more efficient intermodal connections to the hinterlands.

During the last decades, under the UNESCAP's initiatives, international transport networks in Asia have been identified and formulated, for example, the Asian Highway and the Trans Asian Railway, and their capacity is being expanded. The new challenges are to promote seamless transport by integrating different transport modes of railways, roads and maritime shipping to facilitate the movement of goods and to overcome institutional constraints and bottlenecks that are causing delays at borders and in ports, increasing the delivered costs of products and reducing their competitiveness.

As requested by the Ministerial Conference on Infrastructure held in November 2001 in Seoul, the integration and facilitation of international intermodal transport should be given priority attention in future work programmes of UNESCAP. The first effort is under way to integrate and connect the Asian Highway and the Trans Asian Railway with major ports in the region, as shown on the draft map of the integrated transport network in Asia (figure-1).

The level of sophistication in intermodal operations varies greatly across the UNESCAP region. In some countries, ports have access to intermodal services that rival those in the US and Europe. More commonly, however, due to lack of efficient inland transport infrastructure and institutional arrangements most Asian ports have difficulties in reaching hinterland markets and as a result remain bound to a relatively small and well-defined hinterland

New challenge is to promote intermodal integration that would allow Asian ports to develop effective and efficient linkages beyond their traditional hinterland markets.

CASE STUDIES³⁾

Brisbane Multimodal Terminal

In 1990, not many vessels from Asia or Europe called at Brisbane port although they carried cargo destined for the Brisbane market, because the potential container volumes were too low to make it worthwhile.

The Port of Brisbane Corporation (PBC), a state government owned corporation, realized that the best prospect of attracting southbound trade away from Sydney or Melbourne Ports was to focus on high value electronics manufacturers from South-East Asia. For these shippers the shorter distance⁴⁾ between the departure point in South-East Asia and Brisbane meant that they

could gain an advantage by getting their high value goods onto retailers' shelves sooner. This advantage would outweigh the costs of landbridging from Brisbane to the retail markets further south in New South Wales and Victoria.

In 1994, the PBC established the Brisbane Multimodal Terminal (BMT) to promote trade through non-traditional catchments outside of Brisbane. BMT is an interface between the marine terminals, and road and rail, via dual rail gauges providing access to Queensland and interstate.⁵⁾ Located in the centre of Fisherman Islands it is close to the major Patrick and P&O Ports container terminals and the major container parks, warehousing, general cargo and vehicles trade areas and nearby bulk cargo facilities. Via direct linkages with the state and national rail systems it allows the efficient movement of import and export containers to and from the container terminals.⁶⁾

The BMT was originally leased out to and operated by the state owned Queensland Rail under a five-year agreement. In taking over the operations of BMT in 1999, the BPC realized that one of the key factors influencing the success of the multimodal terminal would be the quality and accuracy of information about the containers moving through the terminal. When BPC took over the management of the multimodal terminal the transmission of export receipt advice from the cargo

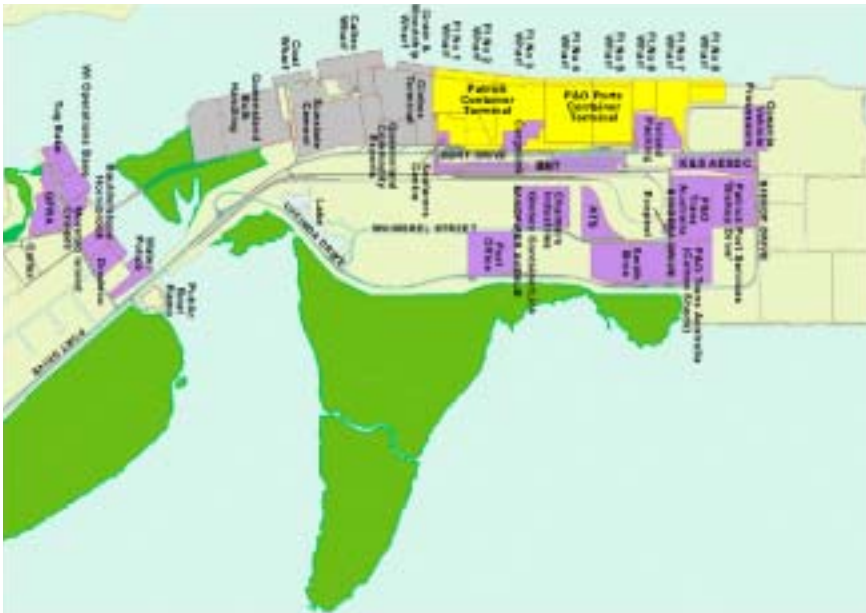
Figure-1: Integrated transport network in Asia



Note: The numbers in parentheses indicate forecast container port throughputs in 2011 by UNESCAP based on Maritime Policy Planning Model (MPPM)

- 3) The case studies are based on a draft study of UNESCAP on "Improvement of transport and logistics facilities to expand port hinterland: policy guidelines" which will be finalized and published by the end of 2004.
- 4) The advantage that the Brisbane port has is that it is closer from Southeast Asia. For example, the marine distance from Singapore to Brisbane is 3,842 nautical miles, 431 miles shorter than the distance to Sydney.
- 5) Rail systems in Australia were developed by colonial governments during the 19th century, at a time when Australia consisted of a number of separately administered colonies. As a result, the gauge of rail systems varies from State to State. While a network of nationally important rail links using 'standard' gauge has been progressively developed, intra-State lines in Queensland continue to operate on 'broad' gauge. The intermodal terminal is therefore 'dual gauge' – that can service both standard and broad gauge systems.
- 6) Port of Brisbane Corporation Website, <http://www.portbris.com.au>

Figure-2: Brisbane Multimodal Terminal



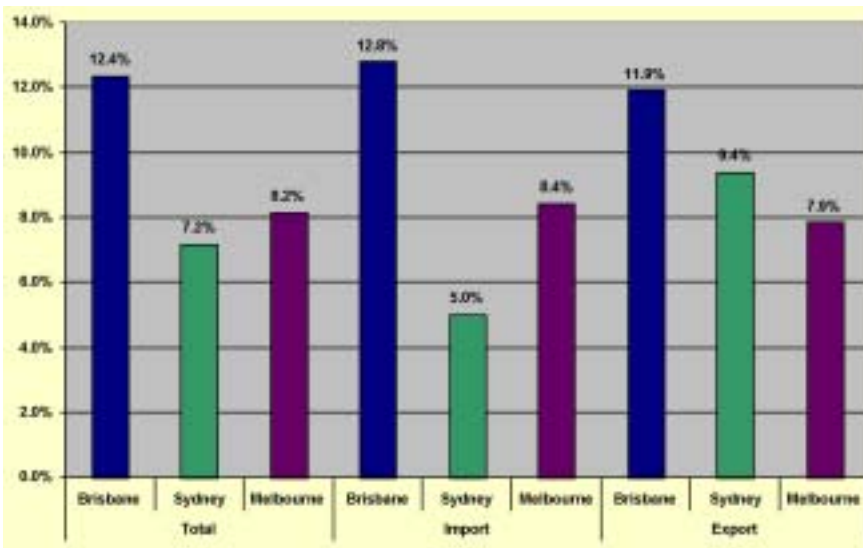
Source: Port of Brisbane Corporation website
 (<http://www.portbris.com.au/asp/portfacilities/fi.asp>)

owner to the rail operator was late, inaccurate or incomplete, thus made it difficult for stevedores to effectively and efficiently transfer containers to intended ships. Inaccuracies in export receipt advice regarding arrival time at the port, its content and weight, or the ship on which it was supposed to be loaded, resulted in container congestion, damage to perishable contents, containers being wrongly dispatched or containers having to be double handled.

To address the problem of unreliable

information transfer on containers, the port corporation directly negotiated with shippers responsible for packing their containers and then with the train operators and the stevedores at Brisbane port to include the multimodal terminal in the information flow and to manage information flows electronically. To reinforce these improvements to communication, as the operator of the multimodal terminal, BPC also took control of the scheduling of container movements through the multimodal terminal

Figure-3: Container throughput growth of Brisbane, Sydney and Melbourne (1998/99-2002/03)



Source: Compiled with data from Port of Brisbane Corporation, Sydney Ports Corporation and Port of Melbourne Corporation.

by allocating the rail operators a window within which trains could arrive or depart. The BPC considered this crucial for the successful operation of the multimodal terminal in terms of moving containers through the port according to agreed schedules as well as minimizing the number of containers remaining on the ground and creating congestion.

Another factor that contributes to the cost effectiveness of the Port of Brisbane's multimodal service is the use of unit trains between Brisbane and its southerly destinations: blocks of containers move on 30 wagons from the one port of origin to one destination per trip.

Furthermore, the multimodal terminal has become a pre-receipt and pre-delivery areas for import and export containers, resulting in significant efficiency improvements for container movement through the port.

The trade that has been attracted through the multimodal terminal includes southern bound trade coming from Asia carried by carriers, which find it cost effective to offload some of their cargo in Brisbane, then transport by rail to Sydney, Melbourne and Adelaide while the ships move on to New Zealand ports where they then pick up export trade destined for American markets.

Similarly, import cargo that had previously reached the Brisbane market by being shipped to Sydney and Melbourne and then transported to Brisbane by road or rail is now being shipped to Brisbane directly and then distributed to Brisbane and a range of other destinations throughout Queensland via rail and road. This new trade has in turn attracted new warehouse and distribution facilities to the port business area, which are able to provide their services at very competitive rates both for transport within Queensland and between Brisbane and the southern states.

Since the BPC took over BMT's management, it has been able to attract trade that is outside its traditional catchments. As a consequence, as shown in figure-3, the container trade of Brisbane grew from 357,703 TEU in 1998/99⁷⁾ to 570,256 TEU in 2002/03 at an annual average growth rate of 12.4%, which exceeded that of both Sydney (7.2%) and Melbourne (8.2%).

7) Fiscal year from 1 July to 30 June

Metroport Inland Port, New Zealand

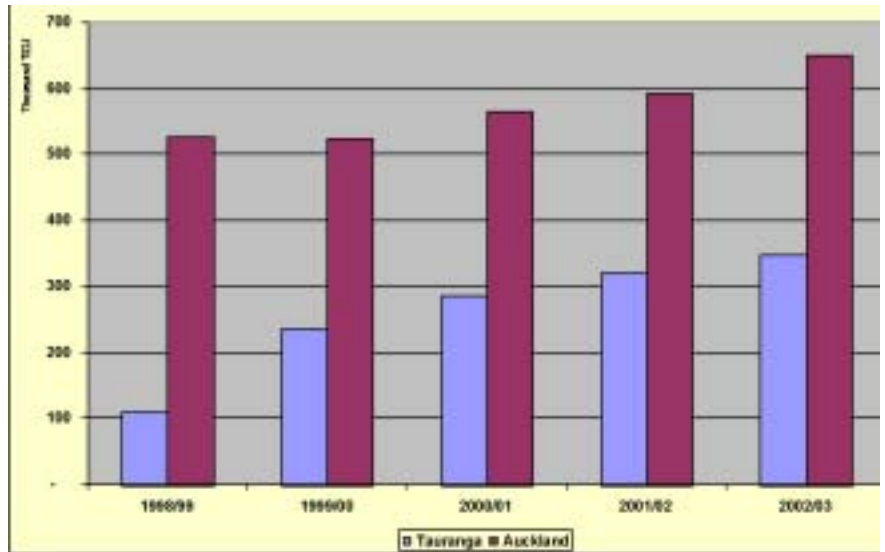
During the 1960's and 1970's the New Zealand container terminals were established in the four main commercial centres at that time - Auckland, Wellington, Lyttleton and Dunedin. The logic, particularly in the North Island, was that the vessels would call at the main import centres, with export cargo being aggregated to those ports for shipment.

As a consequence of this arrangement, exporters located near Tauranga in the highly productive area of the Bay of Plenty were subjected to significantly high inland transport costs to get their cargo to Auckland Port, sometimes driving straight past the Port of Tauranga. But they had little choice as the ships only called at Auckland, which dominated import trades with 30% of New Zealand's populations.

In Auckland, road congestion due to increased volume of container traffic caused considerable problems for business in the inner commercial area, including for manufacturers who had to move their export containers through overcrowded road corridors to reach the port.

Having missed the opportunity of getting financial and economic benefits of direct calls from container shipping operators in the port, the Port of Tauranga aimed at reversing the practice

Figure-5: Container throughput growth of Ports of Tauranga and Auckland (1998/99-2002/03)



Source: Compiled with data from Port of Tauranga Limited and Ports of Auckland

of ships calling at a commercial centre that was primary import cargo port. Instead the idea was to attract shipping lines to call at the export-dominated Tauranga Port to drop off import cargo which would then be transported to the industrial and commercial centre of Auckland.

In 1999, the Port of Tauranga opened a new inland intermodal facility called

Metroport Auckland, about 220 kilometres away but only a few kilometres across the city from Auckland Port, with an agreement with Trans Rail for train paths, access, hook-and-pull services and rolling stock for a dedicated shuttle between Tauranga and South Auckland. The decision to establish the inland terminal well within the traditional hinterland of the key competitor of the Port of Tauranga is consistent with this port's growth strategy aimed at extending operations beyond its local reach of the Bay of Plenty.

Shipping lines contracted to use Metroport call at the Port of Tauranga. Import cargo destined for the busy industrial area of Auckland is offloaded at the Tauranga Container Terminal and then transported for 220 kilometres by rail to the intermodal facility before being distributed by road or rail to its ultimate destination. The same process happens in reverse for Auckland sourced export cargo. It is aggregated at Metroport, railed to Tauranga and loaded on to the vessel. The strategic location of the Metroport intermodal facility in the heart of Auckland's industrial belt has proved popular with shippers and road carriers because of its proximity to Auckland's industrial centre as well as its ease of access and fast and efficient turnaround.

The growth in exports ultimately going through Tauranga has come in two ways, firstly through the Metroport facility and secondly through dairy exports sourced in the Waikato (near Hamilton) and the Bay of Plenty (near Tauranga and Rotorua) but not using Metroport. These dairy

Figure-4: Location of Metroport Auckland



Source: Port of Tauranga website (<http://www.port-tauranga.co.nz/>)

products used to come up to Auckland for shipment, but now go direct from the dairy factories to the Port of Tauranga. The service has resulted in savings for exporters who used to bear significantly high inland transport costs to get their cargo to Auckland Port.

The successful outcome of the Port of Tauranga's strategy is shown in figure-6 indicating that container traffic moving through the Port of Tauranga grew from 112,141 TEU in 1998/99 to 349,796 TEU in 2002/03 at an annual average growth rate of 32.9%, compared to 5.4% of Auckland.

CONCLUSION: TRANSFORMATION OF A PORT'S VIEW OF ITS ROLE

Of the many changes brought about by globalization, one of the most obvious is the importance placed on logistics in developing and maintaining a competitive advantage for a business.

Businesses have been forced to improve their supply chain management systems and in particular their ability to achieve a rapid response to an order placement or to meet increasingly shorter delivery times. This has been accompanied by a continual search for reduced handling and transportation costs. The increased use of intermodal terminals and facilities has the potential to contribute to both of these goals.

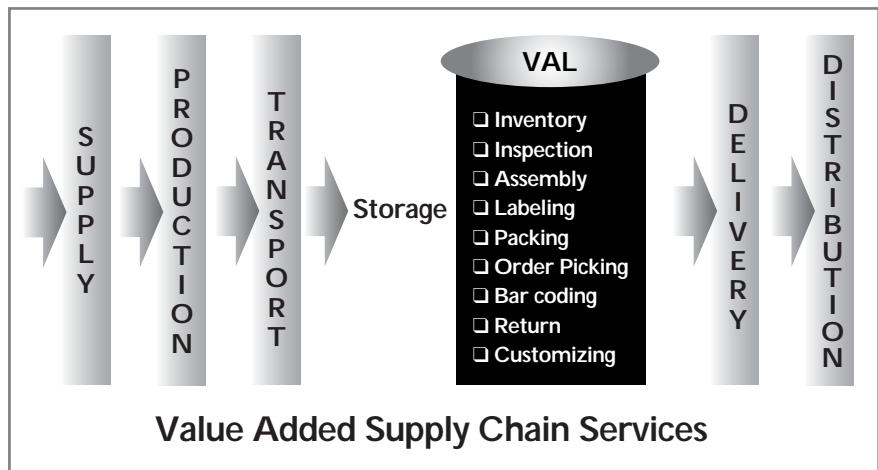
This in turn requires a shift of a port's view of its role – a transformation that has not yet been fully accomplished. Traditionally, ports were transport nodes, where goods were simply stored. Value-added logistics (VAL) services include far more roles and functions than the existing simple storage services. Many advanced ports have become very successful logistics centres providing superior logistics services.

In some instances, however, the port sector has been slow to realize that the port is not end in itself, but a link in a supply chain extending far beyond the port areas, from origin of supply to final destination of distribution. It is the performance of all the elements of the chain in meeting the customers' needs, and not just the performance of facilities within the port, that will determine the path that freight will choose to take.

In order to build a sustainable competitive advantage, ports should be able to provide efficient cargo-handling services, and also offer a variety of value-added services to reduce costs and improve supply chain performance by integrating their operations with both the upstream and downstream links of the supply chain (Figure-7).

Significant lessons can be gleaned from the experiences of the two case study

Figure-6: Port as a link in a supply chain



Source: United Nations, Commercial Development of Regional Ports as Logistics Centres (ST/ESCAP/2194), 2002.

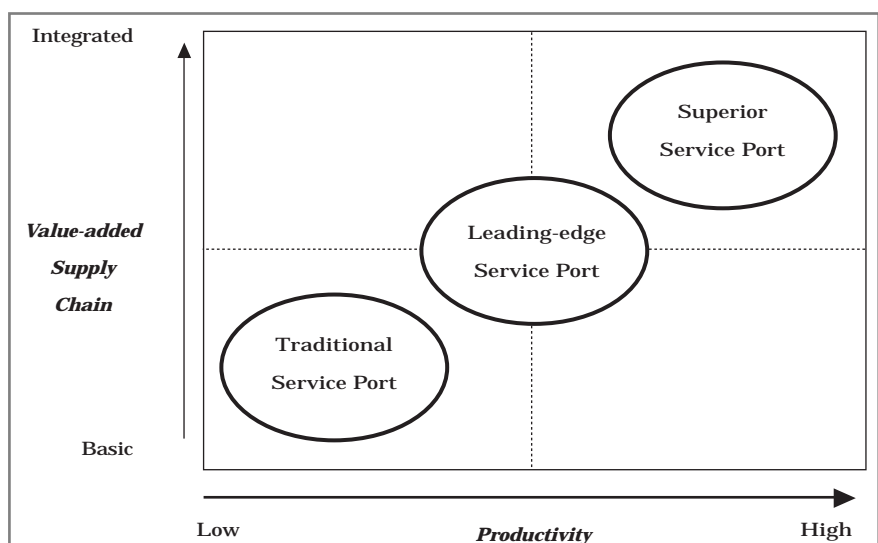
ports that have been successful in generating trade growth in hinterland markets and other areas outside of their natural catchments. In pursuing their growth strategies the ports have implemented ways of moving cargo as efficiently as possible through the port and on to rail or road transport corridors so that it reaches customers in a minimal turnaround time and at minimal cost.

None of the ports has been able to achieve these outcomes by themselves. They have to depend on the development of an innovative range of relationships and arrangements with other transport and logistics providers such as railway operators, inland hub and distribution

centres, third party logistics providers, trucking companies and public and private road builders to form an integrated intermodal service. Without the development of interconnecting road and rail systems as well as flexible and responsive service delivery arrangements the ports' capacity to attract cargo owners and shipping carriers and therefore to penetrate inland or distant markets would be seriously impeded.

The views expressed herein are those of the author and do not necessarily reflect the views of the United Nations.

Figure-7: Matrix of competitive advantage of ports



Source: Adapted from United Nations, Commercial Development of Regional Ports as Logistics Centres (ST/ESCAP/2194), 2002.



IMO: Security compliance shows continued improvement

BOTH ships and port facilities are now approaching complete compliance with the new IMO security measures developed to protect international shipping from the threat of terrorism, which came into effect on July 1.

According to the latest figures available to the IMO Secretariat from reports received by Governments, 89.5% of over 9000 declared port facilities now have their Port Facility Security Plans (PFSPs) approved, a figure which shows considerable improvement from the 69% reported on the July 1, 2004 entry-into-force date of the new regulatory regime.

Equally, the information available from industry sources on International Ship Security Certificates (ISSCs) issued for ships which have to comply with the new regulatory regime, indicates that the compliance rate is now well beyond the 90 percent mark, which compares favorably with the 86% of approved ship security plans reported on July 1, 2004.

The far-reaching international maritime security measures now in force were developed and adopted by IMO in response to the 9/11 terrorist attacks in the United States. The security measures, which include the International Ship and Port Facility Security Code (ISPS Code), are in the form of amendments to the 1974 Safety of Life at Sea (SOLAS) Convention and are aimed at enhancing maritime security on board ships and at ship/port interface areas. They were adopted by a Conference on Maritime Security in December 2002 and represent the first ever internationally agreed regulatory framework addressing the crucial issue of maritime security.

Despite the overall optimism over implementation, there remain regional pockets in which progress has not been as rapid as might be hoped. The statistics suggest Africa is falling behind other continents in complying with the new regulations, with just over half of the 30 countries in Africa to which the Code applies reporting approved port security measures. Countries in the former Soviet Union and Eastern Europe

have also been slow to implement the measures.

While the IMO Secretariat continues to monitor compliance with the requirements of the new SOLAS chapter XI-2 and with the ISPS Code, work is also ongoing to help those countries that experience difficulty in implementing the new security measures. In January 2002, IMO inaugurated a US\$2.5 million Global Program on Maritime and Port Security. Worldwide activities under this program have included seminars and workshops at regional and national levels and more than 3,200 people have so far been trained throughout the developing regions.

While the initial work in the Program focussed on raising awareness of mar-

itime security threats, this has now been adapted to place more emphasis on specific operational measures which need to be taken to safeguard the security of passengers and crews. In this context, a "Train-the-Trainer" program has been developed by IMO to assist Governments to strengthen their maritime security implementation through the provision of trained instructors capable of delivering quality training using the relevant IMO Model Courses. The Train-the-Trainer program gets underway in the second half of 2004 and will be targeted at instructors from national institutions responsible for maritime security training.

(August 6, 2004, IMO)



RTIsa: Shipping industry's security preparations keep world trade moving

THE July 1st deadline for full implementation of the International Ship and Port Facility Security Code (ISPS Code) has come and gone with little noticeable disruption to world trade.

The rate of achieving full ISPS Code compliance for ships achieved a remarkable pace during June, as the backlog of ship security plans already submitted gained the approvals and certifications required by the ISPS Code. Overall, 53% of ships worldwide achieved their International Ship Security Certificates (ISSCs) by the deadline - but compare that with 23% mid June and only just over 9% mid May. The end result of this activity has been that delays and detentions due to maritime security have been minimized.

Many ship owners and operators were ahead of the game. In the U.S., focus of the drive for Maritime Security, 1,506 foreign vessels arrived 1-5 July. Of these, more than half had already been inspected and approved prior to July 1st. Of the rest, 19 were denied entry and 30 were detained. Thus control measures were exercised against 3.25% of foreign vessels calling at U.S. ports since the ISPS Code entered into force.

So if that number of ships were not compliant, how come world trade kept on going? Because the shipping industry had got its act together and, while not achieving 100% compliance, nevertheless made sure that key ships trading to key security areas were certificated ahead of time, says the Round Table of international shipping associations (BIMCO, International Chamber of Shipping (ICS), INTERCARGO and INTERTANKO).

Because of the huge effort by the majority of ship owners and operators to achieve certification inside the deadline, and despite bottlenecks in the certification process with some flag states, world trade has continued to flow without a hiccup. Owners and operators trading regularly to the US and to Europe were ahead of the game.

100% of tonnage registered with INTERTANKO (2175 tankers) submitted Ship Security Plans (SSPs) and 91% had had them approved by June 30.72% were fully certificated which means that another 19% of certifications of the already-approved SSPs will not be far behind. BIMCO membership achieved 80% compliance (10,700 of 13,407). Dry bulk shipowners' association INTERCARGO members achieved 81% certification rate

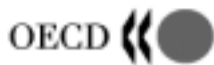
(742 out of 916) while the parcel tanker owners' association IPTA achieved a creditable 99% (425 out of 429). Other ships were compliant in time but did not tell their association about it. ICCL, the cruise ship organization whose members mainly trade out of the U.S. achieved a remarkable 100% compliance by July 1.

The other reason that world trade did not grind to a halt is because no country wants to see trade disrupted – the financial and political implications would be too severe. The last few days before the July 1 deadline showed evidence of a more pragmatic approach in some areas – not a decrease in overall rigour, but an advance in the willingness to be realistic. The general tone since the ISPS Code's entry into force has shifted from confrontation between ship/shipowner and port state, to cooperation – at least cooperation with those who are doing a good job.

The Round Table of international shipping associations urges all those involved in verifying maritime security to take note of the efforts made by the shipping industry to achieve a smooth passage through the early days of ISPS Code implementation, and to continue to strive for cooperation rather than confrontation.

The Round Table of international shipping associations - RTisa
 BIMCO
 ICS - International Chamber of Shipping
 INTERCARGO – International Association of Dry Cargo Shipowners
 INTERTANKO – International Association of Independent Tanker Owners

(July 9, 2004)



OECD: Outcome of the Maritime Transport Committee Meeting

THE Maritime Transport Committee met on May 24-25, 2004. Discussions focussed on the Committee's work on security in maritime transport, safety and the environment, the Committee's 2005/2006 Program of Work, and the Dialogue with non-member economies. The Committee agreed that a Workshop on the general topics of maritime safety and maritime security be held with non-member economies in November 2004.

The MTC elected the existing chairman and the members of the Bureau for a further term. The MTC, as a regular

feature on its agenda, heard from industry, with this session devoted to ship financing.

Estonia and the International Maritime Organization, participated as observers in the meeting. The Business Industry Advisory Committee (BIAC), the Trade Union Advisory Committee (TUAC), the International Group of P&I clubs and the Oil Companies International Marine Forum (OCIMF) also contributed to the discussions.

Industry Seminar

Ship financing. Mr. Dagfinn Lunde, Chairman and CEO of DVB Bank nv provided delegations with a comprehensive overview of the bank's ship financing activities. He highlighted certain difficulties the bank faced in ensuring that it financed only high quality shipping, principally because of the lack of real-time (on-line) and uniform reporting of data on substandard shipping, as well as the reluctance to make this data publicly available.

Security in Maritime Transport

Verification of cargoes. The Committee reviewed a joint OECD/ECMT report on Container Transport Security across Modes. This report represents the third element of the MTC's four-part strategy to deal with security in maritime transport; and because it examines container security across all transport modes it covers a much broader field than just the maritime sector. Transport authorities can play an important role in countering the threat of containers that are "hijacked" or otherwise misused by enhancing security at all points along the transport chain. A number of recommendations are provided in the report. A joint OECD/ECMT press release urging tighter security to beat freight container terrorism risk was released on the OECD site: www.oecd.org The executive summary and conclusions can be consulted at: www.oecd.org/sti/maritime-transport.

Ownership and control of ships. The Committee considered a revised report that represents the second phase of its work on ownership and control. The report proposes a number of options to increase transparency in the ownership and control of ships that could be taken by jurisdictions and shipping registers. As well, it examines some measures that could be taken by governments facing potential threats that may be made more serious by a lack of such trans-

parency. The report was declassified by the Committee and made available to all interested parties. It can be found at: www.oecd.org/sti/maritime-transport.

Update of maritime security activities. With just six weeks to go to the ISPS Code 1 July deadline, this was a last minute opportunity for Delegates to bring each other up to date on maritime security activities. Participants also benefited from an oral report from the IMO on the outcome of discussions on security issues at the meeting of the Organization's Maritime Safety Committee held just before the MTC.

Safety and the Environment

Marine Insurance. In the context of the implementation of the MTC Policy Statement on Substandard Shipping (www.oecd.org/sti/maritime-transport) the Committee considered a comprehensive study, prepared by a consultant on its behalf, on the role that could be played by the marine insurance industry in addressing the problem of substandard shipping. One of the findings of the study was that insurers are more likely to withdraw cover than to raise premiums when they become concerned about the quality of a current assured. It also noted that higher premiums applied to substandard operators would be unlikely to be a sufficient burden to force the withdrawal of the ship from service. However, compulsory insurance would help remove substandard ships if they found it impossible to obtain insurance cover.

The Committee declassified the report, and it can be found at www.oecd.org/sti/maritime-transport. Several issues raised in the report will also be progressed by the Committee in the context of its 2005/2006 Program of Work.

Policy Options to deal with Substandard Shipping. The Committee decided to give further consideration to several options, including possible work on strengthening the role of Classification Societies and the elaboration of incentives for quality shipowners, and these will be included in the Committee's draft 2005/2006 Program of Work.

Information resources on substandard shipping. This project also stems from the MTC's Policy Statement on Substandard Shipping. Participants considered a report which provided an overview of sources of information on substandard shipping along with an evaluation of their potential contribution to policy efforts to address this

problem. It focuses on Port State Control data and the manner in which this data is integrated, along with other sources, into the Equasis website. It also provides some suggestions as to how the latter can be better structured to support policy analysis, in addition to its current operational focus on vessel identification. The Committee will be taking this work forward in its next program of work.

Trade and Liberalisation

Logistics and e-commerce. The Committee decided, as part of its current 2003/2004 Program of Work, to undertake a project which will identify, examine and draw conclusions on those logistics elements that are necessary for the seamless transport of containerized maritime freight from origin to destination. It will also focus on elements and processes that are sources of delays or inefficiencies. The project will also attempt a country by country analysis (OECD Members only) to more clearly identify specific policy aspects that would benefit from attention by individual MTC member governments. Work will be commenced this year, subject to available resources.

World Trade Organization. Participants heard that attempts have recently been made to revive the negotiations on Maritime Transport Services, and these appear to be accelerating following a recent series of informal meetings, particularly one held in the margins of the May OECD Ministerial meeting. Members of the WTO are now working to try to establish by July 2004 a "framework" for future negotiations.

MTC Programme of Work 2005/2006

The Committee considered several project proposals, some of which will be included in its draft Program of Work 2005/2006. This will be finalized within the next few weeks, following a prioritization exercise of projects to be undertaken through correspondence by Committee Delegates.

Relations with non-Members

At the end of the January 2003 MTC/NME Workshop, the Committee's non-member partners expressed a strong interest in participating in future forums of a similar nature. The Committee decided to organize a further Workshop in November 2004 with the themes of maritime security (especially supply chain security) and substandard

shipping (in particular marine insurance and ship financing). The Committee will be consulting with its non-member partners to establish an agenda.

(June 23, 2004, OECD)

IACP: 9th International Conference held in Lisbon

THE 9th International Conference of International Association of Cities and Ports has just ended on July 9 in Lisbon. Nearly 600 delegates, representing 138 port cities of around 50 countries attended this event that, every two years edition after edition, is asserting itself as the great world meeting of the political and economic stakeholders of port cities. Organised around the theme of "Identity and Modernity of the Port City", the Lisbon conference marks an important point in the work of the International Association of Cities and Ports, the joint organiser of this event, together with the Metropolitan Area of Lisbon. At the end of the numerous papers presented and exchanges of experience between port cities from every continent, during the final debate the delegates agreed on one conclusion: the end of a cycle in the development of port cities and the opening towards new fields of city - port cooperation, largely struggling with the global economy.

For the port cities, a cycle has without doubt now been completed: that of urban re-conversion. Over the last decades, most of the world's port cities have undergone successive crises that have constrained them to reposition their port, urban, and industrial policies. These successive crises have sometimes hardened the dialogue between city and port - some have even talked of divorce of interests - and have generated, all over the planet, the phenomenon of the urban re-conversion of the quays and docks abandoned by modern port activities. During this cycle, projects for the urban revitalisation of the city-port interfaces were multiplied throughout the world and rare are the big port cities that have not undertaken projects of this type. The conference enabled delegates to take stock of the ambitions and great quality of these projects, but it also brought to light the risk of a certain "homogenisation" in the treatment of these city port interfaces to the detriment of the regional identities of each community. More

than ever, vigilance is therefore necessary in the continuance of projects to safeguard the identifying values of each port city.

The implementation of these projects seems to sign the end of the movement of re-conversion by the port cities of their waterside and port fringes. After the period of open conflicts between city and port, they now have to learn to live together, to cooperate better in the prospects of a sustainable development of a merchant port community in which the economy and the citizen can both find their place. In this, a new field of cooperation for the urban and port authorities is doubtless to be found, and also a new agenda for the future work of IACP.

The IACP delegates gathered in Lisbon were unanimous: the port city must not become a "museum city" in which port and maritime life are turned into a mere tourist argument. To the contrary, all of them underlined the importance of setting up a new city-port governance enabling common strategies to be determined in the face of the challenges of a global economy. The requirements of the port are today considerable in terms of space and equipment, they will be even more so in the years to come. The port economy strongly requires the functions, the competencies and the urban services on which to seat its international development and so as to be able to take a share, in the most efficient manner, in the circulation of goods between the zones of production and consumption on a global scale.

The challenge for each community is today to obtain this balance between the development strategies of the port and those of the city. Each community should become a modern and active port, in a city of exchanges, providing services to the goods and a quality of life to its citizens; "a port that works in a city that lives". In this regard, everything, or nearly everything has still to be invented. In the months and years to come, IACP will be working to help port cities to put in place instruments that will enable them to attain this objective in the most efficient manner. In the context of this agenda, a first rendez-vous has already been taken, the 10th International Conference of Cities and Ports that will take place in Sydney in November 2006. A good occasion to take stock of the progress accomplished.

(July 2004, IACP website)

Upcoming Conferences



Maritime Security Expo & Conference Europe 2004

November 1 - 3, 2004
Rotterdam, The Netherlands

THE Maritime Security Conference in the World Trade Center Rotterdam will be presented in three sections - conference, practical workshops and hands-on interactive sessions at the Port of Rotterdam Simulation Center, Maritime Training Center and City of Rotterdam Crisis Management Center during November 1-3, 2004.

Day one of the Conference covers Key-Note-Sessions with high-level speakers from the European Commission, NATO, IMO, Federal and State Government and the industry.

Day two will feature Workshops on how to deal with new regulations, security challenges and standard in the maritime industry.

Day three will present on-site tours which will provide you with a view of how the Rotterdam Simulation Center, the Port of Rotterdam and the Rotterdam Crisis Management Center operates its security systems. You will learn how to respond to a terrorist attack at a port and how the police and the fire brigade work together with the local government to detect and deter nuclear, biological and chemical weapons.

- 3 Day - Conference Ticket: € 699.00
- 2 Day - Conference Ticket: € 449.00

* 10% discount for IAPH members

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Intermodal Transport & Logistics

Bridging the Gap between
Intermodality & Logistics

November 2-4, 2004
Copenhagen, Denmark

The Intermodal Summit: The leading one-day forum on the future of European freight transport. With speakers from: LEGO • Slinnes • Ferrovie Nord Cargo • DG TREN

Cold Chain 2004: The one-day focused conference on produce logistics and reefer shipping. With speakers from: Chiquita International • LauritzenCool • Star Reefers • Supergras • OOCL

Workshops

- The eastward expansion of Europe's transport and logistics chain
- The role of air cargo intermodality
- Intermodal Loading Units - regulation and the market
- Multimodal solutions for hinterland transport
- Advances in cold chain technology

Registration Fees:

- Day 1 - Tuesday, November 2, 2004
Intermodal Summit plus Workshops November 2-4
€ 502.50
- Day 2 - Wednesday November 3
Cold Chain plus Workshops November 4
€ 562.50
- Day 1 & Day 2 - Tuesday, November 2 & Wednesday, November 3
Intermodal Summit & Cold Chain, Plus all workshops
€ 875.00

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E-mail: cust.serv@informa.com
URL: www.intermodal-events.com



TOC2004 AMERICAS

November 9-11, 2004
Santiago, Chile

INFORMA Maritime & Transport, organizer of the Terminal Operations Conference and Exhibition (TOC) series established in 1976, has announced that the fourth TOC Americas will be held

for the first time in Chile's beautiful capital city of Santiago. To backing of local specialists in the port and terminals industry will provide a significant advantage in terms of both marketing muscle and industry credibility, with the Port of Valparaiso, Terminal Pacifico Sur Valparaiso (TPS), the Port of San Antonio and San Antonio Terminal International already having confirmed as leading sponsors.

Running for the fourth year, TOC2004 Americas will bring together key manufacturers and providers of shipping, port and terminal operations equipment and services under one roof to discuss the issues critical to their industry, develop business relationships and promote and sell services to their target audience. The annual event has firmly established itself as the leading event for port equipment manufacturers and suppliers to meet the Central and Southern American ports and terminal operators.

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Upcoming Seminars



AAPA: Port Finance Seminar

November 10-12
Galveston, Texas, U.S.A.

THIS two-and-one-half-day seminar is designed for port finance and administration officers, port planning professionals, and other senior port executives. Panel discussion topics may include: trends and new approaches in port financing; FASB/GASB updates; state funding of ports; customer bankruptcy; personnel administration; risk management and insurance; impact of environmental issues on port facility financing; capital planning and investment; bond issues; trends in tax exempt financing for ports; innovations in sourcing port public funding; and credit and collections issues.

Registration Fee:

- \$610.00 members
- \$725.00 non-members

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 URL: <http://www.aapa-ports.org/programs/education.htm>



ITMMA: Public Private Partnerships in Port Structures, Pricing, Funding and Performance Measurement

**November 16 – 19, 2004
 Antwerp, Belgium**

In the past decade the port business environment has changed beyond recognition. External forces of competition and technology from the shipping and logistics industry have pushed governments and ports to adopt modern service-oriented organizational structures, based on a new division of powers, responsibilities and functions. These new institutional arrangements, although different from port to port because of a different political and economic context, are referred to as Public-Private-Partnerships (PPP) in ports). This generic term refers to fundamental and irreversible changes, both on the managerial, the operational and the financial level and has triggered the introduction of new approaches, techniques and contract arrangements.

The impact of PPP on the competitive position of ports, their tariff setting mechanisms and their performance levels has been far-reaching and often unexpected. The programme of the proposed course will deal with the key issues raised by the application of PPP instruments in the world's ports. Particular attention will be paid to such critical issues as landlord tariff structures, valuation of port assets and financial modelling. Most critical, however, for port and terminal managers involved in a port reform process, is the ability to verify the operational and financial benefits of PPP. In the second part of the course, the focus will therefore be directed to the most appropriate techniques and methods for assessing a port or terminal's performance in terms of production, productivity, utilization and service quality.

Target group:

High-level decision makers and managers in sea and inland ports and similar enterprises. High-level public servants in departments of infrastructure, environment and mobility

Fee: € 1,000.00

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New Publications

MARAD: Vessel Calls at U.S. Ports 2003 Average Vessel Size Increases

A steady growth in the average size of vessels calling at U.S. ports and continued rapid increase in double-hull tanker calls are among the highlights of a new report released on July 29 by the U.S. Maritime Administration (MARAD).

In *Vessel Calls at U.S. Ports, 2003*, MARAD notes that while the number of vessel calls at U.S. ports in 2003 is only slightly greater than it was in 1999, the average size of vessels has increased by 10 percent during the period.

As evidence of the smooth transition to double-hull tankers mandated by the Oil Pollution Act of 1990, 64 percent of the tanker calls at U.S. ports in 2003 were by double hull tankers, up from 40 percent four years earlier. For the period 1999 to 2003, double-hull tanker calls increased by 72 percent.

L.A./Long Beach, Houston and New York were cited as the largest ports in terms of calls, accounting for 27 percent of all vessel calls at U.S. ports. In 2003, the top 10 (of 133) ports accounted for 58 percent of total U.S. calls.

The report provides five years of data (1999 to 2003) on calls, size and capacity of vessels calling at U.S. ports by major vessel types, and is the third in the series. While the new report uses highlight and summary tables to present highly aggregated data, additional information regarding calls and capacity serving all U.S. ports may be found on the MARAD website at www.marad.dot.gov/marad_statistics.

The report is available in print or CD-ROM formats, or it may be downloaded from the MARAD website.

For further information:

MARAD's Office of Statistical & Economic Analysis
 400 Seventh Street, SW, Room 8107,
 Washington DC 20590
 Tel: (202) 366-2267
 Fax: (202) 366-8886
 E-mail: data.marad@marad.dot.gov

Containerisation International Market Analysis: World Container Census 2004



THE World Container Census 2004 report, published in April 2004, represents the most uniquely detailed analysis of global container fleet available to financial institutions, container leasing companies, ocean carriers and professionals in the container industry.

- A detailed analysis of global container fleet by ownership, providing an insight into the strength of the world shipping market and the continued recovery of leasing sector.
- An evaluation of maritime dry freight and reefer container fleets, focusing on the maturing character of these sectors.
- An assessment of regional container fleets, providing an insight into swapbody/palletwide and North American domestic sectors.
- An overview of global fleet growth by size and type, looking at ownership and owner-region for period 1994-2005, plus a projection to 2008.

Price: £375.00 / € 558.00 / US\$656.00 / HK\$5,117.00

For further information:

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Cover of the Month

Port of Tanjung Perak The Future Plan Development Project



of trade and development in East Java.

The physical development of the port of Tanjung Perak continued to the present day, with modification of existing berths, and provision of additional berths specifically designed for container handling operations. In addition, the port authority has been responsible for encouragement of development of associated port industries, and the construction of the passenger terminal, and continues to upgrade and improve both port facilities and services to meet demand.

TANJUNG PERAK TRAFFIC

Table below, summarizes traffic by port of origin and destination for domestic conventional cargoes handled through the Port of Tanjung Perak. Container handling through Surabaya International Container Terminal (PT. TPS) and Tanjung Perak Port conventional Terminal. The data below provide a good picture of the existing conventional cargo and container handling in the port.

HISTORY IN BRIEF

The Port of Tanjung Perak is one of the main gate way ports of Indonesia. It is the principal port in East Java, and the main cargo collection and distribution center for both the Province of East Java, and the whole eastern archipelago of Indonesia. The port is therefore the maritime transportation hub for the eastern region of Indonesia, servicing both International and Inter-island shipping in the region.

Historically, ocean liners anchored in the straits of Madura adjacent to the town of Surabaya, and loaded and unloaded their cargoes by barges and small boats that could transit the Kalimas (a narrow river), to reach Jembatan Merah, which was the old port of Surabaya, located in the heart of Surabaya City. Growth in trade and cargo traffic resulted in a demand for additional port infrastructure, and cargo traffic congestion showed that the old facilities of Jembatan Merah were inadequate.

Since this time, The Port of Tanjung Perak has contributed greatly to the economic development of the Eastern Indonesia region influencing the growth

CARGO FLOW

DESCRIPTION	1999	2000	2001	2002	2003
1. Export					
a. General Cargo (ton)	821.597	424.425	527.025	453.347	500.547
b. Dry Bulk (ton)	66.818	295.480	148.010	77.344	27.216
c. Liquid Bulk (ton)	79.034	86.645	54.214	30.372	7.250
d. Bag Cargo (ton)	56.414	106.798	49.196	40.809	13.301
2. Import					
a. General Cargo (ton)	1.840.386	1.184.292	1.241.290	1.579.691	2.035.764
b. Dry Bulk (ton)	1.938.517	2.506.800	3.847.888	3.072.592	2.765.368
c. Liquid Bulk (ton)	55.414	79.162	0	0	0
d. Bag Cargo (ton)	1.041.521	743.732	1.083.604	1.024.654	677.064
3. Total					
a. General Cargo (ton)	2.661.983	1.626.717	1.768.315	2.033.038	2.536.311
b. Dry Bulk (ton)	2.005.335	2.712.280	3.995.898	3.149.936	2.792.584
c. Liquid Bulk (ton)	134.448	165.807	54.214	30.372	7.250
d. Bag Cargo (ton)	1,097.935	850.530	1.132.800	1.065.463	690.365

CONTAINER FLOW

DESCRIPTION	1999	2000	2001	2002	2003
Conventional Terminal (BOX)	205.107	294.267	381.998	133.239	99.147
(TEUS)	215.477	310.759	399.950	140.587	105.534
Surabaya Int. Cont. Terminal (PT. TPS) (BOX)	652.916	708.120	633.085	668.136	702.210
(TEUS)	891.429	949.029	868.501	927.106	980.706
TOTAL (BOX)	858.032	1.002.387	1.015.083	801.375	1.269.464
(TEUS)	1.106.906	1.259.788	1.268.451	1.067.693	1.574.998

FUTURE PLAN DEVELOPMENT

Being a port projected to operate as a world class port, Tanjung Perak will be developed in phases by adjusting with growth of international trade and sea transport technology. Such port development project applies concept of "self generating cargo port" to achieve efficiency in goods production process to provide spaces for export-oriented industrial activities through its area in the future.

Teluk Lamong (Lamong Bay) in width of 1.700 hectares serves as the priority of port development. Lamong Bay in width of 500 hectares will be initially developed in immediate time divided in to 5 (five) port facilities and supporting zones, namely :

- Port and Terminal District
- Industrial District
- Commercial District
- Residential District
- Recreational Zones

The location of Lamong Bay offers unique opportunities to transform an existing agricultural waterfront area into a development emphasizing the relationship between work and leisure. The tapestry of district, the industrial, commercial, residential and recreational districts are connected by a series of roads and parks.

A causeway would connect the Lamong coast to the newly reclaimed island providing for a dual two lane carriageway. The road and utility infrastructure would be developed to support the various district under the master plan.

Port and Terminal District

The port and terminal district is envisaged to compromise of a container terminal catering to the increasing needs for international and inter-island transportation cargoes. It will also have a multi-purpose berth supported directly by a cargo distribution center and distriparks.

The port and terminal district can function as the heart of the development, providing the "central generator" that will drive the business and trade growth for the area.

Industrial District

To encourage production of substitutes for imported goods and production of goods for export, a 79 Ha of industrial district is planned. This district is planned to complement the existing factories dispersed around the vicinity of the area. To strike a balance between modern industry and existing traditional manufacturing industries, the expansion needs of existing industries in the vicinity to relocate to amore convenient location and the modern industrial needs will be planned to co-exist harmoniously with other development at this district.

The readily reclaimed land at Lamong Bay provides lucrative incentives for investors to established new industries there without bearing the burden of land acquisition etc. Creation of the industrial district will be bring the twin advantages

and significant numbers of various employment opportunities.

Commercial District

As the Lamong Bay site is strategically located to forge greater integration between newly reclaimed land and the mainland, the commercial district will give the development a definitive corporate image and character. Surrounded by a park-like environment with lush greenery and extensive water features, it gives the commercial district a feeling of close harmony with nature.

Residential District

Residential and commercial are expected to coexist harmoniously offering high quality residence with neighboring work place. It offers the advantage of short distances from home to work place, to commercial and entertainment centers, to recreational area and etc. Mixed housing development is envisaged where upper stories of commercial complexes could be residential and lower stories for commercial/business activities.

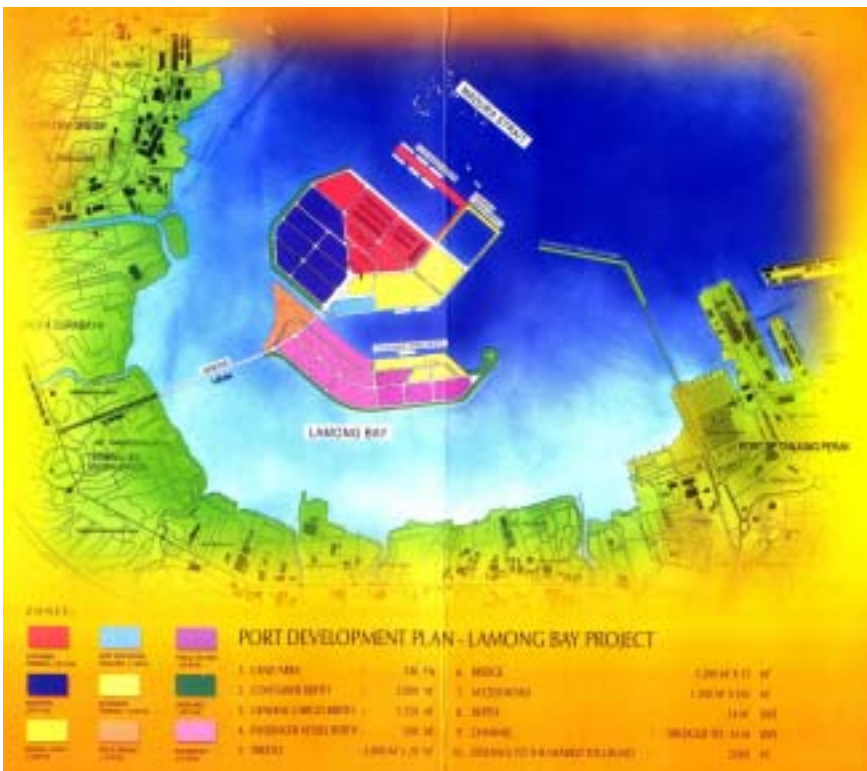
Recreational Zone

A Marina is located to buffer industrial visibility from of the residential district. The prestigious marina will attract both professional and novice sailors. This superb location will provide a base for water cruising or small boat sailing and racing within the tranquil, sheltered waters of Lamong Bay. Land side recreational facilities for racquet sports, swimming or a quiet game of snooker will be complimented by fine dining with a waterfront setting.

CONCLUSION

The Development of an efficient global port will generate substantial spin-offs leading to the beneficial development of Lamong Bay as both a regional and international business center and the creation of first class resort and residential accommodation.

The Lamong Terminal and the development of Lamong Bay will help to satisfy the rising demand of the East Java Region. The project will likely generate substantial employment opportunities for the growing population and propel the growth of the East Java Region.



The Americas



MARAD: Cruise Passenger Travel grows 13.6%



RELECTING a rise in the popularity of passengers departing from ports closer to their homes, cruise lines carried 2.3 million passengers on North American cruises in the first quarter of 2004, the Maritime Administration (MARAD) reported today. The figures reflect a 13.6% increase compared to the same period in 2003.

The majority of cruises are still destined for the Caribbean and the Bahamas. However, there has been important growth in new and emerging "drive market" ports - departure ports closer to home. For example, last year, during the first quarter, four ports - New York, Jacksonville, Houston, and Norfolk - offered no departures. Now, these cities are currently among the top 15 departure ports in the nation. Other ports posting impressive gains are Charleston with 54%, New Orleans with 46%, Galveston with 31%, and San Diego with a nearly 200% increase.

U.S. Secretary of Transportation Norman Y. Mineta, commenting on the figures, said, "Cruise lines have continued investing in new cruise ships and with the economic recovery, Americans are taking advantage of expanded cruise offerings that depart closer to home."

While Miami remained the number one departure port in the first quarter of 2004, its passenger traffic declined 15 percent from last year, and its market share fell from 30 to 22%, in part, because more departure traffic is going through other ports. Los Angeles overtook Tampa for the Number 5 ranking.

According to the International Council of Cruise Lines' most recent economic impact study, the North American Cruise Industry contributed a total economic benefit to the U.S. economy of \$20.4 billion in 2002. Direct spending of the cruise lines and passengers on U.S.

goods and services was \$12 billion and those expenditures generated nearly 280,000 jobs in the U.S. economy.

Maritime Administrator Captain William G. Schubert noted the good news the nation's economy, saying, "The growth in the number of departure ports provides cruise passengers with more choices and ensures that this industry's economic benefits are felt more widely throughout the country."

The figures on cruise passenger travel are part of a statistical series issued quarterly by MARAD on U.S. cruise passenger traffic, with data for 17 cruise lines serving the United States.

(July 12, 2004, MARAD)

CIP/OAS: Achievements and matters pending in Latin American port reform

THE purpose of the seminar-workshop organized by ECLAC and The Inter-American Committee on Ports (CIP) of the OAS on port reform (Mexico, September 2003) was to analyze advances and setbacks in port reform in the region, and to thereby serve as a frame of reference for those countries that have not yet implemented structural reforms in their ports. This reform primarily involves incorporation of the private sector as direct port operators.

The seminar-workshop identified four groups of ports in the region, based on the extent of the reform done:

- a) ports that have completed their reform;
- b) ports that are in process of completing reform;
- c) ports that partially include the private sector; and
- d) ports that have maintained the traditional system of public management and ownership.

One of the most important conclu-

sions observed by the experts is that in the first group of ports, there have been substantial reductions in the costs of port operation, and a marked improvement in operating performance, in terms of both time and quality of services. They note, for instance, that in 2002, 37% of the ports reviewed had been reformed and were handling 65% of total container operations, while 63% of the ports that had not instituted reforms handled only 35% of the total.

With regard to the recommendations made for the ports in the region, emphasis is placed on the need for national authorities and the private sector, working within the framework of the relevant international organizations, to promptly propose measures to deal with the new challenge arising as a result of the security measures being initiated in developed countries.

The measures in practice, along with the ones that will take effect in the course of 2004, could affect the competitiveness of regional economies and alter trade relations among countries, including effects such as diversion of ocean liners and port movements, higher port costs, and possible trade sanctions in the event of noncompliance with the measures adopted. For more information, please refer to the following web site: www.eclac.cl/transporte.

(CIP Port Newsletter No. 2, May 2004)



GPA: New Service for Port of Savannah

DOUG J. Marchand, Executive Director of the Georgia Ports Authority (GPA), announced today the commencement of the Port of Savannah's newest all-water Asia-U.S. East Coast service via the Panama Canal.

"This service is projected to add to our annual throughput," said Marchand. "It's all about speed, competitive services and location. We've done an excellent job in preparing Georgia's ports to meet these demands and that's reflected in the Grand Alliance's decision to expand their services in the Port of Savannah."

The East Coast North Express Service, or ECN, operates under the service portfolio of the Grand Alliance, a partnership of four world-class ocean carriers that include Hapag-Lloyd, NYK Logistics, OOCL and P&O/Nedlloyd. With a report-

ed 2,000 moves, the first vessel in the weekly service, the M/V NYK Kitano, is scheduled to call the Port of Savannah's Garden City Terminal on July 31.

The ECN will give shippers more choices, better frequency and assurance of competitive rates. The Port of Savannah services 12 major distribution centers with 9 million square feet of warehousing and moved more than 1.5 million TEUs (Twenty-foot Equivalent Unit containers) last year. In December 2002, GPA launched the Client Relations Center providing customers and other port-users with a direct, responsive link to service assistance, cargo coordination and issue resolution.

"GPA continues to have a profound impact on communities across our state in terms of job generation, disposable income, trade and investment opportunities and a better quality of living as the direct result of increased port activity," said Marchand.

At the end of the GPA's most recent fiscal year, 1.57 million TEU's moved via GPA operations at the Port of Savannah, the fifth largest container port in the United States. In addition to the new ECN Service, the Grand Alliance also provides direct all-water weekly service between Asia and Savannah via the PAX and AEX services. Reinforcing Savannah's ranking as the second largest U.S. East Coast port in the Asian trade behind the Port of New York / New Jersey, the Port of Savannah today provides access to 13 weekly all-water services between Asia and the U.S. East Coast and serves as the primary conduit for Asia-U.S. trade in the U.S. South Atlantic.

Added Marchand, "The three Grand Alliance services, combined with Savannah's impressive inventory of additional Asian services, have enabled us to provide our customers with a wide array of port pairs between Savannah and Asia at extremely competitive transit times. The ECN service, for example, provides a transit of 27 days between Hong Kong and Savannah. For customers such as U.S. retailers sourcing Northeast Asia and feeding a dozen Savannah area import distribution centers, that's a huge advantage in a market that is growing increasingly competitive every day.

Deploying eight vessels, with a maximum capacity of 4,200 TEU vessels, the ECN port rotation includes Pusan, Shanghai, Shekou, Hong Kong, New York and Savannah before returning to Pusan.

(July 30, 2004,
Georgia Ports Authority)



Los Angeles/Long Beach: Marine Terminal Operators proceed with efforts to relieve Port Congestion

OPERATORS of container cargo terminals at the ports of Los Angeles and Long Beach are moving forward with their effort to develop a plan to phase in night and weekend operations under enabling documents filed with the Federal Maritime Commission (FMC) that became effective today.

The terminal operators filed documents with the FMC June 4 to allow them to work together to establish port-wide operations outside of peak commute hours. The goal of their efforts is to mitigate port-related traffic congestion and to reduce air pollution by reducing truck idling times. Their proposal will provide for port-wide terminal operations during nighttime and weekend hours.

The documents became effective today following a 45-day review period required under FMC regulations, clearing the way for finalization of key elements of the proposal. Discussions of the terminal operators will now focus on specific work processes, approaches to help pay for off-peak operations, and measures encouraging off-peak use by trucking companies and customers.

"Working closely with the FMC is key to making this plan a reality by properly collaborating within our industry and then refining the plan based on the input and needs of other key stakeholders in intermodal transport," said Jon Hemingway, CEO of SSA Marine and a participant in the effort. "While we are federally regulated, our industry is very aware of the desire of local community leaders and elected officials to get the most out of the precious infrastructure we share while improving our communities. The senior officers of all the terminal operators are personally involved in this effort and working hard to make it happen while carefully considering the impact on a huge port complex which is vital to our nation's trade."

Hemingway said terminal operators will unveil additional details of the program over the next month as they reach

industry consensus on the specifics of the plan. They will refine that plan as they gather feedback from principals and officers of trucking companies, distributors, importers, government officials, port officials, regulatory agencies, U.S. Coast Guard, railroads, the ILWU and ocean carriers of containerized cargo.

John McLaurin, president of the Pacific Merchant Shipping Association (PMSA) which represents ocean carriers and marine terminal operators on the West Coast, said the ports of Los Angeles and Long Beach constitute the largest port complex in the United States. Some 12 million TEUs (twenty-foot-equivalent containers) are handled at the port complex every year. According to the California Association of Port Authorities, an estimated 700,000 California jobs with a payroll in excess of \$30 billion are directly and indirectly associated with the ports.

"We know there is a lot of anticipation surrounding this effort," said McLaurin. "It's a huge undertaking that affects many interdependent operations. It's important they get this right."

Terminal operators hope to begin phasing in off-peak operations this fall as quickly as additional ILWU labor can be hired and trained.

(July 19, 2004, Pacific Merchant
Shipping Association)



Long Beach: World's largest container ship arrives



THE largest of the world's largest container ships, China Shipping Container Lines' 8,500-TEU CSCL Asia, is scheduled to arrive Saturday, July 24, for its maiden call at the Port of Long Beach. The ship will dock at the Total Terminals International mega-terminal at Pier T on Terminal Island.

The newly built CSCL Asia is 1,096 feet long, which is longer than three football fields, and 140 feet wide, which is 30 feet wider than the Panama Canal.

The CSCL Asia can carry enough cargo to completely fill a 1 million-square-foot regional shopping center with products eight feet high.

The CSCL Asia is among a new generation of 8,000-twenty-foot-equivalent-unit (TEU) vessels that have begun to call at the Port of Long Beach, the only U.S. port with the deep channels and large shipping terminals currently capable of handling these giant vessels fully loaded. Only five years ago, the first 6,000-TEU ships called in Long Beach.

The CSCL Asia is the first of five 8,500-TEU vessels that China Shipping has ordered from Samsung Heavy Industries of South Korea. The others will be delivered during the next two years. China Shipping also has ordered eight 9,600-TEU ships. The CSCL Asia is deployed in a transpacific service that calls in China in Shanghai, Xiamen, Yantian and Hong Kong, and then crosses the Pacific to Long Beach and Oakland before returning to Shanghai.

Based in Shanghai, China Shipping is a subsidiary of China Shipping (Group) Co. and one of the world's leading container carriers. The company shipped 3.5 million TEUs in 2003, and it expects to ship 4 million TEUs in 2004.

During this summer of the mega-ships, four other lines have or will be calling with 8,000-TEU ships in Long Beach, including Orient Overseas Container Line (OOCL), China Ocean Shipping Co. (COSCO), CMA CGM and Mediterranean Shipping Co. (MSC). Of these giants, the China Shipping vessels have the largest declared capacity.

(July 23, 2004, Port of Long Beach)



Port of Montreal
Port de Montréal

Montreal: Heading for another record year for containers



OVERALL traffic handled at the Port of Montreal posted a remarkable 15.6% increase for the first six months of 2004. It totalled 11 million tonnes, after a gain of 1.5 million tonnes over the first half of 2003.

The Port of Montreal, the leading North-American container port serving the North Atlantic market, handled 5.2 million tonnes of containerized general cargo during the first six months of 2004, representing an increase of approximately 380,000 tonnes or 7.9% over the same period in 2003.

A total of 583,834 TEU (20-foot equivalent unit) containers had passed through the port as at June 30, 2004, representing a 10.6% increase over the 527,735 containers handled during the first six months of 2003.

"If the economy shows any strength at all between now and the end of the year - and we really have no reason to believe otherwise - container traffic will certainly enjoy another record year," stated Port Authority President and CEO, Dominic J. Taddeo.

"International trade is presently in the midst of booming growth, and this phenomenon is placing a great deal of pressure on infrastructures and intermodal transportation facilities throughout North America," Taddeo explained. "At the Port of Montreal, for example, we have not only enjoyed the best six months in our history in the container sector, but June was our best month ever, with 110,256 TEU containers handled on our docks: this number is simply unprecedented," he added.

The only traffic that decreased was non-containerized general cargo, reported at 224,000 tonnes at the end of the first half of 2004 compared with 248,000 tonnes over the same period in 2003. This 9.6% drop was mainly due to the decrease in steel product imports.

Liquid bulk traffic increased by some 734,000 tonnes or 33.2% to total 2.9 million tonnes. Petroleum product traffic totalled close to 2.5 million tonnes, following an increase of slightly more than 620,000 tonnes or 33.8%. Other liquid bulk totalled more than 483,000 tonnes for an increase of some 110,000 tonnes or 30%.

A significant increase in grain traffic was also reported during the first half of 2004. It totalled more than 723,000 tonnes for a gain of more than 287,000 tonnes or 65.9%. This increase was mainly due to Canadian wheat exports.

- Other -

Dry bulk cargo totalled 1.9 million tonnes for the first six months of 2004, representing an increase of 6.2%, or more than 110,000 tonnes. The increase in dry bulk was attributable mainly to iron ore, zinc ore, and road salt. The Port of Montreal is vitally important to

local industries, which rely on a steady supply of raw materials.

The Port of Montreal creates some 17,600 direct and indirect jobs and generates annual business revenue of close to \$2 billion in the Montreal region as well as throughout Quebec and Canada. In addition, many industries and companies rely on the Port of Montreal for their raw materials and for their products, as well as for their exports.

(July 22, 2004,

Montreal Port Authority)

**THE PORT AUTHORITY
OF NEW YORK & NEW JERSEY**



NYNJ: Planning for expansion of ExpressRail Elizabeth

TAKING the next step in a major redevelopment plan to increase rail freight capacity at the Port of New York and New Jersey, the Port Authority Board of Commissioners today authorized \$5 million in planning and design funds for a project to expand the new ExpressRail Elizabeth Intermodal Facility at the Elizabeth-Port Authority Marine Terminal from 10 to 18 tracks. The facility will commence operations in September.

Governor James E. McGreevey said, "Last year was a record-breaking year for the Port of New York and New Jersey, with total cargo tonnage increasing 12 percent over the previous year and growth expected to remain strong. To meet this demand, we are investing the resources now to create jobs and infrastructure so that our port may continue to play a critical role in our region's economy."

Port Authority Chairman Anthony R. Coscia said, "Cargo volume at the existing ExpressRail facility has grown at an average of 17 percent a year since on-dock rail operations began in 1993. To manage this rapid growth, we're working with our industry partners on rail and port investments that will provide a more efficient gateway to accommodate the continued trade growth that is so valuable to our region."

Port Authority Executive Director Joseph J. Seymour said, "Greater rail capacity at our port reduces transportation costs and roadway congestion. By building a strong rail system, we're creating economic and environmental benefits for both the port community and the residents of the region."

The authorization also provides for planning and design of a second lead track that will allow trains to arrive and depart the facility simultaneously, and the partial relocation of Bay Avenue to increase safety by minimizing the possibility of road/rail conflicts.

The Board also authorized a 10-year agreement with Millennium Rail, under which the firm will operate and maintain ExpressRail Elizabeth starting on or about September 1 of this year. Created especially to operate the new facility, Millennium Rail is a joint venture of APM Terminals North America, Inc. and Maher Terminals, Inc., the Port's two largest tenants.

ExpressRail Elizabeth is part of a comprehensive \$600 million rail program to develop the ExpressRail System, which will create dedicated rail facilities for the Port's major container terminals and additional rail support track. These facilities include ExpressRail Elizabeth, ExpressRail Port Newark, ExpressRail Staten Island at Howland Hook Marine Terminal, as well as the ExpressRail Corbin Street Intermodal Support Facility and expanded rail infrastructure on Staten Island.

(August 5, 2004, Port Authority of New York & New Jersey)

property company; Inchcape, the automotive-services group; and Spectris, the instrumentation and electronic controls company.

(June 30, 2004)



Antwerp: Port traffic increases by 7%

THE maritime cargo turnover in the port of Antwerp amounted to 75,620,057 tonnes for the first half of 2004. During the same period of 2003 70,575,097 tonnes were handled. This once more represents a strong increase of 7.1%

Once again the container traffic experienced a strong growth. During the first half of 2004 34,595,855 tonnes of containerised goods were handled. As compared to the same period in 2003 this represents a growth of 14.6%. Expressed in TEU, the container handling rose by 14.9% to 3,065,548 TEU.

Conventional general cargo rose by 4.8% to 8,767,987 tonnes in comparison with 2003. Transshipment of steel registered a 12.1% growth. On the import front a 33% growth was registered in comparison with the first six months of 2003. However this growth needs to be put into perspective, seeing the weak results registered during the first half year of 2003. A growth of 5.7% was generated on the export side thanks to the increased export to China and a revival of the American economy.

Transshipment of paper and wood cellulose rose by 3.7% to 1,507,512 tonnes.

Fruit handling amounted to 836,023 tonnes during the first six months of 2004 and as such showed a slight growth of 0.5%.

The ro/ro traffic experienced a 14.3% rise, ending up at 1,909,739 tonnes.

The number of cars increased by 5.5% as compared to the first six months of 2003. During the first half of the year 2004, 443,792 cars were loaded and discharged. The high growth on the export side (+ 16.5%) is the direct result of increased traffic from the Grimaldi Lines. The import of cars dropped by 14.9% as the result of the termination of several shipping contracts.

In comparison with 2003 both the dry as also the liquid bulk traffics remained stable during the first half of this year. A minimal difference is to be noted in the liquid cargos (16,986,961 tonnes) in comparison with 2003 (-0.7%). Within

Africa/Europe



ABP: Wins "Best Communication of Shareholder Value"



ASSOCIATED British Ports Holdings PLC ('ABP'), the UK's leading and largest port company, has won the award for Best Communication of Shareholder Value - Non-FTSE 100, at the prestigious IR Magazine Awards held on 21 June.

Bo Lerenius, Group Chief Executive, ABP, said: 'For a listed company, communicating value to shareholders is of paramount importance. This is something we have always believed in, and we have worked hard to achieve it. We are very happy to be presented with this award.'

The IR Magazine Awards, which are internationally recognised as an accurate and valid measure of excellence in investor relations, and which were held this year at Le Meridien Grosvenor House, London, are calculated on independent research. As such, they are

considered authoritative on what constitutes best-practice liaison between a listed company and its investors.

Richard Adam, ABP's Group Finance Director, added: 'It is pleasing that, having pursued a strategy of developing communication with investors and stakeholders, we should be recognised in the IR Magazine Awards. The Awards are a valuable point of reference for companies serious about their relations with investors; we are honoured to be awarded Best Communication of Shareholder Value by the very people who follow our progress.'

The Awards, which take place in 11 worldwide regions including the US, Canada, Asia, and the Eurozone, are open to any publicly listed company. For each event, IR Magazine commissions an independent survey of portfolio managers, buy-side analysts and sell-side analysts. The results thereby provide the corporate world with solid benchmarks for its relationships with investors, and also provide a snapshot of the current state of investor relations in 'UK plc' as a whole.

Other highly commended companies in the nomination for Best Communication of Shareholder Value - Non-FTSE 100 were Hammerson, the



this category a substantial drop is to be noted in the import of crude oil (-16.7%) which is as the result of the closure of a crude-unit and the maintenance shut-down of a refinery in the port. Nevertheless this drop is compensated by an increased volume in petroleum derivatives and chemicals (+ 527,664 tonnes).

There was a slight increase in dry bulk goods (+ 0.9%). The major shift is to be found in the traffic of ores and coals. The reduced activity in the Belgian steel industry, combined with the overhaul of a blast furnace in the Walloon part of Belgium, resulted in a drop of 16.5% of the ore traffic down to 3,090,347 tonnes. The traffic of coal rose by 25.9% to 4,632,258 tonnes. The increase in the production of coke and the phasing out of several European coal pits are at the source of this exceptional result. With this the port of Antwerp strengthens its position as a coal port for the German and French hinterland.

Noticeable is also the fact that these high volumes of traffic were generated with 78 less ships. This is to be declared through the increased scale of the ships. During the first six months of 2004 7,732 ships called at the port of Antwerp. The global gross tonnage amounted to 118,136,842 GT. As compared to 2003 this represents an increase of the average gross tonnage per visiting vessel of 6.6%.

(July 19, 2004, Port of Antwerp Authority)



Hamburg: Port enlargement - capacity extension and infrastructural adaptation

AFTER several years of two-digit growth rates, making the best of the excellent chances offered by the Port of Hamburg in the future will necessitate developing the capacities of the handling facilities and the transport infrastructure to meet the demands of our times. On the basis of this premise, the Ministry of Economic and Labour Affairs has presented an expansion and modernisation plan for the public infrastructure at the port. By 2009, around € 185 million are to be invested in order to accelerate the expansion of the port.

The decisive factors in relation to the port's success are made up of a well-balanced combination of handling facili-

ties and services on offer, as well as the timely extension of the transport infrastructure. The capacities of the existing container terminals (Eurogate, Burchardkai, Altenwerder and Tollerort) will be enhanced over the years, while the waterways frequented by vessels arriving from abroad as well as the berths including quay walls will be adjusted to the increasing size of container vessels. In two sections of the port, "Petroleumhafen" and "Mittlerer Freihafen", re-structuring may open further growth opportunities in the future.

The development strategy which has been deployed for many years with the aim of making the port the centre of logistics will continue to be followed. After the successful inauguration of the new centre in the area Südwest-Indiahafen (Southwest - India port), the project which was initiated on the River Dradenau some time ago will be developed, and in the immediate hinterland of the new Container Terminal Altenwerder, a freight haulage centre will soon be in operation.

Hamburg and the Bundeswasserstrassenverwaltung (national waterway management) are making preparations to adapt the waterways of the River Elbe to meet the demands of the new, gigantic container vessels. Civil works are scheduled to begin at the end of 2006/beginning of 2007. In addition, the facilities of the quayside railway will be expanded in several places. Currently, the most spectacular measure is the enlargement of the railway station "Alte Süderelbe", which has already commenced, in the hinterland of the large container terminal. Not far from it, the most comprehensive road construction measure is to be implemented. The heavily frequented cross-section Waltershofer Strasse / Finkenwerder Strasse will be restructured on a large scale by the end of 2008.

(July 29, 2004, Hafen Hamburg Marketing e.V.)



Klaipėda: A new bulk fertilizer terminal

A new bulk fertilizer terminal was opened in Klaipėda seaport (Lithuania) at the reconstructed berth with the depth of 14 m in the summer of 2004. The terminal is operated by the biggest stevedoring company SC Klaipėda Stevedoring

Company (KLASCO).

The terminal comprises a fertilizer storehouse with the capacity of 120 000 tons and a cargo handling equipment with the capacity of 1500 tons per hour. Depth alongside the berth is 14 m. Annually the terminal can handle 2 500 000 tons of fertilizers and render services to 70 000 tons Panamax type vessels. These are new, additional services rendered in Klaipėda port that currently can handle up to 35 million tons annually.

This terminal is of special importance to the producers of bulk fertilizers who export their production not only to Western Europe but also to America, remote Australia and Asia.

(August 6, 2004, Klaipėda Seaport Authority)



London: New cruise ship terminal



A new passenger cruise ship terminal for London opened today. Designed, constructed and owned by the Port of London Authority, the facility is a key step in attracting more international cruise ships to visit London. The commissioning ceremony took place on the Thames at Greenwich with Keith Hill MP, Minister of State for London.

The purpose-built floating terminal will be used by passengers beginning and ending their cruises in central London. Modelled on an airport layout, it includes the very latest security screening, segregating passengers and their luggage. The facility fully meets the requirements of the new ISPS (International Ship & Port Security) code. There is also provision for on-site Immigration and Customs.

Because it is a floating terminal, the Port of London Authority will be able to use it for cruise ships moored at Greenwich and at Tower Bridge. Now ships up to 240 metres long and up to 1000 passengers will be able to sail into

the heart of London and carry out full passenger and baggage embarkation and disembarkation.

Commenting on the new terminal, Geoff Adam, head of marketing at the Port of London said:

"This innovative new floating passenger terminal is a world first. It is attracting considerable interest in the world cruise industry and we are confident it will attract more cruise ships to London. This is good news for the Thames and a boost to London's tourist economy."

(July 12, 2004,
Port of London Authority)



Marseilles: First call at new cruise facility



A new 300 square metre reception and baggage handling facility for cruise passengers came into service at the Port of Marseilles on July 3 with the first call of MSC's Opera. The Euro 0.6 million development cost was shared by the port authority and the line, which will have priority use on Saturdays throughout the year.

MSC passenger numbers through the port have trebled since 1998 to more than 50,000 in 2003, when the company made 33 calls compared with a previous average of 20 per year.

Marseilles handled more than 350,000 cruise passengers last year, a 38% increase on 2002. Throughput of 91,000 for January-June 2004 was down 12% compared with last year due to lost calls early in the season but exceeded 30,000 passengers in each of May and June. Including ferry services to Corsica and North Africa, the port handled a total of 609,000 passengers to the end of June to finish just 2% down on the first six months last year.

(July 9, 2004,
Port Autonome de Marseilles)



Port of
Rotterdam

Rotterdam: Best half year ever

In the first half of 2004, 177 million tonnes of cargo was transhipped in the port of Rotterdam, 8% more than the first half of 2003. Outgoing trade increased more noticeably than incoming trade (6.7% and 11.6% respectively) and general cargo grew almost twice as fast (12%) as bulk cargo. Only the amount of coal handled was down (2%) on the first half of last year. The other categories of goods grew: agribulk (+10.6%), ores and scrap (+7.6%), other dry bulk (+6.6%), crude oil (+5.3%), mineral oil products (+13.2%), other liquid bulk (+5.6%), roro (+5.5%), containers (+13.3%) and other general cargo (+7.8%). In numbers, container throughput increased by 12% to 4 million TEU (20-foot units). The prospects for throughput in the second half of the year are good.

Willem Scholten, Port of Rotterdam CEO: "8% more throughput is unique. Such across-the-board growth has seldom happened before, if ever. The rise of China, in itself and as a catalyst for developments elsewhere, is playing an important role. The broad distribution points to more than this, however. In the past couple of years, investment has been heavier in the port than anywhere else in the Netherlands. And now it's payback time. Investment pays".

Dry bulk

The total quantity of dry bulk increased by 5% to 45 million tonnes. The upward movement in agribulk (grains, seeds, raw materials for animal feed) throughput that started last year is continuing: +11% to 5.4 million tonnes. This is due to the incoming trade in derivatives and tapioca for the mixed feed industry. Soya bean imports and grain exports fell. In the second half of the year, imports of tapioca will decline, so that annual results will probably be a little below the 2003 level.

About 250,000 tonnes less coal was handled. A few ships had to divert to other ports due to capacity problems. In addition, it is a tight squeeze for the very large ships, "capesizers", and the smaller "panamaxers" are more often used. These can also be accommodated in rival ports. Due to start-up problems, the new EECV terminal was unable to compensate adequately. Throughput was

down 2% to 11 million tonnes. In the second half of the year things are expected to improve again as a result of the increase in German imports and the return to service of the Amercentrale's coal unit and the coal unloader at EECV.

Throughput figures for ores and scrap were almost 8% up, to 23 million tonnes. In the EU25, steel production increased by 3.5%. Demand is primarily from China, where there is also a great hunger for scrap. A significant negative indicator for the rest of the year, however, is the decline in German production of pig iron by 1.4%. Yet we can reasonably expect a slight increase in ore throughput for the year as a whole. Other dry bulk grew by 7% in comparison with the already excellent first half of 2003 (+15%), to 5.5 million tonnes. With production in the steel and chemical industry picking up, imports of minerals are also increasing further. Huge quantities of minerals arrive by "parcel service" from China and South Africa.

Liquid bulk

The total rose by 7% to 82 million tonnes. Incoming trade in crude oil experienced one of the best six-month periods in years, with an increase of 5% to 53 million tonnes. As in 2003, the refinery sector is doing good business: demand is high and margins are considerable. As no stops for maintenance work have been planned this year, annual throughput is expected to be 5 million tonnes higher.

Imports of oil products remained stable at 10 million tonnes, but exports rose significantly by almost 40% to 7 million tonnes. This can be attributed mainly to the transit trade in Russian fuel oil. Last spring, six VLCCs, each with a deadweight capacity in the region of 250,000 tonnes, set off with fuel oil destined for the Far East. For the lighter products, particularly petrol, the United States is the main destination.

The transshipment of other liquid bulk, mostly basic chemicals, was 6% up to 13 million tonnes. This is slightly higher than in the top years (for chemicals) 2000 and 2001, but results have actually been extremely good for the past five years. The Dutch Chemical Industry Federation expects a 4% growth in volume this year. This being the case, it is feasible that 26 million tonnes of liquid bulk could be handled.

General cargo

This sector had an extremely good first six months, with an increase of 5

million tonnes (+12%) to 50 million tonnes. In containers, imports were up by 13%, from 35 to 40 million tonnes. Both incoming and outgoing trade rose by about 13%. In numbers, this was in the region of 12%, to 4 million TEU (+500,000). The Far East is the motor behind the increase in container throughput. This is already creating a shortage of capacity at virtually every large terminal in Western Europe. ECT showed 20% growth – three times the expected rate – prompting it to take on extra staff and move forward investments. In the second half of the year, total growth could increase due to the more intensive use of a number of deepsea terminals. Roll-on/roll-off increased by 5.5% to 5.5 million tonnes. A little more than half of this is outgoing trade. The increase is the result of the growth in trade between the UK and the continent. Cobelfret Ferries responded to this by increasing capacity to Purfleet.

DFDS Tor Line decided to incorporate two calls in Rotterdam a week into its service between England and Sweden. Also related to England is the increase in the transshipment of cars: at the beginning of this year, Mazda entered into a contract with RCC/RCT for transit trade to Great Britain.

Due to a small 8% leap to 4.5 million tonnes, other general cargo returned to its 2000 level. New in 2004 were the “all weather terminals” from Gevelco (steel from Sweden and paper from Portugal) and DFDS Tor Line (new in paper, from Norway). These terminals will have a greater impact on the results in the second half of the year. In the first six months, LASH shipping (a lot of steel going out, paper, rice) to/from the United States and incoming trade in fruit and vegetables (+20%) from South Africa and South America also did well.

(July 15, 2004, Port of Rotterdam)

closely by Malaysia and Thailand which both garnered 9 points each. Other member countries also did well.

It is strongly believed that all the participants in this year's Meet should be commended for their sportsmanship. Far more important than winning was the promotion and strengthening of relationships among the ASEAN members which is a goal shared by the participants. Fostering of cooperation has been the primordial concern of the Sports Meet.

Established in 1987, the APA Sports Meet, which is held once every three years, has been one of the most important fora in the ASEAN port community, providing an excellent opportunity for members to meet, interact and improve relationships through various sports activities. Since its establishment seventeen (17) years ago, each member, except the new ones, has had its turn of hosting the Sports Meet.

While Singapore handed the APA flag to Brunei to signify its turn as the next host, it may give way to Vietnam, which, as the new APA member, may wish to be the next host. The final decision, however, as to which country plays as host of the Sports Meet is made during the APA annual meeting.

(APA Newsletter 2004)

Asia/Oceania



APA: Singapore Hosts The 8th APA Sports Meet



THE 8th APA Sports Meet was successfully held in Singapore from 6 to 12 June 2004. This year's event was participated in by about 300 delegates from 8 ASEAN countries, namely, Brunei, Cambodia Indonesia, Malaysia, the Philippines, Thailand, Vietnam and Singapore. The event was organized by the Maritime and Port Authority of Singapore together with its port operators, the PSA and Jurong Port.

The Sports Meet this year was of particular significance since it marked the return to normalcy of business and of life in the region which just a year ago was seriously threatened by SARS. This



contagion prompted the ASEAN officials to postpone the Sports Meet. After almost more than 4 years since the last APA Sports Meet held in Malaysia in 2000, its coming was deeply missed and anticipated. Singapore, for its part, was delighted to be this year's host.

The event witnessed meaningful exchanges and interactions among the participants through sports as well as social activities such as the Welcome Lunch, Welcome Dinner and Closing Dinner. The winning smiles and active involvement of delegates during the cultural performances presented by member countries at the Closing Dinner reflected warmly the solidarity and friendship of which APA has been noted for.

There was also good camaraderie and sportsmanship displayed throughout the four sports activities of Golf, Marathon, Badminton and Soccer. After an exciting week of friendly competition, Indonesia emerged as the overall winner with 10 points, followed very



Auckland: Container volumes grew 2%



PORTS of Auckland's container volumes* grew 2% to 662,170 for the financial year to end-June 2004, compared with the year end-June 2003 (649,639).

During the year, full import container volumes* rose 3% to 244,397 and full export container volumes were down 1% to 174,467, compared with the 12 months to end-June 2003. Auckland is a

well-balanced port, with a 58:42 ratio total full import container volumes to total full export container volumes.

For the month of June, full import and full export container volumes were up 12% and 2% respectively, and total container volumes were up 3%, compared with June 2003.

Transhipments** increased by 8% for the 12 months to end-June 2004 and were up 2% for the month of June 2004.

Containers comprise approximately 70% of Ports of Auckland's throughput and about 90% of business activity.

Breakbulk volumes at Ports of Auckland's conventional wharves were unchanged at 4.6 million tonnes for the 12 months to end-June 2004.

Imported vehicles comprise a significant part of breakbulk volumes. For the 12 months to end-June 2004, vehicle volumes totalled 189,770, including new and used cars and large vehicles such as trucks and machinery. This is compared with 186,000 imported vehicles in 2002-2003.

For the month of June 2004, breakbulk volumes were down 15% on June 2003. Monthly breakbulk volumes can fluctuate significantly due to the arrival dates of individual ships carrying large loads.

* Container volumes are measured in TEUs (20-foot equivalent units – or the size of a standard 20-foot container).

** Transhipment containers are discharged at Auckland and reshipped on another vessel to international or other New Zealand destinations.

(July 22, 2004,
Port of Auckland Limited)



Bangkok: New forklifts to boost service efficiency

BANGKOK Port has purchased 20 forklifts of two types, each of which has a minimum load capacity of 2.5 and 3 metric tons, in order to boost its competence in stuffing and transferring cargoes into containers.

Bangkok Port's Managing Director, Mrs. Sunida Skulratana said Bangkok port made a purchase order for 5 units of stevedoring-type forklifts with side shifters and a minimum load capacity of 2.5 metric tons each, and 10 units of standard-type forklifts with a minimum

load capacity of 3 metric tons each. The delivery of the trucks is scheduled in April. An order for another lot of 5 units of stevedoring-type forklifts with side shifters and a minimum load capacity of 2.5 metric tons each was also made with the delivery set in June. She said the procurement of the new forklifts would help boost Bangkok Port efficiency in stuffing and transferring cargoes into containers.

(Port Authority of Thailand website)

Guangzhou: NYK and MOL to help China's Xinsha Port Operate Car Carrier Terminal

NYK and Mitsui O.S.K. Lines, Ltd. (MOL) have signed a contract with Guangzhou Port Group Co., Ltd. of China to provide the port of Xinsha with highly sophisticated techniques for car carrier terminal operations. Xinsha is expected to become a key port of call for oceangoing car carriers in the years ahead.

The signing ceremony, held in Guangzhou city on July 6, was attended by Guangzhou Port Group Chairman & CEO Chen Hongxian, NYK Managing Director and Representative for China Koichi Aoki and MOL Executive Officer Toshitaka Shishido.

Guangzhou Port Group will build a motor pool capable of keeping 1,700 finished cars behind the port of Xinsha by the end of October. NYK and MOL will provide advanced techniques related to the operation and management of the motor pool and cargo handling work for car carriers, including the carriage of cars to the wharf, the loading of cars onto ships and on-board cargo handling.

Against the background of the fast-growing automobile market in China, the shipment of finished cars from Guangzhou is expected to get into full swing from next year. The supply of sophisticated cargo-handling technology for car carriers by the two Japanese shipping companies will contribute a great deal to upgrading car-loading techniques and improving the quality of car exports from Guangzhou.

(July 7, 2004, Nippon Yusen Kaisha)



Kaohsiung: Celebrate 140th anniversary



THE Kaohsiung Harbor Bureau, together with the Kaohsiung City government, recently celebrated Kaohsiung Port's 140th anniversary. Numerous activities centered on the port commenced on May 8, 2004, most notably a spectacular procession of ships both past and present passing through the harbor. The passage of the impressive fleet evoked memories of Kaohsiung Port's long and colorful history.

(KaoPort Newsletter)

Kaohsiung: Delivery of High Speed Railway Cars



The arrival of the first bullet train at Kaohsiung Port marks a milestone in Southern Taiwan's development. The twelve 700T model rail cars were shipped from Kobe on May 19 and arrived on May 23, 2004 on Post-Panama Poseidon Triumph. Loading and unloading took place at Berth No. 74. Guests participating in the welcoming ceremony included Premier Yu of the Executive Yuan, Minister Lin of the Ministry of Transportation and Communications, President Ing of Taiwan High-Speed Rail, Kaohsiung Deputy Mayor Lin, Deputy Ten of KHB, and Director Li of Kaohsiung Customs Office. Due to their bulk, the rail cars assembled to the rear of Berth No. 74 will be delivered in batches to THSRC's maintenance depot in Yencho, Kaohsiung Country.

(KaoPort Newsletter, July, 2004)



Nagoya: Boasting the No. 1 cargo throughput in Japan

THE statistics center of the Nagoya Port Authority (NPA) on July 20 announced revised port statistics for the years 2000-2003. The revision was made because for past years the NPA has adopted different measures for counting passenger vehicles on ferryboats from those of the Ministry of the Land, Infrastructure and Transport (MOLIT). For the revised statistics the NPA decided to follow the national example. The revised figures show the Port of Nagoya to have been the No. 1 port in terms of total cargo throughput in Japan since 2002. Meanwhile, the total value of cargo passing through the port has been the largest among all other ports in the nation for three years consecutively. This means that Nagoya is the No. 1 port in terms of both cargo volume and value. Container trade also showed growth, setting a 2 million TEU record for the first time in the port's history, and ranking the port as the third largest container port in Japan. This series of favorable results in port trade is underpinned by the strong economy in the port's hinterland, the Chubu Region. Amid prolonged economic recession in Japan, the Chubu Region, which is home to Japan's leading industries such as the automotive, aerospace, precision machinery and other industries, has shown stable growth and demonstrated its strength and competitiveness.



From right Dr. Someya (Executive Vice President, NPA), Mr. Takahashi (Chairman of Meiko Trans), Governor Kanda, Mr. Sakinaga, Mr. Iinuma and Mr. Murakami (President, Senior Managing Director, General Manager of Nagoya Branch, "K-Line")

Cargo trade figures at major Japanese ports in 2003

Total cargo throughput (tons)

• Tokyo	88,475,409
• Yokohama	125,943,453
• Nagoya	172,038,865
• Osaka	89,689,441
• Kobe	78,758,994

Total container throughput (TEU)

• Tokyo	3,313,647
• Yokohama	2,502,998
• Nagoya	2,073,992
• Osaka	1,863,716
• Kobe	2,045,714

Total cargo value (100 million JPY)

• Tokyo	90,667
• Yokohama	89,582
• Nagoya	102,513
• Osaka	45,407
• Kobe	63,880

**Figures for Tokyo and Kobe are provisional.*

Given the auspicious figure of 2 million TEU, the NPA held a ceremony on June 30 to express its appreciation to

major port users. Mr. Masaaki Kanda, Governor of Aichi Prefecture who is serving concurrently as President of the Nagoya Port Authority, handed representatives of six shipping lines and nine stevedoring companies a certificate of appreciation for their remarkable contribution to the port's sustainable growth. Mr. Kanda mentioned in his speech that, "The Port of Nagoya was able to set this historic record 35 years after its first container terminal at Kinjo Pier opened in 1968. The 2 million TEU mark proves that Nagoya is globally recognized as one of the leading ports in the world. Our port owes the success we now enjoy to many port related parties." In return, on behalf of the recipients of the certificate, Mr. Sakinaga, President of Kawasaki Kisen Kaisha (K-Line) said, "K-Line's fleet makes more than 700 calls at the Port of Nagoya every year. K-Line considers Nagoya to be one of its most important ports of call, and our company will continue to call at the port, thereby contributing to the Chubu Region where further economic growth is anticipated."

(July 20, 2004, Port of Nagoya)

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

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