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Official Journal of the International Association of Ports and Harbors

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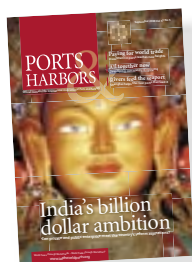
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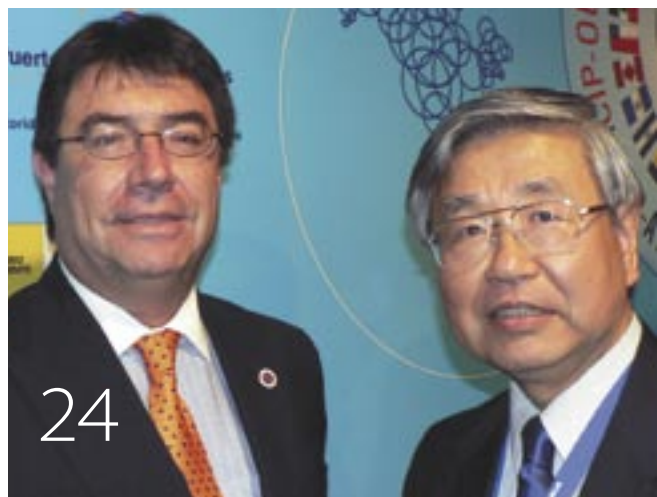
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Antwerp: Antwerp Tower, De Keyserlei 5, box 6, B 2018 Antwerp, Tel: +32 3 222 27 12, Fax: +32 3 222 28 50

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PUBLISHER

Dr. Satoshi Inoue

Secretary General, IAPH
info@iaphworldports.org

EDITOR

Bridget Hogan

bridget.hogan@lrfairplay.com
+44 (0)1737 379148

ASSISTANT EDITORS

Penny Allen

penny.allen@lrfairplay.com
+44 (0)1737 379158

Stephen Cousins

Stephen.cousins@lrfairplay.com
+44 (0)1737 379156

SALES MANAGER

Adam Foster

adam.foster@lrfairplay.com
+44 (0)1737 379110

DESIGN & PRODUCTION

Phil McAllister

phil.mcallister@lrfairplay.com
+44 (0)1737 379165

Matt Ramsdale

Neal Thompson

Hannah Kidd

Liz Wall
liz.wall@lrfairplay.com
+44 (0)1737 379166

Sarah Treacy

Eleanor Healey

MANAGING EDITOR

G. Paul Gunton

Lloyd's Register-Fairplay Ltd
paul.gunton@lrfairplay.com

EDITOR-IN-CHIEF

Tony Slinn

Lloyd's Register-Fairplay Ltd
tony.slinn@lrfairplay.com
+44 (0)1737 379159

ASSOCIATE EDITOR

Yuko Akamatsu

Assistant Under Secretary, IAPH
ph@iaphworldports.org

EDITORIAL & PRODUCTION

Lloyd's Register-Fairplay Ltd

Lombard House, 3 Princess Way
Redhill, Surrey RH1 1UP,
United Kingdom
Tel: +44 (0)1737 379000
Fax: +44 (0)1737 379001
Web: www.fairplay.co.uk

SUBSCRIPTIONS

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subscribe – contact the IAPH.
7th Floor, South Tower,
New Pier Takeshiba
1-16-1 Kaigan, Minato-ku
Tokyo 105-0022, Japan
Tel: +81-3-5403-2770
Fax: +81-354037651
Email: ph@iaphworldports.org
Web: www.iaphworldports.org

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Space efficient port dimensions

Incorporate 'spatial compactness' into expansion projects, rather than traditional terminal concepts

What if ships could sail onto land? I pose this question as people have often been heard to say that ports are no longer needed. To me, however, the question doesn't make sense. We would have to imagine some genius making it possible for container ships to 'run' to inland destinations. This would mean a new freight vehicle some 300m long, 30m wide and 40m high, driving along a highway with ordinary traffic!

Obviously ports are a really indispensable link, connecting maritime transport with all other modes of transport, making seamless and integrated networks for the world's logistics

endeavours. As world trade grows progressively, ports also have to expand their capacity to cope with the continuing surge in traffic demand and increasing ship sizes.

If they didn't, the world economy would not be able to sustain this growth. To fulfil this mission, however, ports are today facing serious constraints of time and space. Unlike shipbuilding, when a project

“ We should develop a range of innovative possibilities for a new port concept ”

can be finished in months, it can take five to 10 years to develop new terminals. This is if you are lucky enough to find sufficient space. Increasingly, ports find themselves completely surrounded by built-up urban areas with no more room to expand.

To overcome these constraints, it seems to me the time has come to start thinking of 'space-efficient ports'. While, no doubt, continued efforts must be made to physically expand, this growth should not be based on mere repetition of traditional terminal concepts and modules.

The next generation of ports will need to be more oriented to 'spatial compactness'. Innovative schemes must be incorporated in their designs to handle significantly higher volumes of traffic flow for each m² of port area. We should develop a range of innovative features to meet this bold challenge, combining expertise from various industrial and research sectors to work towards this new port concept.



Dr. Satoshi Inoue

Secretary General – The International
Association of Ports and Harbors

Port updates

KOLKATA CRUISE INITIATIVE

Kolkata Port Trust wants to develop cruise tourism in the River Hooghly and along the east coast, to include Orissa and the Andaman Nicobar Islands. Port Trust Chairman Dr AK Chanda said that land will be provided for the development of cruise terminals for river cruises. A modern terminal will be built inside the docks for coastal cruises.

MONROVIA REGENERATES

Major rehabilitation work is being undertaken at Monrovia port, disrupted after years of civil war. Diving teams from the US Navy are assessing damage to the pier and tendering material is being installed. The Liberian government will then be advised on how it could clear the port for traffic.

QASIM TAKES SECURITY ROLE

Pakistan has officially designated port Qasim to scan and clear its US-bound containers, using video messaging between Customs officials from the two countries. This follows a Pakistan/US accord to set up a unique system called CSI-III (Container Security Integrated-III) at a cost of \$8M. This is designed to reduce the cost and time of clearances in Pakistan.

CRUISE CALLS DOUBLE

The Brazilian port of Vitória expects to see cruise ships calls more than double during the next southern hemisphere season. There are 24 cruise ships already booked for the coming season, starting next month, compared with 10 last year. New berthing slots will be created at existing facilities to accommodate the vessels.

CRUISE TERMINAL PLANS SCRAPPED

Queensland's government has scrapped its controversial plan for a A\$30M (\$23M) cruise ship terminal on the Spit site on Australia's Gold Coast, after concerns raised in a draft environmental impact study. This questioned the capability of cruise ships to traverse the Gold Coast's Seaway channel.

Emma Maersk unveiled

Danish liner giant AP Moller-Maersk is about to gain unprecedented economies of scale through the introduction of its new generation of 'E' class container ships, the first of which has been named at Odense Steel Shipyard in Denmark.

Ports are bracing themselves to handle the *Emma Maersk*, named after Maersk Mc-Kinney Moller's late wife. It is the first vessel with stowage for containers in 22 rows across. The largest existing ships afloat only have 18 rows across. Its nominal capacity has officially been declared at 11,000 teu, but independent experts, such as AXS Alphaliner, are convinced that the 390m long vessel can load around 13,500 teu.

The deadweight is estimated to be around 157,000 tons. 'It can thus qualify to be the first ever ultra large container carrier,' AXS commented in its weekly report.

Maersk added that the ship, which is expected to join the Asia-Europe AE-1 loop at Gothenburg later this month, has capacity for 1,000 reefer containers.



New cranes with a 22-row outreach arrive at Gothenburg, the *Emma Maersk's* first port of call



The ship that is setting new container records: *Emma Maersk* at the naming ceremony

London's new logistics park underway

DP World plans to invest \$2.8Bn to develop a container port and business park, the London Gateway Port and Park, after receiving a favourable response from the UK government for its plans.

The Department of Transport and the Department for Communities and Local Government confirmed that the UK government 'remains minded to approve' the London Gateway projects.

A 2,300m container quay, with an annual capacity of 3.5M teu, will be built. "London Gateway was a compelling factor in our acquisition of P&O, as we had already identified the potential of these projects in the heart of one of Europe's largest consumer economies," said Mohammad Sharaf, DP World's CEO.

Simon Moore, who was DP World's senior VP, has been named chief executive of London Gateway.

The first container berths will be operational by 2010 and the first business units occupied by the end of 2007, the company said in a statement.

"DP World believes the cost of development on the site is likely to be approximately £1.5Bn, to be invested over a 10-15 year development time frame," chairman Sultan Ahmad Bin Sulayem said.

London Gateway Port and Park will be built on the

former Shell Haven oil refinery site, a 607ha area along the River Thames, in Essex. Land will also be reclaimed from the Thames estuary for the port.

DP World inherited the London Gateway plan as part of its \$6.8Bn acquisition of British ports group P&O in February. The issue of redeveloping the industrial site has been uncertain for several years and has faced objections from civic groups over possible adverse environmental impacts.

Once the oil refinery ceased production in 1999, Shell embarked on a £50M clearance of the site. P&O and Shell held discussions since then on ways to develop the logistics and business park on a separate part of the site.

DP World estimates that the final destination of a quarter of the containers currently imported into the UK, is within a 40km radius of Shell Haven.

A liaison committee, with local community participation, is to be established by DP World to deal with any environmental concerns which are raised as the logistics park is constructed.

The next stage will be the final approval. DP World will now submit its formal response to clarifications the UK government is seeking.

Aqaba signs up for new deal

Aqaba Development Corporation (ADC), has signed a joint venture agreement with Maersk-owned APM Terminals, to manage, operate and expand the Aqaba Container Terminal over the next 25 years.

Aqaba Container Terminal, strategically located at the crossroads of four countries and three continents, is the principal gateway for Jordan's container trade and for transit cargoes to and from Iraq and other major regional markets.

The terminal will be expanded from its present 540m of quay, backed up by over 8,800 container slots. The three-phase development programme will

combine terminal expansion, equipment acquisition and operational improvements.

The ultimate annual capacity will be 2.4M teu. Imad Fakhoury,

ADC chairman and CEO, said: "This partnership secures resources for developing, expanding, equipping, financing and operating our container terminal."



Aqaba's port will be expanded under a 25 year agreement

Mexico has US in its sights

Cargo throughput at North American ports has doubled in the past decade and ports now face the challenge of dealing with an expected redoubling over the coming decade.

Mexico is one country hoping to benefit. It wants to handle more US-bound cargo and ship it through road or rail links.

A report from Ocean Shipping Consultants said container traffic growth was particularly strong. This sustained growth in North American box traffic is due to 'imports of consumer goods and the relocation of domestic manufacturing to lower-cost economies, notably China'.

The report echoes what US port and liner trades sources have been saying for years and is focusing attention on the need to increase efficiency at the country's ports.

Several Maersk officials have warned, over the past year, that US ports are nearing capacity. While port managements have acknowledged the need for efficiency and expansion, they also stress the need for improved intermodal flow to speed cargo inland from the docks.

Official approval has been given



Ports in Mexico, such as Progreso, above, want more US trade

in Mexico for a new port at the Bay of Colonet, to help relieve congestion at Los Angeles and Long Beach.

A government notice to this effect was signed by President Vicente Fox and Transport Minister Pedro Cerisola. A railway will link the port with Mexicali, just inside the US border.

To the north, port and terminal operators at Lazaro Cardenas hope it will become an attractive alternative to southern California ports, for trans-Pacific shipping.

Hutchinson Port Holdings and the Kansas City Southern Railway are in the midst of a joint venture project to expand the terminal and improve rail routes.

On the Yucatán peninsula some

\$238M has been invested at Progreso, so far this year, to build the Playa logistics platform.

The project will exploit Atlantic port's position on the eastern tip of the peninsula – ideal for US East Coast markets.

Port authorities are also set to invest \$9.3M to dredge to accommodate larger container and cruise vessels.

Aaron Ellis, spokesman for the American Association of Port Authorities, told **P&H** that cargo growth is projected to double by 2015. By then, the number of inbound containers is expected to triple, so he expects port congestion and intermodal inefficiency to be major problems for the future.

Port updates

TERMINAL EXPANSION PARTNERSHIP

Mumbai-based engineering giant Larsen & Toubro (L&T) has joined hands with Philippines terminal operator ICTSI to bid for Mumbai Offshore Container Terminal. This follows refusal of security clearance by the Indian government for L&T's earlier partner, Chinese-based Hutchison Ports Holdings (HPH). In Chennai L&T missed out on a bid to run the terminal with HPH. The two short-listed bidders there are PSA-Sical and Emirates Trading Agency Gammon India alliances.

IRON ORE PLANS

Ennore Port, has chosen Chennai-based Sical Logistics-led consortium to build a \$122M iron ore terminal India's main bulk facility. The terminal is expected to be operational in the 2008-09 financial year and will have a 12M tonnes capacity, with the possibility to expand to 20M tonnes. Initially, the terminal will handle Panamax and Capesize vessels up to 150,000dwt. After dredging, it should be able to accommodate vessels of 225,000dwt.

VIRGINIA AWARD

The American Association of Port Authorities has named the Virginia Port Authority (VPA) as the winner of its Environmental Enhancement Award. The award recognises VPA's voluntary effort to reduce emissions from vehicles used at its three marine facilities: Norfolk International Terminals, Newport News Marine Terminal and Portsmouth Marine Terminal.

ARMY LEAVES DOCKS

The Port of Oakland has taken over 180 acres of a disused army base for use as an intermodal terminal. Tenders will soon be issued for demolishing numerous unusable or derelict buildings on the site. Then, construction of the rail yards at what is officially termed the Outer Harbor Intermodal Terminal will begin. Limited rail facilities at the Northern California port have hampered drives to improve efficiency. The terminal will be finished after 2008.

People

COMMUNITY

OUTREACH AT POLA

The public relations & legislative affairs division at the Port of Los Angeles has strengthened its team to help it extend Port-related community interaction and legislative activity.

Veronica Hendrix has been hired as the Port's new community focused public information director. Jenny Chavez assumes the Port's Los Angeles focus legislative representative post. Cecilia Moreno also has joined the Port in the newly created position of community affairs advocate.

SEATTLE SEEKS CEO

The Port of Seattle Commission hopes to appoint a CEO by the end of this year to replace present incumbent Mic Dinsmore, who plans to step down from the post early in 2007. Seattle was the fastest growing container port in North America the over the past two years.

AUCKLAND APPOINTMENT

Gary Judd is the new chairman of the Ports of Auckland board of directors after the retirement of Neville Darrow. Judd is also chairman of ASB Bank and ASB Group (Life).

FINANCE EXPERT

A specialist in finance and business matters has joined the board of the Port of London Authority (PLA). Pommy Sarwal, formerly a partner in corporate finance at Deloitte & Touche, has wide experience of advising business and industry.

MARKETING AND STRATEGY

US-based Savi Technology has appointed Bob Kramer as its senior VP of marketing and strategic development. Kramer moves from parent company Lockheed Martin Corp, which acquired Savi earlier this year.

BEEDENBENDER AT THE HELM

Richard Beedenbender has been named president of Embarcadero Systems Corp. Replacing Scott Skillman, he joins ESC following four years at Descartes/NeoModal, a global logistics management company.

Gioia Tauro thinks big

Four new, super post-Panamax cranes have been installed at Gioia Tauro's Medcenter Container Terminal, in a bid to boost its handling capacity and regain its title as the biggest container terminal in the Mediterranean.

MCT, operated by the Contship Italia Group, part of the Eurogate-Eurokai group, now has 22 ship-to-shore cranes and three mobile cranes. It wants to increase on the 3.2M teu it handled in 2005. Last year Algeciras overtook the port as the biggest in the region.

The cranes have a 62m outreach to cover 23 rows of containers.



New cranes arrive to handle 23 rows of containers across

Ships scale up at Khorfakkan



The port gears up for its largest ship visit

The recently completed 400m container quay at Khorfakkan saw the arrival of the largest container vessel to ever visit the port.

The new, 9,415 teu, CMA-CGM *Fidelio* discharged and loaded more than 7,800 containers for transshipment to other UAE, upper

Gulf and Indian Ocean ports.

The container terminal at Khorfakkan, managed and operated by Gulftainer Company, welcomed the giant vessel with a special ceremony. Tugs sprayed fountains of water through their fire fighting equipment. The vessel has an overall length of 349m and has a service speed of 25kt.

"We were delighted to see this impressive vessel alongside our new berth" said Peter Richards, the new GM of Gulftainer. "We are one of the few ports in the region that can handle this size of vessel and the next generation of very large container ships as well."

New Canada ports chief

The Association of Canadian Port Authorities (ACPA) has elected Dominic Taddeo, president and CEO of the Montreal Port Authority (MPA), to the chairmanship of the ACPA board for the 2006-2007 term.

Taddeo, who has been the ACPA board's first vice-chair since August 2005, is the association's 49th president, succeeding Donna Taylor, president and CEO of the Oshawa Harbour Commission.

This is the second time Taddeo has been elected ACPA chairman – in 1983, as the association celebrated its 25th anniversary in Montreal, he became its youngest chairman ever. The ACPA represents 19 Canadian port authorities with an annual throughput of 240M tonnes of cargo, valued at some Can\$100Bn (\$90.1Bn).

Taddeo will host the ACPA's next AGM and conference, to be held in Montreal next August.

More info: www.acpa-ports.net



Taddeo's in the ACPA chair for the second time

Proven Best Practices

The Port of Virginia, Inc. is one of the largest commercial ports on the U.S. East Coast and with container volume projected to double over the next ten years, officials at the Port's operating company, Virginia International Terminals, continue to seek ways to increase efficiency and keep pace. A \$279 million renovation at Norfolk International Terminals that includes a new wharf almost a mile long and Suez-class cranes which are currently the largest container cranes in the world adds up to a port that's ready and able to grow with customers.



"At Portsmouth Marine Terminal, Prime Route for Straddle Carriers has really helped reduce port congestion and cut down on overtime for our employees and our truckers. It's like artificial intelligence, because it is constantly thinking, breaking down assignments into small pieces and determining the best moves to make."

David Seale, Director of IT, Virginia International Terminals, Inc.

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ROTTERDAM PICKS UP

Better results are expected at the Port of Rotterdam for the rest of the year, after a "meager" first quarter, according to CEO Hans Smits. In the first half of 2006, the port handled 186M tonnes of cargo, 1.1% up on the first half of 2005. Container throughput was 2% up, at 4.7M teu. Added Smits: "In the second half of the year, the recovery process will continue. As a result, annual throughput figures could be up by 2% on last year".

DELPHIS FEEDER MOVE

Belgium-based European short-sea carrier Delphis has bought Portlink from AP Moller-Maersk subsidiary Safmarine Container Lines, for an undisclosed amount. Portlink is active on the North Europe-Iberia trade offering feeder and door-to-door services to and from Rotterdam, Antwerp and Felixstowe.

DOUBLE DIGITS

Container traffic at the Port of Hamburg increased 10.7% to reach 4.2M teu in the first half of the year, compared to 3.8M teu in the corresponding period in 2005. Strong growth in China/Far East traffic and in the Baltic Sea trade, contributed to the results, said the port.

TACOMA'S \$100M BONDS

The Port of Tacoma has issued \$100M in revenue bonds with an effective fixed interest rate of less than 4% to help fund its \$434M improvement programme. Bond revenues will be used over the next year to help fund land purchases, rail improvements and redevelopment of a former smelter site into a marine terminal.

More info: www.portoftacoma.com

VIRGINIA'S GAIN

The Port of Virginia completed its financial year having handled more than 2M teu – a 7.6% increase over the 2005 period. "Our growth is consistent and we see it continuing that way," said Thomas Capozzi, the Authority's senior marketing director. "We're forecasting 7% growth for the next financial year."

Humber freight expansion



An expanded \$66.5M DFDS Nordic Terminal Riverside is open at the Port of Immingham

Associated British Ports (ABP) is set to invest £3.7M in new cargo handling equipment for its Humber International Terminal 1, the dedicated dry bulk handling terminal at the Port of Immingham. This follows the signing of a new five-year agreement with Hargreaves Group, the raw materials import and distribution specialist.

The agreement will see Hargreaves significantly increase the volumes of coal it currently imports

through Immingham from South America and Russia for the UK power-generation industry.

ABP is investing \$7M in two new cranes, including a rail-mounted crane, to handle the additional 400,000 tonnes of annual throughput the new agreement will generate at Humber International Terminal 1. ABP has also expanded its Riverside freight terminal at Immingham, which now has six ro-ro berths.

Six hopeful at Maasvlakte

The Port of Rotterdam Authority has received six proposals from companies and consortia competing to build a container terminal on Maasvlakte 2, in the first part of the project assessment.

The 138ha terminal, which will be the first to become operational on site, will be known as Maasvlakte 2.1. The contract is to be allocated through an open assessment procedure.

The Port has also signed with APM Terminals for operation of a second terminal on Maasvlakte 2. This will be opposite Maasvlakte 2.1.

The six proposals are now being assessed before the port authority consults with the hopeful applicants. A final proposal must be submitted by the end of this month, after which negotiations will be held with a selection of companies or consortia.

A contract with the winner is expected to be signed by mid-2007.

Kenya plans Lamu boost

Kenya's foreign minister Raphael Tuju has announced plans to modernise the port of Lamu to help ease congestion at Mombassa. It will also serve as an alternate port for trade destined for southern Sudan.

He said the idea of encouraging Sudan to make use of Lamu was to assist growth in that region. He added that the port will create "easy communication links between

Kenya and southern Sudan as well as other neighbouring countries, Ethiopia and Uganda."

Tuju said it was important for Kenya to collaborate with its neighbours, particularly members of the Common Market for Eastern and Southern Africa (COMESA) to boost business in the region.

Kenya is finalising plans to rehabilitate the road between Kenya and southern Sudan.

\$6M for clearer air

The Port of Los Angeles (PoLA) is making \$6M available for projects that reduce air pollution generated by port operations. The funding is a component of the 2006-2007 port air quality mitigation incentive programme. Deadline for submissions is October 24.

Funding for the programme was created after settlement of a lawsuit in 2003. Financial incentives are provided for schemes to reduce air emissions in the communities of Wilmington and San Pedro and the surrounding areas. A total of \$21M will be made available for air quality measures over five years. A balance of \$14M remains in the fund, including the latest \$6M.

In the last round of incentive 16 projects were selected and more than \$3M funding awarded.

Beirut boxes diverted

The continued Israeli blockade of Lebanon has forced Beirut-bound vessels to discharge thousands of containers, mostly carrying consumer goods, at various countries throughout the region, industry sources said.

President of the International Chamber of Navigation Elie Zakhour said some 18,000 containers destined for the Lebanese capital have been discharged instead in Turkey, Greece, Cyprus, Malta and Syria.

Israel imposed the sea, air and land blockade on Lebanon shortly after launching an offensive against the Lebanese Hezbollah guerrillas on July 12 and continued it after a UN-brokered truce took effect on August 14. International calls have mounted for Israel to lift the blockade, which Israel says aims only to stop Hezbollah from smuggling arms into Lebanon.

Amsterdam oil terminal

Royal Vopak has announced plans for a second oil terminal in Amsterdam. The company will make a final investment decision as soon as the permit procedures have been completed.

Developments for the Vopak terminal strengthen Amsterdam's position as a petrol port, said a spokesman for Port of Amsterdam. He added that Vopak expects construction work to begin in mid-2008.

Before then, an environmental impact report has to be assessed by the provincial authorities. There will be a phased development and, on completion, the terminal will store petrol, and other oil products, including bio-fuels, gas oil and diesel.

New ownership tussle

Australia-based Macquarie Bank and Deutsche Bank are both reported to be interested in taking up to 49% of Peel Ports, the UK's second largest port group. Peel Holdings said it would sell a stake in its ports group and has appointed Rothschilds Investment Bank to find interested parties.

Peel Ports, a division of the \$5.7Bn Peel Holdings group,

operates the ports of Liverpool, Medway and Clydeport, as well as the Manchester Ship Canal.

The move was to take advantage of the current interest in the UK port industry that has seen ABP, the largest operator, taken over by a consortium led by Goldman Sachs, P&O changing hands to DP World and Teesport sold to Babcock & Brown.

Georgia/Maersk accord

Georgia Ports Authority (GPA), which is developing a new container facility at Savannah, has signed a major new 20-year agreement with Maersk Line, the world's largest container shipping line.

Georgia's decision to invest in doubling its container capacity in less than 10 years, lies behind the agreement, said GPA executive director Doug Marchand. "Maersk Lines has taken steps to make the Port of Savannah one of its primary ports of call in the South Atlantic," he said.

It follows on the recent opening of the first phase of the Port of Savannah's newest container berth, CB8, which, in turn, is part of Savannah's 10 year, \$700M improvement plan to boost container capacity, Marchand explained.

Wim Lagaay, VP, operations for Maersk Line added: "We have contributed significantly to the GPA's growth in the past and are pleased to now cement our relationship well into the future. We are confident in the GPA's ability to effectively accommodate our requirements through ongoing investments in the ports infrastructure."



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Dredging

GO WITH THE FLOW

The Republic of Congo plans to invest nearly \$9M to dredge the Port of Pointe Noire's entrance channel and main docking areas, in a bid to improve its accessibility. The move followed an earlier announcement that \$116M will be spent modernising the port's container facilities. Pointe Noire is one of the largest ports in the Gulf of Guinea – cargo throughput doubled from 1.7M tonnes in 2000 to 3.3M tonnes in 2005.

HOUSTON'S \$9M APPROVAL

The Port Commission of the Port of Houston Authority has authorised funding of the PHA's \$9.9M share of the Houston Ship Channel dredging and maintenance project.

24 HOUR OPENING

A multipurpose berth operated by Sunkwang at Korea's Incheon South Port will be deepened from 9m to 11m, enabling access by 18,000dwt ships 24-hours-a-day.

More info: www.momaf.go.kr

HURRICANE SILT GOES

The US Army Corps of Engineers has dredged the Belle Pass Channel to Port Fourchon, which silted as a result of the 2005 hurricanes. There are plans to restore the rock entrance jetties too.

More info: www.portfourchon.com

BIGGER SHIPS

Hutchison Port Holdings' Jasungdae Terminal in Busan is planning to dredge from 15m to 16m to attract the current generation of 8,000-9,000teu containerships. Throughput at Jasungdae for the first half of this year is already at 1.14M teu, almost equal to its official annual handling capacity of 1.2M teu.

More info: www.busanpa.com

CALABAR DEEPENING

Van Oord and Jan de Nul have jointly won a €56M contract to dredge Nigeria's Port of Calabar. The access channel will be deepened from 8m to 10m, allowing the port and free zone to handle vessels of up to 25,000dwt.

More info: www.jandenul.com + www.vanoord.com



Yokohama, Japan's biggest cruise port, expects 145 ships this year

Cruise calls up in Japan

Boosted by an improving economic situation and a surge in domestic interest in cruising, Japan's ports expect to see a doubling of cruise vessel calls from 116 in 2005, to 242 this year.

Port authorities say improved facilities, combined with aggressive marketing to cruise ship companies have proved attractive to cruise operators.

Yokohama, Japan's busiest cruise port, saw calls rise from 114 in 2004 to 145 last year, with a similar number anticipated this year, much of the increase from domestic operators.

Sanae Hasegawa of Yokohama Ports & Harbour Bureau said that the Pacific coast city is "doubling its efforts to welcome and attract passenger vessels. In particular, we are focusing on foreign-registered ships."

For operators, among the attractions that Yokohama offers, Hasegawa cites a revamped cruise terminal featuring cutting-edge architecture and a co-ordinated programme for cruise passengers, as

well as an aggressive discounting of the port tariff for overseas-based vessels.

Addressing another potential concern, Hasegawa described terminal security as "top notch" including surveillance cameras and a 24-hour guard as well as X-ray and metal detectors for checking all baggage.

The proximity of Yokohama to Tokyo, which is a short, well-connected day trip for passengers, together with the cosmopolitan attractions of the port city itself, are the principal reasons for making it a destination on world cruises, for example.

Yokohama is confident that ultimately, cost and ease of calls are going to attract more ships. "We are regularly corresponding with cruise ship owners to understand and meet their needs" Hasegawa said.

Ultimately, the hope is that more Japanese tourists will be attracted to take cruise holidays, as tourism develops there. In addition, increasing numbers of foreign tourists are attracted to Japan.

PierPass export loophole closed

The PierPass traffic management agency for Los Angeles and Long Beach has closed a loophole that led to a number of exporters cheating on the \$50 per teu traffic mitigation fee.

Now all exporters have to pre-register specific, detailed booking numbers with PierPass for consignments if they want to deliver during peak hours.

Bruce Wargo, CEO of PierPass, told *P&H*: "Under the existing system, exporters have been able to deliver at peak times and claim booking numbers later. Some avoided claiming the booking numbers and we have been unable to identify them."

Wargo declined to say how much income has been lost, except to say: "It was significant

enough to make us change our whole booking system."

If an exporter tries to deliver during peak hours without pre-booking, the truck will not be allowed through and the consignment will have to be brought back during off-peak hours. Procedures for import cargo are unchanged. PierPass has been hailed as a success story.

Bulk boost at PCQ

Ports Corporation of Queensland (PCQ) is currently engaged on its largest-ever dredging campaign, under which three separate projects will remove more than 11M m³ of material.

Capital dredging at the ports of Hay Point and Weipa and maintenance dredging at Karumba is needed to keep exports flowing and meet the increasing demand for Queensland's commodities.

Deeper channels not only improve navigational safety, but enable ships to load at maximum draught, so enhancing efficiency, said PCQ.

At Hay Point, the world's largest coal port, dredging contractor Royal Boskalis Westminster is working to remove about 9M m³ of material for the \$53.4M departure path dredging project,

commissioned by PCQ.

The world's largest suction hopper dredger *W. D. Fairway* is being used for the Hay Point dredging, which will create a 9.5km-long path and deepen the channel by 1.8m to 14.9m LAT (lowest astronomical tide). A manoeuvring apron is also being created next to Hay Point's existing berths at its two terminals.

At the bauxite export port of Weipa, PCQ is working on a \$20.6M project to dredge the port's channel and remove about 2M tonnes of material. The complex dredging of the batters (inward slopes) required the use of a specialist water-injection dredger, brought in from Asia. PCQ says it is the first time such a dredger has been used in Australia and it has proved highly successful.

The Weipa project involved



Weipa's South Channel has been deepened and widened for post-Panamax vessels

deepening and widening the South Channel, with the channel being extended by 5m on each side. This will not only help PCQ manage silt build-up in the port approaches, but will permit major port user Comalco to introduce wider post-Panamax vessels to carry more bauxite exports.

Meanwhile, at the zinc and lead export port of Karumba, about 275,000 tonnes of material will be removed as part of normal

maintenance dredging of the entrance channel. PCQ has contracted the Port of Brisbane Corporation to undertake the work using its dredger *Brisbane*.

PCQ has had extensive experience in managing dredging projects over the years. It is confident that even though the project is the largest it has undertaken, it will be completed on schedule and in line with all environmental safeguards.

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Ports pay for world's trade growth

Investment in port facilities has hit an all time high and is growing, as *Bridget Hogan* reports

Singapore is one of the top spending ports in the world as it upgrades its facilities (above)

On all trade routes cargo volumes are rising – and it is ports that are putting in the investment to make sure that world trade keeps moving. A *P&H* survey of the world's top 50 ports found that some \$40Bn is being spent by them on infrastructure developments. To this conservative estimate must be added huge investments by terminal operators on equipment. The amount being spent by ports is probably close to the GNP of a country such as Egypt.

In the pages of *P&H* alone this year, \$700M worth of investments at other ports has been chronicled. This is only a sample of the information that gets published – much more is being spent by large and small ports alike.

UK-based Ocean Shipping Consultants estimates that the volumes handled by North American container ports doubled over the last decade and could expand by another 85% in the next decade. The report, *Container port markets in the Americas to 2020*, said the region's throughput expanded 121% between 1995–2005 and by 47% between 2000–2005, to 71.2M teu. Between 2000–2005 North American volumes increased 42% to 46.4M teu. The Caribbean and Central American region saw increases of 151% over the same period to 13.5M teu.

Turning to South America, the report says the container traffic reached 11.3M teu in 2005. 'Pacific ports gained share during the 1990s, based on economic success and increasing containerisation in Chile. The privatisation of container handling in Brazil during the latter 1990s caused a surge in the share of Atlantic ports, which was then sustained by booming Brazilian exports,' it said.

Terminal operators are well aware of the potential in the area, as illustrated by Dubai-based terminal operator DP World, which has announced investments

of about \$800M in container terminals in the region. Still, this is not enough investment, it seems.

Problems faced by the region in opening its ports for development were outlined at the first special meeting held by the Organisation of American States Inter-American Committee on Ports (OAS-CIP) in Algeciras. Angel González Rul, Mexico's DG of ports, explained how special constraints had affected his country, when developing ports. With 85% of the country's trade with the USA, ports had to be centred on that market. They faced fierce competition from road freight over the 1,000km route, however.

In addition, many ports had grown up along the country's two 11,000 km-long seaboard on both the Pacific and Gulf sides. Some were only 30kms apart, so competed with each other.

"We have a mission to develop our ports and we are updating our legislation to achieve this," he said. "We are looking in depth at the production chain to see how it impacts on port services and see how, working with the private sector, we can improve the working of some corridors – principally to the USA."

Ports were having to contemplate the prospect of cargoes increasing from a level of about 289M tonnes this year to some 687M tonnes in 2025, he said. "We are striving to ensure we have in place, proper planning and management of the 112 ports in the country. In that way the ports will contribute fully in the development of their hinterlands."

Further south, there are more expansion plans. "We have drawn up an ambitious port development programme," explained Frank Boyle Alvarado, president of the National Port Authority of Peru. About \$711M worth of investments would be needed to bring it to fruition, he calculated.



Peru's main port of Callao could expect to see its traffic grow from the 962,570 teu projected for this year, to 1.4M teu by 2012 and 2.5M teu by 2035, he continued. Developments totalling \$543M were underway to build new container and bulk terminals and upgrade many of the existing facilities. A second phase will see a fifth container terminal, more improvements to container handling facilities, a new grain facility and a new passenger terminal.

About 30% of Peru's import and export trade is with the USA, its traditional trading partner, but things were changing, Boyle said. Although trade with Mexico, Chile, Thailand and Singapore were all significant, China was now the country's second most important trading partner.

South of Callao at San Juan, a new, deepwater port, was planned, Boyle added. Berths at this greenfield site will be able to handle 8M tonnes by 2012. It will be able to accommodate the largest containerships, he said. Some of the most urgent developments were in port handling equipment. Many ports were handling high volumes but with inadequate equipment. There was a particular lack of large gantries and mobile units, he concluded.

Fernando Puntigliano, president of Uruguay's National Port Administration, explained how the country was developing its own form of public/private partnerships to ensure the growth of port facilities. "We have private terminals, but not private ports," he explained.

Dredging is one of the single biggest problems facing the development of Montevideo, which handles 455,000 teu at the moment, against rivals Buenos Aires with 1.1M teu and Rio Grande in Brazil with 600,000 teu. Puntigliano cited environmental considerations and arguments with Argentina over the channel deepening, as the main drawbacks to developments.

There was also a severe problem of congestion at South American ports. "We will all have to do our homework and make sure that hinterlands are prepared to support ports," he said. "We must understand that a port is not an object in itself, but part of a network."

In the long term, \$200M would be needed to develop Montevideo. So far \$6M from public money and \$100M from private funds had been allocated to developments that include dredging the port to 15m, adding 250m of container berths and 8ha of terminal.

"Even this is not enough to handle present traffic



China's trade boom - led by Shanghai is fuelling world trade growth

levels, never mind the increases we expect in the future," he said. "We are also experiencing an explosion in bulk trades, particularly rice, and need to develop this type of infrastructure."

Looking to the future, he said his department had undertaken studies to 2020. "Our view of infrastructure investments is that what we have now, is not enough. We need ports to cater for the explosion in demand we are experiencing. We have to be ready for the upsurge that is happening all over the region." **PH**

Some major spends in ports

SINGAPORE:	\$400M to create 15 berths
SHANGHAI:	\$12Bn for 52 berths increasing capacity to 25M teu
KAOSIUNG:	\$70M for four berths to 2M teu
ROTTERDAM:	\$1.23Bn dredging and new berths
HAMBURG:	\$1.2Bn for six berths to 10M teu
LONG BEACH:	\$1.9Bn for two terminals
QINGDAO:	\$800M for five berths
NEW YORK:	\$2.2Bn dredging and new berths
NINGBO:	\$900M for seven berths
LAEM CHABANG THAILAND:	\$500M to add 3M teu
JAPAN:	Six super core ports to spend \$332M
BREMERHAVEN JADEWESSERPORT:	\$800M for four berths
ALGECIRAS:	\$754M adding 6M teu by 2010
XIAMEN:	\$1.7Bn new berths
GUANGZHOU:	\$1.5Bn six berths
MANILA:	ICTSI \$60M new berth to add 400,000 teu
PANAMA:	\$1Bn at Cristobal and Balboa to 5M teu a year each
DALIAN:	\$600M two new berths
COLOMBO:	\$1.4 Bn
VALENCIA:	\$703M to 4.5M teu
OAKLAND:	\$48M dredging
BARCELONA:	\$1.45bn
CHARLESTON:	\$149m
TACOMA:	\$321.3M over five years
DURBAN:	\$700M
SAN JUAN:	\$100M
PIRAEUS:	\$42M

Some post-Panamax ship designs

Design Sponsor	Capacity (teu)	L x B x D (m)	Row x Tier
Korea (on order)	10,000	349 x 45.6 x 27.2	?
Lloyd's Register of Shipping	12,500	381 x 57.0 x 14.5	22 x 7
Bureau Veritas	12,523	400 x 54.2 x 14.5	21 x 7
Maersk	15,000	405 x 55.0 x ?	22 x ?
Delft*	18,154	400 x 60.0 x 21.0	24 x 8
(McLean - 1958)	58 trailers		On spar deck)

Source: Zia Rizvi

* Marine Engineering Faculty at the Delft University of Technology

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Skandinavienkai, Germany 1700t HZ/AZ



General Santos, Philippines 2180t AZ 34 & 290t AZ 26



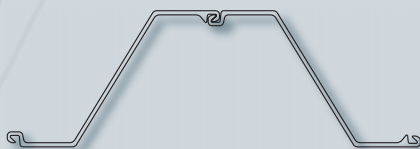
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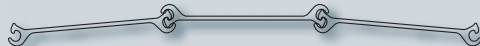
Z-Piles: AZ

Width: 580 – 700mm
 W_x : 1200 – 5015 cm³/m



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Surviving mega ships and congestion

World trade and commerce depends on efficient and reliable freight transport services, ports have their role to play as **P&H** reports

Ports are expanding to cope with the build up of world trade

Ports are coping with the twin demands of rising cargo volumes and increasing ship sizes. While export deals can be struck in a short time and ships built in months, it is not so straightforward to provide new port facilities.

As a result, ports may be feeling more like the filling in a sandwich rather than a bridge for transport. The industry is asking itself: what are the pressures and where are the solutions?

According to Peder Sondergaard, COO, APM Terminals International, ports had a capacity last year of some 500M teu, but by 2010 they will have to handle around 600M teu, "by which time most terminals will be running at about 90% capacity", he says.

Ports reached a crisis in providing the capacity for expanding world cargoes and larger container ships in 2004. Since then, there has been a building frenzy all over the world.

Many ports can handle present cargo volumes, although there are doubts that freight infrastructure into and from ports and to the regions they serve, is as capable of coping. The volumes ports handle will only rise in the future.

The congestion problem may be less acute now, but the challenge remains. Part of the dilemma facing those operating ports and terminals is the fascination of shipowners with bigger and bigger units, driven by economic considerations. Trans-Pacific cargo is

estimated to grow at an anticipated 10% to 12% this year. Russia's container traffic is rising by 15% to 20% each year. Container traffic between China and its trading partners will continue to expand.

The larger vessels are being built to offer yet more economies of scale to shipowners – although there are hints that shippers may benefit too. Megaships may offer shipowners savings in operational costs, especially as oil prices rise ever higher, but they only offer the prospect of yet more expenditure for ports. Naval architects in the Netherlands are working on plans for a 400m, 18,000 teu container ship – which is sharing the Malaccamax label with shallow draught VLCCs.

It is hard to see what advantages these developments can bring to ports and terminals, as managers face huge investments to cater for the latest container revolution. So far, the industry has had no option but to start massive capital expenditure, including dredging channels, ordering gigantic cranes and reinforcing quays to accommodate the larger vessels.

To cope with the surge in container traffic, the International Chamber of Commerce has urged immediate action from ports. Although it has called on the owners and operators of ports and terminals to identify measures to increase efficiency and throughput and to adjust their investment plans accordingly, it has another target for its message.

It says public authorities at the local, regional and



Tugs salute the arrival of another huge container ship

national levels all need to take action to ensure that the necessary planning, investment tools and funding sources are in place to allow owners and operators to make timely and informed decisions for the future freight transport infrastructure.

In some cases only national agencies can decide what expansion areas are available for ports or which waterways should be dredged. Legislators face challenges at all levels to act to help ports increase capacity.

Yet the record is far from good. In the UK and Australia, major projects have stalled or foundered over environmental concerns. One of the biggest environmental battles ever fought in the UK was over plans to build a container terminal at Dibden Bay, a heavily-protected part of Southampton Water. The UK government rejected the controversial scheme after a 13-month public inquiry as it judged the environmental impact too great. The planning failure cost Associated British Ports millions of dollars.

In Australia, Brisbane (Fisherman Islands development), Sydney (Port Botany expansion) and Melbourne (channel deepening) have all had intricate legislative processes to endure.

Ports need to be sure of their information when forming an argument to counter planning concerns. In this area, IAPH is striving to help ports to improve forecasting in a bid to help them in planning and legislative procedures.

Against all the background of increased investments, with the capital costs of providing new capacity rising, especially if dredging, environmental issues and planning inquiries are involved, is the question of how to remain competitive?

Expenditure on labour continues to rise over time,

and labour remains the biggest operating cost for ports. Relationships must be maintained to ensure that productivity remains high and even increases.

Innovation is the way forward, according to Dr Stefan Behn, member of the Hamburger Hafen und Logistik AG (HHLA) board. He told the TOC Europe meeting in Hamburg that double digit container trade growth was foreseeable by the mid-1990s. Immediately Hamburg set about planning and identified yard space as the major limiting factor.

Many ports will recognise the response taken to keep HHLA's market share: first, to improve existing terminals as the fastest way to gain more capacity; second, the realisation that it would be necessary to build a new terminal.

HHLA worked to gain the fastest throughput possible on the shoreside, relocated all activities that were not essential for the terminal, such as the empty container depot and container repairs; put investment into modern and reliable equipment and developed advanced IT systems.

While this was going on, plans were advanced for the building of the new Altenwerder container terminal as a high speed facility, followed last year by work to double the capacity of the old Burchardkai terminal. When that project is finished in 2011, the two terminals will share similar efficiency features.

By reducing container dwell time at the port, Behn calculates 10% was added to capacity. Keeping vessels moving required extra equipment to shift containers if there were berth changes. Huge efforts were made to keep such changes to a minimum and, to assist this, feeder operators were encouraged to make a minimum of 100–120 moves a call. In all, minimal investments such as these brought capacity benefits to Hamburg of between 10–15%, he estimates.

Similar efforts in US ports mean that, although they are handling container import volumes logged during the peak months of 2005, there remains no congestion, according to the latest Port Tracker survey. The joint analysis by the National Retail Federation and economist Global Insight predicts that the system's congestion-free status should hold through the remainder of 2006, despite historically high volumes.

US ports handled 1.34M teu in May, the most recent month when actual throughput statistics are available, up 9% from May 2005. Projected volume for June is 1.38M teu, which exceeds the 2005 monthly record – last October's 1.37M teu.

US box throughput is expected to peak next month at 1.49Meu, up 8.7% from the corresponding period last year. "Last year's records look like they've already been broken," said Global Insight's Paul Bingham. "There are challenges to sustaining system performance because of the growth in volume," but such challenges should be overcome "without significant congestion".

Bingham told *P&H* that the only risk to Port Tracker's optimistic short-term forecast is some sort of event that suddenly removes capacity, such as a hurricane, earthquake or terrorist attack, because "the system doesn't have enough slack to handle some sort of incident-based situation, which could cascade". **PH**

The China effect

CONTAINER VOLUME GROWTH (HEAD-HAUL LEG), 2004-06

Direction	2004	2005	2006F
Transatlantic (westbound)	6.1%	4.6%	6.6%
Asia - N.Europe (westbound)	16.5%	10.3%	10.3%
Transpacific (eastbound)	15.6%	12.0%	8.5%

Source: Drewry Container Market Quarterly

Geared For Prosperity



The National Ports Authority of South Africa controls and manages all seven South African commercial ports on a 2 954-km coastline. These ports are Richards Bay, Durban, East London, Port Elizabeth, Mossel Bay, Cape Town and Saldanha.

Situated at the tip of the African continent, the South African ports are in an ideal position to meet shipments from both eastern and western seaboards. Boasting an excellent infrastructure, the National Ports Authority of South Africa is in the unique position of being able to offer efficient services to port users throughout sub-Saharan Africa.

Unlike most European ports, each South African port has a natural hinterland with a defined market. This determines to a great extent the nature and types of cargo handled at each port, which in turn dictates the type of facilities each port provides. Each port operates and develops its own specialized services.

Through its seven commercial ports, the National Ports Authority of South Africa offers a combination of facilities and services that complement each other.

The seven ports assure port users of the most suitable port and appropriate facilities to meet their needs. These services include pilotage, tug and berthing services, bulk-handling facilities (both dry and liquid bulk), container-handling facilities, multi-purpose terminals for breakbulk cargo and ship repair facilities. Coupled with this, the South African ports also offer efficient transfer of goods between ship, road and rail for the efficient transportation of goods within and beyond the borders of South Africa through its extensive and modern road, rail and sea networks.



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Photo: Dietmar Hasenpudsch

Knowledge is power

Coverage of community IT systems is patchy, but those slow to integrate their links are at a disadvantage, as **P&H** discovers

Some ports have port community IT systems (PCS), some don't. Some are well ahead, with systems developed over 20 years, other major ports are at an earlier development stage. Most ports in the developing world have a long way to go. In many ways it is a growing north/south divide.

What is happening at the ports that are ready to go paperless? Southampton, for instance, is increasingly dependent on IT and sophisticated communications. It says a fast flow of information is essential for operational efficiency and management of the logistics chain.

Southampton Port Information Network (SPIN) integrates and connects systems operated by the myriad organisations which make up the working port community. Information can be passed between

individual users and shared to control freight movements. It also provides security in the receipt and delivery of goods.

The ambitious objective of SPIN is to streamline procedures and create a totally paperless environment. Once booking data is entered into a carrier's system and a vessel manifest is compiled, this can be electronically transferred to SPIN. Copies are then available for the various administrative bodies that need to be involved, including HM Customs & Excise, HM Customs Anti-Smuggling Team, the Port Health Authority and Trading Standards. Goods required for examination are notified to SPIN and messages inform all parties concerned. When goods are moved on for clearance, the SPIN system provides paperless notification to the

“ We believe that integration of our networks will help us to improve our customer services and help us increase productivity in all our operations ”

inland clearance site. Similar procedures allow release of goods to de-consolidation depots.

SPIN allows for a paperless declaration so HM Customs can release goods for import or export. The system also involves the next part of the transport chain – the truck driver – to speed the flow of containers through the port. Southampton Container Terminals (SCT) operates a PIN security system, to allow hauliers to deliver and collect containers, based on the information SPIN has received.

Another system is used at several UK Ports. London (Port of Tilbury), Immingham, Hull, Felixstowe, Harwich, Thamesport, Teesport, Port of Tyne, Grangemouth, Liverpool, Bristol, and Aberdeen, all use the Maritime Cargo Processing system. It manages and develops the PCS known as the Felixstowe Cargo Processing System (FCPS).

FCPS aims to eliminate, rather than standardise, documents. Latest developments include a free container tracking service, accessed via the worldwide web. A replacement for FCPS in the UK is currently in the final stages of development, for introduction later this year. It will be marketed on worldwide.

Similar systems are evolving at other ports. At Le Havre, for instance, the PCS took on a new dimension this year with the introduction of the updated AP+ (Ademar Protis Plus) system for exports. The same software system will be applied for imports by the end of the year.

Designed in partnership with Customs, the port authorities and maritime and professional associations, AP+ was developed by the Le Havre and Marseilles companies SOGET and MGI, at a cost of €5M (\$6.4M). Le Havre has gradually introduced the system, whilst Marseilles opted for a total switch of systems in October 2005. In fact, complementary functions have been added in Le Havre, where 1,200 users have been trained to use the system.

In Hamburg the ZAPP system, as the port's PCS is called, has involved laborious consultations between the port, industry and authorities. It is now compulsory for all in the transport chain and allows Customs to take action, if needed, without unnecessary interruption to cargo flows. Original documentation must be submitted shortly after the electronic application.

There is more work to do in other ports, where systems are slowly being introduced. At the Port of Constantza, work is underway to extend its current limited PCS, the Harbor Activity Application, for use by the entire port community.

Constantza has only just started development of the extended system, but it hopes to have everything in place soon. Comprehensive information about vessels

and cargoes will then be available. At stage three, the application will be extended to other ports, relevant authorities and international organisations.

Honduras is also developing a new network, according to Vladimiro Adalberto Lozano Oqueli, assistant to the port superintendent at the country's major port, Puerto Cortes.

“The new network will be used to control cargo at all entry and exit points in the port,” he said. “It will provide us with real time information in the port, or even in remote locations, to allow us to analyse, control and report operations in a more efficient way.”

“We believe that integration of our networks will help us to improve our customer services and will give us control, security, reliability and, therefore, increase productivity in all our operations.”

Barcelona Port Authority is aiming for a paperless port and has joined with its logistics community to produce a PCS aimed at achieving this. It believes the PCS will help all parties in the transport chain to work more efficiently within an increasingly competitive sector. However, it has yet to expand the use of the PCS standard procedures to private operators, including freight forwarders, custom's agents, shipping agents, stevedores-terminals and hauliers.

At Antwerp, the Port Community Services Portal (PCSP) project was redeveloped last year to handle the more than 1M electronic messages handled by the port authority in 2005. The aim is for more transparency and harmonisation of different reporting messages (arrivals, departures and changes of status), combined with electronic ordering procedures. The barge traffic system (BTS) provides a register for barges and a central database for planning calls at terminals.

In the Caribbean, first steps have been taken by shipping and regional agencies, which have been working with the Dominica Port Authority and Customs and Excise, to develop a PCS. The project provides for Customs and the port authority to be equipped with support systems, including hardware and software technology and for the training of personnel.

This will allow electronic data exchange in real time with the appropriate government agencies. Benoit Bardouille, general manager of the Dominica Port Authority welcomed the work. “We hope that other islands in the region can also be included in the next development stage,” he said.

The Philippine Ports Authority is nearing completion of its PCS, and has extended it to delivery of invoices and receipts for customer transactions. The system covers four port district offices and 14 base-ports. Legal support and real estate management systems will be computerised within the year. **PH**

Cargo in Hamburg is moved quickly through the port with the Zapp system



Photo: Joachim Affeldt

Synchronising port communities

Drawing the port community together in communication could speed up the processing of cargoes and increase throughput, as **Patrick Smith** explains

Given today's trade boom, the new business imperative is to create more efficient port communities where all parties are in sync. How to make this happen is a central preoccupation of ports and harbors of all sizes globally.

A major hurdle these organisations face in meeting this goal is that most ships communicate today with ports and harbors via multiple communication protocols, data formats, and data types including e-mails, faxes, phone calls, and electronic data interchange (EDI) tools.

The formats used by ships change constantly and are incompatible, in most cases, with the enterprise

supply chain management systems (SCM) of ports and harbors. The reason: such information technology (IT) compatibility is expensive and most shipping companies lack the resources to acquire it.

As a result, a ports SCM cannot route in real-time most ship-related information to staff and supply chain partners to notify them of actions they must take to serve incoming and outgoing vessels.

Picture this: the designated staff at a port manually inputs into their organisation's SCM the information emanating from most ships. As a result, major delays, in the order of 10 to 16 hours per manual process, occur from the time a ship first communicates with

Ports and harbors can deliver important time and cost savings to ship owners, ship operators, and ship management companies

Ports like Rotterdam are increasing transparency in transaction

the port, to the time the port's staff and partners know what to do to serve it.

The missing link here is to provide real-time actionable and re-usable information to allow the faster delivery of services.

Given that ports receive communications exchanges from ships numbering hundreds of thousands and sometimes more than a million, the overall cost associated with these delays and with potential human errors can create intense dissatisfaction across the board.

These added costs penalise ports, harbors, ship operators, ship management companies, ship owners, and, indeed, all partners in the supply chain to the tune of millions of dollars each year.

Inputting delays also contribute to the congestion at many ports, thereby impacting their ability to grow their profits and to accommodate more traffic. Ultimately, these time lags can erode the existing bottom line of ports because these delays are a big turn off for ship brokers and their clients.

The good news is that advanced developments in technology now put ports in a better position to overcome these challenges. Today, many new adaptable, end-to-end e-transaction solutions have emerged to expedite business transactions over the Internet and across multiple platforms.

These new electronic BtoB (eBtoB) technologies allow all parties involved in all transactions to securely send and receive validated data in the specific standardised format of their choice, such as, ANSI X12, EDIFACT, XML or flat text.

Amongst these new solutions, the most advanced ones offer the advantage of scalability and flexibility and are, therefore, appropriate for ports and harbors of any size.

These technologies work by enabling real-time straight-through processing of transaction data over IP networks at very high speed; allowing secure delivery of validated data to authenticated recipients; converting any transaction data format into any other and manipulating the data so that it can be repurposed for multiple end use and intelligently routing transactions to the right back office systems.

In recent years, many ports have made a significant investment in SCM solutions. However, sometimes it is overlooked that these systems can only provide significant value to these organisations, if they are able to deliver information from ships and other sources to staff and supply chain partners in real-time.

The new eBtoB transaction technologies provide the answer to this dilemma and various ports are now readily embracing these solutions to create more efficient port communities.

For example, Port Infolink, which provides software and logistics for the Port of Rotterdam, uses the terminalONE™ solution from Xenos to power its supply chain system. The real-time information that the system delivers concerns barge and tanker planning, custom automation, veterinary inspection process, declaration transportation documents, and container sharing.

This system allowed the Port of Rotterdam to boost its efficiency levels by moving toward a single port community system (PCS). Once working, the PCS reduced the process of customs notification and declaration of a vessel from 10 hours for administration and physical delivery of documents to about 20 minutes via the internet.

The Karachi International Container Terminal (KICT) is another organisation that has selected the Xenos solution for improved shipping logistics. "To implement the Customs Administration Reform (CARE) project within our timelines, we looked for a solution that is easy to use and manage," said Anwer Umed Ali, chief technology officer, KICT. "Xenos GoXML meets our criteria for a solution that is scalable, cost effective and time efficient to satisfy our service level commitments."

In this equation, the GoXML system will be triggered on a planned, scheduled or event basis, such as ETA of a vessel, or entry of a particular container in the yard. Once triggered, it will translate existing KICT EDI messages to the CARE XML formats.

The new technologies, such as the ones being used at the Ports of Rotterdam and Karachi, eliminate the need for dedicated communications links, costly frameworks, and third party bureaus, allowing ports and harbors to automate and to accelerate the process of transacting with supply chain partners and ships.

Through such solutions, ports and harbors can increase their bottom line and gain a competitive advantage by expediting traffic, by managing a larger volume of ships and by re-using real time information to deliver faster services to ships.

This approach allows ports and harbors to bring important time and cost savings to shipowners, ship operators, and ship management companies, a fact that should make ship operators rejoice. Ports and harbors that want to improve their operations should now jump on the new eBtoB transaction technology bandwagon.

To do so today would be a smart move for ports. New systems could generate considerable time and cost savings and build a smooth-running and efficient port communities. **PH**

Patrick Smith is the director of products and marketing, Xenos. More info: www.xenos.com



Flexibility for the future

More integration, with improved links between systems will enable all ports to benefit from data transmission developments, says **David Wignall**

Day-by-day port and terminal IT community systems (PCS) are becoming increasingly integrated. They are moving away from being services or service suites offered by port and terminal operators to facilitate their own business, to systems that provide more and more support to all port users and stakeholders in the transport chain.

Take the example of PortNet, the IT backbone of PSA Corporation in Singapore. It has moved on from being a container terminal management system, through changes where it provided access to regulatory authorities (Customs etc.) to being a PCS. In this form it has broad functionality geared towards a wide range of different users, including tug operators, cargo owners, line carriers, third party logistics operators and government organisations.

What are the advantages of PCS becoming evermore integrated? And how can such systems protect themselves from obsolescence and high upgrade costs as technology progresses? The advantages of PCS revolve around efficiency and speed and the ability to

seamlessly and quickly transfer information between different stakeholders within ports and terminals.

This removes the need to replicate data entry and could reduce the potential for error and deception. This data transmission and exchange will remain a key benefit. However, new functionalities are emerging as key advantages. The ability to match users' needs to the services provided by ports or terminals and associated stakeholders, is becoming more important.

PortNet is, for example, already moving in this area by optimising factors that affect container vessel efficiency. For example: it allows the port to restacking boxes on vessels for efficient operations later in the voyage, to reduce turn around time so owners can play 'catch up' on any time lost. Tools that help in this respect are valuable. This can be termed as the 'connection of process' rather than data interchange.

Take another example: a ship arriving at a port can now book on-line pilots and tugs; if delayed it can adjust the booking and minimise any consequential delays. Moving forward, the ability of such systems to



**Linking ship
and shore - in
Singapore (above)
collaboration
is the key**

match the needs of users and the service provision available through work flow engines will become more and more fundamental to PCS.

Examples include features to enable bunker barge operators to 'share' capacity through a trading platform within the system. Other elements could allow the trading of free slots on container mother ships between operators, or the trading of road haulage units between intermodal operators.

Further benefits could flow from the ever-improving availability of ship information (position, speed and heading etc.) and forecasts of complex tidal and metrological information. LRIT and VTMS systems are able to provide substantially more information on the location of ships. Combined with more and more sophisticated tools, such as very accurate digital tidal atlases, this would allow ports to accurately forecast, days ahead, the arrival time of a ship, enabling vessels to berth on time, even where they have to negotiate complex currents and tides.

Improved forecasting would enable port to reduce

margins of error in estimating a vessel's eta and so develop more reliable plans to handle ships when in port. A gradual but significant virtuous circle of improvement will develop and the benefits will be felt throughout the user community.

There is a need to protect increasingly complex PCS from obsolescence and the excessive costs in constant upgrades. Furthermore, looking at the complexity of PCS in major ports such as Singapore, smaller ports cannot hope to match the systems being developed by those with far greater resources. As many have learnt to their cost, cutting down sophisticated systems to fit the needs of smaller users rarely provides effective systems that are cheap to operate.

The key to these problems is not to see the PCS as a single system. Rather, it needs to be seen and designed as a 'systems of systems'. In this approach the PCS is held together by overarching systems architectures. These provide a common backbone of system services, interfaces, data access adaptors and communications adaptors for all the systems involved. It also connects different systems to the common data they require.

Correctly designed and implemented, a 'system of systems' approach provides the ability to implement as many, or as few elements, of a PCS as required. The system is integrated, scalable and flexible. The ability to plug different systems in and out of the overall 'system of systems' also provides the ability to upgrade functionality as well as technology or change suppliers for different elements of the system.

A 'system of systems' enforces strict segregation and anonymity for a PCS. Collaboration among them is achieved through the services that are offered by each member system.

What about the future? Where does PCS go next? Will, for example, individual PCS start to integrate across the world? The trend is with the international container terminal operators. Integration could also be achieved through the development of data exchange languages and protocols between different PCS.

Such developments may be affected by the answer to another question. Who should control the PCS? Is it best left with the container terminal or port operator with a vested interest in the outcomes and services provided by the system? Or the regulator, who may have to balance the best interests of all users but may lack the commercial need to constantly evolve and adapt the system? It maybe that such systems need to become completely self-sustaining and driven by their own commercial needs to serve all and provide value through the services provided.

The exact development of PCS will be played out in a fast moving commercial arena, but a few things can be fairly safely forecast. Such systems will become more integrated and as this happens they will increasingly evolve towards being 'systems of systems', linked together by high-level systems architecture. The ability to communicate between systems, handle large databases and be flexible in format, will be critical to the long-term future of PCS. **PH**

David Wignall is MD of BMT Asia Pacific

More info: www.bmtasia.com.hk

Seeking strategic alliances:
Ports like those in Mexico,
(main picture) or, (left) in
Honduras, want to boost
education and training

Hasta la (training) revolución

There has been a sea change in the way Latin America operates its ports, now training in the region has to catch up, explains **Carlos Gallegos**



“Modernisation and port reforms have fed the demand for trained personnel as ports automate their services and operations”

It has been a decade and a half since Latin America began a process of port reforms amid deregulation, decentralisation and the granting of private concessions. These initiatives opened up opportunities for investment, private terminal operations and the provision of services to the private sector. The reforms gave way to a new stage in the history of the region's port sector, working to make modernise ports. Now they are moving away from the traditional concept of being a point of commerce between land and ship.

Today, efficiency, competitiveness, and security are the principle criteria visualised for Latin American ports while they progressively develop as centres of intermodalism and nodules of the logistical chain. Relevant experiences in this area can be observed, for instance, in the ports of Panama, Mexico, Brazil and Jamaica.

These changes throw up a new challenge – how to cope with the fundamental and complementary need for human resources? This is the factor most relevant to the industry and where development continues to be limited, creating a growing gap with other segments of the industry which have advanced. In this article, I will focus on the formation and training of human resources and, will hopefully, get an opportunity to discuss the issue of labour conditions on another occasion.

It is important to note that education continues to be a central objective and priority of governments in the region, who see it as a weapon in the fight against adverse economic indicators. Education, it is felt, will help to overcome illiteracy, low levels of investment, the lack of infrastructure, the lack of instructors and of incentives for workers. Unfortunately, education continues to be an important weakness in the region.

Modernisation and port reforms in Latin America have fed the demand for trained personnel as ports automate their services and operations. Personnel in ports need training to cope with the new working world they face. They are dealing with the expansion of infrastructure; the application of technologies, especially information and communication; new management and business techniques;

new administrations, new port authority functions and new business practices.

These will probably involve unfamiliar corporate practices and the integration of ports and terminals into the organisations of global terminal operators. That is to say: the traditional ways of training of personnel in ports must be modified in the face of new, diverse and growing port needs.

Even so, I can affirm that human resources development has been adversely affected by various factors which I can briefly identify:

- Deficient, or non-existent, development plans. In particular, there has been a lack of co-ordination between port authorities and global terminal operators
- Limited assignment of financial resources in the budgets of central and local governments for training development. There has also been decreasing assistance from international development organisations
- Inadequate training infrastructure available for the sector, at national and regional levels
- The slow development and relatively high cost of creating on-line courses, which have, therefore, had a limited impact
- The lack of a standardised port curriculum, which has created unequal components covering the same course, creating holes and disparities in the themes covered
- The lack of endorsement of instructors, so there is not universal recognition and accreditation in all countries

On the other hand, one must point out that global terminal operators are satisfactorily attending to their own training needs, according to their international corporate policies. Executives are trained by *ad hoc* programmes, organised by renowned universities, which are offered in important port business centres.

For managers with mid-level authority, and for specialised technicians, adequate modules have been designed for each terminal or port, according to its individual characteristics, with courses at regional levels. Local activities are organised for workers.

In this sense, the Inter-American Committee on Ports (CIP) – a forum of the Organization of American States (OAS) – performs a vital role

by contributing, through partnerships, to the development of ports of the Americas, with active participation from the private sector. Its main instrument of co-operation is in training and the development of human resources.

The CIP forms alliances with public and private entities in order to advance training activities that satisfy the requirements of its member states.

Of great importance are the annual programmes carried out by Puertos del Estado – the Spanish state ports organisation, the Central American Commission for Maritime Transportation (COCATRAM), and the United Nations Conference on Trade and Development (UNCTAD), among others.

Financial and technical support has also been forthcoming to enable the CIP to set up other initiatives including the program for port managers (PPM Latino). Contributors include the American Association of Port Authorities (AAPA) and the Caribbean enterprise TRAINMAR. This is in addition to the assistance and co-operation offered to the Universidad Marítima Internacional, recently formed in Panama.

Furthermore, several recent memoranda of understanding have been signed by the secretary general of the OAS, through the CIP. These include ties with IAPH, the Association for the Collaboration between Ports and Cities (RETE) and the US Section of the International Navigation Association (PIANC). All converge in this sense towards a greater and improved development of human resources for the port sector of the Americas.

Finally, it is important to reiterate that this issue needs to be confronted with great speed and political will. Then we can respond to the increasing needs of personnel, both technical and executive, that the terminals and ports of Latin America face.

We need action in the areas of planning, investment, and strategic alliances between port authorities and the global terminal operators. The CIP will continue to maintain and expand its role in this area. **R-I**

Carlos Gallegos is executive secretary of the Inter-American Committee on Ports of the Organization of American States (CIP-OAS)
More info: <http://www.oas.org/cip>

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India sets a billion dollar ambition

Public and private enterprises are working together to fund an ambitious programme of renewal and construction, as **Bridget Hogan** reports

Ganesha – the elephant god and patron of hard work – is busy in India. Billions of dollars have been committed to upgrade the country's overworked ports system. But will it be enough? India is the seventh largest country in the world and the second largest in Asia with a population, estimated in June this year, at over 1Bn and targeted GDP growth until 2007 of 8%.

So, trade is already growing. The government of Prime Minister Manmohan Singh has announced that it wants to see the country's share of world trade double within five years. India's economy is now worth about \$775Bn and has expanded 8.4% in the last financial year – the fastest after China amongst the world's 20 biggest economies. All this has huge implications for port capacity.

An ambitious \$11Bn national maritime development programme (NMDP) has been put in place by the government, running to 2012 at the country's 12 major container ports and one bulk port – shown on the map page 32. This sounds, at first, like a fantastic amount

of money. But it is, in fact, less than the \$12Bn that China is spending on the first phase of one port alone – Shanghai's Yangshan. In addition, some \$2Bn has so far been pledged by private terminal operators in India.

Prime Minister Singh says India needs to spend \$150Bn on infrastructure development – for ports and hinterland connections. This year alone, some \$21Bn has been allocated for projects, yet this is far behind China's annual public works spend of \$150Bn. China, however, has attracted billions of dollars of foreign direct investment. A similar flow has not come India's way because of its poor infrastructure and limits on foreign ownership.

India's economic growth is being held back by bottlenecks at its ports and other key infrastructure, according to a combined report by UK shipping consultants Drewry and Singapore's shipping line Neptune Orient Lines. Even though the country has grown at an average of 5.6% a year since 1990, this could be expanded by 1-2% more each year if it improved its overstretched ports, roads and railways, the report said.

Drewry and NOL said the cost of moving cargo in India

India port facts

- 7516 km of coastline
- 13 major ports and 185 non-major ports
- Non-major ports under state governments
- Major ports under federal government
- Major ports total traffic 2005-2006 – 423.4 M tonnes

is amongst the highest in the world, at 11% of landed cost – the global average is 6%. “Costs and productivity issues are largely the result of an inadequate physical infrastructure to support India’s greater participation in the global supply chain,” the report said.

If India’s port capacity was doubled to 15.2M teu by 2012, it will more than match the projected throughput of between 8.4M and 10.8M teu by then, said the report. By contrast, Chinese ports are expected to handle up to 140M teu a year by 2010, doubling the 2004 throughput of 61.8M teu.

To speed up the development of Indian ports, the government has introduced a port privatisation policy over the last ten years. It has a two-part system of administration of the policy, with the major ports coming directly under central government control, following the NMDP, and minor ports under local states.

Six major ports are on each coast, handling about 75% of total traffic. In addition, Ennore was set up as a satellite port for Chennai, to handle bulk cargoes. The remainder of the traffic is handled by 187 minor ports.

There are several elements to the privatisation policy, according to Mohan Bhambhani, senior trade and investment adviser for UK Trade and Investment, a Mumbai-based UK government agency. Existing port assets are being leased with the aim of promoting the construction of additional facilities at major ports. Cargo handling equipment is also being leased and captive facilities made available for port-based industries.

To make the privatisation package attractive, a number of financial incentives are being promoted in the ports sector. These include a 10-year tax holiday for port developers, a reduction in import duties on construction plant and equipment, tax concessions of 40% on port projects financing and income tax exemption on earnings from funds invested.

So far this has attracted three major players: DP World, APM Terminals and PSA. DP World is investing \$190.2M in Mumbai’s JNPT, now handling 58% of the country’s container traffic. Its other investments are: \$95M in Chennai; \$275.7M in Mundra and \$418.3M in Kolkata. PSA is investing \$380M in Pipavav and \$23.7M in Tuticorin. Also at Pipavav, APM Terminals is undertaking projects worth \$190M with a further \$783M at JNPT. DP World is at three ports – Cochin, where investment totals \$507M, Vizag (\$24M) and Gangavaram (\$495M). Bhambhani added that others expressing interest in investing in India included Mitsui OSK, Hutchison and Evergreen.

Bhambhani outlined major port projects. At Mumbai Port the \$615M plan is to increase existing capacity from 40M tonnes to 59M tonnes and provide offshore container berths, new oil berths and a cruise terminal.

Also in Mumbai, JNPT, which is building a third container terminal, will benefit from a \$1.6Bn cash injection to increase capacity to 95M tonnes from 33M tonnes now. The quay will be extended by 330m, the channel deepened and a fourth container terminal will be built.

Some \$1.2M is to be spent at Kandla Port where new berths and an oil terminal will increase capacity from 45M tonnes to 105M tonnes. At Mormugao, \$180M will be spent to build a new cruise terminal and other berths.

A major new international container transshipment terminal is to be built at Cochin under the plan. Some \$1.7Bn will be spent to increase capacity from 15.5M tonnes to 58.5M tonnes. There will be an LNG re-gasification terminal, crude oil handling facilities and a special economic zone.

A new container terminal is planned at Tuticorin at a cost of \$1Bn. Dredging will be undertaken and other harbour works. A new port is to be built at Mangalore, where the \$1.5Bn projects include a new container terminal and the development of a new LNG facility.

At Chennai, investment of \$500M will transform the present facilities, which now handle 41.8M tonnes, to a new capacity of 61.6M tonnes. To achieve this there will be a second container terminal and a complete modernisation of other facilities.

Satellite port Ennore will be boosted to 61.7M tonnes from its present capacity of 12M tonnes, when \$1.4Bn is spent on two bulk liquid terminals, facilities for dry bulks, including separate coal and iron ore facilities and its first two container terminals.

Four new berths and an extension to the container terminal are planned at Vizag after \$582M is invested, continued Bhambhani. Paradip will have \$533M spent on it, boosting capacity to 92.3M tonnes from 39M tonnes now. There will be a new container terminal and a deep-draught iron ore berth.

At Haldia, \$265M investment in two more berths and dredging, will boost capacity to 73.7M tonnes, from today’s 34.1M tonnes. A huge investment of \$1.1Bn is promised for Kolkata, according to Bhambhani, where cargo handling facilities at Saugar port will be developed, together with a floating facility for containers and a new

Although huge commitments have been made by Indian ports – such as Chennai, above – more is needed

Container traffic at major ports 2003-04

■ JNPT	2.3M (teu)
■ Chennai	539,000
■ Tuticorin	254,000
■ Mumbai	197,000
■ Cochin	170,000
■ Kandla	170,000
■ Haldia	137,000
■ Kolkata	123,000
■ Visakhapatnam	20,000
■ Mormugao	10,000
■ New Mangalore	7,000
■ Paradip	4,000

Major ports container capacity requirements

■ Traffic 2004-05	4.23 (M teu)
■ Capacity 2004-05	4.13
■ Projected Traffic 2011-12	11.70
■ Capacity requirement 2011-12	15.21

Source: Indian Department of Shipping

cruise terminal. Tonnage will be raised to 21M tonnes from the present 9.8M tonnes.

In addition, Bhambhani says there are some \$2Bn projects outstanding at minor ports around the country to construct a wide range of facilities for commodities including LNG, dry bulks, general cargo and containers, together with investment in cargo handling equipment.

The IAPH mid-term board meeting in Mumbai earlier this year heard about the country's ports prospects from AK Bhalla, Joint Secretary (Ports) for the Department of Shipping. He outlined future requirements, saying that traffic for 2005-06 was expected to be 423.4M tonnes and would grow to 615.7M tonnes by 2011-12. Then the capacity requirement would be 800.4M tonnes, from today's capacity of 397.5M tonnes.

To aid the development of more facilities, the government had pledged financial assistance to non-major ports in certain areas, would give support for capital dredging, planned developments at 30% above projected traffic and produce a 'level playing field' for tariffs, he said.

The government would play its role in developing hinterland connections, with projects to upgrade road and rail networks connecting to ports and new dedicated freight rail corridors to be developed.

The government had created the environment for private sector participation, Bhalla explained, and 13 projects involving investment of \$650M were already underway, with another five worth \$764M approved.

His department had another 10 private bids under consideration by, which would amount to more than \$1Bn worth of investment in the country's ports.

The private operator's perspective was delivered to IAPH delegates by SR Ramakrishnan, MD of PSA SICAL Terminals, who said there was "significant interest" from international operators wanting to develop Indian container port infrastructure. "Similarly, there has also been substantial Indian private investment in bulk and liquid handling facilities in major ports," he continued. These included projects at Kandla, Visakhapatnam, Haldia, Mormugao and Ennore.

"All private operators have been able to reach world standard service, efficiency and productivity levels in a very short time," he said. "Efficiency gains could be demonstrated to customers very quickly."

Indian privatisation has been marked by a high level of

participation in the local labour force with few expatriates actually stationed in India, he continued. "The Indian work force responded brilliantly to the training initiatives coming from the multinational terminal operators. They proved to be quick learners."

He said that the government had smoothed the way for private operations. "The start-up issues were either not insurmountable – or not significant – enough to impede progress," he said. "Hence, a platform of mutual trust to move towards private public partnerships has been created."

Privatisation had injected investment, efficiency and improved productivity and skill levels to "near international standards," he claimed. Work practices are now more flexible and the business practices more transparent.

"The Indian port sector is a 'happening sector'. The revised guidelines for tariff fixation in major ports have been notified. However, there is a need to identify a timeframe to move over to a market-determined tariff, as competition between ports is a reality," Ramakrishnan continued.

He appealed for the government to implement its draft policy for the Indian maritime sector and the NMDP in 'letter & spirit' to help to create efficient ports. "I should emphasize the 'letter and spirit' approach, since in most cases, the words are taken and the spirit is lost during implementation," he said.

He hailed the government review of model concession agreements as "a step in the right direction", adding: "We do hope that the new model concession agreement will truly reflect the private public partnership' rather than an 'employer-contractor' relationship. It should also facilitate the equitable sharing of risks, rewards and obligations in port operations."

"The new model concession agreement should not impose commitments from licensees over which they have no control. It should be structured to improve the commercial attractiveness of the project (eliminating avoidable costs) and to improve bankability."

He called for urgent improvements to road and rail networks and dredging to accommodate larger vessels. Any level playing field that existed now between private operators and public entities should not be tilted, he urged. In that way, ambitious government plans for the development of India's ports, to ensure they will be able to handle future trade, could be realised. **PH**

Major ports share of trade 2005/06

■ Dry bulk	35.4%
■ Crude	33.6%
■ Containers	15.0%
■ Other	16.0%
■ Overall traffic	423M tonnes

Source: Mohan Bhambhani

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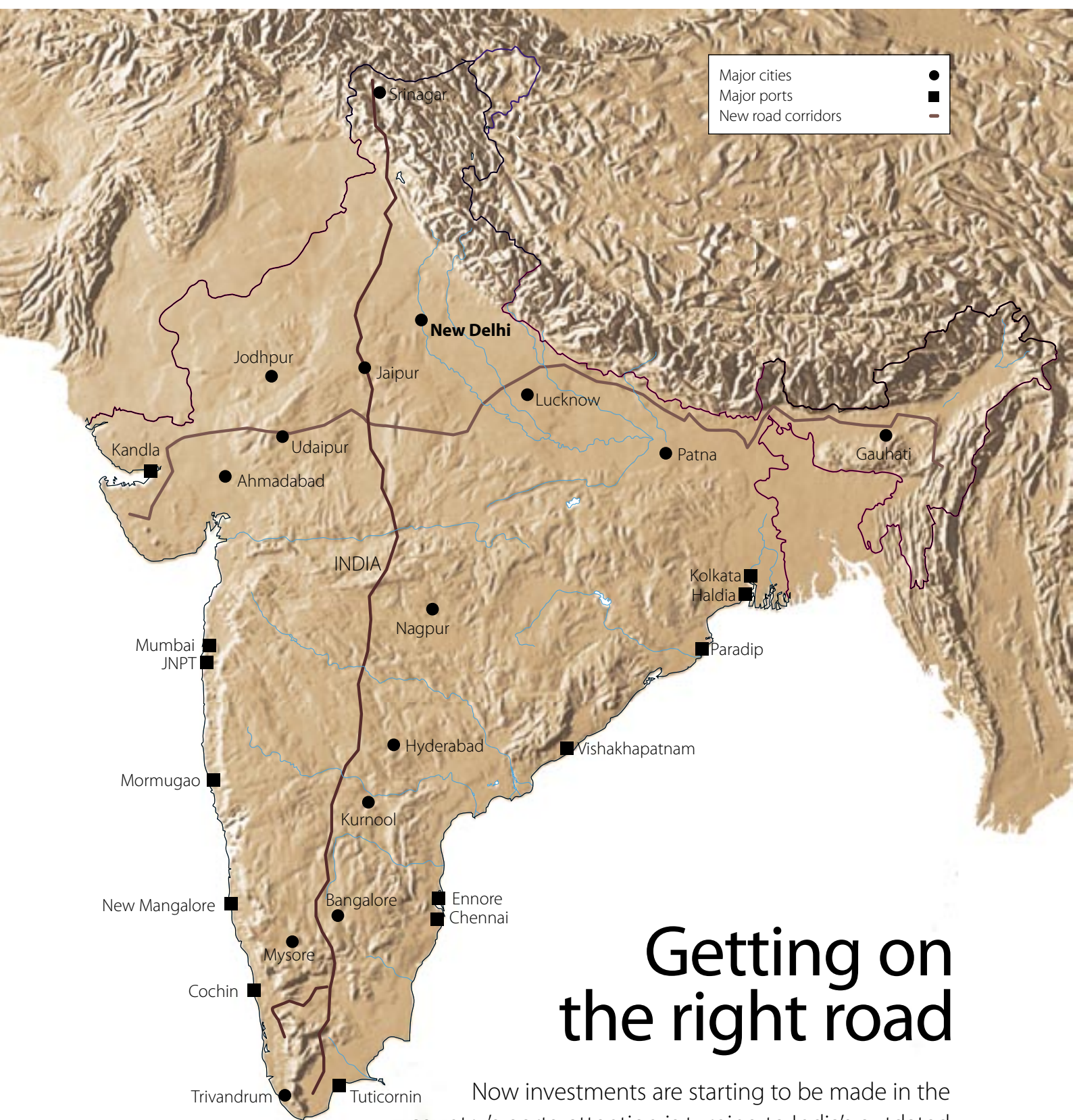


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Getting on the right road

Now investments are starting to be made in the country's ports, attention is turning to India's outdated rail and road network, as **P&H** discovered

Roads carry 70% of the country's freight – now a major upgrade of the North-South and East West roads is underway

Shipowners are calling for the development of India's land links to ports to help the flow of international trade. At IAPH's mid-term board meeting in Mumbai, The Shipping Corporation of India director, SS Rangnekar, spelt out the effects the poor state of the country's transport system are having.

The cost of carrying goods over long distances by rail in India is a quarter of the cost of carrying goods by road, he said. However, with the modernisation and improvement of the road system, the cost differential should be reduced. For the future, he expected the railways to remain the most economical mode of transport for bulk commodities like coal, cement and steel. In India, rail transport may be cheaper than road, but it is still expensive in international terms.

"The cost of rail transportation in India is put at \$0.79 per km, but in France it is \$0.55, at \$0.37 in Japan, \$0.26 in China and \$0.2 in Canada," he said. Some \$5.4M has been allocated by the government to construct a dedicated freight rail corridor between Delhi and Kolkata and Delhi and Mumbai. A western rail corridor will also be developed to connect JNPT, Mumbai, and Tughlakabad, Rewari and Dadri, through the states of Gujarat and Rajasthan. Another eastern corridor will connect with Ludhiana, Punjab's international trade hub, Rangnekar explained.

All this is to be achieved under a new economic regime. "The government has opened rail containerised operations to private and public sector players, breaking the monopoly enjoyed by CONCOR," he said. Successful bidders in the rail privatisation programme will be able to run container trains for import and export markets, as well as domestic traffic.

The system has been privatised under the leadership of charismatic railways minister Lalu Prasad Yadav. He says that container traffic in India is growing at 15-20% each year and that the volume is expected to increase to 110M tonnes from the current 55M tonnes over the next five years.

India's network is one of the largest in the world, covering 63,221km of track, 26% of it electrified. But the system struggles with three gauges – broad, metre and narrow. Yadav has in place plans to lay new lines, convert metre gauge into broad gauge, electrify most of the system, bring in safety measures and faster trains.

"The rail sector will see significant investments from private operators, leading to cheaper, quicker and smoother transportation of containerised cargoes to and from Indian ports," said Rangnekar.

Reform of the rail system may be welcome, but some 70% of goods traffic flows on roads – roads that are in a poor condition with considerable scope for improvement. India has 3.3M km of roads – the second largest network in the world. Although highways make up only about 2% of the total road network (65,569km), they carry about 40% of total road traffic. The poor quality of the roads, however, makes fast transit impossible.

New measures should ease the way for more road construction. The government now provides incentives,

including a capital grant of 40% of the project cost and duty-free imports of modern equipment. There has been slow progress so far with delays in land acquisition and the poor performance of some contractors. Under the current programme, about 10,000km of roads are to be widened from two to four lanes.

It is still uncertain whether the three projects will be finished in time. If they are, the Golden Quadrilateral will link the four metro cities of Delhi, Mumbai, Chennai and Kolkata after completion in 2007. The North-South and East-West corridors connecting Srinagar to Kanyakumari and Silchar to Porbandar respectively will be completed by the end of this year.

Rangnekar said that thanks to reforms, deepsea shipping will enjoy "enhanced connectivity with the other modes: rail, road and coastal shipping. There will be better accessibility to extended hinterlands and we should be able to avoid the intermodal gridlocks and congestion we have suffered from in the past."

He hopes it is just the beginning of larger private sector participation in infrastructure and superstructure developments, and he welcomed the projects undertaken so far by international entities. He said he hoped Indian ports could look forward to integrated efforts by international terminal operators in port developments.

The new environment would foster "intense competition" amongst ports. "This should be not only in terms of location and port services, but also in tariffs and costs."

He also urged ports to make increased efforts to become more environmentally friendly, calling for more provision of ship waste treatment facilities, enhanced ballast water management and reception facilities.

Ports were under increased pressure from citizen groups, local states, national government and environmentalists to relocate outside city limits to counter problems from congestion, noise and light pollution. He urged them to meet these calls in a way that minimised constraints on project approvals, by improving elements of their plans, such as environment impact assessments.

Rangnekar also asked ports to ensure there was no adverse impact on costs due to any maritime security measures they took under initiatives such as the ISPS Code, C-PAT and CSI.

There should be an end to barriers to port developments which led to inadequate long-term planning and delays to implementation, he added. "Port reform guidelines were focused on statutory and procedural aspects rather than on objectives.

"Government policy remains ambivalent on issues of how much control ports will need to retain with regard to their regulatory and/or public interest functions, surplus labour, coastal regulation zone and environmental clearance," he said.

He felt that the port development plans, combined with freight corridor improvements and rail privatisation, would prove the first step towards modernisation of India's transport system. "This should help to provide an integrated transportation infrastructure which is critical to moving 'India Inc's' trade and commerce cheaply, efficiently and reliably," he said. **PH**



A billion dollar solution

Just weeks away from confirmation of final construction approval, **Stephen Cousins** asks if JadeWeserPort deepsea container terminal could be the answer to Germany's future capacity needs

Germany's powerful export industry has thrown its weight behind the campaign for faster development of the country's port infrastructure and intermodal links. Three powerful industrial groups – the Federation of German Industry, the Federation of Chambers of Commerce and the Association of Wholesale and Foreign Trade – has teamed up with the trade associations from ports, ship owners, liner agents and freight forwarders. The group called upon the federal government to speed up crucial infrastructure projects, especially for Hamburg and Bremerhaven, which jointly handled nearly 12M teu last year.

Ports should be an important part of the future national logistics masterplan that's expected to form the basis of the country's future investment decisions

in transport infrastructure, said the group. The government was swift to reassure the alliance that it will pay increased attention to seaport requirements. Karin Roth, parliamentary state secretary, said the government has now allocated funds to deepen the River Elbe to Hamburg and the River Weser to Bremerhaven. Dredging could start as early as next year pending planning approval. "Both projects are fully backed", she confirmed.

The group formed against the background of expectations that Germany's North Sea ports will see traffic to rise to about 18M teu in 2010. Without significant addition to infrastructure, this could result in a serious capacity crunch.

JadeWeserPort is seen as complementary to

JadeWeserPort Container Terminal

Quay length:	1,725m
Terminal area:	1.2Mm ²
Draught:	18m
Handling capacity:	2.7M teu a year
Run-up phase:	2006 – 2009
Start of operation:	2010
Berths:	4
Container cranes:	16
Van carriers:	68
Large stackers:	8
Rail-loading cranes:	5

**(l to r) Bremenports
general manager
Jürgen
Holtermann,
JadeWeserPort
Realisation
Company MD
Helmut Werner
and Eurogate joint
chairman Emanuel
Schiffer shake on
the development**

Hamburg and Bremerhaven. At Hamburg a \$1.2Bn investment will double capacity to 10M teu over the next five years. The operators of JadeWeserPort are positioning the facility to capture much of the remaining trade, with a proposed €950M (\$1.2Bn) new common user container terminal.

With approval for the project expected next month, the terminal will be built at Wilhelmshaven on the German Bight and will be operated by Eurogate Container Terminal Wilhelmshaven – a venture 70% owned by Eurogate and 30% by AP Møller-Maersk's terminal operations unit APM Terminals.

The deepwater facility will provide access to 10,000 teu capacity vessels irrespective of tide. Once official approval is given, work on terminal infrastructure should start by the end of this year with the first four berths operational by 2010.

Prior to final approval, things certainly look promising. As the country's only natural deepwater port, Wilhelmshaven offers a prime location for a new container terminal. Ocean-going vessels with draughts of up to 16.5m can already call there independent of tide, using its 18m-deep navigation channel and short, 23nm approach, compared to 32nm at Bremerhaven and 78nm at Hamburg.

Nearby Bremerhaven is expected to reach full capacity in 2010, but expansion is not possible because a conservation area is located at its northern boundary.

JadeWeserPort is expected to indirectly create as many as 2,000 jobs in an underdeveloped region that suffers from high unemployment rates ranging from 11.7% in Wesermarsch to 17.2% in Wittmund.

Wilhelmshaven offers a convenient transshipment hub for feeder and short sea shipping, with easy links to Scandinavia, Finland, the Baltic States, Russia and the UK, and an alternative Rhein/Ruhr hub to Rotterdam, Antwerp and Le Havre.

Eurogate is certainly confident of success, having earlier fought off a challenge from a consortium of international port operators and shipping firms headed by Rhenus Logistics to win the 40-year concession.

"The Eurogate-Contship Italia Group has shown in the past that we have experience in developing container terminals, particularly in the transshipment sector – our terminals at Gioia Tauro and Cagliari are an example. We are certainly the right partner

JadeWeserPort traffic (M) teu

2010	1.1
2011	1.7
2012	2.2
2013	2.4
2014	2.6
2015	2.7
2016 (completion)	2.9

for this project and we will do everything we can to make it a success," enthused Eurogate joint chairman Thomas Eckelmann as he announced JadeWeserPort's development plans.

APM Terminals' CEO Kim Kejfer was equally happy: "Together with Eurogate, we can offer customers a modern terminal to serve the future growth needs of both Germany and the Central European container market," he said.

If built, JadeWeserPort will feature a 120ha terminal area with 1,725m of quay and 18m alongside depth, a 170ha logistics zone and a 700m turning area suitable for the largest container ships.

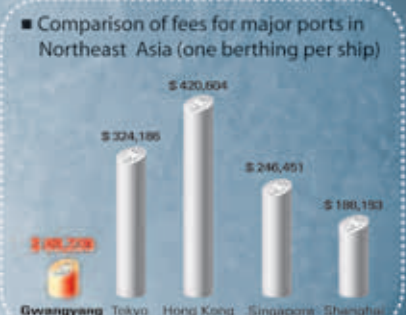
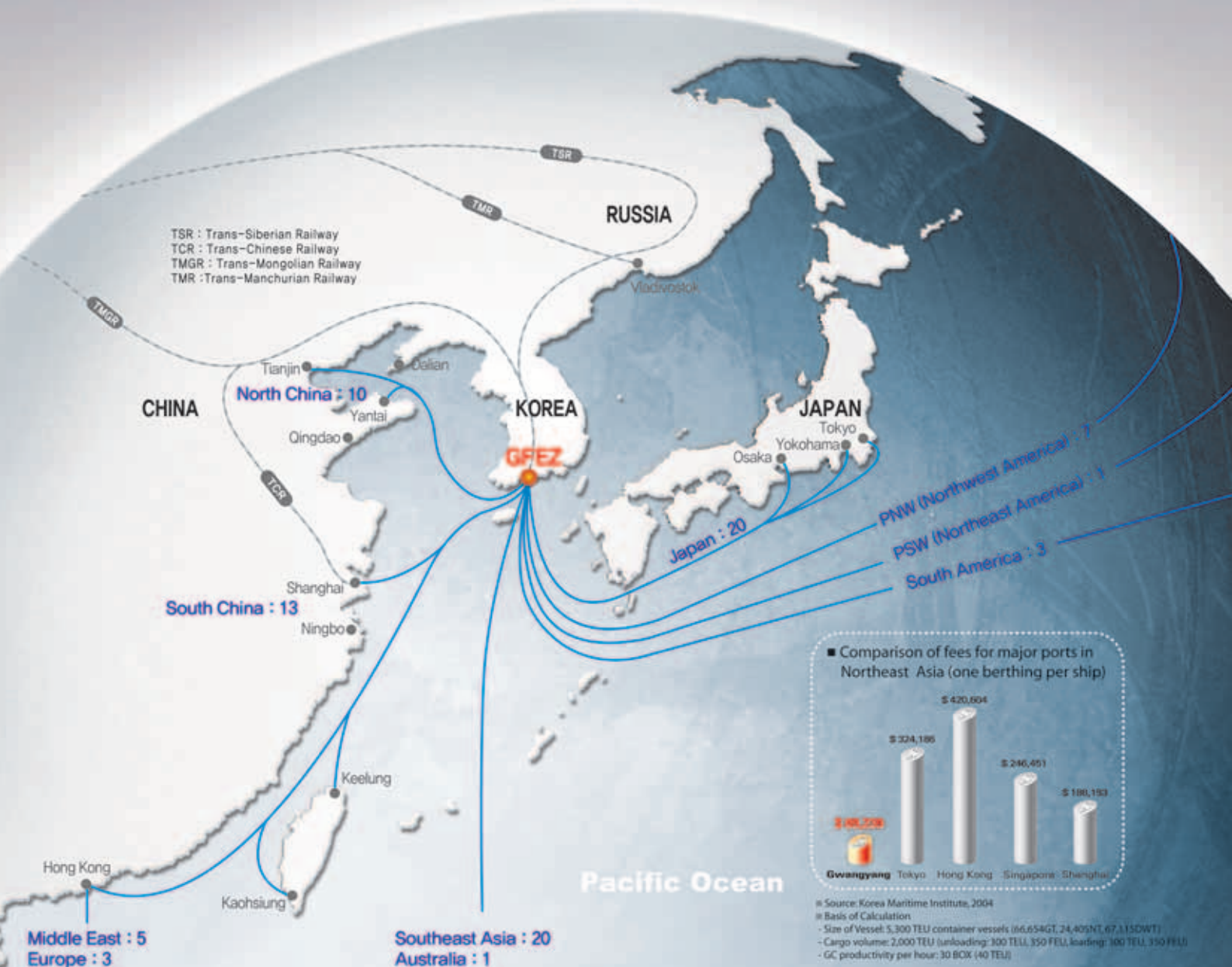
Eurogate will contribute \$447M of the total costs for superstructure, including container cranes, van carriers, area equipment, buildings and IT. And JadeWeserPort Realization Company – 50.1% owned by Lower Saxony and 49.9% by the city state of Bremen – will spend \$772M on infrastructure. This will include quay facilities, waterfront structures, land reclamation, alteration and dredging of the Jade fairway, part of the entrance and berths, local traffic connections and project follow-up costs.

In terms of hinterland connections, Wilhelmshaven will be incorporated into the boxXpress.de network, in which Eurogate Intermodal has a 38% shareholding. Leading rail operators have also expressed an interest in establishing a foothold. Together with good road connections to the A28, A29, A31 and A1, the port will also link to the proposed A22 coastal motorway, which Eurogate will help finance.

Eurogate joint chairman Emmanuel Schiffer doesn't expect JadeWeserPort to seriously divert the flow of goods to Hamburg and Bremerhaven, however. He was keen to stress co-operation: "Eurogate Container Terminal Wilhelmshaven will be the perfect complement to our existing facilities in Bremerhaven and Hamburg," he said. "The three ports will work hand-in-hand and each will have its own importance."

The tender procedure for waterside construction works has already begun: bids for an initial contract to construct the quay, north and south embankments, reclaim about 370ha of land and dredge the Jade fairway, port entrance and berth area were submitted at the start of May and are currently under evaluation. **PH**

More info: www.jadeweserport.de



■ Source: Korea Maritime Institute, 2004
■ Basis of Calculation
- Size of Vessel: 5,300 TEU container vessels (66,654GT, 24,405NT, 67.11SDWT)
- Cargo volume: 2,000 TEU (unloading: 300 TEU, 350 FEU; loading: 300 TEU, 350 FEU)
- GC productivity per hour: 30 BOX (40 TEU)

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Are mega ships coming to the Caribbean?

It's time for ports to start planning for 2014 when the Panama Canal expansion will open the gates to the region says **David Bindler**

Waiting for the mega ships. The Caucedo Container Terminal in the Dominican Republic was opened by DP World in 2003 and has a 14m channel depth

There are changes aplenty in the ocean transportation industry and many of them will impact the way Caribbean ports do business. The \$5.25Bn project to add a third lock to the Panama Canal will probably mean the waterway will be able to accommodate container vessels as large as 11,000 teu. It's hard to believe that only 10 years ago the largest mega ship was 'only' 6,000 teu. This development will have a major impact on future vessel deployments and will bring more and more post-Panamax vessels into Caribbean waters.

For the container lines, many of which have been building post-Panamax ships for the past few years, this announcement is good news. Although the original super-sized ships were built to serve the Asia to Europe market, with little intention for them to call the USA, that situation has now changed.

The new interest in sending post-Panamax ships to the USA can be summed up in one word – China. In the past five years China has become the number one exporter of products consumed in the USA and now supplies 45% of all its imports. The number of export boxes shipped to the USA has grown from 4M teu in

2001 to 8M teu in 2005. Talk about an improvement in market share! No wonder the container lines have developed such a keen interest in bringing their mega ships to the USA.

This presents a problem for ports, however. Now these large ships cannot transit the canal and so are forced to discharge all cargo in the West Coast and rely on extensive truck and rail connections to deliver the goods to their ultimate destinations. The sheer volume of cargo discharging in Long Beach and Los Angeles means that the truck and rail infrastructure can no longer meet the service delivery demands.

There are only a few possible options which might reduce West Coast congestion:

- The market from China could weaken, which may happen for the short-term beginning this year
- The USA could initiate more stringent trade sanctions or quotas on imports from China
- Carriers could offer more direct services to the US Gulf and East Coast ports.

The container lines serving Asia must act now to relieve West Coast congestion. They cannot wait for the Panama Canal expansion. Changes are needed

Instead of investing heavily in expensive port expansion projects, ports should be investing in more cost-effective strategic service improvements

immediately. Some are exploring the feasibility of shipping Southeast Asia cargo to the US East Coast via the Suez Canal. Transits may be longer, but the service would be more reliable. Some lines may begin calling at Mexico's on West Coast Port of Lazaro Cardenas to take advantage of a daily intermodal rail service that will be offered shortly to the US southeast by the Kansas City Southern railroad.

The majority of carriers, however, will redeploy more tonnage on direct, all-water services from Asia to the US Gulf and East Coast. When that happens, there will be more and more ships plying the Caribbean waters, and they will be larger ships too.

That could present either a problem or an opportunity for the ports in that region. It will most certainly be an issue in 2014, when post Panamax ships are able to transit the canal and freely sail in the Caribbean Sea.

A few Caribbean ports have already made a commitment toward becoming major transshipment hubs. Ports like Kingston and Freeport have been pursuing the larger container lines for transshipment business for some time. But they have become so successful, their terminals are already bursting at the seams and these ports will have to make some major structural changes in order to cater for more container volumes and larger vessels in the future.

There may be one or two other ports which are physically or economically capable of dealing with the pending onslaught of larger and larger vessels and time will tell if they have the appetite and the financial ability to expand and attract more transshipment business.

For most ports in the Caribbean, however, the improvements required are more cultural than structural. Instead of investing heavily in expensive port expansion projects, these ports should be investing in more cost-effective strategic service improvements. They may never receive a post-Panamax vessel, but they should certainly be preparing for larger ships and certainly for more containers than they receive today and that preparation largely involves productivity improvements rather than

heavy construction and extensive dredging.

Here are a few of the strategic service requirements that ocean carriers and their customers will be looking for before they decide to pump more cargo into a Caribbean port or terminal:

Crane productivity – if a port is still unloading only 12-15 containers per hour and causing frequent berthing delays, the carriers will be reluctant to bring larger ships to that port.

Equipment maintenance – if the equipment is not in good condition 95% of the time, a port needs to make a strategic change in its preventive maintenance programme.

Truck turn times – if it takes more than an hour, the terminal is not managed efficiently and both customers and truckers will be inconvenienced.

Extended receipt/delivery times – this is a major cultural shift for many ports (and some shippers and importers), but think about how many more containers could be handled per day if your gate was opened longer.

Lengthy dwell-time of loaded containers sitting on terminals must be reduced if a port expects to make the most of the space it has. This may be the most important objective for any port not wishing to spend millions on terminal expansion.

Empty evacuation efficiencies – if a ship incurs berthing delays, it may have to 'cut and run' without loading any empty containers. That reduces terminal efficiency and capacity utilization.

Technology – this will require some investment, but Caribbean ports need to do whatever they can to upgrade their technology and streamline their procedures.

Training – upgrading the skill levels of both union and non-union employees and managers is crucial to maintaining a well-run terminal.

Safety and security – port management must be committed 100% to the safety of all who work there and the security of the facilities and cargo.

It is important to note that fuel, shipbuilding and time charter costs have all skyrocketed in the past three years. All carriers, including short-sea Caribbean carriers, will have to become more creative in the way they manage their costs. That could lead to even more mergers, acquisitions and vessel sharing agreements. It will most likely mean larger ships calling at fewer ports. Caribbean ports and terminal operators will need to plan accordingly.

Most Caribbean ports will never see a 9,000 teu vessel. But by implementing strategic service improvements and terminal efficiencies they will certainly be better prepared to handle the larger container vessels which are very likely to be sailing in the Caribbean very soon. **PH**

David Bindler is the founder of David Bindler Consulting
More info: bindlerconsulting@sbcglobal.net

Containers line up at the Port of Spain, Trinidad where the terminal is being updated to cope with rising traffic levels



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Rivers feed the seaport

Shanghai is involving itself in the development of ports along China's most important inland waterway, the Yangtze River, as they generate increasing trade for the gateway, explains **David Lammie**

Shanghai is fast emerging as one of the world's most important ports. In 2005 it shifted 18.09M teu, putting it not far behind Hong Kong and Singapore in the container rankings. Fuelled by China's spectacular rise as a trading giant over the past two decades, Shanghai has consistently dominated its major rivals. Throughput increased by 24% last year, year-on-year, while Hong Kong's total of 22.43M teu represented an increase of just 2% and Singapore's 22.28M teu was a 4.6% increase on the previous year.

The development of Shanghai's Yangshan Bonded Terminals, situated on Yangshan Islands in Hangzhou Bay, about 30km southeast of the city, now effectively transforms Shanghai from a port at the mouth of the Yangtze into a deepwater seaport. On completion by 2020, Yangshan alone will have a capacity of 25M teu, more than the entire 2005 throughput of either Hong Kong or Singapore.

The Yangtze, the world's largest cargo-carrying river, has always been an integral part of the city's fortunes. Last year, the river contributed a sixth of Shanghai's container volumes.

Shanghai International Port Group and its listed investment arm Shanghai Port Container Co is the largest investor in ports along the Yangtze. Of course, being at the mouth of the river, it is only natural for Shanghai to involve itself in the river's development. However, securing the lion's share of the rapidly growing volumes from the Yangtze is also of strategic importance to Shanghai, as its handling capacity increases with the development of Yangshan.

For thousands of years, the Yangtze has been China's most important inland transport artery. Originating in the Tibet-Qinghai plateau, the river stretches for 6,300km, making it only slightly shorter than the Nile and the Amazon. The Yangtze valley is also the country's leading manufacturing centre, accounting for more than a third of iron and steel and petrochemical output, and nearly half of car production.

The Yangtze accounts for 80% of China's total river cargo, and container volumes have been growing by 25% annually since 2000. Leading ports such as

Chongqing and Nanjing are investing heavily to increase their capacity and to improve efficiency. In 2005, the Yangtze's 24 leading ports, excluding Shanghai, recorded a throughput of 2.6M teu, nearly four times more than in 2000. According to official forecasts, throughput will reach 6.5M teu by 2010 and 10M teu by 2020.

However, much remains to be done to improve conditions on the Yangtze, if the central government is to be successful in achieving its ambition of attracting more investment into inland China through an expanded and improved transportation network. The central provinces have been left far behind the coastal regions since 1978, when China first opened up its economy to the outside world.

The reason for this was obvious enough: the eastern provinces of China had everything the central and western provinces lacked. Their advantages included relatively good transport infrastructure and ready access to a network of ports up and down the coast, where products from Chinese factories could easily be loaded onto ocean-going ships for transport to foreign markets.

The result, over the years, was a steady widening of the economic gulf between the coastal provinces and the rest of the country, with coastal Guangdong alone accounting for nearly a third of exports in 2005.

Central and western cities such as Wuhan and Chongqing are now starting to attract the same type of trade-related investment that triggered the boom in the coastal areas. Foreign trade in Chongqing has been growing at an annual average rate of nearly 20%, over the past five years, to stand at \$4.3Bn. Although this represents only 0.3% of the national trade total, the trend is improving. Foreign direct investment in the city increased 28% in 2005 to reach \$521M, against a background of declining foreign investment in China as a whole.

This upturn coincides with the central government's 'Go West' campaign, formally launched in 2000 and designed to eliminate poverty and stimulate investment in the interior. Improving conditions on the Yangtze is a key element of this campaign, since the river is by far

**China says
ports along the
Yangtze River
will be handling
10M teu by 2020**



the most cost-effective means of transportation over long distances from inland China to Shanghai, where a quarter of China's foreign trade is currently handled. Already, some leading multinational corporations, including Ford and BP, have set up operations in the west, using the river to ship components and materials upstream and finished products downstream.

Over the past few years, developing the Yangtze has become a matter of urgency for manufacturers in coastal cities, who face sharply rising land costs and even labour shortages. More and more of them are considering moving their operations inland.

However, major challenges remain. For example, the locks of the Three Gorges Dam are a major bottleneck for shipping and the dam itself is creating new and uncharted patterns of silting further downstream. Add to this the 45 low bridges across the river and the shortage of funds available to improve port infrastructure and material handling equipment and it is not surprising that the cargo-carrying potential of the river is considerably under-utilised. At the moment, nearly 80% of shipping activities on the Yangtze are concentrated in the section between Shanghai and Nanjing, while less than 20% of the entire river's navigable capacity is being exploited.

In an attempt to improve utilisation, the authorities are starting to phase out old craft, standardise vessels and encourage containerisation. The government hopes that by 2020, 95% of all vessels plying the Yangtze will be standardised.

A major dredging programme is also underway. By 2020, the government aims to deepen the lower

reaches of the river, smooth the middle reaches and extend the upper reaches to Shuihu, in Yunnan province. The ambition is to allow 10,000 dwt tug-barge fleets to sail all the way from Shanghai to Chongqing for at least six months of the year. These measures should go some way to improving reliability and shortening journey times. The most far-reaching changes are taking place at the Yangtze ports. Major ones such as Chongqing and Nanjing have already become publicly listed to raise funds for infrastructure and modern technology investments. Others are looking to follow suit, or attract direct investment from foreign port operators, or Shanghai Port Container Co, which has poured more than Rmb500M (\$62.4M) into developing container facilities at nine ports over the past five years.

As the river continues to grow in importance and as Yangshan Bonded Terminal's capacity increases, Shanghai will emerge as a major regional transshipment centre. The potential for growth is evident in the current statistics: 70% of Hong Kong's container throughput is in the form of transshipment, and the proportion in Singapore is even higher, at 80%. Compare these proportions with less than 2% transshipment for Shanghai.

The opening of the bonded terminals is likely to attract almost all transshipments on European routes and some on North American routes, from northern Chinese ports such as Qingdao, due to lower costs and shorter journey times. Shanghai should also be able to attract North American transshipment cargo from as far as Xiamen thanks to the developments. **PH**

David Lammie is author of 'Yangtze River Ports 2006'
More info: www.alaincharles.com

EU legal move over waste law

The European Commission has decided to take legal action against five EU member states for allegedly failing to comply with EU legislation to improve the availability and use of port reception facilities for ship-generated waste and cargo residues.

Greece, France, Italy, Finland and Portugal will now face legal action at the European Court of Justice following alleged insufficient implementation of the obligation to develop, approve and implement waste reception and handling plans relating to all national ports, including fishing ports and marinas.

'These plans are a key element in ensuring that port reception facilities made available meet the needs of the ships normally using the ports, that their operation does not cause undue delay to ships and that fair, transparent and non-discriminatory fees are applied,' the EC said in a statement.

It added that member states should have established and implemented waste reception and handling plans for all their ports by 27 December 2002. The EC has sent reasoned opinions on the issue to Germany, Estonia and Spain, but these member states will not face legal action, it says.

New EC delegate at IMO

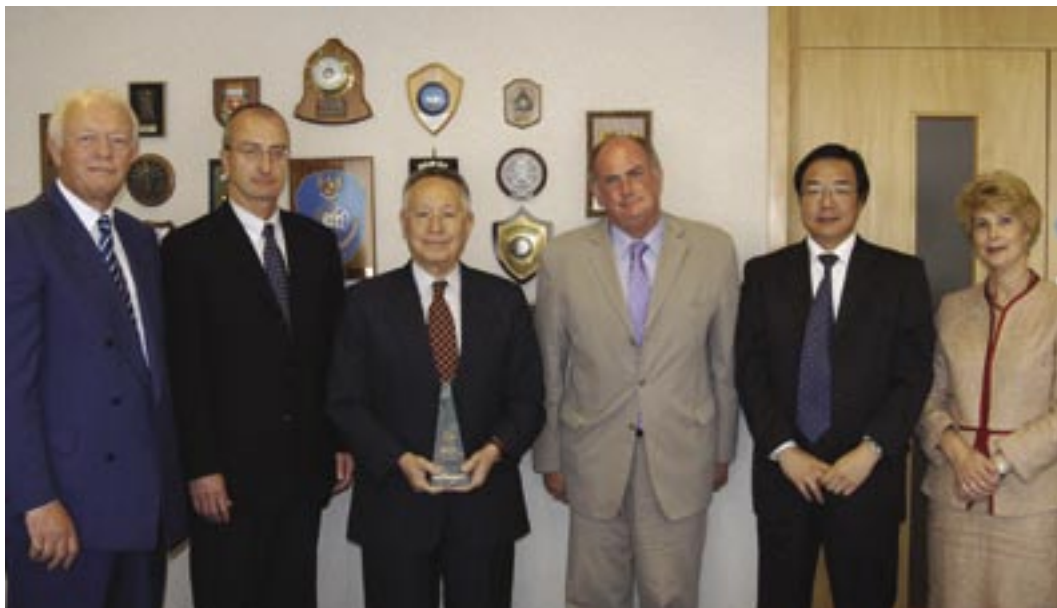
The European Commission has reinstated the post of permanent representative to the IMO in London, after leaving the position vacant since the late 1990s.

Marten Koopmans, who is well known as a long-time Dutch delegate at IMO meetings, has taken the post and has now found a home in London for him and his family.

The EC wants to harmonise the implementation of IMO rules in Europe.

More info: *marten.*

koopmans@ec.europa.eu



Disinctive award: Left to right with the new Interferry award: Interferry board member Russ Peters; Interferry CEO Len Roueche; IMO secretary general Efthimios Mitropoulos; IMO divisional directors David Edwards (technical co-operation); Koji Sekimizu (maritime safety) and Rosalie Balkin (legal affairs and external relations)

IMO head gets new distinction award

The first holder of a new award for significant contribution to the ferry industry – the Interferry Person of Distinction – is Efthimios Mitropoulos, secretary general of the International Maritime Organization.

Interferry, the industry's worldwide trade association, named Mitropoulos for his 'global leadership in highlighting the importance of passenger ship safety'. He joined the IMO secretariat in 1979 and was appointed to the top post in 2004.

The presentation was made by Interferry CEO Len Roueche at IMO headquarters in London.

Mitropoulos was cited as a driving force in the joint IMO/Interferry initiative to improve domestic ferry safety in developing nations. The award also marks his role following the Red Sea disaster in which the Egyptian ferry *al-Salam Boccaccio 98* sank with the loss of 1,400 passengers and crew.

In January he signed a MoU with Interferry, which has IMO consultative status, on a ten-year plan to reduce fatality levels in ferry operations in the developing world.

The project aims to cut the current 1,000 deaths a year by 90%. A pilot scheme in

Bangladesh is now under way.

The Red Sea tragedy came less than two weeks after the signing. Mr Mitropoulos visited Cairo and responded to an Egyptian government request for technical assistance by providing an independent consultant to advise the casualty investigation board.

He also arranged for another independent consultant to review maritime safety administration systems in Egypt.

These included crisis management, survey, certification and inspection procedures relating to stability, fire protection systems, life-saving appliances and navigation equipment.

Canada makes ballast water rules mandatory

Transport Canada is making its ballast water discharge regulations mandatory to ensure ships exchange their ballast outside the 200 mile zone or in designated coastal areas where the water is more than 2,000m deep.

The rules come into effect immediately and require all ships to have a ballast water management plan that meets

the regulations, transport minister Lawrence Cannon said. Canada wants to prevent the introduction of any more aquatic nuisance pests than already plague its coastal waters and inland waterways.

He said the rules are harmonised as much as possible with the US Coast Guard requirements and with the International Convention for

the Control and Management of Ship's Ballast Water and Sediments. Ships that don't travel beyond 200 miles from shore or can't make an exchange because of weather or other related safety issues can treat the ballast in their tanks or simply retain it.

Transport Canada inspectors will use portable devices ensure the regulations are adhered to.

Business as usual as IMO Secretariat moves

It was business as usual when the IMO secretariat moved to temporary offices last month as the IMO Headquarters building on London's Albert Embankment is refurbished.

For approximately 12 months, the 300-strong secretariat will work out of offices in nearby Victoria Street. Meetings of

the council, committees and sub committees will be held elsewhere in London and abroad.

All current telephone and fax numbers and email addresses remain unchanged and all mail will be automatically redirected to the Victoria Street address.

The aim of the refurbishment is to create and pass on to the next generation of IMO delegates and staff a 21st century building.

More info: <http://www.imo.org/HOME.html> under IMO Secretariat relocation



Norfolk Line benefitted from the last round of the Marco Polo scheme and may have another plan for this round

Marco Polo's fourth round

The European Commission has published the fourth call for proposals for the highly successful Marco Polo programme. Commercial undertakings across the European Union and fully participating third countries are invited to submit proposals for the creation of new freight transport

services to fight congestion on European roads and improve the environmental performance of the freight transport system, two main objectives of the EU transport policy.

The general aim of the programme is to help companies initiate new services for shifting freight off the road and on to short-sea shipping, rail

and inland waterways during the high risk start-up phase.

Ports in Spain and France have been at the forefront of initiatives to encourage new short sea services to replace road freight services.

The top-ranked projects in the competitive evaluation process will be offered grant contracts of up to four years. However, only projects capable of demonstrating sustainable non-road freight transport services – that can survive on the market even after they cease receiving EU financial support – have a chance of receiving a grant.

The call is open to applications for three types of actions foreseen by the programme:

- Modal shift actions which will shift freight from the road to short sea shipping, rail, inland waterways or a combination of modes of transport

- Common learning actions which will improve cooperation and optimise working methods and procedures between actors in the freight transport chain

- Highly innovative catalyst actions which are aimed at overcoming structural barriers in the freight transport market in the European Union such as low speed freight trains or technical interoperability problems of transport modes.

In order to address increasing congestion problems and demand from the markets the budget for the 2006 call has been increased to €35M (\$44.7M) from €30.1M in 2005.

The full call text including information on how to apply for a grant is available on the Marco Polo website.

More info: http://ec.europa.eu/transport/marcopolo/guide_proposers/call_2006_en.htm

Intercargo calls for improved PSC

In a major new offensive on industry transparency, bulk carrier owners' association Intercargo is preparing to target cases of port state corruption and push for improved casualty reporting from flag states.

Recommendations, made in a series of three new publications, call for improvements to be made to the port state control process, including the introduction of an effective appeals procedure.

Intercargo's members are also throwing their weight behind a bid to force reluctant flag states to make interim casualty reports publicly available within weeks of an incident for the benefit of the industry.

While acknowledging that port state inspections have been successful in raising industry standards, the flagship new report *Benchmarking Bulk Carriers through Port State Control Data*, reveals continuing concern over some flawed and corrupt cases.

According to Intercargo, the vast majority of its members would not consider appealing against unfair or corrupt port state inspections under the current systems. The organisation says they fear such action could lead to further

'unreasonable' inspections on subsequent port calls.

'We want to see an effective appeals procedure and we are exploring ways in which ships can be encouraged to report to Intercargo those rare cases of corruption, so that action can be taken to redress these practices without commercial come-backs.

'Like it or not there is a commercial element to port state control,' stated the association.

Outside the more established port state MoUs, reports of bribery and corruption are still common practice, according to Intercargo members.

This is not the first time that an industry association has tried to tackle the problem. Following allegations of corruption raised at an industry conference over two years ago by officials within the tanker industry, a joint statement from the Paris MoU secretariat and Intertanko supported bringing all such abuses 'out into the open'.

Two years on Intercargo admits it remains a serious problem. Intercargo officials are hoping that the new report will generate responses from its members, which the association will then be able to follow up on a non-

attributable basis within the next few weeks.

"If they know they are being watched, perhaps we will see some change," said Intercargo manager Rob Lomas.

Port state corruption, however is not the only focus of the transparency drive.

The wider purpose of the three reports, according to Lomas, is to push clear, unbiased information about the state of the industry to the wider supply chain.

One particular area of concern for Intercargo is the lack of transparent casualty investigation analysis. It says there is a 'reluctance' among some flag states to make public their casualty investigations.

Intercargo believes that the reluctance stems in many instances from fear of legal action following an incident. "Some file casualty reports, most don't," said Lomas. "There needs to be a sea change in the industry on this issue and a greater openness of data generally."

Intercargo is now urging flag states to release to the public all interim reports within weeks of a major casualty. "This is not something the industry should be fighting against," said Lomas.

New bravery award

The International Maritime Organization (IMO), has launched a new award for exceptional bravery at sea. It will provide international recognition for those who, at the risk of losing their own life, perform acts of exceptional bravery.

Nominations are expected to focus on such factors as location of the incident; prevailing weather conditions; skill displayed; leadership demonstrated; determination to conduct the rescue operation; exceptional courage demonstrated; and degree of risk (to human lives and/or the marine environment) involved. The award may also be granted posthumously.

The nominations for the award may be made, with a deadline of 15 April 2007, by United Nations member states, intergovernmental organisations, and non-governmental international organisations with consultative status at IMO.

The nominations will be scrutinised initially by an assessment panel made up of members of non-governmental organisations with consultative status at IMO. A panel of judges will then select the winner from the shortlist provided by the assessment panel.

The winner of the award will be presented with a medal and a certificate at a special ceremony.

IMO has yet to decide whether to hold the ceremony in London or elsewhere, or when – World Maritime Day is a possibility.

More info: www.imo.org

PSC 'story of success'

The Tokyo-based classification society Nippon Kaiji Kyokai (ClassNK) has given an endorsement of port state control (PSC) in its annual report, on the topic, for 2005. It says PSC has proved to be a 'very effective tool' in reducing the number of substandard ships and has improved maritime safety and pollution prevention.



The coalition team outside the High Court in London: John Fawcett-Ellis (Intertanko); George Antoniou (GSCC); Jim Harrison (LR); Ioannis Kontoyannis (GSCC); Peter Swift (Intertanko); Mike Lacey (ISU); Colin de la Rue (Ince & Co); Hans Van Rooij (ISU); Archie Bishop (ISU); Roger Holt (Intercargo); Charlotte Breide (Ince & Co)

Challenging directive

A challenge to the validity of the much-derided European Union directive on ship-source pollution will be heard before Europe's Luxembourg-based European Court of Justice (ECJ).

A coalition of industry bodies brought a legal action seeking to have the directive overturned. The coalition – made up of Intertanko, Intercargo, the Greek Shipping Cooperation Committee

(GSCC), Lloyd's Register and the International Salvage Union – scored its first victory when the High Court in the UK decided that its arguments were well founded and should be heard before the ECJ.

A coalition spokesman said that he is hoping for a hearing before the ECJ in the early part of next year and a decision later in 2007. "The directive was

conceived in haste and there are widely held concerns that it will be counter-productive," declared Epaminondas Embiricos, chairman of the GSCC.

At the heart of the dispute is the argument that the EU directive on ship-source pollution puts EU member states in breach of their international obligations (in this case, MARPOL), which is forbidden under EU law.

Malacca 'highway' set to open

The Marine Electronic Highway (MEH) Project promoted by IMO is set for implementation following the signing of a \$6.8M grant agreement with the World Bank's global environment facility.

The advanced navigational and support system will be implemented initially in the vital commercial waterway of the Malacca Strait.

It is aimed at ensuring safety of navigation across the narrow, congested channel, but is also expected to assist in efforts to reduce piracy and armed robbery and enhance maritime security in the region.

Singapore is leading the way in preparing

electronic navigational charts (ENC) of the Malacca Strait, in co-operation with littoral states Malaysia and Indonesia together with Japan, which is a major user of the waterway.

The UK Hydrographic Office has signed an agreement with Singapore's Maritime and Port Authority providing for inclusion of Singapore ENC with the Admiralty ENC and ECDIS (electronic chart display information system).

Singapore is also a member of the East Asia Hydrographic Commission, which has released the South China Sea ENC for commercial use.

\$648M for US port security

More scanning gear at USA ports, together with the people to run them, is in prospect after the USA Senate approved \$648M in port security spending for next year.

Democrat Senator Robert Byrd of West Virginia offered the amendment for the added funds to bolster what he termed "paper thin security" at US ports and the measure passed on a voice vote.

Congress watchers said that the

port security bandwagon is becoming a campaign point in the coming November elections.

Of the added funds voted for port security, \$251M would be spent on inspection equipment at seaports and rail border crossings and to hire cargo inspectors; \$220M is earmarked for border patrol helicopters and other surveillance aircraft; \$207M for the US Coast Guard to continue

upgrading its aging fleet and \$190M in port security grants.

Port lobbyists had hoped for more and the Senate version will now be reconciled with the House-passed budget with more than \$200M expected to be approved.

Ports say they'll need all that and more to pay for implementation of the Transportation Worker Identification Credential (TWIC) card programme.

Owners await anti-competition ruling

The Japanese Shipowners' Association (JSA) is keenly awaiting the final outcome of a continuing inquiry into the country's anti-competition laws, relating to the liner trades.

A study panel appointed by Japan's Fair Trade Commission (FTC) reiterated its earlier preliminary recommendation to abolish the existing system, under which the Maritime Transport Law

grants exemptions to anti-competition law to Japan's international liner operators, as members of liner conferences.

Removal of exemption would effectively force the three major Japanese liner operators NYK, Mitsui OSK and K Line, to withdraw from existing conference agreements – and would be likely to have a dramatic impact on their ability to provide

competitive container services.

Responsibility for the implementation of anti-competition exemptions is in the hands of the Ministry of Land, Infrastructure and Transport (MLIT) which administers Japanese shipping policy.

MLIT has publicly declared its satisfaction with the existing exemptions. However, should the current position of the study

panel become the final recommendation of the FTC, the commission could demand that the minister responsible takes action to change the law.

A spokesman for the JSA said that the association has already made its case for the status quo clearly to the FTC and that it would reserve further comment until the consultation period has been completed this month.

Terrorism links to smuggling

The World Customs Organization (WCO) says that tobacco and cigarette smuggling remain a growing global problem with fears that trans-national criminal organisations involved in this illegal trade may be linked to international terrorism.

In its 2005 annual report on Customs and Tobacco the WCO said seizures of illicit consignments of cigarettes

exceeding 100,000 numbered 1,067 in 2004 and 1,184 in 2005.

Cigarette smuggling maintains a global range, but the European region still dominates the scene and accounts for approximately 85% of the global figures, both in terms of the number of seizures and the quantity reported. The substantial increase in the number of seizures and related quantities, particularly in the

Eastern and Central European region, are 'remarkable' says WCO.

Compared to last year, there have been more seizures and smuggling routes are diversified in an effort to avoid detection by Customs and others. Seizures of raw tobacco or leaf tobacco, as well as forged tobacco stamps, have increased, which tends to suggest the expansion of the illegal production of cigarettes.

Box tracking market row

Electronic container tracking has been used for years, but now one industry giant is accused of trying to corner the market.

In a strongly worded statement, the Washington-based World Shipping Council (WSC) criticised General Electric (GE) for leaving ISO talks on world standards, to set up its own standards group that would promote its own product.

"General Electric and several other companies (including Siemens and Mitsubishi Corp), with a financial interest in the promotion of the GE CommerceGuard container security device, recently announced the creation of a new organisation," the WSC said. This International Container Standards Organisation is proposing to set up global standards for container security devices.

"Unlike other container security technologies, GE apparently wants to create, own and control the global database of container readings done by its proprietary reader infrastructure," the liner shipping group continued.

The criticism came as a strategic partnership was announced between rival Savi Networks and Embarcadero Systems (ESC) to provide RFID tracking at ports across the US. ESC claims this is used to track about 30% of boxes moving through US West Coast ports. The two companies hope to expand the relationship nationwide.

New centre for rescues and spills



Ostend's MRCC operator room is ready for action

The new €4.2M (\$5.3M) Maritime Rescue and Co-ordination Centre (MRCC) in Ostend has officially been inaugurated. The MRCC, which has now started operations, is the first registration point for accidents at sea along the Belgian coast.

The project was carried out by a consortium of Barco, Fabricom GTI and Tein Telecom and commissioned by the shipping assistance division of the Flemish government.

"Thanks to the state-of-the-art technology that is supporting the

traffic monitoring department, the North Sea will become a lot safer," said Antoine Descamps, head of the division.

"The way that the consortium worked together with the division to complete the MRCC project has shown to be a true model of collaboration," he added.

MRCC Ostend combines vessel traffic monitoring with an incident management system and search and rescue agencies. It is expected to help ensure the safety of vessels and to co-ordinate rescues at sea.

The MRCC in Ostend is the central check point for all incidents at sea, including those involving people and vessels in need, as well as accidents and oil pollution.

The new centre, equipped with the latest monitoring and communication technology, will play a very important role in maintaining and improving the safety and the environment of Belgium's coast. It will provide the 'best possible' response for ports and shipping in the case of an incident, said Descamps.



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IAPH Non-Member	\$2,400.00	\$2,600.00
One Accompanying Person	Included	Included
Additional Accompanying Person	\$700.00	\$900.00

For more information visit www.iaph2007.com





Photo: Dietmar Hasenpach

Lobbying urged on wreck removal

Ports are being called on to lobby their governments to adopt the Wreck Removal Convention. Frans van Zoelen, Chairman of the IAPH Legal Committee says: "Ports should ask their respective governments to adopt positive approaches towards this draft convention."

He wants to see action ahead of next year's diplomatic conference in Nairobi, aimed at assessing the Convention. The most recent version of the draft Wreck Removal Convention is available on the IMO website.

The stance is being taken against a background of no prospect of an IMO convention on places of refuge, for the time being. Arjen Doosje and René Bos reflect, on behalf of the Legal Committee of IAPH, whether there is a conclusion for ports to the discussions on places of refuge.

They are following up on the views of Stuart Hetherington, chairman of CMI's International

Working Group on Places of Refuge, in the last issue of *P&H* (July 2006). He discussed CMI's Instrument on Places of Refuge, which IAPH supported at the last IMO Legal Committee in April.

"The subject of places of refuge is of great importance," say Doosje and Bos. "IAPH expressed its appreciation of the CMI work and support for CMI's draft framework document Instrument on places of refuge, prepared by its international working group on places of refuge. IAPH supported the outcome of the discussion of the Cape Town colloquium, as expressed in the CMI report."

As the IMO's Legal Committee decided earlier this year that no convention on places of refuge is needed at the moment, Doosje and Bos say priority should be given to implementing the existing international compensation and liability conventions.

"In this respect, IAPH continues to invite its members to urge their respective governments to make haste with ratification," they continue. "There should be effective implementation of the existing liability and compensation conventions. These are the HNS Convention, the Bunker Convention and – after its finalisation – the Wreck Removal Convention."

"We still believe that places of refuge must be further discussed, even after the existing conventions come into force," they add. "In this respect we also see a clear role for CMI. It continues its work in completing its Instrument on places of refuge for future use (as Stuart Hetherington mentioned earlier in *Ports & Harbors*).

"One way forward would be to ask CMI to monitor the implementation of existing and new Conventions as well. This knowledge would be useful in

order to determine the necessity for a separate convention on places of refuge in due time.

"IAPH looks forward to co-operation with CMI to further explore the subject of places of refuge against the background of a possible follow-up on the topic by IMO's Legal Committee. IAPH will keep on drawing attention to a sound compensation regime for ports allowing a ship in distress into their harbours and basins.

"Ultimately we want to draw attention to *IMO Resolution A.949(23) on Guidelines on Places of Refuge for ships in need of assistance*, where IMO's Assembly requests its committees to keep these guidelines under review and amend them as appropriate. IAPH would like IMO to consider these guidelines together with the Instrument on Places of Refuge as prepared by CMI."



Back row left to right: Chris Horrocks, ICS, IAPH's Fer van de Laar and Paul Markides from OCIMF. Front row left to right: John Vercoe OCIMF and John Murray, ICS

IAPH contributes to safety 'bible'

A major industry 'bible' has just been reissued after a four-year programme of revision by shipowners and terminal operators – and IAPH has been central to its success.

The fifth *International Safety Guide for Oil Tanker and Terminal Operators – ISGOTT* – has just been published. IAPH joined with the

International Chamber of Shipping (ICS), the Oil Companies International Marine Forum (OCIMF), to compile it.

MD, IAPH Europe, Fer van de Laar, was instrumental in the drafting of the first issue and was once again involved in the work on the fifth guide.

He said: "Adherence to the

guidance contained in *ISGOTT* forms a part of what we now call a 'safety culture'. With a true safety culture, however, everyone involved in tanker and terminal operations must continuously think about safety, and new ways of improving it, as a matter of course.

"All 'accidents' are ultimately preventable, and normally only occur as a result of unsafe actions or a failure to follow correct procedures."

The guide represents industry "best practice," according to OCIMF director Paul Markides. It deals with a changing world since the fourth edition in 1996 – one that has seen the prominence of double-hulled tankers and the emergence of the ISM and ISPS Codes.

"This new edition of *ISGOTT* takes account of a number of significant developments, and makes full use of experience gained as a result of the increasing use of double hull ships, that now make up the majority of the world tanker fleet.

"We have encompassed the relevance of the ISM and ISPS Codes to tanker and terminal operations. New research on static electricity, and the latest thinking on matters such as the toxic effects of cargoes have also been incorporated."

New technology and an

expanded entry on static electricity are also featured, together with new regulations for tank cleaning. Over 8,000 copies were ordered pre-publication, so the fifth edition is likely to outsell the 10,000 copies that the fourth edition sold.

ICS secretary general Chris Horrocks said there was a copy of the previous edition on every tanker and in every oil terminal. The latest edition featured a CD with excerpts from the full guide including the *ISGOTT* checklist and the checklist guidelines. *ISGOTT* has been incorporated into legislation in countries all over the world, including Liberia, Greece and the Netherlands.

"In the years since IMO adopted the SOLAS and MARPOL Conventions, the safety and environmental performance of the global tanker industry has improved enormously," he said.

"This commitment to continuous improvement, a concept embraced by the ISM Code, is demonstrated by the industry's efforts to ensure that *ISGOTT* remains up to date."

The new, 5th edition of *ISGOTT* is published by Witherby and Co, London, UK.

More info: www.witherbys.co.uk

Easing the flow of cargo

One of the major international organisations that the IAPH Committee on Trade Facilitation and Port Community Systems deals with is UN/CEFACT (the United Nations Centre for Trade Facilitation and Electronic Business).

The Committee's participation in UN/CEFACT goes back to 1997, when the Port of Barcelona held a vice-chairmanship and participated actively in several different working groups.

According to Jaume Bagot, IAPH's representative at UN/CEFACT and IT Manager, Port of Barcelona, the standardisation of processes is important to ports. He says UN/CEFACT plays a key role in this drive. "The organisation fosters close co-operation between governments and private business to secure the exchange of information between the public and private sectors.

"This important work carried out by the UN/CEFACT is beset by numerous difficulties," continued Bagot. "Work is undertaken on a

voluntary basis and the participants have to foot the costs, which limits the number of companies that can take part. Secondly, representation is limited to states or organisations that bring together user groups. Despite everything, many groups, aware of these pitfalls, have set up channels to receive proposals for improvement, for example, data maintenance requests.

"Another problem arises from the fact that these groups generally produce recommendations that are not mandatory and which the industry will, therefore, apply voluntarily," he continued. "Markets demand rapid solutions and this is in conflict with the working methods of these groups, which have to submit the proposals to different review processes in order to gather as many external contributions as possible."

Bagot fears unilateral solutions could conflict with UN/CEFACT standards and urges dialogue with other standardisation groups.

He welcomed the development of the UN/CEFACT International Trade and Business Processes Group (TBG). It is a complex arena, with 19 groups, including one for transport domain – in TBG3 – where IAPH is active.

IAPH work here has helped define the standards for electronic seals or Radio Frequency Identification (RFID) of containers.

"Further proof of the IAPH's commitment to the work of the UN/CEFACT is the fact that the next TBG3 meeting is taking place in Barcelona from the 11th to 15th September," said Bagot. "It will be hosted by the IAPH Committee on Trade Facilitation and Port Community Systems and the Port of Barcelona, and a joint meeting between both committees.

More info: UN/CEFACT: <http://www.unece.org/cefact/> TBG: <http://www.disa.org/cefact-groups/tbg/index.cfm> TBG3: <http://www.smdg.org/tbg3/> ISO: <http://www.iso.org/> IMO: <http://www.imo.org/> WCO: <http://www.wcoomd.org/>



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New website delivers professional look

The revamped IAPH website is now up at www.iaphworldports.org – so pay it a visit to see the efforts the association has made to improve its communications.

Secretariat staff and specialists have worked for nearly a year on modernising the site, which was originally launched in January 2001. During the final test-run stage, the new site contents were referred to the IAPH Committee on Communication and Community Relations, chaired by Mr Jose Perrot, Port of Le Havre, for input.

Some of the new features and functions that you will find in the renewed website are:

The top page now has a totally new appearance to show the latest IAPH news and information at a glance, under the categories of news, *Ports & Harbors*, upcoming meetings and conferences. The *Ports in Your Life* feature promotes the profile of the port industry by emphasising the role the world's ports play in people's daily lives.

Key Issues reviews matters of importance to the IAPH and explains how they are dealt with by the association. The members' profile area supplements the previously existing links to the IAPH members' websites.

The World Port Info section is made up of two new features and an old favourite. Alongside the familiar maritime events in the world, a new section on statistics will bring analysis of world container traffic, supplied by *Containerisation*



A bright new look on the website

International and world seaborne trade, from UNCTAD. The world port news section will collate press releases from IAPH member ports published in the latest issue of *IAPH Online Newsletter*.

In the Members Area: there are features such as: The library which now has a good collection of IAPH reference material, including reports and minutes from IAPH conferences and meetings. This will include back issues of *Ports & Harbors* from 2000, presentation materials from recent IAPH meetings, full texts of IAPH positions and resolutions adopted in the last ten years.

Open Forum has been powered up to assist an active exchange of views and information among the members. Here you can easily post a new message and read or refer to the comments already posted, in date and topic order.

We hope you will enjoy surfing the new IAPH website and find it useful. Should you have any comments and suggestions for improvement, please contact us at info@iaphworldports.org.

Security survey starts

IAPH Co-ordinators of regular member ports have been sent a survey of ISPS Code practices, to mark the second anniversary of its enforcement on July 1, 2004. We hope you will complete the survey so that members can share good practices.

We hope the survey results will show any problems in ISPS Code compliance among member ports and hope that the survey will promote enhancement of awareness of port security.

Dates for your diary

Major maritime congresses throughout the world

SEPTEMBER

- 19-20:** CSR in Shipping – London, UK.
More info: www.proactivelogistics.com
- 19-20:** U.S. Maritime Security Expo – New York.
More info: www.maritimesecurityexpo.com
- 25-28:** Transtec 2006 – St Petersburg, Russia
More info: www.setcorp.ru
- 25-27:** BULKEX 2006 – Melbourne, Australia
More info: www.bulkex.com.au
- 27-28:** PorTech Asia 2006 – Shanghai, China
More info: www.globaleaders.com
- 27-28:** Inland Terminals, untapped opportunities – Duisburg, Germany
More info: www.inlandterminals.com
- 27-29:** Women in Shipping & Trading Association (WISTA) – Singapore.
More info: v.subra@ibcasia.com.sg

OCTOBER

- 9 – 12** IAPH Executive Committee Meeting – Shizuoka, Japan
More info: www.iaphworldports.org
- 17-18:** Port & Terminal Technology – Rotterdam, Holland
More info: www.millenniumconferences.com
- 17-18** Global Automotive Logistics 2006 – Antwerp, Belgium
More info: www.globalautologistics.com
- 24-26:** Freight Russia – Moscow.
More info: www.freightrussia.com
- 25-28:** ITMMAPS maritime and port symposium 2006 Fostering Seaports – and Beyond – Antwerp, Belgium.
More info: www.itmma.ua.ac.be
- 26-27:** The 3rd Intermodal Asia 2006 – Brisbane, Australia
More info: www.transportevents.com
- 27-29:** SIBCON2006 – Singapore
More info: www.ibc-asia.com/sibcon2006

NOVEMBER

- 5-9:** 10th International Association Cities & Ports (IACP) International Conference Cities and Ports – Sydney, Australia.
More info: www.aivp.com
- 7-9:** Medmar South – Port Said, Egypt.
More info at: www.medmar2006.com
- 16-18:** MARIND (Marine India) – Mumbai, India.
More info: www.marindexpo.com
- 20-24:** IAPH Africa/Europe Regional Meeting and 6th PAPC Conference, Abuja, Nigeria
More info: www.iaphworldports.org



Dr Jürgen Sorgenfrei is welcomed to the Tokyo office by IAPH Secretary General Dr Satoshi Inoue

Hamburg plans more active IAPH role – Sorgenfrei

The Port of Hamburg is hoping to play a more active role in IAPH activities, according to marketing chief Dr Jürgen Sorgenfrei, who visited the Tokyo secretariat last month.

Dr Sorgenfrei, who is in charge of Marketing, Sales and Information and Head of the Organisation of Overseas Representatives for Hamburg Port, said the decision had been made after the port launched its new international marketing policy last year.

He outlined new developments at Hamburg, which continues to benefit from thriving markets in China and elsewhere in East Asia, as well as trade with countries in the Baltic Sea region.

Container-handling volume at Hamburg has more than doubled since 1999. The port handled 4.2M teu containers in the first six months of this year, a 10.7% increase.

Hamburg has major works in progress to cope with the huge volume growth, Dr Sorgenfrei told the secretariat.

Saigon hosts regional meet

The thriving and vibrant city of Saigon, Vietnam, is to be the location for the 2007 Asia/Oceania Regional meeting, thanks to the hospitality of Saigon Port. Dates for the meeting are January 31–February 2, 2007.

Final arrangements are underway, so keep an eye on the new IAPH website for details. Meantime, make a date for your diary!

Membership Notes

The IAPH is pleased to welcome the following new regular member to the association

Kelang Multi Terminal Sdn. (Westport Malaysia)

Address: P.O. Box 266, Pulau Indah 42009 Port Klang, MALAYSIA
 Telephone: + 60 3 3169 4000/3169 4200
 Fax: + 60 3 3169 4119
 E-mail: tansrig@westports.cin.my
 Website: www.westports.com.my
 Representative: Tan Sri Datuk G. Gnanalingam, Executive Chairman

IAPH IT Awards 2007

IAPH invites entries for its 2007 IT Award.

The Trade Facilitation Committee of IAPH organises this award to demonstrate the Association's commitment to promoting the use of information technology in ports and maritime transport. The award is made to outstanding projects in this area.

CONDITIONS OF ENTRY

The eighth award, to be presented in Houston in 2007, is open to entries from any regular or associate member of IAPH.

Any application of information technology within a port may be submitted, whether purely internal to the port authority, or involving outside organisations.

The winner will be the project or application, implemented in the previous two years, that resulted in the greatest benefit to the port, as assessed by the selection committee on the following criteria:

Reduced costs • Increased revenue • Improved safety • Environmental protection • Enhanced efficiency

It is specifically intended that these criteria will enable ports in less developed countries, perhaps with limited resources and their own particular circumstances, to compete for the award alongside those who already use available technology extensively. Relative improvement for a port will be the key factor for comparison.

PROJECT DESCRIPTION

Submissions for the award should follow these guidelines:

Project summary – briefly describe the project in no more than 400 words. Include the business problem, the technical solution, the date of implementation and the time taken to achieve results.

Results achieved – Provide specific performance measurements, in no more than 400 words, to show the improvement resulting from implementation of the project. Examples could be cost savings, increased revenue, time savings and increased operational capability.

Technology used – detail hardware, software and services that were used in the project, in no more than 200 words.

Obstacles overcome – explain the primary problems (technological, organisational, human etc.) overcome or avoided in the progress of the project, and how these were countered, in no more than 300 words.

Technology base – In no more than 300 words provide an indication of the level and extent of technology in use within the organisation before implementation of the submitted project.

Gold, silver and bronze plaques will be presented for the best entries.

SELECTION COMMITTEE

The Selection Committee will review and judge the merits of all the projects submitted. The four members of the Committee will be:

Chairman of the IAPH Trade Facilitation Committee • Nominated representative of the Port of Houston (host for the 2007 World Ports Conference) • A member, to be nominated by the Chairman of the Trade Facilitation Committee, from a region not represented by the other two members • Dr Satoshi Inoue, Secretary General of the IAPH.

Language – Submissions should be in English.

Deadline for entries – The deadline for the submission of entries is February 28, 2007. The entries may be submitted by e-mail or on paper (four copies).

NOTIFICATION OF RESULTS

The winners of the three awards will be notified in good time to allow the presentations to be made during the 25th IAPH World Ports Conference in Houston, USA, April 27–May 4, 2007

PUBLICITY

The award-winning entries will be published in the IAPH magazine *Ports and Harbors* and on the IAPH web site.

Entry submission – (by post, e-mail or fax) to: IT Award 2007, IAPH, 7th Floor, South Tower, New Pier, Takeshiba, 1-16-1 Kaigan, Minato-ku, Tokyo 105-0022, Japan.

Fax: + 81-3-5403-7651 e-mail: info@iaphworldports.org



Talking the same language – how ports can bridge the IT gap

Chair of the IAPH Committee on Trade Facilitation and Port Community Systems, Santiago Milà, reports on work to help ports make full use of new technologies

We all constantly hear of the importance of IT in ports. But at least two conditions are needed for ports to make the most of the potential offered by the new technologies.

On the one hand, ports must be abreast of the latest developments. On the other, there must be a set of standards and rules applied across the board, to all the links in the logistics chain. That is to say, that all the people involved in an international trade operation must 'speak' the same language. As an important link in this chain, ports play a key role in this process.

The IAPH Committee on Trade Facilitation and Port Community Systems (TF&PCS), speaks on behalf of ports. It works to make sure that standards applicable worldwide are relevant to the needs of ports and that these standards are applicable to all the links in the chain.

It does this through its active participation in the international organisations that lead this kind of processes. These include the World Customs Organization, UN/CEFACT (United Nations Centre for Trade Facilitation and Electronic Business) and so on. The committee's dedicated work in this field enables IAPH to lead these developments and publicise them among its member ports.

TF&PCS has been following very closely the process of standardisation of international trade and transport processes, especially within ports, undertaken by UN/CEFACT. The participation of this committee in the UN/CEFACT goes back to the early days, in 1997, with the Port of Barcelona holding a vice-chairmanship and its active participation in different working groups.

As part of the standardisation work we should point to the key role played by the United Nations through the UN/CEFACT. It fosters close co-operation between governments and private business, to secure the exchange of information between the public and private sectors. Its principal focus is on facilitating national and international transactions by simplifying

and harmonising processes, procedures and information flows and thus contributing to the growth in global commerce.

Why is the standardisation of processes important to ports? For ports to be competitive, they must be fast, flexible, predictable and reliable in terms of the flow of goods, information and even money. The standardisation of rules facilitates the work of the stakeholders involved in the different ports, unifying practices and making them easier to replicate. All this leads to reduced costs and increased competitiveness.

We also feel that it is vital for ports to have the chance to exchange experiences and refer to successful experiences achieved by other ports. To this end, the TF&PCS and the IAPH Secretariat organise the IT Awards, presented to the three most outstanding experiences of the last few years. This year's award is already underway and the winners will be announced at the Houston World Ports Conference in April next year. I would like to take this opportunity to invite all IAPH port members to send in and share their experiences.

Finally, I should like to point out that we can only make full use of the potential of the new technologies if our group of ports can be heard as the voice of ports. Remember that the TF&PCS is the instrument that channels the common interests of the member ports and makes it possible to consolidate their leading role in the application of IT. **RM**

“ We can only make full use of the potential of the new technologies if our group of ports can be heard as the voice of ports ”

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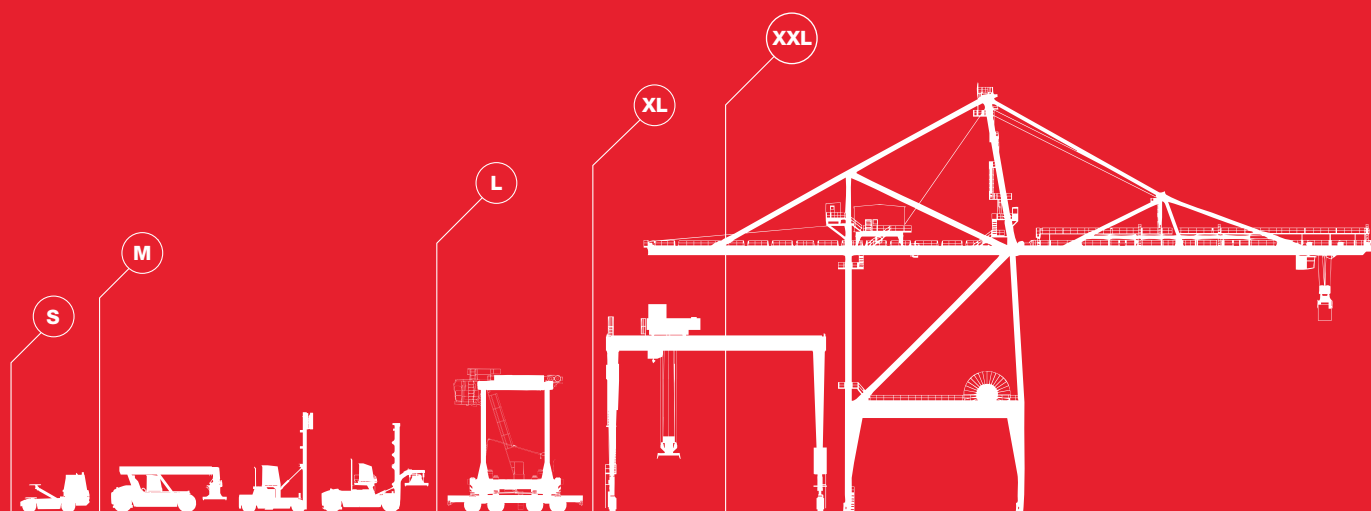
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