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Official Journal of the International Association of Ports and Harbors

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New LNG terminals are being planned at ports the world over

November 2006  
ISSUE 06 VOL 51

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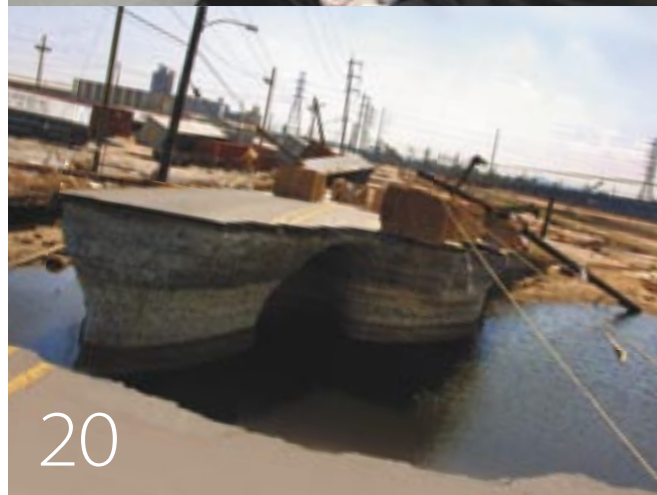
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# PORTS & HARBORS

Official Journal of the International Association of Ports and Harbors

## PORTS & HARBORS

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# Harmony in colour

A port's colour scheme is the outward manifestation of its successful community relations programme

Early last month, Japan's highest mountain and world famous icon, Mt Fuji, provided a 3,776m backdrop for members of the IAPH Executive and Technical Committees when they met in Shizuoka. They had come to one of Japan's most dynamically developing coastal areas, home to some world-renowned manufacturing companies such as Yamaha, Honda and Suzuki.

When the delegates visited the Port of Shimizu during their stay, they were very impressed by an active collaboration between the port authority and local communities. The two groups have worked together to landscape Shimizu Port, with the magnificent Mt Fuji as background. Efforts have been made to co-ordinate the colours of major facilities in the port, both public and private. Today, for instance,

container cranes, warehouses and factory chimneys are all painted in harmony in accordance with the port's colour code.

The Shizuoka area is prone to large earthquakes and tsunamis, so the port has made extensive efforts to develop a range of counter measures to protect port facilities, port workers and neighbouring communities. It strives to have in place systems to ensure port operations return to normal as quickly as possible if such an incident takes place.

“Port authorities need close relationships with local communities to be successful”

However, port executives stressed that none of these measures would work unless the port authority maintained its close relations with others in the port industry and reached out to local communities.

There was more on the importance of relationships with local communities when IAPH President Tom Kornegay spoke at a seminar when he moved on to Tokyo. He referred to his experiences, gained through the \$1.45Bn Bayport project in Houston. Referring to the need to build better relations with local communities he said: “the Port of Houston Authority now understands that a public relations programme must work in tandem with each stage of a project. It needs to be on the front line from day one. It must have priority and be well thought out to the same degree that a project is developed. There must be total commitment by agencies”.

In every sense, port authorities should build close relations with local communities if they are to be successful. IAPH is now working on a community relations project, which will enable members to share experiences and disseminate best practices between ourselves.



**Dr. Satoshi Inoue**

Secretary General – The International Association of Ports and Harbors



## Port updates

### SAUDI PORT PLANS

Saudi Arabia's Rabigh development north of Jeddah will have a handling capacity of 10M teu a year, according to developer Emaar. This would put it in the top ten container ports in the world. An area of 1,380 ha has been allocated for what could be the largest port in the region once the first phase of development is completed.

### RUPERT'S SECOND

The Port of Prince Rupert is already planning to build a second container terminal on Ridley Island, once it has opened its first facility, Fairview Terminal, early next year. Fairview Terminal has a 500,000 teu capacity at start-up and will be expanded to handle 2M teu annually by 2010. Port president and CEO, Don Krusel, says future plans include building a second terminal capable of handling an additional 2M teu.

### HOUSTON'S EXPANSION

The Port of Houston predicts that its container volume will increase 11% a year for the next five years, once the first phase of the \$118M Bayport Container Terminal is opened at the end of this year. Port of Houston Authority chairman Jim Edmonds said the port anticipates an even larger volume gain in 2007, when it could handle up to 2M teu.

### SRI LANKA SIGNS MOU

Sri Lanka Ports Authority (SLPA) has signed an MoU with a consortium of Chinese firms to design a new break-bulk and general cargo deep draught port on a greenfield site in Hambantota. The consortium includes China Harbour Engineering Company and Sino Hydro Corporation. In the future, SLPA hopes the port will become a transhipment hub.

### CRUISE FUNDING SOUGHT

The Port of San Francisco is turning to the public sector to pay for the construction of a new cruise terminal following the abandonment of the original project by the developer. A revised plan for just two berths and no ambitious public housing or parks would cost \$33M compared with the original project's \$400M.

# Maasvlakte 2 to start in 2008

The Dutch Parliament has voted by an overwhelming majority in favour of the construction of Maasvlakte 2, the new port district of Rotterdam.

This paves the way for the port and developers to start the final planning and licensing procedures that need to be completed before construction can get underway in 2008.

The Rotterdam Port Authority has urged the government and parliament to settle the matter before the country's 22 November parliamentary elections to maintain the current momentum in preparations.

Rotterdam is also to be allowed to construct Maasvlakte 2's outer sea defences in a single operation, an option that is considered environmentally and financially sound.

Two construction companies are competing for the project. Either Dutch company Van Oord of the Netherlands or Belgian-based Jan de Nul is expected to be awarded a contract in mid-2007. APM Terminals will operate one 167ha container terminal, and five shipping companies and stevedores are competing for a 138 ha container terminal contract, also to be awarded in mid-2007.



The Port of Kobe became the first port in Japan to welcome the 11,000 teu *Emma Maersk*, the biggest container ship in the

world. At a special ceremony, Tomohiro Yamamoto, director of Kobe City Port & Harbor Bureau and Motonari Hashima,

president of Kobe Port Terminal Corporation, welcomed Capt Henrik Solmer and Anders Bergstroem, first officer.

## Oman opens first part of its new terminal for business

Phase 1 of the Oman International Container Terminal (OICT) a joint-venture between the Hutchison Port Holdings (HPH) Group, the Government of Oman, Steinweg of the Netherlands and three other Omani investors, has opened ahead of schedule.

OICT Phase 1 boasts a quay length of 285m with a depth alongside of 16m, and is equipped with four post-Panamax quay cranes, eight rubber-tyred gantry cranes and two reach stackers, supported by a fleet of 15 tractors and 33 trailers.

Now OICT Phase 2 is progressing rapidly and is also expected to start operations well ahead of schedule, in February 2007. When complete, OICT will have a total quay length

of 520m and a total yard area of 28ha. Other OICT facilities include a gatehouse complex, an engineering workshop, a customs inspection area and an administrative building.

Commenting on the development of OICT, James Frater, CEO, said: "The terminal is committed to supporting the divergent needs of the various industries present in the Port of Sohar and the Sohar Industrial Estate, through the delivery of timely logistics solutions."

Strategically located outside the Strait of Hormuz, OICT allows vessels to avoid the higher premiums associated with voyages inside Gulf waters, so can potentially reduce shippers' costs.

## Silk rail route

Ports along the Silk route, an ancient Chinese link to the Mediterranean, are expected to benefit from the signing of the trans-Asian railway network agreement in Busan in South Korea later this month.

The United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) is overseeing the initiative and believes that the rail link will help landlocked countries in the region reach ports with their exports.

The UN believes the deal is crucial for landlocked countries whose access to world markets is heavily dependent on links to international ports.

UNESCAP commission executive secretary Kim Hak-Su commented: "Asia, with 60% of the world's population, has a demand for efficient transport that is greater than at any time in its history."

## Star docks at new cruise terminal

Brisbane has officially launched its A\$750M (\$569M) Portside Wharf and Brisbane Cruise Terminal riverside development at Hamilton. The first cruise ship to use the new facility was P&O's *Pacific Star* (right).

A further 48 cruise ships are due to berth in

the next 12 months, four times the number that visited Brisbane in 2003, when the development started. Up to 200,000 passengers are expected to use the terminal each year as they travel to the Gold Coast and the Great Barrier Reef.



## Panama approves canal expansion by landslide

Panamanians have approved by 78% the plans for a \$5.25Bn project to double the capacity of the Panama Canal by 2014.

Work will include the construction of a third set of wider locks so post-Panamax vessels, which cannot move through the existing locks, will be able to transit the canal. The results give a "clear mandate" to the Panama Canal Authority (ACP) to

undertake the work, administrator Alberto Aleman told *P&H*.

"It was an overwhelming decision, almost four to one, and we will take it forward with responsibility", he added. The expansion will be financed by increasing the tolls – perhaps even doubling them – by 2025.

Construction work is expected to take eight years. The referendum was held 29 years

after Panamanians approved the Panama Canal Treaty, signed by late Panamanian strongman Gen Omar Torrijos and US President Jimmy Carter, that transferred the waterway to Panama on December 31, 1999.

The 1977 plebiscite was approved by 66%. President Martin Torrijos, the son of Gen Torrijos, said that the latest result was "a historic decision".

## Savings boosted by seals trial

The maritime industry is expected to save millions of dollars each year if it adopts electronic seals for containers, following a successful trial in the Far East and the US.

"From tests that were done within Singapore and ports in Taiwan and the US, the reading of the electronic seals were error-free," Lock Kai Sang, chairman, Standards Council, Singapore, said.

Singapore's Neptune Orient Lines and PSA International were among those who volunteered for the project. "The global shipping community is

expected to save about S\$64M (\$40m) annually in manual inspection costs," Lock added.

Following implementation of the expected ISO standard, the industry is expected to benefit from improved security and productivity. The development of the ISO 18185 standard for the radio frequency identification (RFID) electronic seal for freight containers was led by an ISO working group chaired and supported by Singapore.

The standard will provide a uniform format for those in the transport chain to read the seal.

## Port updates

### INTERNATIONAL INTEREST

Karachi Port Trust says five operators are interested in the proposed deepwater terminal at Keamari Groyne. So far PSA International, Hutchison Port Holdings, APM Terminals, DP World, ICTSI and Pakistan International Container Terminal have come forward. The first phase is expected to cost \$550M and would include four berths with a 1,500m quay and 18m draught.

### NEW UAE PORT

BMT Maritime Consultants has completed the business planning for a major new US\$2.5Bn offshore multi-user port and adjacent 9,900ha industrial zone development near Abu Dhabi in the UAE. Khalifa is planned to replace the existing Mina Zayed Port when it becomes operational in 2010. More info: [www.bmt.org](http://www.bmt.org)

### ECUADOR TERMINAL

Hutchison Port Holdings has been awarded a concession by Ecuador's Manta Port Authority to build and operate a new container terminal. The new terminal is considered to be the closest port to Asia and should be operational in 2007.

### YOUNGIL PLAN

Four container berths will be constructed by 2009 at South Korea's Youngil port, with a total of 15 finished by 2011, according to Seoul's Ministry of Maritime Affairs and Fisheries. The port is expected to handle 65M tonnes annually.

## THE FALKLAND ISLANDS DEVELOPMENT CORPORATION

### INVITES TENDERS TO CREATE A PORT DEVELOPMENT PLAN FOR THE FALKLAND ISLANDS

Extensive shipping activity occurs in Falkland Islands waters. The export of wool, meat and fish, an active fishery and increasing cruise ship tourism all provide significant income to the Islands, and a strategic approach to the development of port facilities is essential for their continued growth.

A Port Development Plan is sought to address the options for future port operations, infrastructure, and management.

FIDC also invites proposals for the subsequent implementation of this plan.

**For Terms of Reference or any other queries please contact Sue Gyford on [sgyford@fidc.co.fk](mailto:sgyford@fidc.co.fk) or call + 500 27211**



## People

### PETERS FOR DOT

President George W. Bush has appointed former federal highway administrator Mary Peters to be secretary of the Department of Transportation (DOT), replacing Norman Mineta who left in June.

### REPRESENTING TEXAS

US Rep Chet Edwards has nominated the 2006 Port Person of the Year by the Texas Ports Association. Edwards, the only Texan on the US House of Representatives' energy and water appropriations subcommittee, was selected for his 'committed advocacy' on behalf of ports throughout Texas. The Port of Houston Authority is one of the sponsors of the award.

### LONGORIA REAPPOINTED

Houston City Council has unanimously reappointed Janiece Longoria to the Port of Houston Authority (PHA) Commission for a third term. PHA chairman Jim Edmonds paid tribute to her leadership, and diligence in pursuing port issues.

### TACOMA THREE

Anna Soderstrom has joined the Port of Tacoma as container terminal services specialist and Kevin Zinski is assistant director of maintenance. The port has also selected William Carney as senior technology engineer.

### NEW OFFICERS FOR ICTSI

International Container Terminal Services Inc (ICTSI) has announced management movements in its Philippine and Indonesian subsidiaries. Rico Cruz was appointed general manager of PT Makassar Terminal Services (MTS), Aurelio Garcia as general manager of Subic Bay International Terminal (SBITC), and Filipina Laurena as ICTSI special projects manager.

### FROM NAVY TO PORT

The Port of London Authority (PLA) has appointed David Snelson as its next chief harbour master and a member of the PLA Board. He will take up his new post in January 2007 and will take over from Bruce Richardson, who retires at the end of December after 12 years as PLA chief harbour master.

# PSA wins Tianjin approval

PSA International's ambitious plans in north-east China's Tianjin port have received a boost with the approval from Chinese authorities for a major container terminal project.

The Singapore-based container port operator has forged a joint venture with Tianjin Port with the Chinese partner holding a 51%

stake and PSA the remaining 49%.

The Yuan6.5Bn (\$821M) project involves the construction of six berths. Annual capacity of the terminal, which will be able to accommodate ships of 10,000teu, will be 4M teu.

PSA also has a 20% share in a parallel terminal expansion project at the port, which brings together

Danish giant Maersk, Hong Kong's Orient Overseas Container Line (OOCL) and Tianjin Port. Four berths are planned with total annual capacity of 1.7M teu.

Both projects are expected to be completed by 2008. PSA already operates a terminal in Dalian, one of China's fastest growing ports, in the Bohai Rim.



The new container terminal at Zeebrugge has seven post-Panamax container cranes

## Zeebrugge targets north west Europe

Zeebrugge's new container terminal has been opened by the president of the Flemish government, Yves Leterme, and is expected to handle 750,000teu – a figure that will grow rapidly to 2M within 10 years.

APM Terminals COO, Peder Sondergaard, said Albert II Dock south, Zeebrugge will join the group's global network of more than 40 terminals. "The terminal is an important, strategic investment in building the European container port infrastructure necessary to handle the global container trade currently growing at 8% a year," he added.

Rob Boer, MD of APM Terminals Zeebrugge, added:

"The new terminal has already created 140 new, direct jobs and on final completion in about 10 years will employ up to 500."

APM has a 36-year concession to operate the terminal. Initially it has 900m of quay, which will be expanded to 1,300m. The container yard, which now covers 48ha, will grow to 84.5ha. Its annual capacity of 750,000teu in 2006 will expand to 2M teu when fully developed in 2016.

Depth alongside is 16m, there are seven super post-Panamax gantry cranes, with four more on order and has 23 straddle-carriers.

## ABP chief retires

Bo Lerenius (right), chief executive of the ABP group and a leading figure in the UK port industry, is to retire next March having overseen ABP's transfer to new ownership under Admiral Acquisitions.

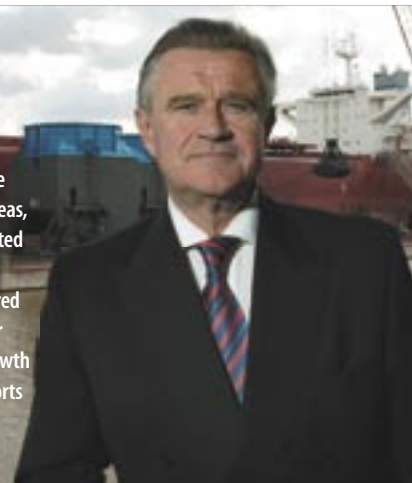
Admiral is the operating name of the international consortium led by Goldman Sachs that acquired ABP earlier this year.

Lerenius has been chief executive of the group since May 1999, and is expected to continue his association with

ABP as a non-executive director.

He concentrated business on the group's core ports and transport areas, selling non-core assets and is credited with achieving sound growth.

Since 2000, the group has secured nearly 90 significant new customer agreements and achieved 36% growth in the underlying profit in its UK ports business. Its market capitalisation has more than tripled.





## Hong Kong to boost river trade

Hong Kong chief executive Donald Tsang welcomed government plans to introduce multiple entry permits for river trade vessels, which will boost the volume of containers being shipped down the Pearl River to the city's terminals.

In his annual policy speech before Hong Kong's legislative council, Tsang said the port's cargo catchment area had extended from the eastern to the western Pearl River delta over the last few years.

Poor roads meant that river barges offered the cheapest and most efficient mode of transport. "To enhance efficiency, the government will

amend the law to introduce multiple entry permits for river trade vessels, reduce permit fees and streamline application and entry fees," he said.

He also announced that the Hong Kong and mainland governments would jointly study cross-boundary infrastructure projects to improve cargo flows between Hong Kong and the mainland, he said.

Lengthy delays at mainland customs checkpoints and high terminal handling charges at Hong Kong are estimated to add \$200 per teu to the cost of shipping to international markets through Hong Kong instead of Shenzhen.

## "K" Line makes a move

Japanese shipping company Kawasaki Kisen Kaisha ("K" Line) is to move to a larger container terminal at the Port of Yokohama by the end of the year.

"K" Line will move to Honmoku A5, berth 6, with a capacity of approximately 205,000 teu, from Honmoku A8 berth, which has an

annual handling capacity of about 151,000teu, when the new terminal opens either later this month or early next.

The Tokyo-based carrier said it the move to the new terminal will help the company deal with the expected rapid cargo growth in global container trade.

## Green policies need backup

The marine environment needs protection and possibly more help from legislation when port developments are planned, says Peter Barham, chairman of the UK's Sea User Development Group.

However, legislators and society must determine acceptable objectives for sustainable development to allow ports to expand, he told the Coastal

Futures conference in London.

"The economy has to grow," said Barham, who is sustainable development manager for Associated British Ports.

"What industry needs are mechanisms to help growth and achieve sustainability at the same time. Clear objectives must come from legislators and society as to what is acceptable for sustainable development."

## Merger of rivals planned

New Zealand's two largest ports, Auckland and Tauranga, announced that last month that talks are already advanced towards a possible merger.

Mike Lee, chairman of ARC, the 100% owner of Ports of Auckland and John Parker, chairman Port of Tauranga, referred to the growing power of international shipping companies, the increased pressure they exert and the need for ports to be big enough and efficient enough to respond as reasons for the move.

"It is vital that NZ maintains its international competitiveness through maintaining a world class port company" said Parker. The ports are acting against the background of services operated by Denmark's AP Møller Maersk group. It has a 40% share of the market and announced a review of port calls in New Zealand. The line has withdrawn from the Australia New Zealand-Europe direct service.



## the PORTfolio

The Port of Houston Authority has steadily increased its import and export levels in recent years, and all signs point to greater progress in the years ahead. As the Gulf Coast region's economic importance continues to grow, so will the Port's role in helping the region reach its full economic potential.



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## Cash & Cargo

### ZMPC \$220M CONTRACTS

Shanghai Zhenhua Machinery Plant Co (ZMPC) has told the city's stock exchange that it has signed contracts totalling \$220M for cranes to be delivered by the end of June, 2008. The contracts are with Dachanwan Terminal, Shenzhen; Hutchison's Lancaibang Terminal; the Ningbo Port Group and MSC Gate, Bremerhaven. ZMPC claims to produce more than 50% of the world's shore cranes.

### \$120M WAR CHEST

Philippines-based International Container Terminal Services has signed a \$120M standby credit facility for future terminal acquisitions. Chairman Enrique Razon said the company would "expand aggressively". A consortium of 19 banks, led by ABN AMRO, has provided the loan.

### SCT HITS 1M TEU MARK

Southampton Container Terminal handled its millionth teu by September on a day when all its customers were represented on the quay, with CMA CGM, Grand Alliance, Maersk Line and New World Alliance vessels all at various stages in their discharging and loading operations.

### CONSORTIUM WINS AQABA DEAL

A consortium led by UAE-based Lamalco Group Marine & Offshore Services and Jordan National Shipping Lines has won a \$15M 15-year concession to operate services in the Jordanian port of Aqaba.

### READY FOR AUTOMATION

Aarhus Stevedore Kompagni (ASK) has ordered 19 Kalmar straddle carriers for operation at its new container terminal currently under construction as part of the port's 25-year expansion plan. The seventh generation straddle carriers are ready for automation, with inbuilt provisions for sensors. The straddle carriers will be delivered in early 2007.

### RECIPE FOR PRIVATISATION

The Cook Islands is considering privatisation of some state-owned government operations, including the country's main port, Avatiu Harbour.

# Houston expansion underway



Work in progress: the Industrial Terminals heavy lift berth

The Port of Houston Authority has approved a \$50.3M expansion of the container yard in the first phase of the \$1.45Bn Bayport container terminal.

And work has started on another facility in the port.

The Bayport expansion will expand the existing 60 acre (24ha) container yard to about 110 acres (44ha) over the next year. The container yard is expected to cover a 378 acre (156ha) tract

when completed.

Four new electric post-Panamax container cranes arrived in May for the facility, the first phase of which will expand Houston's box throughput by 360,000teu a year.

The multi-phased Bayport construction project – which also includes a new cruise terminal – began in June 2004.

In another part of the port, Industrial Terminals has announced that it is building a

new multipurpose heavy lift vessel berth. Located on the Houston Ship Channel, and adjacent to the terminal's present Dock 1, the new berth will accommodate vessels up to 168m in length and will have a 10.1m draught.

The facility will include rail access for direct ship to rail transfer, as well as two rail mounted gantry cranes for the fast handling of general cargoes. The ever increasing size and weight of project cargo means that the dock will have the highest load capacity of any dock in the region, and rail capacity that exceeds current rail standards.

"The new dock is designed to serve the project and heavy lift vessel market that comprises most of the vessels calling the facility," said Darce Kullman, Industrial Terminals' GM. "When this new dock opens in January, it will give us three separate deepwater berths and direct rail access. This will significantly improve the terminal's capabilities to handle the growing project cargo volumes."

## High ports costs limit development - APL

A lack of world-class infrastructure and high port and inland costs continue to limit India's economic progress, a senior shipping executive has warned.

Kenneth Glenn, of APL, said that as global sourcing and manufacturing continue to shift to Asian locations, foreign investors will choose to invest near ports with world-class efficiency in port infrastructure.

"If India can develop thriving retail and manufacturing sectors to rival its services sector, the sky is the limit in terms of its economic potential," he said. "But currently, inadequate infrastructure and high costs are hurting its development as an exporter to the rest of the world."

Glenn said that by late 2008 some 25% of world container ship capacity will consist of vessels of at least 6,000 teu, but India does not yet have a port that can handle this class of ship. "Until India can develop these types of global class facilities, it will not fulfil its cargo-carrying potential," said Glenn.

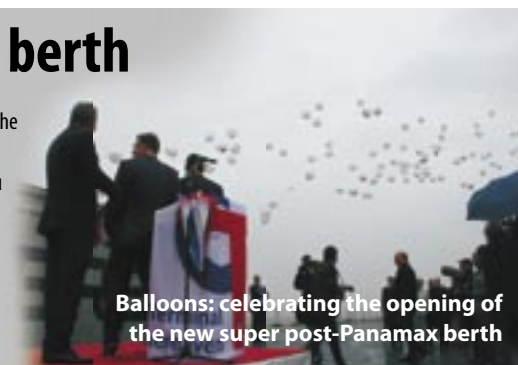
Last year, Mumbai's Jawal Nehru Port Trust (JNPT) was the only Indian entry in the world's top 100 container ports at number 36. "Investment in ports is too fragmented and spread across too many sites of insufficient scale," Glenn said that JNPT's trade imbalance – it accounts for 60% of total Indian volumes – is creating "acute" congestion.

## Bremerhaven adds new berth

Bremerhaven, Europe's fourth largest container port, has inaugurated the first of four new super post-Panamax berths under the CT IV project.

Overall handling capacity will rise from about 4M teu to over 6M teu once all four berths are commissioned by early 2009.

The first two new berths have a quay length of 330m each, while the third and fourth stretch across more than 500m each. The size of the last two new berths has aroused speculation that Maersk might go for even bigger ships than its latest E-class vessels.



Balloons: celebrating the opening of the new super post-Panamax berth

Photo: Michael Hollmann



## Port ID scrutinised by EU

The European Union is to embark on a two-year study to see if security systems at the region's seaports could be harmonised, although it could be ten years before any recommendations are put into place.

"There are separate identity cards for all ports and the different ones have to be carried by hauliers and companies doing business with them," explained Adam Brownson, senior consultant for the BMT Centre for Homeland Security, one of those bidding to undertake the study for the

European Commission.

"We expect the EU will examine other ID card systems in use and ask if any one system should be adopted." Steven Leece, head of the BMT Centre for Homeland Security, said that the EU may not opt for an ID card system after all.

He saw the move towards harmonisation in the EU as part of a wider trend, to see how many aviation industry practices could be applicable to ports. "Ports have lagged behind aviation in adopting security measures, but they are catching up fast," he said.

## COLD project gets hot response

A year long study into the COLD project (container liner service Danube) has concluded that up to 20% could be saved on the cost of shipping from Asia to Austria by using the waterway.

The Via Danube team presented its proposals for a container service between Austria and Romania at Constanza Port, pointing out that efficiency savings and shorter transit times could bring about

the 20% savings for export/import containers from Asia travelling between Constanza and Krems in Austria.

Mircea Banias, Constanza's GM, said that it was important to be aware of the "strategic advantage" of the Danube as an alternative transport mode. "I am convinced of the long-term benefits of a container line for goods from Asia to Krems."

## Bulk expansion

Lianyungang (China) Port Group has obtained approval from the provincial government for urgent expansion to build four bulk berths with a throughput of 1.1M tonnes a year.

One berth will be a general cargo berth for ships of 70,000dwt and the other three will be for special cargoes. Total investment is expected to be Rmb2.12Bn (\$268M) with the project scheduled for completion by the end of 2008. The port throughput exceeds its designed capacity by 50% at the moment.

## Dual shore power first

Seattle is the first port in North America to provide shore power simultaneously to two vessels after a new shore power hook-up was installed at the Terminal 30 south berth.

"Last year we became the second port in North America to offer shore power for cruise ships," said Port of Seattle commission president Patricia Davis. "Now we are taking a leading role in environmental stewardship as the only port capable of providing shore power for two cruise ships at once."

The project involved the city of Seattle, Holland America Line, Princess Cruise Line, the US Environmental Protection Agency and the Puget Sound Clean Air Agency, Davis said.

A study to determine the feasibility of using seawater scrubbers to remove pollutants from cruise ship diesel emissions also was announced. Holland America's *Zandaam*, one of the ships operating out of Seattle in 2007, will test the seawater scrubbing equipment.

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## Dredging

### INCHON COMPLETES WORK

Dredging work on the entrance channel to the South Korean port of Incheon has been completed, the regional affairs office said. A length of 6.2km from the outer harbor to the dock gate has been deepened from 12m to 14m, allowing safe navigation for ships of 50,000dwt.

### POHANG DEEPENING

Also in South Korea, Pohang Regional Maritime Affairs and Fisheries Office has completed dredging work at six berths. Water depth varies between 12m and 6.5m. Ships of up to 30,000dwt can now use the port.

### MONGLA PROPOSALS

Bangladesh's Mongla Port is going to deepen the port to 9m from the existing 7m by dredging the port channel, as part of a capital dredging scheme in Pussur (Pasur) river.

The Pussur dredging project, to be implemented in the next few years by the Mongla Port Authority, will cost \$80M. The government plans to switch some bulk trades, including some commodities, from Chittagong to Mongla.

### HOOGHLY APPROVAL

Kolkata Port Trust's plan to deepen the Hooghly river near the Haldia Dock complex has received environmental clearance from the West Bengal government. Now the port trust will approach central government for approval of major dredging of the river near Halda and construction of a protective wall in the channel.

### PASSAGE TO INDIA

The Indian Government has decided not to employ foreign dredging companies to dig the Sethusamudram Ship Canal and has given the contract to the state-owned Dredging Corporation of India (DCI). It will remove 82.5M m<sup>3</sup> in a project that is estimated to cost Rs2Bn (\$457M). Tuticorin Port Trust had floated a global tender but cancelled it as estimates were more than double the entire project cost. DCI is already engaged in dredging 13.55m<sup>3</sup>. DCI will charter dredgers to complete the new contract.

## Nagoya and LA agree environmental tie-up

The Ports of Nagoya and Los Angeles have agreed to collaborate in future efforts aimed at increasing the quality of work to conserve the port environment.

The agreement, which was signed in Nagoya (right), embraces a series of issues including air quality, water quality, dredged soil and protection of wildlife.

'It is not easy for any port to address these issues on an individual basis,' said a joint declaration from the ports. Under the agreement the two sides say they will be able to create 'more effective' port environment conservation measures, discuss conservation methods and exchange information.



## Clear port financing urged

Transparency over port finance is still lacking in many areas of Europe and clear definitions are needed in all discussions of port development funding in order to make fair comparisons, a major port group has concluded.

Members of the European Port-Net, which is made up of 20 partners from 12 European countries and Russia, also agreed

that timely and sufficient infrastructure financing is one of the outstanding challenges for nearly all European ports, whether publicly owned, private or 'intermediate'.

The group said at a port financing seminar in Hamburg, that transparency is lacking in some areas, although basic rules exist, including the European

Union Directive 2000/52/EC.

"The participants agreed that a closer look at 'EU aid' for ports and its impact on competition in this sector could also be worthwhile," said Dr Matthias Ross of Hamburg Port Authority. "Also, it was agreed that clear definitions are needed for all terms used in infrastructure financing discussions, to avoid comparing apples with pears."

## New sister port agreement

On the same tour the Port of Los Angeles (PoLA) also signed a new sister port agreement – this time with Busan and Los Angeles – which it says will promote co-operation and development.

The mayor of LA, Antonio Villarigosa, headed a joint team from both ports for the signing. June Suk Choo, president of Busan Port Authority and Geraldine Knatz, executive director of PoLA signed the agreement in Seoul.

Under it the two ports agree to share information on

port infrastructure improvement, commercial facilities development, port operations and to co-operate on trade growth and service improvements.

Knatz said the agreement was signed against the background of brisk trade between South Korea and the US, and that it would be the catalyst to boost mutual cooperation in the future.

June said the agreement came as the two cities of Busan and Los Angeles marked the 40th anniversary of joint sister city status.

## First award for security system

The first corporate security management system to gain the new ISO/PAS 28000:2005 international standard has been gained by marine terminal operator DP World.

The certificate was issued by Lloyd's Register Quality Assurance (LRQA) after it was devised for DP World by risk management consultancy Hart Security.

ISO/PAS 28000 is the management system covering supply chain security and involves continuous monitoring and improvement of security systems.

Presenting the certificate in Dubai to DP World's CEO, Mohammed Sharaf, Lloyd's Register Group's area manager for Europe, Middle East and Africa, Tony Muncer, said that DP World had placed security "at the top of its agenda." This showed the rest of the world that management systems are an "imperative tool" for managing supply chain security risks. He added: "We believe that all businesses that are reliant on the supply chain for business continuity will benefit by adopting ISO/PAS 28000."







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Photos: BMT Seatech

# Diversification is not all

Demand for energy is growing all over the world – so what commodities can ports expect to handle? **Bridget Hogan** investigates

**T**he Organisation for Economic Co-operation and Development says industrial energy demand alone will double in just over 40 years. Much of this will come from the emerging economic giants of the developing world, especially China – which will surpass the Japanese economy by 2030 – and India.

China is already the largest consumer of oil after the US. In 2004 it had 10M vehicles: by 2020, it is expected to have 120M, increasing demand for oil or its alternatives.

Against this background, the International Energy Agency (IEA) says that future energy demand is likely to exceed even its conservative expectations and this means all in the transport chain have to expand capacity. Paris-based IEA says it is concerned about whether ports and terminals will be able to accommodate future demand. It cites issues of security, terminal capacity and port limitations as constraints on the transport system's capacity.

In planning for future demand, terminals will be taking into account efforts being made by industries and countries around the world to diversify supply.

However, the fact remains that most energy consumption is made up of oil and this is likely to continue for the foreseeable future. Of the world's oil consumption, 60% travels by sea.

Refinery development will change trade patterns in the future. Intertanko points out that India is increasing products exports as its refineries expand. When the world's largest refinery at Jamnagar in Gujarat comes on stream in 2008, India will increase crude imports by almost 500,000 barrels/day and increase product exports by almost the equivalent. This could spur the US to import more oil products from India and less crude oil from the Middle East, with all the implications for terminals.

Russia is also exporting more products at the expense of crude oil, says Intertanko, as is South Korea which takes most of its crude oil from the Middle East.

The big change will, however, come when the big export refineries will be completed in 2009 and 2010 in Saudi Arabia. There is little doubt that these will benefit the product tanker market at the expense of the crude oil tanker market.



## “ There is no doubt that increasing energy imports will require new terminals, improvements to existing ones and greater vessel traffic control ”

The products trades have increased the most recently – up 7.2% in 2004 and 9.6% in 2005. Projections are that this trend will level out over 2006-07 and then recover in 2008-10.

The biggest import areas in 2005 were Europe (525M tonnes), the US (501M tonnes), and Japan (210M tonnes). There are no new big refinery projects in these areas. The biggest export areas in 2005 were the Middle East (120M tonnes), former Soviet Union countries (81M tonnes), Europe (66M tonnes), and South and Central America (64M tonnes).

There will be challenges presented to ports as imports of hydrocarbons increase, putting strains on marine distribution systems. There is no doubt, however, that increasing LNG, crude oil and products imports will require new terminals and improvements to existing ones, together with greater vessel traffic control.

As countries such as the US and China switch from exports to imports, the increased import traffic, for instance in steam coal in large bulk carriers, may tax export-oriented facilities that were built for smaller vessels.

The growth in container traffic is also having an effect. More terminals are being built and dredging undertaken, to allow for access by larger vessels that are competing for waterway access to ports.

Once again China will play an important part in the determination of how the energy trades will develop. The country became an oil importer in 2003 and statistics a year later showed that 90% of the imported oil was moved by sea. It is building a vast fleet of VLCCs in the hope that it can carry half of its oil needs by 2010.

The China New Energy Network says only 2% of the energy consumed there is currently sourced from natural gas, but estimates that by 2010 that will have doubled.

Construction of China's first LNG receiving terminal was started in 2003 in the southern province of Guangdong at Dapeng Bay. The first LNG carrier arrived at the Sino-Australia joint-venture terminal in June this year. That first 6,000 tonnes is the start of a contract that will see 3.7M tonnes arrive annually from Australia's northwest continental shelf over the next 25 years.

The natural gas will be used by 11 cities in southeast China, including Hong Kong. All the coastal provinces are aiming to build LNG terminals. Apart from the nine coastal terminals already planned between now and 2010, a further LNG terminal is being planned at Caofeidian, a new location off the coast of Bohai Gulf east of Tianjin. Its annual throughput will be 6M tonnes with a total investment of Rmb9Bn (\$1Bn).

China's biggest city, Shanghai, is using natural gas from the East China Sea, with more to come from

China's northwest Xinjiang province. Indeed, by 2015, the demand for natural gas in this city alone will be 10M m<sup>3</sup>. The investment in the LNG project in Shanghai is shared by Shanghai Shenneng Group and China Off-Shore Oil and will be put into commission in 2008, when it will be able to receive 6M tonnes of LNG a year. As far as oil is concerned, London-based shipbroker Galbraith's says that demand for Suezmax tankers is expected to grow strongly in the next five years in line with large-scale expansion of crude oil exports in three of the four main Suezmax markets.

In a new report on the Suezmax market, Galbraith's said that 2006 has seen major investment in Suezmax newbuildings and new vessels worth an estimated \$4.5Bn have been ordered. Meanwhile, new oilfields and pipelines are being developed, altering the patterns of world trade.

Galbraith's notes that West African oil production is rising and that major growth in exports is also predicted from the Black Sea/Mediterranean region. Growing production from Libya and Algeria will also contribute to Mediterranean export growth. Finally, trade from the Arabian Gulf to both India and China will continue to grow, driven by increases in these countries' demand and their development of substantial new refinery capacity.

The only major Suezmax market that is expected to see falling requirements, says Galbraith's, is the North Sea, where production is in relatively steep decline. This will, however, lead to an overall increase in tanker demand since refineries in northwest Europe – and, to an extent, on the US East Coast – will have to source cargoes from more distant regions such as West Africa and the Mediterranean/Black Sea. **PH**

More info: [www.intertanko.com](http://www.intertanko.com)

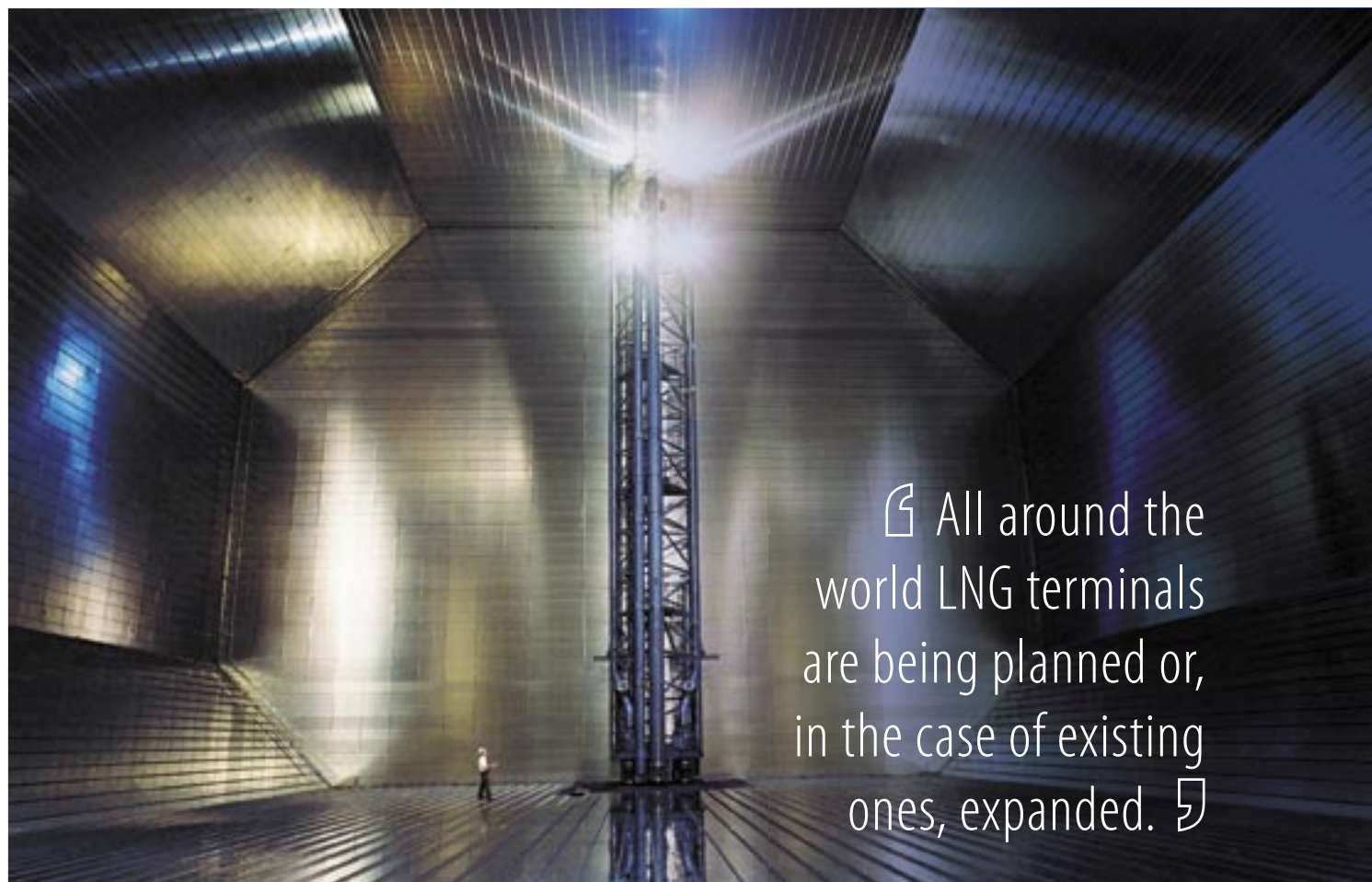
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**Ports face challenges of how to handle the ever increasing LNG cargoes being transported**

**Energy patterns are changing and terminals built for export are now importing gas and oil**





☞ All around the world LNG terminals are being planned or, in the case of existing ones, expanded. ☞

## Getting to grips with gas

You can't see it or smell it, but LNG is changing how ports think as **P&H** discovers

It's a sign of the times. Kochi in southern India has plans to convert its oil terminal into an LNG import facility, according to the Cochin Port Trust chairman N. Ramachandran.

The Indian Oil Corporation has approached the port trust with a proposal to provide it with an exclusive terminal to handle LNG. The oil terminal is moving offshore – Bharat Petroleum Corporation Limited (BPCL) will open a single point mooring (SPM) facility at Puthuvypeen Island off Cochin next year.

The current oil tanker berth operated by the BPCL has a draught of 12.5m, but the new berth will be able to accommodate VLCCs.

The move in Kochi reflects the thinking in ports all over the world. For several years they have watched the LNG markets grow strongly. It seems to be the most dynamic of the energy sectors with plenty more potential for growth as demand rises each year.

In LNG terms, 2006 looks set to see a continuation

of the robust growth witnessed in 2005, if anything, at an enhanced pace. On the back of this optimism a series of major new liquefaction projects are gaining momentum. There are a record number of 113 LNG carriers are under construction, with capacities up to 250,000m<sup>3</sup> and there are extensive plans for a network of new receiving terminals around the world, with 40 proposed in the US alone.

This demand for LNG is driven by a general desire to diversify energy sources, now recognised as a necessity in many economies around the world. The reality is, however, that this diversification is in its early days and that for most of their energy requirements consumers are still dependent on oil.

Speaking in St Louis last month, President George W. Bush emphasised the need to diversify energy sources, even though the price of fuel had fallen. "We need to diversify away from oil for economic reasons," he said. Rising demand in countries such as China and India is



pushing up the oil price and, as the US imports about 60% of its crude oil needs, it was vulnerable to these changes, "which means the economy becomes less competitive," he added.

However, the US has to compete with strong demand from Europe for LNG supplies. This year at least two cargoes headed for an LNG terminal in the US were diverted midway from the US to Europe where the gas was sold at a higher price. The solution? Bush said the US should permit the construction of more LNG terminals in the future.

Europe's lack of storage capacity, as well as the euro's strength against dollar, has made the LNG market there more lucrative. This may change once storage facilities have been built in Europe.

All around the world, LNG terminals are being planned or, in the case of existing ones, expanded. The US has four land-based LNG terminals, all of which are expanding to accommodate predicted import growth. EL Paso Corp has filed plans to increase throughput at its Elba Island LNG Import Terminal by 25Mm<sup>3</sup> a day – to a total of 59.5Mm<sup>3</sup> a day.

Developments in Europe are also gearing up. France, currently with only two terminals, at Fos-Tonkin and Montoir at Nantes-St Nazaire, is to see huge expansion of LNG terminal capacity. French electricity company EDF has announced plans to build an LNG terminal in the port of Dunkirk, opening in 2011. This would be able to receive 6Bn m<sup>3</sup> of gas in a first phase, doubling to 12Bn m<sup>3</sup> in the second phase. It could boost port revenues by up to 10%, or \$6.3M a year, it is estimated.

Plans are in the early stages for two more terminals, one at Dunkirk's near neighbour Le Havre and the other further south at Bordeaux-Le Verdon. Le Havre's gas terminal will cement that port's role as a major energy importer through the Antifer oil facility.

Dutch company 4Gas announced plans to build a €400M (\$500M) LNG terminal at Bordeaux-Le Verdon. The port already supplies 97% of regional petrol and gas needs.

Construction will start in 2008 and the terminal will open in 2011 when it will serve both the French and Iberian markets, according to 4Gas president, Paul van Poecke. Environmental, safety and engineering studies have started. The project in Le Verdon is 4Gas's fourth LNG terminal project currently under

## What is LNG?

- It is mostly made up of methane
- It is colourless, odourless and non-toxic.
- When cooled to -162°C it becomes a liquid
- In liquid form it reduces in volume by 600 times
- Methane is only flammable at air concentration mixtures of 5-15%
- At a higher concentration there is not enough oxygen to sustain a flame; at a lower concentration the fuel is too diluted to ignite
- There have been 33,000 LNG voyages since the first shipment in 1959
- But only eight significant incidents with LNG ships
- Leading exporters now: Indonesia, Algeria, Malaysia, Trinidad and Qatar
- Future players: Nigeria, Russia, Iran, Australia
- Major importers now: Japan, South Korea, Taiwan
- Future players: US, China, India, Europe

development and the company's third project in Europe, after those at Milford Haven, UK, and Rotterdam, the Netherlands.

The Dragon LNG terminal in Milford Haven is currently under construction and expected to become operational in 2007.

The LionGas terminal in Rotterdam is the first LNG project in the Netherlands to successfully conclude key stages of the environmental impact assessment and is expected to come online in 2010. Also in Rotterdam, EDF is to take a 10% share in the port's new GATE LNG Terminal and will ask for a dedicated capacity of 3Bn m<sup>3</sup> a year. In Nova Scotia, Canada, another 4Gas LNG terminal project will serve both the US and Canadian markets from 2010.

Last month saw the first delivery of LNG to Mexico from Qatar, following a spot sale. The Altamira terminal is Mexico's first LNG receiving facility and opened in August. In another first, the delivery was the longest distance that Qatari LNG has travelled.

This is just a sample of activity around the world to boost LNG terminal capacity. The surge in new projects means engineering and labour costs have risen and these huge capacity plants mean suppliers will probably stick with long-term deals that reduce the exposure of project financiers and gas companies to price volatility. **PH**

**More than 100 LNG carriers are under construction to ship gas to the planned terminals**

**Antifer at Le Havre, in France, is known for its oil terminal. Soon it will have an LNG importing facility**





# Training moves up a gear

The industry is under pressure to improve the instruction it delivers in a number of areas, as

**David Robinson** reports

**T**raining providers in the ports industry are under pressure to keep pace with new developments and advances in technology, the environment and safety. The industry is also facing an image problem, with few in some areas regarding it as an area for employment. In some areas, such as South Africa, this has led to skills shortages.

Expanding world trade is placing pressure on the ports in terms of handling capacity. Equipment supply and manpower availability at some ports have been, and continue to be, significant problems when it comes to beating congestion.

Over the past year the global port industry has taken on a much higher profile, with a series of acquisitions of ports and terminals. It is too early to say whether this will have any impact in attracting more people to the ports industry, according to various industry observers contracted by *P&H*.

All these developments have, however, had an impact on training and providers need to take this into account when reviewing courses. Changes will need to be incorporated into programmes to keep them fresh and in tune with industry developments.

A large part of port training has always been undertaken in-house and this will inevitably continue. However, a change that is central to the future of the industry is that, with the emergence of large global port terminal operators such as Hutchison Port Holdings, PSA International and DP World, the value of training input is becoming a real competitive issue and is prompting the groups to develop their own training programmes.

"Our training is a real part of our competitive edge," says Grant Mitchell, manager of learning & development strategy, P&O Ports. "By throughput, DP World is third in the league of world terminal operators, but by geographical spread we are the biggest with 52 business units."

Looking at the changes being made by DP World, now incorporating P&O too, provides an insight into the demands being placed on training providers around the world in the face of a fast moving industry. Mitchell explained to *P&H* that the P&O Institute, the training arm of P&O Ports, is now being integrated with DP World's training activities to form the DP World Academy as a corporate university within the group. This should be accomplished by the end of this year and will, for the first time, be based in one location, with Dubai as the most likely headquarters.

DP World's training regime encompasses all jobs and divides into three category levels. The first is terminal based, with every facility having its own training



**Another lesson at the P&O Institute, now being integrated with DP World's activities**

officer to provide courses on crane driving, equipment handling and other shore-side areas. The second level covers a wide range of courses as part of an online learning programme delivered through the company's portal including areas such as compliance training, environment, harassment and bullying and safety.

The third category accounts for the higher grades and is subdivided into five further grade levels. Residential training for the lower two, foreman and supervisory, is undertaken at one of the seven geographical regions that DP World operates in. The three higher grades cover middle management, business management and executives. These courses, which last 1-12 weeks, are undertaken around the world. This third category concentrates on leadership and operational management excellence.

"All our courses are adapted to take account of regional needs. There are not many differences but one is safety. We tend to do more safety training for terminals in developing areas rather than those in developed countries," explained Mitchell. He views training provided by maritime colleges as "fragmented."

He says established training facilities do not deal with cutting-edge terminal operations, hence the need for the group to develop its own courses to keep pace with fast changing technology. One regional benefit that the merger provides is economy of scale so that in Latin America, for example, translation costs for training documentation is now justifiable, as the group now has four or five terminals sharing a common language, rather than one.

"In terms of the African port industry one of the key training needs is relations with customers as more and more facilities are privatised," observed Steve Cameron of Cameron Maritime Resources (CMR) a training and recruitment company. He explained that African ports have similar training needs to ports elsewhere, but with the added dimension of customer relations. Just how imperative this need is has been brought into sharp focus with the pace of privatisation, particularly such as in Nigeria, where 25 terminals have been put

out to concessions in a very short period of two years.

"In South Africa, which has as yet not privatised, there is a skills shortage because the ports industry is not one that attracts people as a career," Cameron continued. "This is a problem in other countries but it is hoped that the involvement of international companies such as Hutchison, PSA International and DP World, will give the port industry a higher profile which might in time filter through to attracting more people."

In the UK, ABP's group training and development manager, Richard Steele, explained that ABP has no set training model. "We focus very much on the individual person. We do not go out to appoint people with specific degrees." Every couple of years ABP runs a graduate training programme – last time there were 172 applicants with two appointed. "That

## “Courses need to be kept fresh and in tune with developments”

was all we wanted on this occasion," said Steele. He reports a similar experience to South Africa. "What we found was that the applicants had little knowledge of the industry and that those who had done research obviously lasted longer in the deciding process."

There are a large number of maritime colleges around the world and specialist training providers that offer port training at various levels from dockside up to senior management. With ports – such a vital entity in any economy – having an efficient facility is of national significance, especially where a country has just one or a small number of ports.

Among the leading port training providers is Unctad, which offers a number of port management courses and the World Maritime University in Sweden where ports are an integral part of the courses provided. There are national centres all over the world from the Australian Maritime College to the UK's National Sea Training Centre.

The UK centre offers a year long distance learning diploma in port management which has, in recent years, attracted around 40 to 50 applicants. This year's course, which started in August, attracted even more – about 80. Students are attracted from around the world for the course.

Well established training providers catering for the international market include the UK's Port Skills & Safety (PSS). In conjunction with a number of port operators, PSS has just started putting together a foundation degree course in port management with the aim of enhancing existing qualifications and provide one that is more specialised for ports.

With the pace of development in the industry training has probably never been so vital. To underpin an efficient and modern industry it is important for this sector to keep pace with change. This is the only way for it to be responsive to the needs of ports in coping with worldwide developments. **PH**

## IAPH member training organisations

- AAPA: [www.aapa-ports.org](http://www.aapa-ports.org)
- Australian Maritime College: [www.amc.edu.au](http://www.amc.edu.au)
- APEC: [www.portofantwerp.be/APEC](http://www.portofantwerp.be/APEC)
- CERONAV - Romanian Maritime Training Centre: [www.romtc.ro](http://www.romtc.ro)
- Delft University of Technology: [www.citg.tudelft.nl](http://www.citg.tudelft.nl)
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- Arab Academy for Science, Technology and Maritime Transport: [www.aast.edu](http://www.aast.edu)
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- National Institute of Port Management: [www.nipm.tn.nic.in](http://www.nipm.tn.nic.in)
- TETA: [www.teta26.co.za](http://www.teta26.co.za)
- World Maritime University: [www.wmu.se](http://www.wmu.se)



# Expanding the skill base as well as the port

More facilities are built, but where are the skilled workers? **Bridget Hogan** investigates how ports will fill jobs in the future

**W**orld ports need a steady supply of qualified and quality manpower to support their expansion projects. The industry has to compete with other industries to persuade workers that it offers good career prospects with salaries that recognise the importance of the industry, job stability and job flexibility. Training is a vital part of the mix.

Qualified seafarers have provided personnel for port marine functions, with their seafaring training, education and experience, since time immemorial. According to studies conducted by the European Commission, BIMCO and other organisations, the shipping industry faces a shortfall in qualified seafaring personnel today, which will only become worse in

the near future. Port authorities will not necessarily be able to choose future personnel from a seafaring background, as was the norm in the past.

Port authorities are busy training people from a variety of backgrounds to ensure this has no significant bearing on port safety or other operational aspects including security, environmental protection and the flow of traffic.

They are hoping to avoid any negative impact from the reduced availability of qualified port marine and other port personnel with a maritime background. To ensure that port marine functions are carried out by qualified personnel in future, the port industry will have to provide dedicated education and training for those



## “To get qualified personnel in future, ports will have to provide dedicated education and training for those who do not have a seafaring background”

who have not had a seafaring background. Only in this way can port authorities hope to fill the gap between the qualifications and experience available ashore and those required to discharge marine functions in the port.

Ports such as Singapore are noted for their in-house training programmes. The PSA's training centre is accommodated, appropriately enough, on the waterfront in a building that is shaped like a ship. There, Fred Lo, a pilot by profession, has trained hundreds more to swell the ranks of Singapore's own waterfront labour force and those from numerous foreign ports too.

He explained that the PSA started training in the 1950s and 1960s and that the growth took the training organisation from a department of the port authority to an institute in its own right. “We make sure our own workers and contractors are fully trained,” he said.

It is hardly surprising that the institute is now nationally recognised as a centre of learning, with a role as a training provider for national training programmes in related industries. In this way it is reaching out beyond the port to the logistics industry.

“There is a trend now for national certification in all activities and the port and logistics industries are no different,” explained Lo. “It means that standards are becoming more uniform.”

The PSA works with Singapore's maritime administration, the MPA, and local universities to devise courses. As well as passing on experience from the port, the institute has to bring courses up to date with the latest national and international regulations.

“We are training towards quality and safety,” observed Lo. “Definitely if there is an accident these days human error is usually involved.” Soft skills are not ignored. “We train throughout the organisation as we have to make sure we keep on moving with the industry to gain a knowledge-based economy.”

PSA also reaches out internationally and has trained some 6,000 potential port managers from around the world. “We have provided port management courses for people from some 70 countries,” Lo explained. “Representatives from Poland and Mexico were on the last course. We think these courses are really valuable as they provide networking as well as training opportunities.”

Other ports provide training for those from beyond their borders, but still more training is needed. This is particularly true for ports in developing countries, where there has never been sufficient ex-seafaring expertise in the labour force.

Here UNCTAD, the United Nations Conference on

Trade and Development, has stepped into the breach with its TrainForTrade courses. These have been organised in developing countries for over a decade and have had some success.

Unctad says efficient port services are vital for the economies of developing countries. ‘The maritime sector has considerable influence on the volume and conditions of trade and the capacity for economic development of developing countries,’ its TrainForTrade document points out. ‘It has long been recognised that transport costs form a significant part of the final costs of exports and imports. More important, the way in which transport is organised affects the ability of exporters to reach their markets under satisfactory conditions, and to open up new markets.’

The port community plays a vital role in economic growth in attracting and generating trade and faces many challenges, such as newly imposed standards in safety and environmental management, radical changes in information systems, new cargo handling and commercial practices, privatisation and restructured shipping services and traffic growth.

Countries that are unable to cope with such rapidly advancing realities find it harder to participate in key trade development, so need efficient ports more than ever. However, these ports are subject to increasing competition so the drive is for more efficiency.

‘Port managers have to adopt a rational management of their resources that rely heavily on the quality of their middle managers,’ said UNCTAD. ‘The development of human skills according to local conditions is, more than ever, of paramount importance.’

As if that wasn't bad enough, there are huge new demands being put on port managers. They need to be able to multi-task and to be flexible to ‘retain different positions or responsibilities during their career and they need training that prepares them for this.

‘Port efficiency depends heavily on middle managers that have to implement strategic decisions taken by senior management,’ UNCTAD points out. ‘These middle managers need specific training that allows them to gain a global understanding of port management and understand the complexity of decisions taken by senior management. For the successful implementation of these decisions, middle management must have the essential technical competencies.’

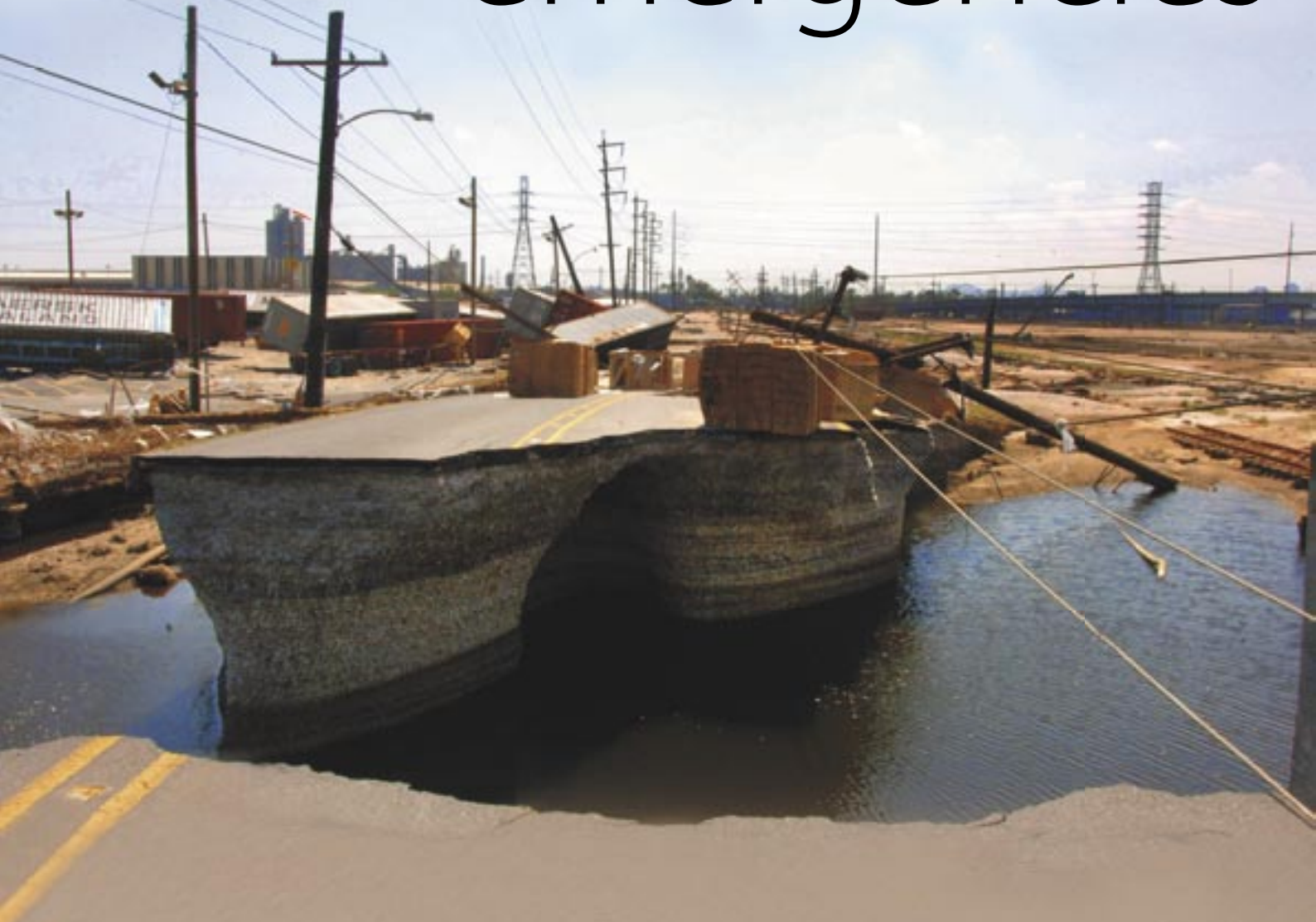
UNCTAD gears its training to new fields such as customer satisfaction, which are regarded as a high priority. It devised TrainForTrade because it felt current training programmes for middle managers were insufficient. ‘Often they only cover the technical fields that a middle manager needs to be competent in and do not allow for flexibility towards the continuous involvement of the port environment,’ UNCTAD observed. That is, if these training programmes can be found in developing countries, something that IAPH is working to achieve, see Last Word p 44. **PH**

More info: [www.singaporemaritimeportal.com](http://www.singaporemaritimeportal.com)

More info: [www.unctad.org](http://www.unctad.org)

<http://www.bpsb.com.my/>

# Preparing for emergencies



Whatever the crisis – a natural disaster, a security threat or other major disrupting incident – it is possible to learn from others' experience, as **Phyllis Saathoff** explains

**T**he international Scouts' motto is 'be prepared' and, for those of us in the port industry, it is an axiom that we not only should remember, but also must put into practice. The natural human reaction is to go into panic mode when emergencies occur. However, the only way to successfully deal with crises is to be prepared, as we were urged all those years ago, as Scouts.

Following the devastation of the US Gulf by Hurricane Katrina in late August 2005, the American Association of Port Authorities (AAPA), developed a shared practical resource to help ports be prepared at all times. It has been my privilege to lead this effort, working in close coordination with dozens of colleagues, to produce AAPA's Emergency Preparedness and Continuity of Operations Planning Manual for Best Practices.

Our intent, consistent with the philosophy of AAPA's SHARE (Seaports of the Hemisphere Allied in Relationships for Excellence) initiative, is to provide a valuable framework for threats to our ports and our people.

This is not something to be put on a shelf to be dusted off only when a crisis hits. Rather, it is an essential document – under permanent review – to help us to recover and resume operations as swiftly as possible.



Our working group rapidly recognised that it is not possible to understand what is needed for preparation until there is an idea of what must be recovered. Any emergency, be it a natural disaster, a security threat or other major disrupting incident, could result in injury to port personnel, damage to port property and interruption to efficient port operations.

To reduce or eliminate these risks posed by emergencies, emergency planning and preparedness must be an integral part of the port's management activities. Possible risks must be assessed, and mitigating measures to prevent a disaster be implemented.

Overall objectives of emergency planning should include:

- Containment and control of emergencies;
- Safeguarding people in operational and neighbouring areas;
- Mitigation of the effects and minimisation of damage to property and the environment;
- Enabling business to be resumed at the earliest opportunity.

An emergency operations plan, or EOP, should be developed to ensure a co-ordinated and effective response to any port emergency. The EOP is aimed at restoring normal operations quickly.

Communications are a crucial component of any EOP and must support efforts before, during and immediately following any emergency. This includes co-ordinating communications with other government emergency response groups.

Plans must be drawn up for releasing information to the public and media; if done badly, unnecessary fear or panic and damage to the public image of the port may result.

Accounting, finance and administration also must be addressed as emergency purchases will need to be made to protect lives and property – a major challenge when there has been significant damage to the surrounding area as well as the port. Loss of electrical power compounds the challenge. Added risks are posed by reversion to a cash economy for payments for limited labour and goods.

An efficient financial response will ensure management spending has the authority to execute contracts. Consider having a contractor on a retainer with pre-negotiated rates for recovery services.

Off-site electronic backup storage of all vital port records and data is a must. Port employees, who represent the port's most valuable assets, must be paid. After the first response, focus shifts to recovery and the process of assessing damage, filing insurance claims and repairing and rebuilding facilities – efforts that must be co-ordinated through all port departments.

Substantial damage may result in reduced cash flow if the port is closed or reduces operations. Lengthy processing time for insurance claims

## The EOP should detail how the port will:

- Create a communications support for command, control and co-ordination of communications planning, operations and mutual aid;
- Issue warnings to people in affected areas;
- Co-ordinate acquisition and deployment of communications equipment, personnel and resources for temporary communications;
- Co-ordinate use of response resources and co-ordinate with local government emergency responses;
- Receive and disseminate data and directives;
- Identify supportive communications personnel, facilities and equipment;
- Ensure communications during emergencies;
- Identify how commercial telecommunications companies will restore services.

should be expected, so economic bridging provisions must be addressed.

Risk management provisions must be part of the EOP, identifying and analysing potential loss exposure and putting in place a strategy to mitigate that exposure through the purchase of proper and adequate insurance coverage and properly preparing for loss assessment and claim filing.

Business interruption coverage should be included in the port's property insurance programme. Legal issues such as liability exposure should be assessed, as each disaster redefines legal exposures.

Force majeure clauses in contracts should be carefully reviewed and, if necessary, hardened to protect the port from potentially unreasonable and unnecessary contractor delays and claims resulting in cost overruns. Contract language should clearly define when an event of force majeure begins and ends. Inter-jurisdictional mutual aid agreements should be agreed.

Human resources represent the port's greatest asset in times of crisis. We must understand that, under extreme conditions, employees

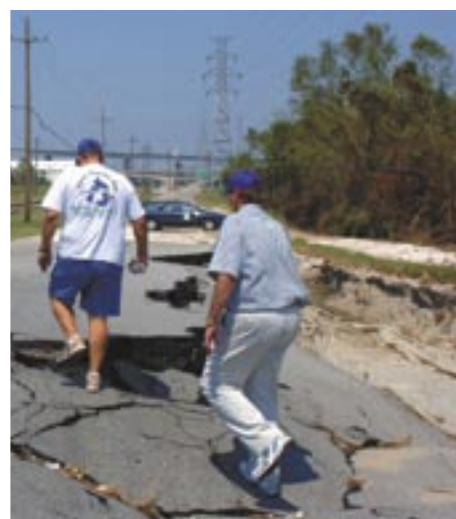
are likely to be in a state of shock and may be overwhelmed or distracted by the need to care for their families and personal property.

At one port hit hard by Katrina, there were two very significant acts by the port director. A reassurance of job security was given and personnel were allowed time to get their personal lives in some semblance of order before helping the port.

The loyalty created by the genuine concern for family welfare and compassionate decisions of the port director motivated employees to work harder than ever to restore the port when they did return.

Clearly, the better prepared the port is to support employees' personal recovery needs, the more effectively the employees will be able to support recovery efforts. Thus, temporary housing, medical care, child and elderly care, basic necessities and professional counselling should all be part of the EOP.

*Phyllis Saathoff is MD, Port Freeport, US and chairwoman, emergency preparation and response working group, AAPA PH*  
More info: [www.aapa-ports.org](http://www.aapa-ports.org)



**The aftermath of Hurricane Katrina: ports have to decide what must be recovered first**

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# Bintulu gets even bigger

LNG is sought after as a clean, safe fuel and Malaysia is one of the world's major exporters, as **P&H** discovers



In just over 20 years, Bintulu has grown from being a sleepy fishing village to become one of Malaysia's most important shipping hubs – and one of the world's largest LNG terminals. The fortunes of the port are tied up with Malaysia's status in the world's gas markets.

Malaysia is a major player in the world's gas markets. In 2005 it exported 21.8M tonnes of LNG – 15.4% of global sales – all through Bintulu.

The driving force for the development of Malaysia gas, and by extension, the port authority Bintulu Port Sdn Bhd (BPSB), is PETRONAS, the government's energy agency, which also owns 62% of the gas shipping line MISC LNG.

Bintulu Port, on the northeast coast of Sarawak, is now some 23 years old and was opened to serve the LNG trade after the discovery, in the early 1970s, of huge natural gas reserves off the coast. Since then BPSB has developed as a bulk and container port too.

The gas fields it serves, in the central Luconia field, are about 200km north of Bintulu, which lies on sea-lanes linking the Far East and Europe. As production at the gas fields increased together

with demand from customers around the world, LNG traffic at the port grew from 1.4M tonnes in 1983 to last year's figure of 21.8M.

Over the past six years, the port handled an average of 350 LNG vessels each year, with 428 calls in 2005, making it the biggest LNG exporting port in the world both in terms of cargo volume and the number of LNG tanker calls.

The port can only expect to export more gas in the future as PETRONAS continues exploration in response to increased demand for LNG, both in existing markets in Japan, Taiwan, South Korea and China and in possible future markets in North America and Europe.

The PETRONAS reserves are calculated to be about 25.5Bn barrels of oil equivalent, nearly 15% of the world total. Sarawak gas is produced offshore in relatively shallow water, but new finds are in deeper water, made viable by the rising market price of the fuel.

The LNG facilities at Bintulu are made up of eight LNG trains in three plants – MLNG, MLNG Dua and MLNG Tiga – with a combined capacity of nearly 23M tonnes a year. From here, 4,000 deliveries of LNG cargoes have been made since it opened.



**The port has expanded into container and bulk cargoes**



“BPSB handles an average of 350 LNG vessels each year with over 428 calls in 2005, making it the biggest LNG exporting port in the world”

The MLNG plant started operations in 1983 with an annual production capacity of 8.1M tonnes. The MLNG Dua plant, with annual production capacity of 7.8M tonnes, started operations in 1996 and MLNG Tiga plant, with capacity of 6.8M tonnes, started its production in 2003.

Natural gas is transferred from the offshore gas fields to these processing plants through submarine pipelines and there is a total of six storage tanks available for the storage of LNG before it is loaded at Bintulu Port.

To cope with the traffic, BPSB constructed three LNG jetties, each with a depth alongside of 15m and able to accommodate tankers of up to 80,000dwt. The approach channel 6km long, 240m wide.

BPSB makes use of a vessel traffic surveillance system for monitoring, controlling and aiding the safe navigation of vessels, particularly LNG tankers, in the port water limit. The buoys and lights are installed with a synchronised lighting system to enhance night time operations.

An integrated monitoring system is installed at the LNG jetties. Its function is to monitor the rate, speed and conditions of the vessels approaches during berthing and monitoring of the load on the mooring lines while at berth.

BPSB is working on several programmes to enhance operational efficiency, particularly to provide day and night operations, berth on arrival and personalised customer service.

The port has imposed international safety and security standards for LNG vessels, to ensure that berthing, departure and loading operations are safely done without incident. Since its inception, BPSB has conducted this process without any incident or failure to handle LNG vessels.

Unsurprisingly, BPSB is gratified that its hard work has paid off in terms of the good safety record at the port. “We are very proud of our safe operation for over 20 years,” BPSB’s CEO Mior Ahmad Baiti Bin Mior Lub Ahmad told *P&H*.

BPSB was one of the earliest ports in the region to implement the ISPS Code and has been approved as a port facility under its provisions.

PETRONAS is now constructing a huge methanol project at Labuan, off Sabah, which is scheduled to be operational by early 2008. In all, eight major deep-

water discoveries have been made so far in Sarawak and Sabah and gas from these is expected to supply Bintulu for at least 15 years, with some agreements already signed. The gas will be piped over distances of up to 480km to the MLNG complex at Bintulu.

With all these new fields coming on stream, MISC, which is already the world’s largest owner of LNG tonnage, has embarked on a fleet expansion programme. This will see the fleet grow from 18 LNG tankers of various sizes ranging from 18,000m<sup>3</sup> to 137,100m<sup>3</sup>, to 25 vessels by 2008.

Malaysia sells almost all its annual production volume, and expects LNG exports to grow marginally for the next few years until the completion of improvement work to MLNG Dua’s three trains is completed in September 2008.

Full commercial operation of the revamped trains is scheduled for 2009. The revamped trains will increase the plant capacity by 1.2M tonnes, equivalent to 20 big shipments a year. This will increase the overall total annual plant capacity to 24M tonnes.

A decision from MLNG to increase the existing eight trains to nine will be made in 2009, when feed gas supply from the new wells is known. Development of the ninth train is expected to add 3.4M tonnes per annum, equivalent to 57 big shipments.

Japan buys 65% of the LNG shipped out of Bintulu, meeting 22% of Japan’s LNG requirements in 2005. South Korea takes 26% and Taiwan 9%. MLNG has been selling spot cargoes into the Asia region and, from time to time, into the Atlantic Basin. **PH**

More info: [www.bpsb.com.my](http://www.bpsb.com.my)

**Steaming into Bintulu, a vessel prepares to take more LNG onboard**

**Expansion of Malaysia’s gas field production will make Bintulu even busier**





# Putting safety in focus

Tokyo Gas is Japan's biggest city gas supplier and operates three LNG terminals. Here **Kojiro Katsukura** outlines the safety measures the company undertakes

**L**NG is currently recognised throughout the world as a clean energy source – and as there are abundant natural gas reserves so it is likely to remain a popular commodity as we seek to limit pollution. The LNG Industry has an excellent safety record and Tokyo Gas is a market leader which has pioneered Japan's use of LNG.

We at Tokyo Gas have over 35 years experience in the operation, maintenance of LNG terminals without any serious incidents. We are confident of handling LNG in a safe and reliable manner. In this report, I would like to introduce LNG properties and the safety measures taken at LNG terminals in Japan, focusing on LNG tanks and berth facilities.

In 1969 Tokyo Gas received the first LNG cargo in Japan at Negishi Terminal. This was followed by the opening of Sodegaura Terminal in 1973, then the world's largest LNG terminal with three berths. Finally, in 1998, Tokyo Gas opened Ohgishima Terminal, which includes underground tanks.

In the 2006 financial year, Tokyo Gas is expected to purchase 12.6Bn m<sup>3</sup> LNG, an increase of 4.5% over the previous financial year. It has investment plans totalling ¥457.4Bn (\$3.9Bn) up to 2010, with ¥36.7Bn earmarked for LNG infrastructure investments.

This year saw the start of operations at the Sowa satellite LNG terminal, to be followed next year by the opening of three re-gasification facilities at the Ohgishima terminal.

Tokyo Gas also plans to start operating two new re-gasification units at its Sodegaura terminal in November 2008 and November 2009. All this will help it handle LNG imports from Malaysia, Indonesia, Australia, Brunei, Qatar and Alaska.

We are experienced in handling LNG which is cooled to a liquid at -162°C, reducing volume to 1/600. It is clear, odourless, non-corrosive, non-toxic and has lower CO<sub>2</sub> emissions than other fuels when in use. Vapour clouds are formed if it is spilled. However, LNG is less likely to ignite or combust than other fuels.

LNG terminals are located in areas which are dedicated to industrial activities, at some distance from residential districts. They are regulated by international, national and industry-wide standards which are constantly upgraded.

The typical flow of the LNG terminal consists mainly of berth facilities, tanks, vaporisers, pipes and accident prevention facilities. The terminals can use only materials which have sufficient strength to withstand the cryogenic temperature. Safety measures have to



## LNG has a long and excellent safety record and will continue to lead the maritime world in safety

be in place to deal with LNG leakage, fire and any external danger.

Particular attention has been paid to storage tanks, which contain large amounts of liquefied gas. In order to protect the tanks as much as possible Tokyo Gas has built underground and in-ground LNG tanks. These are below ground level so LNG would not spill, even if the tanks were damaged.

Where there are above-ground tanks, from the early days of Tokyo Gas operation, dikes were installed to contain the contents if they should leak. If leakage is detected by the gas or low-temperature detectors, neighbouring valves are activated to block off the affected area to minimise the amount of discharge. The state of the site will be viewed by staff with the help of CCTV. Sumps would collect and localise leaked LNG and both the dikes and the sumps are lined with insulation to prevent the LNG vaporising.

Tokyo Gas terminal pipes are placed in trenches to prevent leaked LNG from spilling out to the ground. Frames supporting pipes are coated with special materials so that the leaked super-cooled LNG does not make them brittle.

Many outside the industry are concerned about the possibility of fires and it is a matter of course that flammable materials are strictly restricted at LNG terminals. In the event of leaked LNG igniting, fire fighting forces would use a range of materials to prevent a fire, or to put it out. These include dry chemicals, water curtains and water sprinklers. High-temperature detectors are used to detect ignition.

Dry chemicals are an effective means of controlling LNG-related fires. The main component is potassium hydrogen carbonate, which decomposes in heated air and quickly surrounds the fire, blocking oxygen supply and so extinguishing it. Extremely fine powders are used in the dry chemicals with particle sizes of less than 177 microns. The terminals would use the water curtains and water sprinklers to block any spread of radiant heat and cool the surrounding facilities.

These days security is a huge concern and all terminals are surrounded by fences and make use of CCTV and detectors, such as infrared sensors, while mounting a 24 hour watch.

Many of these accident prevention facilities are also applied to the berths, including the use of dry chemicals and the provision of water curtains, which can be used when an LNG tanker is discharging cargoes. CCTV is routinely used to monitor discharging operations as well as for security purposes.

Another safety system used by Tokyo Gas has become the default standard in Japanese LNG terminals. This is the use of emergency release couplers for the discharging arms. In the case of an emergency the couplers, which consist of double ball valves, are activated so the arms can be disconnected.

In the event of an accident, we are prepared with our accident prevention systems, which will be operated by our well-trained staff. These reflect the fact that LNG terminals and tankers are built and operated to strict standards.

There are regular special emergency trainings sessions, including fire fighting drills between ships and shore, which also include Japan's Coast Guard service. LNG has a long and excellent safety record, which makes use of sound engineering practices, continually trains people in the latest methods and observes strict compliance of regulations. We are not complacent, as our continual search for improvement shows. We are determined that the LNG industry will continue to lead the maritime world in safety issues. **PH**

*Kojiro Katsukura is senior manager, energy production department, Tokyo Gas*

*More info: [www.tokyo-gas.co.jp](http://www.tokyo-gas.co.jp)*

**Setting sail with LNG: Tokyo Gas has set high safety standards**

**The company's three terminals:**  
**1: Negishi, 2: Ohgishima and 3: Sodegaura**

Properties	LNG	LPG	petrol	fuel oil
Toxic	No	No	Yes	Yes
Carcinogenic	No	No	Yes	Yes
Flammable vapor	Yes	Yes	Yes	Yes
Forms vapor clouds	Yes	Yes	Yes	No
Other health hazards	No	No	eye irritant, narcosis, nausea	eye irritant, narcosis, nausea
Boiling point (°C)	-162	-42	32	200
Flammable range in air (%)	5-15	2.1-9.5	1.3-6	N/A





A damaged rescue boat found by Tokyo MoU inspectors

# Inspecting foreign flag ships in a port near you

Port state control works in the Pacific Asia region, where IAPH members have been helping in the drive to eliminate substandard shipping, as **Mitsutoyo Okada** explains

Inspectors in the Asia-Pacific region have been working to create a harmonised system of ship inspections through the Tokyo MoU, the memorandum of understanding on port state control, which is aimed at eliminating the operation of substandard foreign flag merchant ships in the area.

Each year, over 20,000 inspections are conducted on board foreign ships by port state control officers in the Tokyo MoU ports, ensuring these ships meet international safety, security and environmental standards and that crew members have adequate living and working conditions.

The Tokyo MoU started operation with 11 authorities in 1994 and has now expanded to 18: Australia, Canada, Chile, China, Fiji, Hong Kong, Indonesia, Japan, the Republic of Korea, Malaysia,

New Zealand, Papua New Guinea, the Philippines, the Russian Federation, Singapore, Thailand, Vanuatu and Vietnam are all members.

A glance at a world map will show how comprehensive the Tokyo MoU coverage is, encompassing as it does, the whole of the Pacific Ocean and including countries in Asia, Oceania, and North and South America.

Thanks to strenuous efforts by the member authorities, the port state control activities have been increasingly presented to the public and have become familiar to them. This has encouraged them to pay more attention as to whether vessels in their own maritime administrations are adhering to international maritime conventions. This, in turn, has put more pressure on the maritime industry to comply.

Most of the maritime conventions used as relevant instruments for port state control are those set by the International Maritime Organization (IMO) and the International Labour Organization (ILO). These conventions and related regulations are frequently amended and revised. The updated information on relevant conventions and on implementation of such conventions is of common interest to the MoU, IMO and ILO.

## It is crucial for port authorities and port state authorities to work together

In order to enhance closer co-operation with IMO, the Tokyo MoU, together with the other eight MoUs around the world, gained intergovernmental organisation status. This is the level that we work at when attending the organisation's meetings. This status is a real help in ensuring the promotion of global harmonisation and co-ordination in port state control activities.

Port states are given rights under certain conventions to conduct inspections. If, in the course of inspections serious deficiencies are found that are clearly hazardous to safety, security, health or the environment, the authority will detain the vessel until the problem is rectified before the ship is allowed to leave.

Typical deficiencies found during port state inspection are those related to fire safety measures, lifesaving appliances, the safety of navigation, stability, structure, equipment, load lines and pollution prevention measures.

If port state control officers are to conduct adequate inspections, they need information, such as the history of past inspections. The Tokyo MoU is equipped with a good database, the Asia-Pacific computerised information system based in Vladivostok. This stores the result of every inspection in the region. The data is also available on the internet to aid in delivering transparency to the public.

When looking at the effectiveness of port state control, the ratio of detentions against inspections is usually a good barometer of ships' compliance to maritime conventions. If we assume that the ships inspected were selected uniformly and that the skills and procedures of inspections were maintained and applied in a consistent manner, then this will indicate the quality of ships trading in the region.

According to our statistics, we have observed a sharp decline in the detention ratio from 2004, which we hope represents a change for the better in the quality of ships trading in the region.

Port state control officers are often assisted by staff from the relevant port authorities, most of which are also members of IAPH, who pass on information which may facilitate inspection work on ships in ports. Furthermore, with the recent threat of terrorism and

the importance of the maritime security in mind, port state control officers should conduct inspections together with port authorities in accordance with SOLAS regulation XII-2/19.

From this viewpoint, it is considered crucial for port authorities and port state authorities to establish and maintain closer communications to ensure that both sides are working together to achieve the same aims.

Training of officers and the harmonisation of port state control procedures, are both crucial elements to the Tokyo MoU's operations. To this end, a variety of technical co-operation programmes have been developed and implemented to help inculcate the right ethos in port state control officers in the region. This includes a basic training course and regular exchanges of officers between ports. The Tokyo MoU, recognising the need for accountability for results of inspections, puts an emphasis on these programmes.

More guidelines, drawn up by the port state control committee, an executive body of the Tokyo MoU, meeting in Victoria, Canada, have been introduced. This code of good practice for port state control officers recognises the importance of integrity, professionalism and transparency of inspections.

The object of this code is to assist port state control officers in conducting their inspections to the highest professional level. Port state control officers are central to achieving the aims of the Tokyo MoU. They are our daily contact with the shipping world. They are expected to act within the law, within the rules of their governments and in a fair, open, impartial and consistent manner.

It is obviously impossible to eliminate substandard shipping with the efforts of only port state control officers. We need co-operation and assistance from all sectors of the maritime industry, including flag states' administrations, owners, operators, class societies and ports and harbors. **PH**

*Mitsutoyo Okada is secretary of the Tokyo MoU Secretariat*

*More info: <http://www.tokyo-MoU.org>*



**Another fault found by Tokyo MoU inspectors: a fire extinguishing pipe is rotted and holed**





**A wreck removal team works on the CP Valour in the Maldives**

# Clearing away the wrecks

Dutch experience shows a new convention is needed, as **Jan Engel de Boer** explains

**M**aritime authorities in many countries have faced difficult legal problems and costs when hazardous wrecks located beyond their territorial waters need to be removed. The Netherlands' experience in the North Sea shows that many vessels, platforms or cargoes are lost outside territorial waters and we believe there is a need for a new Wreck Removal Convention (WRC), and we will be urging this at the diplomatic conference in Kenya next year.

States that do remove these wrecks are repeatedly engaged in lengthy legal proceedings to recover costs. The new WRC will lay out the rights, duties and liabilities relating to the elimination of hazards posed by wrecks beyond and in the territorial sea, making it far more attractive for all authorities and industries involved to engage in salvage and wreck removal operations.

The WRC will place on shipowners primary responsibility for the removal or elimination of hazardous wrecks. States will be able to set deadlines for wreck removal and, if this is exceeded, will be able to remove the wreck at the shipowner's expense. The affected state will be responsible for determining whether a hazard exists and will also be responsible for marking the wreck. Shipowners will be required to make a full report on casualties involving their ships in accordance with IMO guidelines.

Shipowners will also be strictly liable for the costs of locating, marking and removing hazardous wrecks. However, the WRC will not affect shipowners' rights to limit liability under other international conventions

## Important for ports

The group of states taking the lead in discussions at IMO for a Convention on Wreck Removal (WRC) is chaired by Jan Engel de Boer writes *Frans van Zoelen*, chairman of IAPH's Legal Committee. Here, De Boer enlightens us on the draft proposals which will be discussed at a diplomatic conference next May in Nairobi, Kenya. The convention aims at complementing the system of maritime legal protection instruments. Together with places of refuge, the impact of this convention is very important for ports.

## ‘ The Convention will apply to all types of danger to navigation including ships which may reasonably be expected to result in wrecks ’

such as LLMC, Civil Liability Convention, HNS Convention and the Bunkers Convention.

The primary aim of the new WRC is to clarify rights, duties and liabilities relating to the elimination of hazards posed by wrecks located beyond the territorial sea. A convention that does not apply to wrecks located beyond the territorial sea would, therefore, be unlikely to secure much support.

Experience shows that many vessels and their cargo sink just outside territorial waters – but IMO's Legal Committee has decided that states will be able to apply some or all of the provisions of the convention to their territorial seas (so-called 'opting in').

One of the matters that has yet to be decided at the Kenya meeting is whether to allow a 'selective opting-in clause', which might encourage states to ratify the convention. States could then insist on compulsory insurance and direct action in waters subject to their jurisdiction.

The new WRC covers risks to the safety of navigation, as well as the risks of damage to the marine environment, or to the coastline or related interests, and a clear majority in the Legal Committee is in favour of covering these. Possible overlapping and conflicts with the existing conventions such as the 1992 CLC, the 1969 Intervention Convention and 1973 Protocol, the HNS Convention and Bunker Convention will be avoided by means of exclusion clauses. There also exists strong support for fishing activities to be addressed by the new convention.

In general the convention will apply to all types of danger to navigation including ships in distress and other vessels which may reasonably be expected to result in wrecks. These include objects that have been on board ships and are lost at sea and may pose the same risks as a wreck, such as containers.

Furthermore, offshore installations that are disabled, particularly when they become wrecks as a result of an incident, are to be included. Wrecked aircraft could also constitute maritime hazards. However, given the

relation between IMO and ICAO it has been decided not to cover these wrecks.

The legal basis for government intervention outside territorial waters has been the subject of a lot of debate. However, both the Intervention Convention and the United Nations Convention on the Law of the Sea 1982 (UNCLOS) establish the rights of coastal states to take measures to avoid damage to their coastline or prevent pollution following a maritime casualty.

There are no explicit rules in international law that clearly confer on coastal states the right to undertake a wreck removal for purposes of ensuring only the safety of navigation. However, states have rights in international law to protect their security and vital interests. Therefore, it is correct to conclude that there is no bar to the adoption of the new WRC in areas beyond the territorial sea.

The new WRC will maintain the status quo and shipowners should be able to continue to limit liability. The draft WRC is not aimed at changing the present standards of liability limitation for shipowners. This means that possible limitation issues will have to be dealt with under the present limitation regimes dealing with wreck removal, either regimes based on international conventions, such as the LLMC, or regimes based on national law (article 18 of the 1996 LLMC leaves scope for such national limits).

However, it should be noted that costs for wreck removal that fall within the definition of 'preventive measures' of the CLC, Bunkers Convention or the HNS Convention will only be dealt with under those regimes.

Under the new WRC shipowners will be required to maintain insurance to cover their liability in the same way as they do in the 1992 CLC, Bunkers Convention and HNS Convention.

*Jan Engel de Boer is senior legal counsel, Ministry of Transport, the Netherlands and chairman, IMO correspondence group for the Convention on Wreck Removal* **PH**

**In Malta, the Golden Bay posed another problem for navigation**



# South Korea thinks big through Busan

South Korea's energy and dynamism is now turned to a \$9.2Bn project to develop Busan New Port as **P&H** found out



**S**outh Korea has a remarkable record of growth which turned round the country's economy from that of a developing nation to a member of the trillion dollar club of world economies within four decades. Its GDP per capita, at \$20,400, is on a similar level to some smaller economies of the European Union.

Much of this growth has been the result of South Korea's export programme, fuelled by massive imports of raw materials. Now, as the port celebrates 130 years of operation, a huge, \$9.2Bn port construction is underway at Busan New Port (BNP). This development, at the country's biggest port in

the southeast, will take the country through to the next phase of economic development.

Construction is underway 25km to the west of Busan City and the first phase opened in January. When BNP is completed in 2011, the port's handling capacity will increase to over 15M teu and there will be 52 container berths, combining the new port, where there will be 30 new berths, with the 22 berths at the existing port.

As if this development were not ambitious enough, BNP forms part of the strategic plan of PM Han Myeong-Sook's government to become the gateway hub of northeast Asia, exploiting its strategic



## Busan New Port forms part of a strategic government plan to become the gateway hub of northeast Asia

location between Japan and northeast China.

The government is investing \$59Bn between 2004 and 2020 to realise its ambitions. The Ministry of Maritime Affairs and Fisheries has overhauled an incentive scheme to encourage more transshipment cargo. The programme offers cash rebates to shipping lines according to the number of boxes transhipped at the port.

Competition may be increasing in the region, particularly from Chinese ports, but the port is confident it can achieve regional major transshipment hub ambitions. China's northeastern ports of Dalian, Qingdao and Tianjin are expanding fast, but Sung-Yong Kim, VP for planning and business at BNP, says he is not very concerned. "China's economy is growing at such a pace that their ports will not be able to handle all the import and export cargo," he told *P&H*.

Kim pointed out that Busan's cargo volume has not dropped, although growth has flattened. Transshipment cargo from Japan has also been increasing, rising by 12% in the first half this year. At least five laden vessels sail every day for US ports. It also has an edge over Chinese competitors in that transit time to US ports from Busan is a day shorter.

Busan's existing 23 container berths and the general berths are already stretched by handling almost double their capacity, moving 11.8M teu in 2005. Kim predicts that local cargo volume will swell once the huge logistics distribution centre, part of BNP, is completed.

Tenancies have been allotted after an open tender generated keen interest amongst domestic and foreign investors, which formed consortia. The centre, spanning 3.7M m, will be operating by 2011.

In the new port, DP World will operate nine berths, while domestic liner operators Hanjin Shipping and Hyundai Merchant Marine will operate four each. One berth will be used for dedicated feeder operations. The remaining 12 would be built later under a build, operate, transfer arrangement with private investors.

BNP will also accommodate 10,000teu ships, orders for which have already been placed at Korean and Chinese yards. "This will attract large ocean carriers to utilise Busan New Port as their hub port in Northeast Asia," Kim declared.

Busan also aims to be a cruise hub. Work began last month on a dedicated cruise berth as part of a project that includes building a \$5M cruise terminal. The two-storey building will have 2,200m<sup>2</sup> of floor space, to include an immigration centre and a shopping mall. It is expected to further Busan's efforts to become a major tourist centre. That ambition gathered momentum after South Korea's second-biggest city was host for the Asian Games in 2002 and last year's Asia Pacific Economic Conference

summit. With passenger numbers growing, the need for a dedicated cruise terminal is keenly felt, Kim stresses.

The tender covered the operation of the first and second stages of phase two which has a total capacity of about 4M teu a year. The authority plans to impose penalties on operators if they fail to meet projected cargo volumes three years after the terminals start operating. The authority is also working with other government officials to improve road and rail links to the new port area.

BNP is directly connected to an eight-lane uncongested expressway into the South Korean hinterlands, which has speeded up links all over the country to most cities and industrial areas. Trucks can avoid Busan city's congested areas and, thanks to these links, the new port maintains an average trucking turn-time of less than 20 minutes. From 2008, the facility will open two on-dock rail facilities that will be directly connected to the rail network.

BNP will benefit if the South-North Korean railroad is constructed. The port will become both the start and end point of the 'iron silk road,' crossing the eurasian continent via the trans-Siberian, trans-Manchurian and trans-China railways.

In addition, a total of 4.08M m<sup>2</sup> of terminal and logistics support area has been designated as a free trade zone where facilities are being built to support international integrated logistics and affiliated industries. This is the Busan-Jinhae Free Economic Zone (FEZ).

Foreign companies investing in the logistics district will enjoy low lease fees, tax benefits and other incentives. Land will be available for lease at \$0.48/m<sup>2</sup> per year. The companies will be exempted from all direct and indirect tax and VAT for the first three years and 50% for the following two years.

Dredging has been undertaken to bring the new port's draught to 16m so that ultra large container vessels can call. Longer-term plans proposed by the ministry envisage making Busan a shiprepair centre. **PH**

More info: <http://busanpa.com>

**Busan's bustling waterfront is set to grow even more**

### Container throughput (M teu)

Year	Import and export	Transshipment	Total
2001	5.1	2.9	8.0
2002	5.5	3.8	9.4
2003	6.1	4.2	10.4
2004	6.7	4.7	11.4
2005	6.6	5.1	11.8
2006	7.0	5.5	12.5*
2011	n/a	n/a	15.0*

\* estimated

Source: Ministry of Maritime Affairs and Fisheries, Seoul

## Tokyo MoU transparency moves

The port state control committee of the Tokyo MOU has adopted a code of practice for PSC officers in line with the Paris MOU. The code is aimed at ensuring 'integrity, professionalism and transparency' in the conduct of Port State Control (PSC) inspections, the committee said.

The move (which is outlined in our feature on pages 28-29) has been welcomed by Intertanko which says its vetting committee has been campaigning for some time for the move, agreed at a meeting of the MoU in Victoria, Canada.

A joint concentrated inspection campaign (CIC) will be conducted on the ISM Code (International Management Code for the Safe Operation of Ships) from September to November next year, together with the Paris MOU and the US Coast Guard.

A Paris MOU proposal on further joint CICs on safety of navigation (SOLAS Chapter V) in 2008 has been accepted. In 2009, the Tokyo MOU, which brings together the PSC regimes of 18 countries, plans to run a CIC on lifeboats in conjunction with the Paris MOU.

## Navy gets boat power

The US government has handed over six patrol boats to the Kenyan Navy, to help the force combat piracy, smuggling and terrorism in coastal waters.

The boats, similar to those used by the US Coast Guard, were presented officially by US ambassador Michael Ranneberger to Defence Minister Njenga Karume and can be fitted with mounted machine guns or grenade launchers.

The Kenyan government has been concerned that terrorism, smuggling and piracy incidents are increasing, based on neighbouring Somalia. The armoured boats, with a total value of about \$3M, will also be used to both protect and conduct inspections aboard commercial shipping transiting Kenyan waters, government sources say.



### Standards will cover

- Power demand – for the next 20 years
- Voltage
- Frequency
- Power quality
- Reliability and fault tolerance
- Power transfer
- Code and standards co-ordination
- Equipment location
- Transformer
- Frequency converter
- Shore connection point
- Wharf outlets
- Cable management system

Support for the moves was pledged by the International Electrotechnical Committee and the International Association of Classification Societies (IACS).  
More info: [www.iaphworldports.org/](http://www.iaphworldports.org/)

**Linking ship to shore for power: standardisation sought**

## AMP standards nearer

IAPH has been active at a new meeting, organised by ISO, the International Organisation for Standardization, in Washington DC, US, in an effort to harmonise alternative maritime power (AMP) connections for ships.

The meeting reviewed local, national and international requirements for AMP connections for ships, shoreside equipment and shore infrastructure, said IAPH's European MD, Fer van der Laar, who was at the meeting, called ISO TC8.

Information on container vessel berths and infrastructure were outlined by the Port of Los Angeles. The Port of Long Beach showed plans for shore infrastructure on a tanker berth.

The group, which aims to offer technical advice only, agreed to give details of the shore components that should be standardised. Now the environmental committee of the international navigation association, PIANC will be asked to research the issue to give a

scientific basis for discussions.

Similar principles to those followed for the standardisation of vessels, could result in the hope that this would ensure a level playing field for shore installations, said Van der Laar.

Different ISO guidelines will be developed for various ship types including cruise, container, ro-ro vessels, oil tankers, LNG carriers, ferries and bulk carriers, covering testing and responsibilities, grounding, cables and connectors and personnel.

## Help with PSC

BIMCO has issued a guide to help seafarers cope with port state control (PSC) inspections in US ports and hopefully, avoid prison terms for misleading boarding teams.

This is in reaction to incidents over several years when numerous seafarers have faced stiff prison terms in the US. Inspections by the US Coast Guard (USCG) led to the discovery of infractions and cover ups – especially with oily water separators and magic pipes – said BIMCO.

More info: [www.bimco.org](http://www.bimco.org)

## New Marco Polo projects

The European Commission (EC) has awarded €21.7M (\$27.2M) to 16 new projects in the third round of the Marco Polo programme, aimed at moving freight off heavily congested roads to short-sea shipping, rail and inland waterways.

It is estimated that the successful projects will shift 10.3Bn tonnes-km of freight from roads, the yearly equivalent of 134,100 trucks driving between Rotterdam and Rome and will trigger some €350M in private investments to cater for the modal shift.

EC transport VP Jacques Barrot, welcomed the decision, stressing that "all supported projects will shift the balance between the transport modes, and thereby contribute to the sustainable development strategy of the EU".

In all, 63 proposals were received, requesting €91.9M in support, and the successful 16 reflect a 'good' geographical distribution, said the EC. A new Marco Polo II will be launched in Nantes, France later this month.

More info: <http://ec.europa.eu>

# Marine pests study nears end

Australia is close to completing a study into the spread by shipping of marine pests that can affect port installations. The Australian Shipowners' Association (ASA) says the problem has been steadily getting worse over the last 15 years.

"Many pests have already established in Australian ports and marinas and the risk of new introductions to Australia needs to be managed, as does the risk of translocation from Australian port to Australian port," said the ASA.

Introduced marine organisms can displace native species, changing the natural ecosystem structure. Marine pests can also be damaging to the aquaculture industry, where they can smother or prey on aquaculture species.

Species such as barnacles, oysters and mussels can flourish in the absence of natural predators and block industrial pipe-work and cover marine infrastructure, added the ASA.



**Foreign pests: they can cause damage to port equipment**

In the past, most efforts to manage these marine pests have concentrated on ballast water management. However, it is now estimated that 77% of the marine pests established in Australian waters arrived as biofouling.

The paint patch trials project, undertaken by ASA, is independently testing the efficacy of five brands of TBT-free

antifouling paints. It will monitor performance through annual in-water inspections of paint patches on four commercial ships.

The project is due for completion this year and indications so far point to overall good performance in the areas of marine growth prevention and paint integrity.

More info: [www.asa.com.au](http://www.asa.com.au)

## No clear outcome

Singapore called for an urgent meeting of countries hit by haze from Indonesia's burning forests, but little progress has been made towards tackling the problem, which is affecting navigation in the busy Malacca Strait.

Indonesian President Susilo Bambang Yudhoyono apologised to Singapore and Malaysia and the gathering set up a panel of the three countries' environment ministers to make concrete proposals.

Poor visibility has prompted authorities to issue repeated cautions to ships. Malaysia's marine department has asked ships to exercise extra care while traversing the Malacca Strait where visibility is reported to be down to just 1.6 km from the usual 19 km.

Singapore's Maritime and Port Authority told *P&H* that hourly broadcasts are made to ships in the Singapore Strait. In Indonesia a crew member is missing after a collision between two vessels in the haze.

## Separating traffic

A new mechanism for separating traffic in the Strait of Gibraltar will come into effect in the middle of next year if all goes to plan, a senior IMO official told a conference in Algeiras, Spain.

Capt Esteban Pacha Vicente, Spain's representative to the IMO, said the anticipated new Tanger Mediterranean container port (Tanger Med) and its traffic required changes to how shipping is moved through the Strait.

These should be adopted by an IMO sub-committee in Istanbul this month "if there are no objections," he said. It will then come into force six months later, during 2007.

The new mechanism will see an entry point in the east of the Strait, near Algeiras and a precautionary zone at the centre with the recommended traffic flow "like a roundabout" Capt Pacha told the conference.

Morocco is actively developing Tanger Med and hopes it will become a significant hub and commercial centre which would add to the traffic in what is already a well used stretch of water.

## More security money

Ports across the US will soon receive additional money to fund security upgrades following President George W. Bush's signing of the SAFE Port Act.

Representing the ports, Kurt Nagle, president of the American Association of Port Authorities (AAPA) beamed as he watched the president sign the act that increases port security grant funding to \$400M annually for the next five years.

In addition to the added port grant funding, the \$6.7Bn Security and Accountability For Every Port

Act (SAFE) says that radiological detectors will be installed at the nation's largest 22 ports by the end of 2007.

Pilot projects will be established at three overseas ports to begin scanning 100% of containers bound for the US.

Customs & Border Protection Commissioner Ralph Basham told *P&H* that the deadline for scanner installation will be met and international negotiations are underway to select the international ports needed for the pilot project.

## Pledge on Russia-Germany ferries

Berlin and Moscow have pledged to expand maritime trade between the two countries and to lend full support to companies willing to shift from road to sea.

A joint declaration was signed by Germany's minister of transport Wolfgang Tiefensee and his Russian counterpart Igor L. Levitin at a national logistics congress in Berlin. The maritime links between both states will be further enhanced next month through introduction of a new rail ferry service between Ust Luga, Baltisk and Sassnitz in Germany.

Volumes on east-west ferry services between Germany and its central and eastern European neighbours nosedived immediately after some of them acceded to the European Union in 2005 due to cheap competition from lorry operators.

But Tiefensee and Levitin made it clear, that framework conditions for ferry services will be further improved, "when and if necessary." Tiefensee stressed: "We are resolved to shift more volumes to environment-friendly modes of transport such as ships and railways."



## IMO funding boost from US and Korea

IMO's integrated technical co-operation programme (ITCP) has received a significant boost in the form of two substantial financial contributions to support the delivery of its activities.

The fund is to benefit from donations – one of \$396,000 from the US government and another of \$565,314 from South Korea.

The continued financial support provided by donors, has enabled IMO promoting special measures to enhance maritime security, as well as the prevention and suppression of acts of piracy and armed robbery against ships, the UN agency said.

ITCP has received total contributions of \$1.8M since it was set up. In the past three years, 24 individual ITCP activities have been financed by the IMO.

More info: [www.imo.org](http://www.imo.org)

## Baltic exercises

The first at-sea anti-pollution exercises undertaken by the European Maritime Safety Agency (EMSA) took place in the Baltic Sea last month. Seven European Union member states and Russia also took part.

Only days later a second exercise was held off the northwest coast of Spain with the support of the Spanish maritime safety organisation SASEMAR, and a third was held off the coast of central Portugal with the support of the Portuguese Navy.

"This is a really significant step, both for the agency and for EU maritime safety overall," said EMSA executive director Willem de Ruiter. "It shows concretely that EMSA-contracted vessels have tested their equipment and are training their crews to be well prepared for real accidents. EMSA is working in close co-operation with member states testing the readiness of EU support."

More info: [www.emsa.europa.eu](http://www.emsa.europa.eu)



**Sifting ships' waste at Antwerp: other ports are not so well-prepared, says IMO**

## IMO reception facilities plan

An action plan to tackle the perceived inadequacy of port reception facilities was agreed by the International Maritime Organization's (IMO) Marine Environment Protection Committee (MEPC) in London last month.

The lack of approved port reception facilities is often cited by shipowners as a major hurdle to overcome in order to achieve full compliance with MARPOL.

The new action plan was developed by the sub-committee

on flag state implementation (FSI) and IMO hopes that it will promote quality and environmental consciousness among administrations and shipping.

IMO wants to improve the provision and use of adequate port reception facilities, and the plan will address issues including reporting requirements; provision of information on port reception facilities; identification of any technical problems encountered during the transfer of waste

between ship and shore; the standardisation of garbage segregation requirements and containment identification; review of the type and amount of wastes generated on board; the type and capacity of port reception facilities; revision of the IMO comprehensive manual on port reception facilities; and development of a guide to good practice on port reception facilities. The MEPC agreed to recognise regional arrangements as a means to provide facilities.

## ISU backs environmental rewards

Members of the International Salvage Union (ISU) have unanimously decided to continue to press the case for environmental awards for pollution prevention services. This matter will be taken forward by a new ISU Committee headed by vice-president Arnold Witte.

Commenting on this development, ISU president Hans van Rooij said: "At a global level, millions of dollars are channelled into often inefficient spill control. Prevention is better than cure.

"We need to get the message across that salvage response is the most effective way of defending the marine environment. Our members have recovered an average of around 1M tonnes of pollutants from ship casualties every year for the past decade."

Turning to the EU's ship source pollution directive Van Rooij said it was "counter-productive" and a disincentive to engage in salvage operations. He hoped it would be set aside by the European Court.

More info: [www.marine-salvage.com](http://www.marine-salvage.com)

## Green paper too "wide ranging"

A senior official at the UK's Department of Transport (DTp) has warned that the European Maritime Green Paper was so "wide ranging" that it risks not being taken seriously.

Theresa Crossley, head of shipping policy at the DTp, urged all in the European maritime industry to take part in the consultation process, so their views could be heard.

Speaking at the Coastal Futures

conference in London, she said that it was the first time that shipping, port and environmental interests had been brought together in Europe to discuss the green paper. The industry should pay close attention to areas in the document where the European Commission wanted to extend its influence, for instance its status at IMO, she urged the conference.

She said the fact that the Green Paper was not specific in detail

should not lull the industry into thinking that they should give up on the consultation process. "Something in the nature of a maritime policy document will appear this time next year based on the consultation, you can be sure of that," she told the conference.

"That makes it all the more important that people engage with the consultation process even if the Green Paper is a many tentacled octopus."

# Beating world poverty by IMO

Maritime activity has a "key role to play" in meeting the United Nations millennium development goals, International Maritime Organization (IMO) secretary-general Efthimios Mitropoulos said as he marked the 29th World Maritime Day in late September.

"Shipping not only moves the world's burgeoning trade, but can also contribute substantially to sustainable development, while international commerce promotes production, job creation and greater socio-economic prosperity," he said.

"The combination of all these has, undoubtedly, the potential to lift people from hunger and poverty and also eradicate life-threatening diseases," he added.

IMO's technical co-operation activities help ensure that developing countries are better equipped to play a full part in shipping and also to carry out their obligations as members of the wider maritime community, he continued. This year's theme was technical co-operation: IMO's response to the 2005 world summit.

"The World Maritime Day theme reflects how important it is that the work of IMO should be seen, not just in terms of the service it provides to the maritime community itself, but also in the wider context of the international agenda set by the United Nations," Mitropoulos continued.

Although IMO adopts international shipping regulations, it is the responsibility of governments

to implement those regulations. IMO's technical co-operation programme is, therefore, designed to assist governments that lack the technical knowledge and resources needed to oversee a shipping sector successfully.

Mitropoulos added that maritime activity has a key role to play in the eradication of extreme poverty and hunger. It already provides an important source of income and employment for many developing countries, through such activities as the registration of ships, the supply of sea-going manpower and ship recycling, as well as shipowning and operating, shipbuilding and repair and port services, among others.

"But, seen in a wider context, shipping has an even more important role to play," he said. "Sea transport remains by far the most cost-effective way to move goods and raw materials *en masse* around the world, and the vast majority of global trade is carried in ships.

"The part played by the maritime sector as an enabler of global trade and thereby global prosperity, as well as its direct, beneficial input to many developing economies, has made and continues to make a substantial contribution towards the goal of halving poverty by the year 2015.

"Such a welcome development will lead, in time, to progress with other Millennium Goals, particularly those related to education and health," he added.

More info: [www.imo.org](http://www.imo.org)

## Speeding up motorways of the sea

Five master plans intended to support the development of motorways of the sea have been presented for the first time at a special conference in Helsinki.

The Maritime Safety Umbrella Operation (MSUO) and the Baltic Sea Regions conference discussed inter-regional funding to support new projects and took advantage of the presence of private banks to discuss public private partnerships.

Concluding the conference, an MSUO statement said 'there is a bright future for motorways of the sea.'

And the agency added: 'This positive conference in Helsinki shows that Europe can try to improve resources in transport in order to face the challenges of the future.'

'These include the pressures of road congestion and the necessity to implement sustainable development in transport.'

More info: [www.maritime-safety.org](http://www.maritime-safety.org).

## Cargo security boosted

Following the second EU-China Joint Customs Co-operation Committee (JCCC) meeting in Beijing, a pilot scheme will be carried out to upgrade security on cargo shipments from China to Europe.

The scheme, which will initially cover goods moving from Shenzhen to Rotterdam and Felixstowe, will set up 'smart and secure trade lanes'.

It is intended to be supported by increased controls throughout the supply chain, improved information flow and enhanced screening processes and security standards. If successful, the project will be extended at both ends. Other agreements covering fake goods, toys and illegal foods will be implemented over the coming months.

## Russia offers ReCAAP tie-up

Russia says it will join forces with the anti-piracy initiative ReCAAP – the regional co-operation agreement on combating piracy and armed robbery against ships in Asia. Deputy PM and defence minister Sergey Ivanov offered Russia's full co-operation to visiting Singapore defence minister Teo Chee Hean.

ReCAAP's information sharing centre (ISC) is based in Singapore. Talks between the two ministers

identified maritime security as being one of the issues in which the two countries had 'common perspectives and interests.' ReCAAP came into force in September following ratification by 11 countries.

The ISC is expected to produce reliable data on piracy and armed robbery in Asia. Key Malacca Strait littoral states Malaysia and Indonesia, however, have yet to join the ReCAAP fold.

## Audit scheme support

World Maritime Day was chosen by the Round Table of international shipping associations for a series of initiatives.

The group, made up of BIMCO, INTERCARGO, the International Chamber Of Shipping, the International Shipping Federation and INTERTANKO, called on governments around the world to participate in the new IMO voluntary member state audit scheme.

Speaking at a special event in London, representatives of the leading international shipowner organisations explained that the IMO scheme, which is directly relevant to this year's IMO theme of technical co-operation, could prove to be the most 'significant' regulatory milestone of the decade.

For the first time, maritime administrations will shortly be subject to external audits of how effectively they implement and enforce IMO safety and pollution prevention regulations, the Round Table members said.

Auditors will act under the auspices of IMO, using specially trained experts nominated by other IMO member states. Crucially, the results of the audits should allow resources from IMO's technical co-operation programme to be better targeted at maritime administrations not fulfilling their obligations.

'It will no doubt take time for the IMO audits to be conducted and for the actions that follow to bear fruit,' said the group.

'However, the development is significant, not only because all flag states can learn from their peer group, but more particularly because most of the small number of sub-standard ships that still trade are concentrated in just a few poorly performing flag states.'

More info: [www.shippingfacts.com](http://www.shippingfacts.com); [www.marisec.org](http://www.marisec.org); [www.intercargo.org](http://www.intercargo.org); [www.intertanko.com](http://www.intertanko.com)





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For more information visit [www.iaph2007.com](http://www.iaph2007.com)





1:



2:



3:



4:



**1: Yoshinobu Ishikawa, the governor of Shizuoka prefecture (left) is honoured by Tom Kornegay**

**2: The Exco group photo**

**3: Datin Paduka O.C. Phang enjoys the port tour**

**4: Zenkichi Kojima, the mayor of Shimizu receives a plaque from Tom Kornegay**

## Mt Fuji backdrop for meetings

The almost perfectly symmetrical snow-capped volcanic cone of Mt Fuji was the backdrop for the latest deliberations by the IAPH Executive Committee (Exco) and technical committee meetings in Shizuoka, south of Tokyo. There were nearly 50 participants from 15 countries who either partly or fully joined the meetings.

The Exco meeting was hosted by Shizuoka prefecture government, the city and port of Shimizu and the Chubu regional bureau of the Ministry of Land, Infrastructure and Transport (MLIT). The revival of the IAPH bursary scheme, which is to be relaunched as the IAPH Training Scholarship from next year, when it will give financial assistance for the training of staff in developing country ports, was discussed. Another debate was on selection procedures for the Asia/Oceania region venue for the 2011 World Ports Conference.

Argentina James, the IAPH conference vice-president updated the participants on the latest status of preparation for the 2007 World Ports Conference, to be held in Houston,

including a line-up of speakers.

The meeting also featured special sessions on alternative maritime power (AMP) and LNG handling. Presentations were made by experts both from Japan and abroad, from different industries, including Cavotec of Sweden for AMP and, for LNG, Mitsui OSK Line and Tokyo Gas, the biggest gas supplier in Japan.

A special symposium highlighting tsunamis and natural disasters in ports attracted 500 delegates, with representatives of local and national port sectors to swell the ranks of IAPH members. It was addressed by IAPH president Tom Kornegay, who made a presentation on the US ports' experience of hurricanes Katrina and Rita in 2005. Hosts for the seminar were MLIT's Chubu regional bureau, Shizuoka prefecture, Shizuoka city and the Japanese Foundation for the IAPH.

Delegates praised the excellent organisation of the meetings and enjoyed more hospitality at the reception parties hosted by Yoshinobu Ishikawa, the governor of the prefecture and the city mayor, Zenkichi Kojima.



5:



5: Dr Inoue, Sow Fatoumata Binta, Sylla Mamadouba and Argentina James at the mayor's reception  
6: Delegates enjoy the port tour

6:







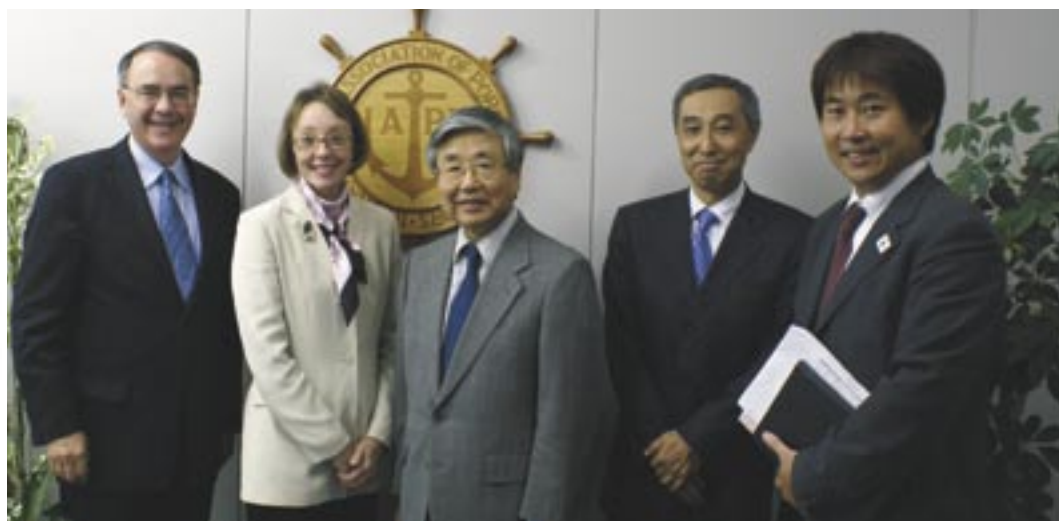
## IAPH's new annual report

IAPH has published its annual report for 2005-2006, aimed at providing a concise and comprehensive overview of activities from the World Ports Conference, in Shanghai in mid-2005, to the Mid-Term Board Meeting in Mumbai, in April 2006.

IAPH hopes the publication will reach out not only to IAPH members, but to those beyond the port community, to encourage the promotion of world trade and economic growth.

Copies have already been sent to IAPH co-ordinators and friendly organisations. Non-members can obtain copies via the IAPH website, or hard copies from the IAPH secretariat.

More info: [info@iaphworldports.org](mailto:info@iaphworldports.org)



**Meeting in Tokyo: Left to right: Jim MacLellan, Geraldine Knatz, Satoshi Inoue, Tatsuki Hioka and Yoshinobu Kajimoto, manager of PoLA's Japan office**

## PoLA delegation calls in

Dr Geraldine Knatz, executive director of The Port of Los Angeles, and Jim MacLellan, the port's marketing director, paid a visit to the IAPH HQ for the first time last month.

Knatz was accompanying Los Angeles mayor Antonio R. Villaraigosa on a promotional tour of China, Korea and Japan.

Villaraigosa's tour is aimed at emphasising the importance of trade, tourism and investment in

the future growth of Los Angeles. To help achieve this, he headed up a delegation that included Knatz, together with the directors of the airport and tourist bureau.

Secretary General Dr Inoue and Deputy Secretary General Hioka welcomed the PoLA delegation and briefed them on the Exco meeting in Shizuoka. Knatz could not participate as a member of executive committee as she was on the Los Angeles tour.

She was concerned about missing the port environmental committee meeting, which she was due to have chaired. Eric Caris from PoLA stepped in and made a presentation on her behalf, however.

Knatz continued travelling extensively, this time on behalf of IAPH. After flying home from the Far East, she went on to the UK to attend the deliberations of the London Convention.

## President Kornegay visits Japan Seminar



**Fer van de Laar**



**Argentina James**



**President Kornegay**

Thomas Kornegay, IAPH president, visited Tokyo after the Exco meeting in Shizuoka last month. to give a keynote speech at the 19th IAPH annual Japan Seminar.

This is held by the Japanese Foundation for IAPH, to promote its activities in the ports and maritime industries there. This year IAPH fielded three speakers: Kornegay, Argentina James, IAPH

conference vice-president, and director of Port of Houston (PHA) public affairs division, and Fer van de Laar, IAPH Europe MD.

Under the theme of port development and community relations – walking a fine line Kornegay spoke of his experience with Houston's Bayport project.

He explained to the 100-strong audience how it had taken 40 years

to start construction. Based on this, he outlined best practices for building better relations between ports and communities.

He said ports should: define stakeholders in advance; involve them early in expansion plans; recognise the importance of the quality of life culture and be prepared to compromise.

James outlined the plans for the

25th IAPH World Port Conference in Houston next year and invited those present to attend.

Van de Laar gave an update on current issues, including port reception facilities, supply chain security and alternative maritime power (AMP). Information on a unique mooring system was given by Toyohiko Kobayashi, from Cavotec's Japanese agency.



## European office move

**The IAPH European office has moved and MD Fer van de Laar can now be found at:**

The International Association of Ports and Harbors  
PO Box 60, 2910 AB Nieuwerkerk IJssel  
The Netherlands  
Tel: + 31 180 32 33 99 Fax: + 31 180 31 85 69  
E-mail: [info@iaph.nl](mailto:info@iaph.nl)



**Tom Kornegay addresses the conference**

## Supply chain security in times of turmoil

IAPH president Tom Kornegay spoke of the difficulties faced by the seaport industry in maintaining the global supply chain against the background of political instability and terrorism.

He praised the work of C-TPAT, the Customs trade partnership against terrorism, which he said was one of the most successful government-private sector partnerships to work in combating terrorism.

From seven major importers at its launch in the US in November 2001, over 7,400 companies are enrolled in C-TPAT today, including importers, customs brokers, terminal operators, carriers and foreign manufacturers, he said.

Now the US Customs and Border Protection Agency was working to support the security initiatives internationally, and other Customs

agencies are working to back-up the initiatives, he told the PorTech conference in Shanghai.

"Security in this 21<sup>st</sup> century has taken on a much different meaning," he told delegates. "Prior to 9/11, security meant dealing with theft and fraud within a port. It is now everything from terrorism to natural disasters."

People are the vital link in the port security chain, he continued. "We are only as good as our personnel. Hiring the right people is very important."

The best technology may be created, but Kornegay said that security was about "people being aware – very aware."

Partnerships must continue to be forged, he urged. "This is the only way we can fight this war on terrorism – a war that we have no option but to win."

## Dates for your diary

Major maritime congresses throughout the world

### NOVEMBER

**20-24:** IAPH Africa/Europe Regional Meeting and 6th PAPC Conference, Abuja, Nigeria  
*More info: [www.iaphworldports.org](http://www.iaphworldports.org)*

**24-26:** Freight Russia 2006 – Moscow, Russia  
*More info: [www.freightrussia.com](http://www.freightrussia.com)*

**26-27:** Maritime Infrastructure Forum, Cairo, Egypt  
*More info: [www.marcusevans.com](http://www.marcusevans.com)*

**27-30:** 11th Annual Conference Bunkering in the Americas, Puerto Rico  
*More info: [www.lloydslistevents.com](http://www.lloydslistevents.com)*

**28-29:** 2nd Trans Middle East 2006, Dubai, UAE  
*More info: [www.transportevents.com](http://www.transportevents.com)*

**28-30:** TOC Americas 2006, Acapulco, Mexico  
*More info: <http://isg.toc-events.com>*

### DECEMBER

**4-6:** Seatrade Middle East Maritime – Dubai, UAE.  
*More info: [www.seatrade-middleeast.com](http://www.seatrade-middleeast.com)*

**5-7:** Intermodal Exhibition & Conference 2006 – Hamburg, Germany  
*More info: [www.intermodal-events.com](http://www.intermodal-events.com)*

**6-7:** The 4th International Marine Terminal Management, London, UK  
*More info: [www.lloydsmaritimeacademy.com](http://www.lloydsmaritimeacademy.com)*

**6-9:** Maritima 2006 – Paris, France.  
*More info: [www.salonmaritima.com](http://www.salonmaritima.com)*

**7-8:** Bulk Port and Terminal Technology – Amsterdam, Netherlands.  
*More info: [www.millenniumconferences.com](http://www.millenniumconferences.com)*

**14-15:** 3rd Ecoports Conference, Genoa, Italy  
*More info: [www.ecoports.com](http://www.ecoports.com)*

### JANUARY (2007)

**22-25:** The 4th International Conference on Remediation of Contaminated Sediments, Savannah, USA  
*More info: [www.battelle.org/conferences](http://www.battelle.org/conferences)*

**29-31:** SecurePort - 3rd Western Hemispheric Port Security Conference & Trade Exposition, Houston, USA  
*More info: [www.secureportusa.com](http://www.secureportusa.com)*

**31-2:** IAPH Asia/Oceania Regional meeting  
Ho Chi Minh City, Vietnam  
*More info: [www.iaphworldports.org](http://www.iaphworldports.org)*

### FEBRUARY

**8-9:** 4th Philippine Ports and Shipping 2007 – Manila, Philippines  
*More info: [www.transportevents.com](http://www.transportevents.com)*

**26-27:** Faster Freight Cleaner Air (FFCA) 2007 – Long Beach USA  
*More info: [www.ffca2007.com](http://www.ffca2007.com)*



## Plotting the right training course

Eddy Bruyninckx – chief executive officer, Antwerp Port Authority, and chairman of the Human Resources Committee – reports on how IAPH is helping to bolster training in developing countries

“ We plan a list of pre-approved, world class training organisations to advise those seeking training on the availability of port-related programmes ”

Human resources and training in particular is of vital importance in order to achieve efficient co-operation between ports all over the world. Keeping in mind the continually changing nature of the international port community, IAPH has been in a lasting search for improvement.

Since I took over as chairman of the Human Resources Committee following my nomination at the World Ports Congress in Durban, South Africa in 2003, IAPH has implemented several structural reforms.

One of these changes has been to realise a main objective of IAPH policy. This is to make available training programmes for ports that are still evolving in developing countries.

Just one example shows how much work is going into the realisation of the IAPH plans. Last year, APEC, the Port of Antwerp's international training institute, welcomed participants from about 60 countries worldwide. They attended wide-ranging seminars and courses.

Such is the demand for training that we at IAPH are planning to investigate the courses on offer at training institutes. We can then set up a list of pre-approved, world-class training organisations to advise those seeking training on the availability of port-related programmes. Of the 12 institutes identified so far, seven conduct courses that are applicable and suitable to IAPH's bursary scheme.

We in the Human Resources Committee are working to encourage the existing training organisations, not only to be IAPH affiliated, but also to develop new themes or projects that could be included in current port training programmes and bring them in line with developing country needs.

More detailed information of IAPH affiliated port training institutions can be found on the IAPH website. [R&H](#)





*Amager Strandpark where  
Rohde Nielsen A/S delivered 1,250,000 m<sup>3</sup> sand  
for the construction of the new beach park.*

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