Malacca clearway
Keeping the strait traffic flowing and safe for the world’s trade

VTMS on course
KPA hopes to clear congestion

Big ambitions
Mauritius aims to be a hub port

China supply chain
Some are sourcing closer to home
The MoorMaster is already in use in Australia, New Zealand, the UK, North America and Oman. Compared to lines, it offers a dramatic reduction in ship motion – for faster loading and unloading.

Cavotec in Action

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“It was simple. We cut all ties with traditional thinking.”

The MoorMaster is already in use in Australia, New Zealand, the UK, North America and Oman. Compared to lines, it offers a dramatic reduction in ship motion – for faster loading and unloading.
Malacca clearway: the strait handles half the world’s oil supplies and a third of its trade so its efficient working is vital for ports.
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A happy New Year! I trust you all have sailed into the New Year with the high spirits needed to face the challenges of the continuously volatile business environment of 2008.

Last fall, I visited the historical and beautiful city of Malacca in Malaysia together with delegates from the IAPH executive committee meeting. The city has a unique and colourful history, having developed over the centuries as one of pivotal ports on the famous spice route between China and Mediterranean Sea. As early as the 15th century, traders and sailors came and settled there from all over the world to develop a cosmopolitan port city facing the Strait of Malacca.

Today, the Strait of Malacca, which connects the Indian Ocean and South China Sea, has increased its worth and is of vital importance to the world’s trade and economy. The strait, according to Dato’ Cheah Kong Wai, of the Maritime Institute of Malaysia, handles half the world’s oil movements. A third of global trade passes through each year on the more than 65,000 ships making the transit. In view of the unprecedented growth of Asian economies, especially China and India, the 900km-long Strait of Malacca will no doubt have to handle the exponentially increasing maritime trade both between Asia and other parts of the world and intra-Asia trades.

Should the strait be blocked by any accident, piracy, terrorism threat or natural disaster, the whole world would face a nightmare. That is why the international community has been working for the improvement of the strait, and is continuing to do so hand in hand with the littoral countries of Malaysia, Indonesia and Singapore. In conjunction with the executive committee meeting held in Kuala Lumpur, IAPH organised a forum session especially focusing on the Strait of Malacca with respect to its current status and international collaboration for the future.

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We surely recognise that ports alone cannot fulfil the underlying mission to keep world trade flowing without the sustained provision of safety and security for global navigation infrastructure and systems, such as the Strait of Malacca. Ports and Harbors will continue to keep you updated on developments affecting similar parts of the global infrastructure that are vital for maritime activity. PH

Dr. Satoshi Inoue
Secretary General – The International Association of Ports and Harbors
Cuban ports set for $200M overhaul

Cuban military officials intend to restructure the island’s ports, which includes moving all cargo operations from the capital, Havana. Cuba expert Jorge Piñón told P&H that the plan hinges on the participation of DP World in a $200M redevelopment of Mariel.

Piñón, a retired executive with Amoco and BP and now a professor at the University of Miami, made the disclosures following the Caribbean-Central America Action conference in Miami.

He said the plan calls for moving all cargo operations from Havana, which will then be open exclusively to passenger vessels. The cargo terminals will be moved to Mariel and Matanzas, where massive work is needed to accommodate efficient operations. “Most of the Cuban infrastructure dates to the 1950s,” he observed.

Piñón also noted that the country’s sugar industry has declined to the point that the island, once one of the world’s key exporters, actually imported sugar over the past two years.

He said that some in Cuba hope to relaunch the sugar industry in expectation of becoming an ethanol player. He added, however, that allying Cuban President Fidel Castro has a long-held disdain for both sugar and bio-fuels.

“This could be because of Fidel’s relationship with [Venezuelan President] Chávez, who supplies Cuba with most of its oil on a ‘pay when you can’ basis,” said Piñón.

$37M Syrian box terminal

Commercial operations have started at the Syria’s first privatised container terminal, and the new operator, Tartous International Container Terminal, part of the International Container Terminal Services Inc (ICTSI) group, has pledged a $37M investment plan.

TICT has already acquired two new Liebherr mobile harbor cranes, which were delivered to Tartous in July. Immediately after commissioning staff were given training in their use.

These are the first specialised ship-to-shore container cranes in Syria. Traditionally, over-the-quay container handling has been undertaken by means of ships’ gear, a much slower method.

Other planned investments are also for terminal superstructure, landside container handling equipment, a container terminal management system incorporating user-friendly client interfaces, and for human resources development and training.

The Tartous container terminal is located on the North Quay, Pier B, in the Port of Tartous. It has a 540m quay with a draught of up to 13m alongside. The terminal covers an area of 25ha incorporating a 15,000m² warehouse for container stripping and stuffing.

India port projects get nearer

India’s government has earmarked Rs558Bn ($14Bn) to increase the capacity of major ports to meet the demands of international trade by 2011-12. Shipping minister TR Baalu told the lower house of Parliament that a total of 276 projects were identified under the National Maritime Development Programme, which will enhance port capacity.

A government official said it was anxious to move towards completion of port projects as many of them have already been delayed. The proposed developments cover the entire gamut of activities including construction of new berths, upgrading of existing berths and the deepening of port channels to receive bigger ships.

One private-public partnership project seems to be going ahead. As P&H went to press, a decision was expected on the tender for development of the Vizhinjam deepsea port project in Kerala.

Singapore’s PSA Corp and APM Terminals are among more than 30 international and domestic firms that have bought bid documents for the project, which will cost $1.3Bn. Plans envisage the creation of an international container transhipment terminal.

Construction work is expected to begin early next year and the first phase of the terminal will be ready for operation by middle of 2011.

By end of 2012, when all the three phases will be completed, vessels of 12,000teu will be able to call at the new port, which will have a handling capacity of 5.3M teu a year.

This is the second time bids have been called for the project. The first tender was cancelled on security grounds as the successful consortium included two Chinese companies.
New forum tackles bunkering dangers

Moves are afoot to create a new international forum to counter accidents in ports during bunkering operations.

An initiative prompted by BP Marine & Energy Lubricants brought together representatives of bunkering companies and port authorities in London. The meeting heard the initiative was prompted by a fatal accident in Cadiz in March 2007.

Participants felt there was a void between regulations covering ships’ operations and port activities with bunkering coming under port authority bye-laws, but with little proactive follow-up of operation and most authorities depending on port state control for inspections.

Frédéric Baudry, chief executive of BP Marine & Energy Lubricants said: “We need to connect the dots to have impact.” Peter Broad, of the company’s marine business team said: “When it all goes wrong people get killed.”

Ron van Gelder, adviser DGMR transport and environmental policy for the Port of Rotterdam, observed that bunkering was a “forgotten child”, with regulations concentrating on sea transport. Rotterdam was a very busy bunkering port with some 20,000 operations a year. In 2006 we had only 23 incidents”, he pointed out.

He agreed there were problems during mooring and said the port was investigating ways of improving those operations.

“Port authorities have a very important role to play with enforcement,” he said. “Dutch and Belgian ports have a checklist to be completed for bunkering operations. Usually these matters are covered by port bye-laws.”

UK shipping minister Jim Fitzpatrick is to be invited to another meeting later this year to discuss the issue. While those at the meeting felt that more regulation is necessary and that IMO should be the correct forum for this, IMO has said in the past that it covers flag states rather than port activities.

Port updates

MURMANSK MOVES

The state-owned Russian Railways company (RZD), run by Vladimir Yakunin, has acquired a blocking stake in the new management company to run Murmansk port, on the Barents Sea. Yakunin has already taken controlling stakes in other ports on the Baltic and the Black Sea.

100 YEARS YOUNG

Two ports celebrated 100 years of trading as 2007 drew to a close. The Port of Los Angeles (PoLA) celebrated its 100th birthday with a “We’re officially celebrating our past and ushering in our next 100 years,” said PoLA executive director Geraldine Knatz. The Port of Nagoya is also celebrating 100 years and earlier in 2007 a joint event to discuss the future was held in the Japanese port to commemorate the occasion.

SUPPORT FOR PLANS

The Port of Napier has gained support for its expansion plans from Hawke’s Bay Regional Council, which said it “welcomed” the NZ$47M ($37M) development scheme for a new multi-purpose berth to accommodate larger vessels. “Hawke’s Bay is heavily dependent on its export markets and therefore on its port. This sort of multi-million investment wisely used every 15–20 years helps the whole region to keep moving ahead. It is vital to keep the growth happening to secure the port and the region’s future,” said a council statement.

INDIA’S LARGEST STARTS

DP World Cochin (India Gateway Terminal) has awarded a $150M contract for the first phase of the International Container Transhipment Terminal (ICTT) at Vallarpadam, off Cochin, to the Simplex Consortium, a publicly listed civil engineering and construction company. Construction was expected to begin as P&H went to press and be completed in 24 months. This first phase will provide 600m of quay, 30ha of yard and six super-post-Panamax cranes. By the first quarter of 2009. Capacity will then be 1M teu.

Rivals in new dialogue

Past port rivals Rotterdam and Antwerp have been brought together for the first time to discuss possible areas of cooperation. Meeting in Willemstad, in the south Netherlands almost midway between the two facilities, executives from both ports heard how a survey of major users called for more integration between the two, particularly over hinterland links.

The survey was conducted by the University of Erasmas, Rotterdam, and the Institute of Transport and Maritime Management in Antwerp. It suggests that the ports may have missed past opportunities to improve road and rail links.

The ports are 100km apart and are jointly expected to undertake on a larger scale. He warned delegates that the MSC Napoli was a “baby” compared with the latest newbuildings and that the cranes and port facilities required for such casualties were not available.

MSC Napoli was only a “baby” warning

The IUMI conference heard that ports would not be able to cope with a similar incident to the MSC Napoli if it was repeated with a much larger container ship.

The UK’s regional counter-pollution officer, Ian Jackson, told the conference that the major salvage operation for the vessel would be much harder to undertake on a larger scale. He warned delegates that the MSC Napoli was a “baby” compared with the latest newbuildings and that the cranes and port facilities required for such casualties were not available.
**Dredging**

**NEW ORDER FOR UKD**

UK Dredging (UKD), a division of Associated British Ports (ABP), has announced an order for a new £16M ($33M) suction hopper dredger to be constructed by Dutch-based Barkmeijer Shipyards. Due to enter service in mid-2010, the vessel will have a hopper capacity of some 2,300m³. At 75 m in length, it will be large enough to operate in the open sea, and have the manoeuvrability and precision to dredge in enclosed docks. 

More info: www.ukdredging.com

**COCHIN CALLS**

Cochin Port Trust (CoPT) has floated global tenders for dredging the port and approach channel. The project has capital dredging elements, to deepen the channel and container terminal berth basin to accommodate 14.5m draught ships and calls for maintenance dredging of the port between 1 March 2008 and 31 December 2010. The work is expected to remove 26.5M m³ in the capital dredging and 40.5M m³ in maintenance dredging. 

More info: www.cochinport.com

**BRAZIL’S OBSESSION**

Brazil’s Minister of Ports, Pedro Brito, has pledged to spend Reais1Bn ($550M) in 2008 and another 140M ($33M) suction hopper dredger announced an order for a new £16M ($33M) suction hopper dredger to be constructed by Dutch-based Barkmeijer Shipyards. Due to enter service in mid-2010, the vessel will have a hopper capacity of some 2,300m³. At 75 m in length, it will be large enough to operate in the open sea, and have the manoeuvrability and precision to dredge in enclosed docks. 

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More info: www.cochinport.com

**NEW JERSEY DEEPENING**

The project will increase the channel’s maximum depth from 12m to 14.5m draught ships and calls for maintenance dredging of the port between 1 March 2008 and 31 December 2010. The work is expected to remove 26.5M m³ in the capital dredging and 40.5M m³ in maintenance dredging. 

More info: www.cochinport.com

**DPW share bonanza**

Dubai-based international port and terminal operator DP World (DPW) is now a publicly listed company. It was admitted to Dubai’s official securities list, the International Financial Exchange, through an initial public offering (IPO) in November.

The offer price for the company’s IPO was set at $1.30, which was at the top of the book-building range, valuing the company at $21.68n.

“Our decision to list was related to our feeling that we should see a market valuation for the company,” DPW chairman Sultan bin Sultayem, told P&H at the launch of the IPO, adding that the decision to list was unrelated to government policy. “The IPO’s being done on a commercial basis. It’s a commercial decision.”

Although the money raised from the IPO is a large amount, about $4.68n, DP World itself will not benefit directly because the proceeds will pass to Port & Free Zone World, a Dubai-government owned company and formerly the sole shareholder of DPW.

Port & Free Zone World sold 23% of the company, which amounts to 3,818M shares. That includes a 572M over-allocation option granted to DPW’s banking advisers which was to be exercised within 30 days of the offer’s closing date of 26 November. Demand for the share offer was strong - the IPO was 15 times oversubscribed – so strong in fact that, on 19 December, Port & Free Zone World increased the size of the offer by 3%.

“We have seen strong demand both internationally from institutional investors and in the UAE from retail investors. To help meet that demand we have decided to increase the offering,” explained bin Sulayem.

About 10% of the shares were issued to retail investors, 25% went to holders of the Islamic bond issued in 2006 with the remainder going to institutional investors.

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**Ocean’s 53**

The first 53ft containers suitable for deepwater shipments, called Ocean53, have been introduced into service across the Pacific Asia to the US by APL.

The appeal is thought to be for major retailers in the US who hope to take advantage of ‘big-box’ economics. “There’s a long list of shippers waiting for these boxes because they understand the potential for cost reduction and improved transit times,” said Bob Sappio, senior VP, transpacific trade for APL.

The first full boxes were loaded at the Port of Chiwan bound for APL’s Global Gateway South marine terminal in the Port of Los Angeles.

The new Ocean53 containers are longer and wider than containers currently employed in ocean trade lanes. They’re built to withstand the rigours of deep-sea containership transport, unlike 53ft boxes already in use in US domestic trade, rail and barge transport.

Shippers will be to load more cargo in Asia with fewer containers, said Ron Widdows, CEO of APL. He hopes that this will lead to reduced container handling and less congestion at ports.

Transit times should be improved as shippers eliminate the need to transfer cargo from smaller containers into 53ft boxes at US distribution centres.

Widdows added that the bigger box should save money for customers by reducing congestion on land. “That’s big-box economics,” he stated.

More info: www.apl.com 

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**Equivalent unit: The first 53ft sea container is moved**

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More info: www.apl.com
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A new announcement means that the AUSS1BN ($878M) redevelopment of Sydney's Port Botany expansion has moved a step closer. New South Wales prime minister Morris lemma announced the contractor for the biggest port expansion the state has seen.

Lemma declared that the massive infrastructure project would see a 60ha expansion to cater for growth and reinforce the port's reputation. The project would be undertaken by a joint venture of Baulderstone Hornibrook and Jan De Nul.

“The Port Botany expansion is one of the NSW Government’s most critical infrastructure projects,” he said. “Trade through Port Botany was worth more than AUSS40Bn last year, and that figure is expected to double over the next 20 years. “The Port Botany expansion is set to deliver 9,000 jobs to NSW and boost the state’s economy by $16Bn during the next two decades. Expanding the port to accommodate that growth ensures Sydney’s position as a world-class trading city. “Trade is the lifeblood of our economy. The NSW government is investing now to keep our economy growing in the future. “Construction on the site is expected to begin this year and international tenders for a stevedore to operate in the expansion area are expected soon. The first berths should be ready for trade by 2012. Port Botany handles a third of Australia’s container traffic. More than 100 planning conditions have been imposed for the Port Botany expansion to protect the bay’s environmental health and local amenity.

Port Botany set to expand

Cash & Cargo

CHINA BREAKS RECORD
China’s annual container throughput reached the 100M teu mark in December, exceeding the 2006 total of 93M teu. A ceremony at the port of Tianjin marked the occasion. Last year, the country handled 5.68bn tonnes of cargo. Twelve ports recorded cargo throughput of more than 100M tonnes. Shanghai has become the world’s busiest port, with a total of 530M tonnes.

SWEET INVESTMENTS
UK trading company ED&F MAN is to invest some Reais150M ($85M) in a 17,000m² sugar terminal at the port of Suape, northeast Brazil. The UK company forecast that by 2014 it will be exporting about 1M tonnes of sugar to north Africa every year. The move puts ED&F MAN in a good position to diversify into ethanol production and exports.

BARGE BONUSES
Marseilles is to establish a new port fee for river barges to stimulate the transport of containers by river, the Port Autonome de Marseille (PAM) said. This will make it about 35% cheaper for river barges to move boxes when compared with other transport modes. The PAM said the tariff or port fee would be calculated according to the number of containers moved. Its pro-river trade policy is to be enhanced by two new Panamax cranes at the Fos terminal. Both units will be exclusively used to load and discharge goods from river barges.

River barge trade has grown 10% in the course of 2007, PAM said. It rose 13% from 2005 to 2006 when 57,768 containers were moved to and from Fos by river barge.

OMAN’S $939M PLAN
In its biggest five-year plan, Oman is to launch a RO359M ($939M) infrastructure development programme covering port, marine affairs, road and civil aviation projects. Marine works at A’Duqm Port will go ahead at a cost of RO186M and the RO4M phase two of Sohar port will be started, to be followed by phase three.

MENTALITY CHANGES AT PORT
Port of Rotterdam Authority president and CEO Smits detailed the change in “mentality” at the organisation in the three and a half years since corporatisation, saying it was a “major challenge” that he faced.

Speaking at the graduation ceremony for the master of science programme in maritime economics and logistics (MEL) at Erasmus University Rotterdam, Smits said that the role had changed from that of port police to a real estate manager and a policy-maker in the interest of the port users, the local communities and the Netherlands as a whole. Describing the growth of the Port of Rotterdam as “impressive”, he went on to outline the capacity constraints that all ports in northern Europe are facing.

At the ceremony, Alexandros Karydis, from Greece received the Maersk-sponsored prize for best thesis from Maarten Tromp, director, intermodal & equipment – Central Europe, Maersk Line. His work was entitled ‘Anatomy of transaction costs in intermodal networks: an entropy simulation’. Tromp said companies like Maersk welcomed scientific studies on the effects of vertical integration in the logistics sector, of the kind presented in the winning thesis. The NOL/APL award for student excellence was awarded to Edwin Leong, from Singapore, by Peter Jongepie, MD, APL Benelux.

The ceremony also saw 34 new professionals gain their degrees in MEL. The programme has been running successfully for seven years, with more than 250 of its graduates employed in key maritime-related sectors around the world.

More info: www.maritimeeconomics.com
DP World rolls out ISO 28000

Marine terminal operator DP World is planning to implement the ISO 28000 security management system worldwide. “Our goal is to have every one of our global network of 43 terminals certified in a planned roll-out programme over the next three years,” David Fairnie, director of security at DP World, told the Telematics Update conference on Container Tracking and Security in Dubai.

Of the various benefits DPW attributes to implementation of the ISO 28000 standard, the most important is an improvement in the bottom line and membership of the US Customs-Trade Partnership Against Terrorism (C-TPAT) programme.

To start with, a pilot project in Djibouti was chosen, which ran concurrent with a programme at the company’s head office in Dubai. Both sites have since qualified for ISO 28000 certification.

A further four terminals – Vancouver, Puerto Cárdenas (Dominican Republic), Southampton and Tilbury – have also been certified.

DP World began a security review back in 2005 after implementing the ISPS Code. “We analysed and reviewed our options, concluding that the ISPS Code provided a strong foundation, but that ISO 28000 security management systems, in our opinion, would build considerably on this base.

“This standard, with its focus on quality management of security, is, we believe, the highest level of security standard in our industry today,” Fairnie told delegates. ISO 28000 works right across all the practices and process of the entire group, he explained, at both the strategic and terminal level.

The standard also helped the company stitch together current and evolving security standards and practices that were prevalent when the company did its security review back in 2005, Fairnie added.

Ipswich feeds off congestion

China Shipping Group (China Shipping) has been using the Port of Ipswich – owned and operated by Associated British Ports (ABP) – for container exports to beat the UK’s port congestion.

Feeder services have been running from the port’s West Bank Terminal to Zeebrugge, Antwerp and Rotterdam, carrying 250,000teu per voyage.

The new business comes on the back of increased congestion in many of the UK’s container-ports. Bryan Boreham, manager of China Shipping’s equipment control department, said: “The volume of the UK’s container trade with the Far East has increased by 27% this year [2007] alone. This, combined with the increased size of modern deepsea container vessels, means that boxes are entering the country faster than they can be returned to their point of origin.”

He said the company had set up a combined storage and handling operation at Ipswich. “This offers an important ‘safety valve’, and enables us to return containers to circulation as quickly as possible”

Alastair MacFarlane, port manager for ABP’s East Anglian ports, said: “We are pleased to welcome China Shipping to Ipswich, and look forward to developing our relationship with them over the coming months”.

Ipswich was able to provide flexibility and process different cargoes and trades, he continued. “We are able to load a container ship fully in less than a day, minimising turnaround times, and providing the most efficient service possible to our customers.”

TraPac terminal lives at last

Los Angeles has approved the expansion of the TransPacific (TraPac) terminal, marking the first definite step for four years in the long-delayed project. Harbor commissioners voted unanimously to endorse the 1,000-page environmental review, which recommends that the 70ha terminal be increased to 97ha to enable throughput to rise from 900,000teu to 2.4Mteu by 2025.

More bureaucratic hoops lie ahead, including approval from the city council and state and federal agencies. Some eco-pressure groups are unhappy, with the Coalition for Clean and Safe Ports saying the expansion will be “a major undertaking that guarantees negative impacts on the environment and community health, especially in the near-term”.

Cash & Cargo

SWEDISH UPGRADE

The Port of Helsingborg has embarked on a SEK500M ($78M) improvement programme that will see a new container crane delivered for the Skåne Terminal by May, quay strengthening and reorganisation of container handling. The port’s sales director, Kjell-Åke Ranft, said the improvements at the municipally owned facility would have to be “self-financing”. Helsingborg saw a 45% rise in container traffic in the first eight months of 2007, he said.

BOX BOOST FOR BARGES

Asian imports have been largely responsible for the 26.4% leap in container trade at Le Havre, which reached 2.2M teu in the first seven months of 2007 according to the Port Autonome du Havre (PAH).

“Container imports, mainly from China, have increased 34% during the first seven months of the year,” PAH said. As a consequence, inland waterway trade from Le Havre to Paris has increased 48.1% to 132,000teu. Containers moved on river barges now account for 9.7% of the mode split of goods moved to and from Le Havre.

Meanwhile, container imports grew by 19.6%, PAH said. Le Havre moved a record 250,000teu in October.

BUYING INTO MEXICO

MTC Holdings, the parent of Marine Terminals Corp, is to buy an inland Mexican terminal, broadening its reach in that country. The facility, with a capacity of 150,000teu a year, covers 53ha 65km west of Mexico City and is situated on the Kansas City Southern-controlled railway that connects the ports of Lázaro Cárdenas and Manzanillo with Laredo, Texas, at the US border.

EXPORTS DOUBLE

Cape Lambert is likely to become Australia’s biggest export port by volume when Rio Tinto completes its export target of 420Mt tonnes per annum (mtpa) through this port and Dampier by 2018.

The upgrade would see the ports of Cape Lambert handling 280mtpa and Dampier handling 140mtpa.
Auckland’s ex-MD honoured

Ports of Auckland’s recently retired MD, Geoff Vazey, has been honoured by the New Zealand Chartered Institute of Logistics and Transport (CILT) with a prestigious award recognising his outstanding contribution to the logistics and supply chain sector and the community.

Presenting the Sir Bob Owens Award, CILT president Peter Snow said that during 19 years with Ports of Auckland, Vazey had made “a vast contribution” to the community and to the logistics and supply chain environment.

Through Ports of Auckland, Vazey had been involved in many community and education projects, Snow added.

He had been instrumental in establishing the chair in logistics and supply chain management at the University of Auckland Business School and in the appointment of the University’s first visiting professor of logistics and supply chain management.

Projects supported by Vazey included helping to establish an environmental group to clean up Auckland harbor, farming and release of juvenile snapper in the Hauraki Gulf, and the provision of two inflatable rescue and support boats for use by sea scouts.

Vazey is only the third recipient of the award. The two previous winners were the Hon Richard Prebble and Dr Robin Dunlop.

Delhi agrees Mumbai box terminal

India’s cabinet committee on economic affairs yesterday gave its approval for the development of an offshore container terminal at Mumbai port. The terminal will be built on the public-private partnership model and build, operate, transfer (BOT) basis.

It will be developed under a licence agreement between Mumbai Port Trust and a consortium of Gammon India, Gammon Infrastructure and Dragados of Spain. Mumbai Port Trust will provide capital dredging and navigational aids, help the infill of Prince’s and Victoria Docks, lay rail track for the container depot and provide environmental management.

Total project cost is estimated at Rs12.28bn ($311M), of which the BOT operator will contribute Rs8.68bn and the Port Trust Rs3.68bn.

London: emergency services were put through their paces

Emergency services put to the test

A simulated explosion in ship’s engine room put crews from the Port of London Authority, local emergency services and the UK’s Royal National Lifeboat Institution to the test during an exercise on the River Thames.

The event simulated a fire aboard a Cobelfret ferry, downstream of the QEII Bridge on the Dartford side of the Thames. The vessel had fake casualties, was pretending to have trouble manoeuvring, and was suffering a mock fuel leak.

The Port of London Authority, together with the other services worked to rescue the ‘casualties’, tackling the fire, ensuring the safety of other vessels and stemming the oil leak.

Port of London Authority chief harbour master David Snelson said: “Safety’s our top priority and we work hard to ensure incidents don’t happen in the first place. However, it’s important to be prepared for the worst, and that’s what this exercise was about.

“The practice helped us identify ways of improving our game so that we’re properly prepared should a real incident happen. It’s rare to have the opportunity to use a real ship for an exercise and, on behalf of everyone involved, we would like to thank Cobelfret for their involvement.”

Euroship MD Frank Davies added: “Any incident on the Thames involves a number of emergency services, so it is really important for them to have the chance to practise working together”.

People

AMERICAS REACH

The Port of Halifax has announced that Paul DuVoisin has been retained as commercial director to work on behalf of the Port of Halifax in key American markets. Based in New Jersey, DuVoisin will concentrate his efforts in the markets of Chicago, Buffalo, New York and New England.

DuVoisin has 25 years of experience in international shipping and logistics. As a senior VP and GM for P&O Nedlloyd, he was responsible for business units in North America, Australia, Europe, the Middle East and Latin America.

YOUNG EXECUTIVE

Andrew Body, the MD of Hyder Consulting (New Zealand) has won the Ports of Auckland’s Axis Intermodal Young Executive of the Year award.

It’s presented to a young person who has shown high potential through his or her achievement in supply chain management, logistics and transport.

Body began his transport career at the Ministry of Transport, and at the age of 29 was responsible for a budget of more than NZ$2M ($1.5M) as the policy and strategy manager.

GEORGIA REPRESENTATIVE

Doug Marchard, executive director of Georgia Ports Authority, has been elected as South Atlantic representative to the American Association of Port Authorities’ Executive Committee. The post means he’ll also serve on the US Legislative Policy Council, which reviews AAPA’s legislation and governmental relations programme.

MAHER MATTERS

Maher Terminals’ management team no longer includes any Maher family members — though Brian and Basil Maher do remain on the board. Owner RREEF Infrastructure announced John Buckley’s appointment as chief executive and Joe Curto’s as president. Donald McBeth becomes EVP strategy and business development, Randall Mosca EVP and CFO, Anthony Ray EVP Port Elizabeth operations, and Frans van Riemsdyk EVP sales and marketing.
HK cruise terminal tender

Hong Kong’s government has reopened tenders for the development of a $300M cruise terminal at the old Kai Tak airport site in Victoria Harbour that it hopes will turn the port into a regional cruise hub.

This is the second call for bids after proposals put forward in the first attempt two years ago failed to prompt any follow-up from city officials. This time the government has stipulated that bidders must have a minimum of three years’ direct experience in running a cruise terminal handling at least 200,000 passengers a year.

The tender process will close on 7 March and the winner will be announced in the second quarter of the year.

The successful bidder will have a generous 50-year lease to develop the 7.6ha site. The first berth is scheduled to enter service in 2012. Hong Kong has just two berths to serve the rapidly growing passenger cruise industry and is fast running out of space.

Some 16 lines use the city as a port of call, and in 2006 more than 300,000 people poured into town through the Ocean Terminal.

Large cruise ships are forced to dock at the container terminal, which is not popular with passengers. Recently Hong Kong was unable to accommodate the 149,000gt Queen Mary 2.

Cosco invests in Haicang

China Cosco Holdings said its Xiamen subsidiary will invest $126M in a container terminal joint venture in the busy mainland port. The Hong Kong-listed company told investors that Cosco Pacific would team up with Chinese partner Xiamen Haicang Investment General Co to establish the joint venture facility in Xiamen.

Total investment will come to $537M, which will go towards constructing and operating the terminal at the port of Haicang.

Funding will be through internal resources and external financing. Haicang terminal is located in the Fujian city of Xiamen, which is a major deepwater port in southeastern China.

In 2006, Xiamen port handled 4M teu, a year-on-year increase of 20%, making it the seventh busiest port in China. It has been mooted as the gateway for direct trade from Taiwan.

The Xiamen city government wants the port to become an international hub facility and has forecast that its throughput will reach 8M teu by 2010.

States in port accord

A new port in South Carolina’s Jasper County is still a decade away, but governors of that US state and its traditional rival Georgia have agreed to co-operate in building the facility.

A new new deepwater ports planned for the Carolinas, as North Carolina is moving forward with plans to build the North Carolina International Port on the Cape Fear River near Wilmington.

The Jasper facility will be directed by a bi-state board, according to Bill Stern, who chairs the South Carolina State Ports Authority, which already operates ports in Charleston and Georgetown. “It gives us the ability to own the land 50/50,” he said. Without this agreement the chances of the two states going it alone in Jasper were “zero”, he explained.

Under the pact, each state will contribute $3.5M to buy the land from the Georgia Department of Transportation and another $3M each to set up the agency that will develop the port.

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Keeping security measures risk-based

The US caused dismay in maritime circles with its proposal for 100% scanning of import containers. Patrick Verhoeven discusses the implications.

The US legislation that paves the way for 100% scanning of containers, the Implementing Recommendations of the 9/11 Commission Act of 2007, signed by President George W Bush on 3 August 2007, has caused considerable consternation in port and shipping circles worldwide. The provision that, as from 1 July 2012, all US-bound maritime containers will have to be scanned at their port of origin has also provoked strong reactions from the European Union and its member states.

In the European Sea Ports Organisation (ESPO) we have decided to join forces with other European maritime trade organisations, including those of shipowners, shippers and freight forwarders, to support the actions of the European Commission (EC) against the 100% scanning measure.

Those heading up European port authorities have no doubt that security is an important element of day-to-day operations and is here to stay. Europe has actually taken the lead in securing its ports by developing a complementary legal framework to the ISPS Code. This directive ensures that the principles of the code apply equally to the entire port area and not just to port facilities such as terminals.

The directive also requires all European port authorities to ensure that the entire area under their jurisdiction is covered by an appropriate port security assessment and a port security plan, which need to be supervised by a designated port security officer.

ESPO agrees with the EC that any member state dragging its feet in the speedy implementation of this directive should be called to order. There can therefore be no doubt that the European Union and its 800 commercial seaports, united in ESPO, are taking the security issue very seriously. In that respect, the EU has proved itself a faithful ally to the US in the common fight against the terrorism that threatens our global society.

European legislators and European ports are equally united in their belief that adequate security measures should be based on risk assessment. This is a sound principle, in which security needs are properly balanced with the efficiency requirements of port and transport operations.

By abandoning the widely accepted risk-based approach, the requirement to scan all US-bound containers threatens to disturb this balance. The implications for European – and indeed all non-US – seaports in terms of investment, congestion and bureaucracy are likely to be tremendous.

Numerous questions arise about the effectiveness of scanning equipment, the effects on port operations and the supply
Radiation: scanners, like these in Vancouver, have limitations.

The costs of introducing 100% scanning will largely be transferred to port users and shippers trading with the US.

Verhoeven: more questions than answers.

The European port involved is Southampton. These pilots are either continuing or yet have to be started, so the results have not yet been taken into account in the new act.

Various supply chain security initiatives are progressing both at international and EU level, including the work of the World Customs Organization (WCO) and the EU-authorised economic operator concept (AEO). These will provide a more effective, risk-based approach than the 100% scanning measure.

We have therefore encouraged the EC to concentrate its efforts on these initiatives and to bring the concerns of the European shipping, trade and port sectors with the unilateral US measure forward in appropriate international fora such as the EU-US Transatlantic Dialogue, WTO, WCO and others.

We hope these actions will lead swiftly to a mutually beneficial solution that is able to guarantee both adequate security levels and efficient operations.

Without a positive outcome, the effects on port operations will be extensive. Procedures will have to be put in place both to segregate US-bound containers from those bound for other countries and to facilitate the pre-loading scanning.

US-bound containers will have to be delivered to port facilities earlier than at present, so that they can be scanned. After scanning, they will need to be stored securely to await clearance from the relevant authorities. Extra terminal space will have to be provided for this segregation of container flows and in many ports this space may not be readily available.

Scanning operations will require extra manpower, not just from port operators but also from the authorities carrying out inspections. There will be effects on the smooth operation of the supply chain. Massive funds will be needed to carry out these operations. It is unlikely these will be forthcoming from EU member states or the EU or US authorities. It is inevitable that the costs of introducing the 100% scanning measure will mostly be transferred to port users – and eventually to shippers trading with the US.

Given that US exporters are not required to have export cargo screened, ESPO considers that this action will discriminate against exporters based outside the US. Apart from generating costs in ports and terminals, the measure is likely to impose delays in the supply chain, thereby adding to pre-existing congestion problems.

Other problems have been highlighted by our organisation. For instance, the chain of responsibility is not clear. Who is to perform the scanning operations? Who is to purchase, operate and maintain the scanning equipment? Who certifies that a container has been scanned and that it is acceptable for shipment? It is not clear what the implications would be if a certified container should cause an incident in the US. And, a last question for now: will there be specific requirements for scanning equipment to be used by non-US ports and who will set those standards? So far, there are more questions than answers.

Navigating to better solutions

New ideas and new technology are driving down the cost of AIS and traffic management. As P&H found out, the benefits are increasing

There’s good news for ports that have a large service fleet operating in their busy waters – the costs of tracking these vessels is going down. That means safety and efficiency are getting cheaper.

In turn, this will help expand the use of vessel tracking and management schemes to many more ports, particularly those throughout the developing world that felt they could not afford it up to now.

Once there was only Class A shipboard equipment, which conforms with IMO Solas regulations – for the open sea. At $3,000 a unit this was prohibitively expensive for ports. It was impractical to propose that these be fitted for all the service craft operating within ports. It was just not viable commercially.

However, the picture changed with the introduction of Class B, a transponder box that is available for less than $1,000. The word is that these units will become significantly cheaper in the future. By using these devices, ports can track all the vessels within its limits.

Many other costs are reducing too. At first much of the technology was based on mobile phone networks – this was the case in Singapore, for instance, which is the world’s busiest port in terms of traffic movements. Mobile telephones are no longer used for contacting the control tower with information, which cuts costs.

This leads to improved take-up of the system and has obvious advantages for the tracking of the craft, but ports can get more sophisticated with their use of this equipment – and in maximising their benefits.

There is the possibility of more tangible benefits. For instance, one supplier of equipment is holding talks with insurance companies to see if the advantages can be translated into savings on premiums.

Once again, any changes are based primarily on security issues and not on immediate safety concerns. These, though, are a welcome benefit too. UK-based SRT
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that better vessel traffic data would have helped in monitoring the area. Some 30 accidents are thought to have occurred in a very sensitive marine sanctuary between 1994 and 2006, the report, commissioned by the Washington State Oil Spill Advisory Council.

Ports can help in the collection and use of information to help in such schemes. In fact, the next step for many ports is to make smarter use of the information they have gleaned from their AIS systems. Ron Crean, business development manager for AISLive.com, said that some countries had AIS covering hundreds of kilometres, yet still undertook traffic monitoring “using a man and a clipboard”. He added: “Many ports have not taken AIS to the next level. They need to think about how to leverage this information and plug the system into something that gives more value.”

The smart way would be to link up databases from different providers, he suggested. “At the moment there are islands of information,” Crean said. “They might have information about their own harbors, but not about what is happening in the approaches or further afield.”

Services such as pilotage could also link in with other ports to know more about vessels that were due to visit their area. “The real value will come when port operators achieve a network effect,” he continued. “By linking up the major ports of the world, timely data can be extracted to be used exactly where it is needed. When the nodes of the network are interacting automatically, ports can sweat their assets, having already made the investment in AIS equipment.”

Some ports are looking at taking the use of VTMS systems further – perhaps by linking them to their internal accounting activities. “By using VTMS in this way, you can automatically know when a vessel comes into port and when it leaves. There are no arguments about how long it stayed,” observed Tucker.

Many places already have the infrastructure in place to achieve this, but do not realise it. Tucker says the systems for monitoring Class A are so powerful that a port may be using only 5% of the capacity. Utilising this will really make a port run more efficiently and safely.

Information is available on the system of all vessel statistics – so calculations can be automatic. Models are also available to use engine details to calculate emissions – so ports can plot that too. PH
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The PHA is the sponsor of the Houston Ship Channel, which has been deepened to 45 feet from 40 feet and widened to 530 feet from 400 feet.

Facilities owned and operated by the Port of Houston Authority handle a variety of shipments, including general cargo and containers; grain and other dry bulk materials; and project and heavy lift cargo. Every year, more than 211 million tons of cargo valued at $81.6 billion moves through the Port. With plans for additional facility improvements, the Port Authority will soon expand its capabilities to drive economic growth throughout the region.
Mombasa VTMS on course

There are high hopes that a new vessel management scheme will help the African port in its programme to clear congestion, as Bridget Hogan reports.

Kenya Ports Authority (KPA) is spending some $4M in a bid to tackle a range of issues at its port of Mombasa. Integral to this is its vessel tracking and management system (VTMS).

The system will be working from the New Year and, as 2007 closed, training of the various people who will use the scheme was under way. It’s all part of a wider KPA IT strategy that intends to have a paperless operation in place by 2010.

Kenya enjoys a strategic location as a gateway to East Africa – no other country in East Africa has as large a port facing the Indian Ocean. Kenya’s development projects are aimed at taking full advantage of this gateway and improving the distribution system.

The planned way forward is to improve marine operations and ensure the safe and smooth control and handling of navigation within the port area by means of a link to an external databank of vessel data.

The project is set to deliver port management with an exact knowledge of the position of vessels and their estimated and actual times of arrival at the various passing points, such as the pilot station.

This information is then tied in with resource planning and automatic allocation of berths. The system is geared to deciding the optimum berthing schedule and positions, taking into account various conditions, priorities and constraints.

It will allow for automatic adjustment when ships that are planning to call at Mombasa change their schedules. The system will further improve utilisation of berths by automatically allocating terminal equipment for loading and discharging activities. It will help in the allocation of human resources and will automatically make up a schedule of workers and
Control: the port expects to have more control over vessel movements and berthing allocations.

In fact, there will be daily job assignment by user-definable parameters and the workers’ data and productivity will be held in the database so that performance can be analysed.

The system was supplied by Transas Marine UK, which signed a contract with the KPA to supply, install and commission the Mombasa VTMS.

Transas says the system will be installed and officially handed over to KPA next month. The main operator control room will be located inside the port’s brand-new 70m-high port control tower, while additional equipment will be installed at Ras Serani station, Likoni sector light and KPA headquarters.

The contract represents a significant investment for KPA, and is part of a trend around the world for ports to take a more standardised control of vessel management, in a rather similar way to their counterparts in aviation.

The first ports to install VTMS were in Europe and North America. Now the roll-out continues around North Africa and throughout the continent. At the same time, in consequence of an initiative by the International Maritime Organization, more vessels are working with e-navigation and e-charts. These will link with systems such as that being introduced by KPA.

The word is that IMO is poised to put pressure on ports to take up their full role in the fight against terrorism and show that they are actively undertaking surveillance in their waters.

Mombasa’s new VTMS will tie in with the e-navigation trend on vessels. Radar and transponders will be overlaid and data on vessels supplied.

The project has been co-ordinated by Transas Marine UK, and general manager Chris Loizou said: “The end result of the contract will be one of the most modern and powerful coastal surveillance systems installed anywhere in the world this year. We are grateful to KPA for their support and have worked closely with them to ensure that the system is delivered to specification, and successfully commissioned on time and within budget.”

Transas has supplied two high-performance coastal surveillance radars, closed-circuit television, automatic identification system (AIS) base stations, VHF and HF base stations and other ancillary equipment. Also included in the installation was Navi-Harbour software and the powerful ORS3 radar processor system.

The benefits for the KPA include being able to show that the port has an up-to-date, professional navigation system.

The introduction of the system means changes in the working for KPA. From the manual system, highly trained operators will be working round the clock in the new control tower.

And there’s more. Another aspect of Kenya Port Authority’s technology spend is the Kilindini Waterfront Project, which is geared to the berthing and cargo handling operations. The port authority has an ambitious project to merge the two systems and so get the best use out of both.

Charles Wyng of Transas explained that the new system would mean that radio traffic around the port would be reduced. “The operators in the control room will know where the vessels are and know where the pilot boats are,” he said. “The safest point of approach for vessels will be automatically generated.”

And he added: “Guard ranges and automatic alarms can be set so if the port authorities do not want vessels to go into a certain area, they will be informed if a ship strays into it,” he continued. “The KPA has automated what can be automated.”

KPA said in a presentation of the new computerised port systems, including VTMS, that there would be enhanced security because fewer people would be needed in operational areas.

In addition, document security would be tightened, through limiting access to users in possession of a password. Port users should also see benefits as documents are standardised and procedures become more user-friendly.

The KPA is hoping to see reduced overhead costs at the port as efficiency improves and the turnaround of vessels is speeded up. PH

More information: www.kpa.co.ke www.transas.com
Long supply chain weaknesses

China is the economic engine of the world at the moment – but in serving markets as far away as the US and Europe, it has created long supply chains that are severely out of balance. Bridget Hogan examines the implications.

Cheap transport and logistics costs, particularly maritime container carriers, have allowed these long chains to develop, but now there are signs that this system may be under threat and not as strong as earlier thought. London-based consultant Drewry Supply Chain Advisors has looked at specific apparel markets in the US and the UK and concludes that there are efficiencies that can be released.

If retailers source some products from intermediate offshore markets – Romania for the UK and Mexico in the case of the US – faster supply chains would result. Drewry compared end-to-end delivered product costs for men’s shirts and has published the findings in a white paper, entitled Will China’s apparel supply chains become uncompetitive?

The long supply chains could indeed make it so for some areas, the Drewry team concludes, as receivers become more sophisticated in dealing with the logistics supply chain. Then they will seek out ‘logistics opportunity costs’ and reduce supply chain length.

These costs cover cost, or loss of income, from higher inventory, stock outs/lost sales and obsolete stock.

In studying men’s shirts imports into the US and the UK, Drewry identified that although low logistics and ocean transport costs made China competitive for direct delivered costs, its less advantageous geographic
Cargo leaves Shekou Container Terminal, China, for the long journey to market

The Drewry team, estimates – shifting to other areas. The minimum order size that Chinese factories demand shippers commit to does not allow flexibility in the high street stores, where retailers want to respond quickly to shopper demand.

In addition, feeding this demand can take time, as the major markets are so far away from China. Responding to an order from the UK, the logistics element takes suppliers eight days from Romania, compared with 40 days from China, for instance.

All this, when factored in with customs regulations and import duties mean it is only a matter of time before retailers and their suppliers turn attention to the supply chain, says the Drewry team. The stock life of woman’s wear – a much more volatile area than men’s shirts used in this study – is only eight weeks says Drewry.

Past studies show the costs of ordering clothes over long distances. One estimate, from David Hummels of Purdue University, said that each day spent in transport reduces the probability that the US will source from that country by between 1% and 1.5%. He also estimated that each day saved in shipping time is worth 0.8% ad-valorem for manufactured goods.

Despite the short product life-cycle of clothing, there is little evidence that shippers are changing their buying patterns yet. In the UK shirt market, the top sourcing countries are Bangladesh, China, India and Indonesia. In the US the favourite sources are China/ Hong Kong, Bangladesh, Indonesia and India. For this market, Mexico is in only seventh place.

However, Drewry points to a successful European high street fashion retailer with a different policy. Spanish-based Zara claims to need just two weeks to develop a new product and get it to stores and it launches about 10,000 new designs a year.

Stores are replenished twice a week. This allows the company to keep low inventories, with frequent restocking to introduce new products. Zara produces most of its clothes in Spain, close to its European outlets. In fact, it has based some of its operations near ports or logistics centres linked to ports.

In the UK many retailers may place first orders with a distance supplier, but increasingly they are depending on those in nearer countries, such as Hungary, for repeat orders, says Drewry. This gives them lead times of seven to 10 days, even though production costs may be higher. In addition, no import duties are attracted.

A switch to intermediate markets such as Romania and Mexico would have “severe implications” for ports, shipping and logistics, observes Drewry. “Transport time and reliability are so important,” said researcher Philip Damas. “Importers and shipping lines are seriously underestimating direct logistical costs.”

To keep these trades, both shipping lines and ports need to work on new solutions, including a wider application of hot hatching. Damas says that containers with priority cargoes should be worked first when a ship is in port.

This is the equivalent of buying a first class ticket, says Damas – like being fast-tracked at the airport. PH

More info: www.drewrysupplychains.com
Linking it all up

A survey from the World Bank shows how port logistics services have helped speed up supply chain links, as *P&H* reports.

It is not just port facilities that make the world’s trade move smoothly between the land and the sea. Ports are increasingly aware that they are an important part of the supply chain and are working to help speed cargo through.

A stark illustration of their role is made in a World Bank survey of logistics services and their impact, called *Connecting to Compete – Trade Logistics in the World Economy*. The most developed systems are, unsurprisingly, in the more developed countries and the developing countries are finding it harder to take advantage of modern logistics.

One example the World Bank chose was landlocked Chad. Importing a 20ft container from Shanghai to its capital Ndjamena takes about 10 weeks and costs $6,500. Importing a similar container to a landlocked country in western or central Europe would take about four weeks and cost less than $3,000, it says. Yet the shipping costs and delays from Shanghai to Douala, the gateway for Chad, and to west European ports are essentially the same. So what accounts for the large difference in time and cost?

The answer, according to the World Bank, lies in better processes, higher-quality services and the operating environment. It pointed to the seamless, paperless systems used to manage the inland shipment, perhaps from a facility such as the 8ha logistics centre at the port of Le Havre.

Transport within Europe would take less than three days. And to add value for its client and generate more business, the forwarder could provide additional services, such as improving the client’s internal distribution practices.

In Chad the process would be different. While only five days should be needed to move the container from Douala to Ndjamena, the actual time would likely...
Mariners depend on Aids-to-Navigation (AtoN) to keep their crew, vessel and cargo safe. By adding AIS to navigational aids, safety and awareness are dramatically increased through the transmission of AtoN status and real-time weather information to vessels at sea. AtoN AIS also provides maritime authorities with the ability to locate and recover lost AtoN assets, and to monitor AtoN networks from shore. AtoN AIS can also be used to improve maritime domain awareness and increase the mariner’s awareness of high value offshore installations or environmentally sensitive areas. The ocean just got a little bit safer and L-3 is leading the way.
Supply chain: Bertschi's new rail terminal in Rotterdam links with shortsea routes too.
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Malacca Strait milestone

Economically and strategically the Strait of Malacca is one of the most important shipping lanes in the world. Here Cheah Kong Wai describes efforts to involve users to share the cost of keeping it safe and secure for navigation.

It is difficult to under-estimate the worth of this vital waterway. It connects the Indian Ocean and South China Sea and over 65,000 ships of 300grt and above passed through in 2006 while they transported nearly half the world’s oil supplies and a third of its trade. Booming East Asian economies like Japan, China and South Korea directly depend on the Strait of Malacca (SoM) for the import of their energy supplies and exporters from west Asia perceive it as crucial to maintain supplies of oil to these energy power-hungry industrial giants.

The SoM is also the shortest and most convenient sea route for naval vessels plying the two oceans – an added strategic dimension that attracts extra-regional powers’ interest in terms of its safety and security. Then there are national and local issues affecting the economic, environmental and political well-being of the three littoral states: Malaysia, Indonesia and Singapore. A monumental effort is required to balance global and national perceptions of the strait.

It is on the front line of global trade growth with vessel traffic, increasing by 49% between 1999 and 2006. If statistics for smaller vessels, cross-strait traffic and fishing boats are included, the traffic volume would be even higher. As such, the potential for congestion in the SoM can be appreciated.

Three of Malaysia’s main ports, Port of Tanjung Pelepas (FTP), Port Klang and Penang Port, are located in the SoM. Landings from the SoM contribute some 53% of the overall fish harvest in Malaysia and support a sizeable economic activity. Popular tourist spots such as the islands of Langkawi with its marine park, Penang and Pangkor, and the beaches of Port Dickson are all in the SoM and attracted 9.5M tourists in 2006.

The economic importance of the SoM to Malaysia is clear. It is acknowledged as a strategic sea lane and of geopolitical interest for extra-regional powers, so the challenge for the three littoral states is to provide navigational safety and maritime security for vessels using it.

Malaysia has been diligent in fulfilling international responsibilities, vis-à-vis Article 43 of the United Nations Conference on the Law of the Sea (UNCLOS), by installing and maintaining state-of-the-art navigational aids and implementing systems to support safe navigation. These include investment in the Automatic Identification System (AIS) and vessel reporting system.

Malaysia has spent more than $200M on putting these systems in place and nearly $50M more on...
upgrading and maintaining them over the past 10 years. The annual maintenance cost is about $6.3M. These figures indicate the financial commitment Malaysia has shouldered to meet its role as a responsible state bordering a strait.

Now what of the users? Article 43 of UNCLOS, ‘encourages’ user states to co-operate with littoral states in matters concerning safety of navigation and environmental protection.

However, so far, only Japan has contributed financially towards the expensive aids to navigation projects implemented by the littoral states. In this context it is interesting to note that approximately 80% of vessels plying the SoM are in transit and so do not pay any dues for the privilege of their passage. They enjoy the services, but do not pay for them.

Maritime crime in the form of sea robbery and piracy historically committed sporadically in the SoM only became a matter of concern to user states as a result of a rise in reported cases following the Asian financial crisis in 1977. Incidents rose to 37 cases in 2000 at their highest. In the context of risk exposure, comparing the number of reported cases with the volume of traffic, the risk of an attack is only 0.02%.

However, the terrorist attacks of 11 September 2001 further aggravated the problem for the Strait of Malacca when maritime security analysts started theorising on the use of a ship as a floating bomb and the nexus of terrorism and piracy. The misplaced theory of a nexus between piracy and terrorism appears more a result of post-9/11 paranoia rather than being based on fact.

In addressing the security issue, new co-ordinated sea patrols and joint air surveillance services were initiated by the three littoral states. At the same time, it was made clear to extra-regional powers that Malaysian territorial sovereignty and maritime integrity could not be compromised.

This has been effective: the number of reported sea robbery and piracy cases dropped to two in 2007. Although total eradication may not be realistic, hopefully such incidents will remain low.

The call for users and user states to co-operate in the safety of navigation and environmental protection in the SoM has not had a positive response so far. It is unfair to expect the littoral states alone to provide a high level of safety and security of navigation for transiting vessels.

The financial outlay for such measures is high and the escalating cost of maintenance would be a financial burden. The threat of piracy and terrorism has, however, provided opportunities and a platform for the littoral states, together with the International Maritime Organization to again engage the user states in discussions.

For the past three years co-operation under Article 43 of UNCLOS has been discussed. User states now agree to a co-operative mechanism to support, either financially or in some other appropriate form, projects that have been identified for implementation and that will contribute either to the safety of navigation or to environmental protection.

With such commitment, it is Malaysia’s fervent hope that the co-operation will be implemented soon and that this is sustained for the benefit of all those who have a stake or an interest in the Strait of Malacca, whether directly or indirectly.

Dato Cheah Kong Wai is director general of the Maritime Institute of Malaysia.

More info: www.mima.gov.my

Malacca Strait facts

<p>| | | |</p>
<table>
<thead>
<tr>
<th></th>
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<tr>
<td>Annual traffic</td>
<td>65,000 ships</td>
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<tr>
<td>Length</td>
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<tr>
<td>Widest point</td>
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<tr>
<td>Narrowest point</td>
<td>15 km</td>
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<tr>
<td>Minimum depth</td>
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<tr>
<td>Minimum keel clearance</td>
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<tr>
<td>Malaccamax</td>
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Source: Maritime Institute of Malaysia, Marine Department Peninsular Malaysia

Cargo throughput of SoM major ports

<table>
<thead>
<tr>
<th>Port</th>
<th>No of ship calls</th>
<th>tonnes</th>
<th>teu</th>
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<tr>
<td>Port Klang</td>
<td>16,404</td>
<td>122M</td>
<td>6.3M</td>
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<td>Penang</td>
<td>6,177</td>
<td>23M</td>
<td>850,000</td>
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<tr>
<td>PTP</td>
<td>3,261</td>
<td>3.6M</td>
<td>4.7M</td>
</tr>
</tbody>
</table>

Source: Port Klang Authority & Ministry of Transport

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Innovative collaboration to keep maritime highway open

A twin strategy to draw in funds to keep the strait traffic moving and plans for a maritime electronic highway are explained by Manjit Singh and Mohamad Halim Ahmed

Agreement has been reached for a co-operative mechanism under which several user states and stakeholders committed to contribute towards safe running of the Strait of Malacca (SoM). The breakthrough came at the latest of a series of meetings held by Malaysia, Indonesia and Singapore together with the IMO in September 2007 in Singapore.

A co-ordination mechanism (CM) has been set up and the three littoral states have moved closer to gaining contributions from the wider shipping community towards the running of the waterway and development of a maritime electronic highway (MEH).

The CM represents a ground-breaking initiative and a historic milestone in international maritime cooperation, particularly in the implementation of Article 43 of the United Nations Convention on the Law of the Sea (UNCLOS). Although Article 43, established in 1982, provides for co-operation in straits used for international navigation such as the Strait of Malacca, the co-ordination mechanism is the first-ever concrete realisation of this provision.

The CM provides for the three littoral states to collectively exchange views, undertaking projects or making direct monetary contributions to enhance navigational safety and the environment in the strait.

There are three components comprising the CM. A co-operation forum will serve as a platform for dialogue between the littoral states and the international maritime community and a project co-ordination committee will co-ordinate the implementation of projects that involve contributions from the international maritime community. Finally, an Aids to Navigation Fund has been formed to receive direct financial contributions from the international maritime community to maintain aids in the strait.

The CM is inclusive in nature and participation is on a voluntary basis. It has been structured to be flexible so users and stakeholders can work with the littoral states. Contributions and participation can either be in-kind – such as the provision of technical expertise and consultancy – or financial in the form of direct monetary contributions. This is intended to accommodate the varied interests and circumstances of the contributing parties.

When the CM was successfully launched there was overwhelming support for the projects. Australia, China, Japan, the Republic of Korea and the US all reaffirmed or announced a commitment to five out of the six projects identified. Most of these countries expressed their support for more than one project.

These projects are:
- Removal of wrecks in the traffic separation scheme
- HNS preparedness and response
- Demonstration of class B AIS transponders on small ships
- Setting up a tide, current and wind measurement system for the SoM to enhance navigation safety and marine environment protection
- Replacement and maintenance of aids to navigation
- Replacement of aids to navigation damaged by the tsunami of 2004.

Funding commitments have been expressed by the Nippon Foundation (which made a firm commitment to fund up to a third), South Korea and the United Arab Emirates (UAE). Other countries, including Panama and Germany, announced their interest and are studying ways in which they could participate in the co-ordination mechanism. With this in place, the littoral states are working towards convening the inaugural Co-operative Forum in Malaysia later this year.

Meanwhile, work continues to investigate the benefits of an MEH for the length of the Straits of Malacca and Singapore. A hydrographic survey is due in February. Further work may take another four years and is expected to help improve maritime safety and reduce the environmental impacts of shipping using the waterway.

Manjit Singh is second deputy director (policy), Maritime & Port Authority of Singapore
Mohamad Halim Ahmed is principal assistant director, Marine Department, Malaysia

The regional MEH project

Phase 1 – Straits of Malacca and Singapore
  Stage 1 – Demonstration project
  Stage 2 – Full-scale development project

Phase 2 – Extension of the MEH to other areas
Breakthrough in port dialogue

There are high hopes that the European Commission’s new ports policy proposal will help the industry expand and remove bottlenecks. **Bridget Hogan** examines what is behind the new guidelines

The European Commission (EC) has struggled for the past 30 years to introduce a new ports policy, but so far it has not succeeded. Now however, things look as if they could change. The failure, in 2006, of the last round of policy proposals was spectacular. Angered by the proposals over port employment, dockworkers organised a series of strikes. Lobbying of the European Parliament ended in riots.

Chastened, the EC embarked on a round of workshops and consultations that took in all areas of the region and all sections of the industry from trades unions to environmentalists, from port authorities to terminal operators and shippers to shipowners.

From the resulting document, it seems the EC is on its way to consensus with the industry unified in approving several aspects of the policy and welcoming the decision not to introduce a directive on ports, but follow the soft legislative option of guidelines.

Representatives of port authorities, trades unions, terminal operators, shipowners, shippers, forwarders and environmentalists met in Brussels to discuss the new proposals at a Waterfront conference. A delighted Jean Trestour, head of the Maritime Transport Policy Unit at the EC’s Directorate General for Transport and Energy (TREN), told them: “The subject is too important for confrontation.”

With ports handling an estimated 90% of the region’s goods, Trestour observed: “Ports are the most important transport area. We have to use all our ports and use them better.”
He wants the policy to help ports work better with other forms of transport including shortsea shipping and feeder services, inland waterways, rail and road, to give ports what he called a good “transport map.”

The policy is not fully settled. Patrick Verhoeven, the secretary general of the European Sea Ports Organisation (ESPO), called on the Commission to simplify the environmental hurdles that ports have to overcome in order to expand. He wants to see the EC tighten up the environmental elements of the new proposed Port Directive, announced in October.

Basically the EC said it would introduce guidelines to simplify the environmental elements of port expansion in 2008. Now it seems that that deadline has been quietly dropped.

“This is an urgent matter,” Verhoeven said. “Further work is needed to simplify the framework we have today.” He pointed to the uncertainty over dredging as a particular area of importance.

“Two directives are being discussed and we must make sure that dredged material is safe. But we must be assured that these two directives will not add another layer of bureaucracy,” ESPO has written a full response to the policy document.

Trestour said guidelines would be drawn up to clarify the issues. There is still a battleground with other directorates, notably Environment, which has proposals for dredging spoil that are alarming ports.

The two directives are the Water Directive and the Waste Directive. The nub of the issue is that contaminated dredged material will be classified as waste, and the rules governing the disposal of waste are very different from those covering disposal of ‘contaminated’ material.

On the subject of congestion, Diego Teurelincx, secretary general of FePort, the terminal operators association, observed: “We want to solve this and we will not wait for the EC to hold our hands and guide us through problems.”

Giovanni Mendola, principal administrator, DG TREN, reported on the next round of the initiative. A study is to be conducted into port dues and public financing, together with rents charged for terminals.

He was heartened that the year-long consultation had shown there definitely is competition between ports, particularly for hubs and in some areas of Europe. “In the northern range between Le Havre and Hamburg competition is fierce,” he observed.

However, he felt questions over whether the rents paid by terminal operators reflected the market price were worth posing.

He also wants to investigate the relationship between public funding and port dues and the effect on competition of the public funding of general port infrastructure such as breakwaters.

Dedicated port infrastructure including quay walls and superstructure. DG TREN had started the search for consultants and hoped to start investigations and consultation period in the first quarter of the year, with a report ready before the mid-year break.

This approach met with a lukewarm response. The view seemed to be that there is little state aid for port infrastructure, none for superstructure, but there should be provision for rail and road investments.

From the trades union point of view, Philippe Alfonso, from the maritime section of the European Transport Workers’ Federation, said it was encouraging that the EC had abandoned its one-size-fits-all approach. However, he also felt it to be a “lost opportunity” and criticised the policy for not being explicit enough and for lacking long-term vision and strategy.

He noted how fast developments were being made, pointing to the ever-larger vessels using ports.

“This trend is being driven by cost and profit and not by sustainable development or waste considerations.” However, he added that increasing maritime traffic could help smaller ports as more traffic would inevitably be switched to them. “This would be a positive trend if it happens,” he said.

Jacques Barrot, VP of the Transport Commission and architect of the port policy, earlier told an ESPO meeting: “Europe needs ports and ports need Europe.” He added that he felt European ports policy should be based on “a vision, a toolbox and dialogue.”

Barrot praised the input from ports, particularly those such as Antwerp and Hamburg that had hosted workshops. He confirmed that the ports element will form part of the European Commission’s overall new policy approach on logistics.

Fighting for the future

Developments at Canada’s largest port reflect a national policy decision to keep hold of trade, as P&H’s Tony Slinn found out

The bare facts don’t tell the full story. Vancouver Port Authority (VPA) is expanding its container capacity in a two-phase expansion of Deltaport at Roberts Bank, about 40km south of the port city.

With the addition of a third berth to the existing box terminal, capacity will increase by 400,000 teu to 1.3M teu. An entire second terminal is also envisaged.

As British Columbia’s (BC) and Canada’s largest port, handling around 33% of the country’s maritime cargo worth over C$53Bn (US$5.4Bn) annually, Vancouver needed to expand to cope with growing trade from southeast Asia. It was one thing for the port to expand, but this couldn’t happen in isolation.

When expansion was first mooted in 2004, VPA CEO Capt Gordon Houston called on the federal government to form a national transportation strategy, pointing out that some $30Bn of annual trade with Pacific Rim countries was at stake.

“Canada is fundamentally a trading nation and a great one,” he said, “but every great trading nation must have a modern and efficient transportation network. If not, and if that prevents port development, the knock-on effects could mortally wound provincial and federal economic recovery and growth.

“There’s a smouldering crisis within our transportation system; we need urgent investment in an overburdened infrastructure – it’s an issue that doesn’t receive the profile it deserves.” The story changed when Stephen Harper became prime minister in 2006 and appointed David Emerson international trade minister. Initially, the government backed the concept of trade gateways, with Emerson named Pacific Gateway minister and given a $1.1Bn budget.

The Asia-Pacific Gateway and Corridor Initiative is being promoted by the Canadian government and is aimed at increasing Canada’s share of North America–bound container imports from Asia. It makes allowances for a network of transportation
infrastructure including British Columbia’s Lower Mainland and Prince Rupert ports and principal road and rail connections stretching across western Canada and south to the key US border crossings and major Canadian airports.

Under the development Canada’s Pacific ports are expected to compete more effectively with the US ports of Long Beach and Los Angeles, and the Mexican ports of Manzanillo and Lazaro Cardenas, for traffic from China and southeast Asia.

Following from this the Building Canada 2007–2015 infrastructure plan was launched in 2007 with a C$33.5Bn budget, which is expected to benefit Vancouver and transform the northern BC Port of Prince Rupert (see P&H, November 2007).

Emerson was the keynote speaker at the Canada Maritime Conference (CMC) held in Vancouver last year – and he pulled no punches: “The old trade model won’t work. It’s no longer enough to be nice, honest, friendly Canadians; we need to be part of integrated networks that must embody the best science.

“Globalisation is not going away and there’s nowhere to hide,” he told delegates, adding: “Government cannot be a passive observer; we have to establish an economic framework that enables Canadians to survive in this new world.

“But the Gateway alone is not enough,” he continued. “We’re talking with South Korea, Singapore, India, China and Vietnam about trade agreements. Canada is playing catch-up – we’re losing out on trade with Asia and with the US. Canadians must raise their game to a new level, act more aggressively and take more risks.

“The opportunity is now,” he concluded. “We know we’re late in the game and need to run twice as fast to catch up, but if we miss this window we may never recover.” Part of the Building Canada 2007–2015 initiative includes an overall federal government review of planning policies that are being restructured by premier Harper: “I’ll be chairing a committee looking at the fears were that by 2020, when CT2 is planned to reach capacity, DeltaPort’s road and rail networks would be totally inadequate. That is why VPA has been working on the use protocols. “

It’s expanded trade, especially with China, that makes Vancouver’s expansion plans so important. While the VPA expects total tonnage to hit 107M by 2020, it anticipates container throughput – already the fastest-growing business sector – to rise by a spectacular 300% over the same period and generate an additional C$88Bn for the economy. And unlike bulk cargo, which is almost entirely export-related, containers are nearly equally balanced between import and export.

While there’s no fixed schedule for the three-berth, 2M teu capacity second container terminal (CT2) on Roberts Bank, four firms willing to partner with VPA to undertake planning, environmental approval, financing, construction and operations were short-listed in July 2007 – APM Terminals North America/ SNC-Lavalin, DP World, Hutchison Ports Development and PSA Americas.

VPA expects to make a final decision on its CT2 partner early in 2008, at which time both parties will start work on conceptual and environmental plans. But if CT2 is still on the drawing board, construction of the third berth is well under way.

Mike Baker is operation superintendent of TSI Terminal Systems, Canada’s largest box port operator, which handles about 75% of Vancouver’s containers – 1.88M teu at Delport and the main port’s Vanterm in 2006. Berth three now has seven super-post-Panamax ZPMC box cranes and 28 new RTGs.

“The third berth will bring capacity to 1.3M teu;” he said, “and we’ve already installed radiation portals to scan 100% of all import containers – Transport Canada is working on the use protocols.”

Deltaport’s well equipped to handle the extra 400,000 boxes expected, with an equipment list that includes 16 top-picks and reachstackers, six rail-mounted gantries in the railyard plus 603 reefer plugs. The fears were that by 2020, when CT2 is planned to reach capacity, Deltaport’s road and rail networks would be totally inadequate. That is why VPA has been working on the use protocols. “

With a terminal that’s 60% rail and 40% truck, commitments from Canadian National Rail (CN) were essential. And as CN’s executive VP Jim Foote said at CMC: “In the last five years we’ve spent an average C$1.5Bn annually rebuilding the network – it will be C$1.6Bn in 2007. Our strategy is to continue to invest in the infrastructure, along with better safety measures. That investment will aid the influx of boxes through our ports.

“Our aim,” he continued, “is a clearly integrated, seamless service for the customer. We must be out in front – if we’re not, someone else will.” PH
Small island, big ambitions

Mauritius is rebuilding its role as a maritime hub placed between Africa and Asia. P&H’s Stephen Spark called in to Port Louis to find out more

It’s known today as a ‘paradise island’ for well-heeled tourists, but once Mauritius was called the Star and the Key of the Indian Ocean. The motto referred to its vital position in the maritime chain from the Horn of Africa to India. When the Suez Canal opened, the chain was broken and ships were able to bypass Port Louis’s crippling port dues. After that, its traffic was mostly locally focused – imports of fuel, food and Indian labourers, and exports of sugar.

Today, Port Louis’s star is once again in the ascendant. Past mistakes will not be repeated, asserted Shekur Suntah, director general of the Mauritius Ports Authority (MPA): “Ninety-nine per cent of all trade coming from the country goes through this port, so we have to keep tariffs as low as possible”. It’s a tactic that has paid off, for Port Louis has never been busier.

Not so long ago the entire island was dependent on earnings from its sugar crop. The Bulk Sugar Terminal (BST) still dominates the southern side of the harbour – though there are plans to refine sugar locally and ship it out in containers – but cane is no longer king. Thanks to economic diversification, textiles and seafood products now comprise much of the port’s export trade. These goods are mostly handled at Terminal I and Terminal II (the Multi Purpose Terminal – MPT).

The real revolution has occurred at Terminal III, the Mauritius Container terminal (MCT), as transhipment trade shot up from 3,874teu in 2001 to 80,720teu in FY 2005/6. It has since leapt a further 28% to 103,310teu and a record 120,000teu is estimated for calendar year 2007 – July’s figure was 63% up on the previous year.

As well as low tariffs, business has been lured by round-the-clock operation, ISPS-compliant security and, above all, depth. The latter, Suntah explained, was driven by the demands of the major lines serving Port Louis – Maersk, MSC and CMA CGM. “Since 2003 they have been telling us that they want to move their bigger fleet round here... So we went ahead with the dredging to 14.5m in the channel and 14m at the quay. In fact, we are the second-deepest container port in sub-Saharan Africa after Cape Town. In November 2006 we completed the dredging, and in December they started utilising fourth- and fifth-generation vessels for Port Louis.”

With berth occupancy up to 96% last year, success has come at a price. Archimède Lecordier, MD of the Cargo Handling Corporation (CHC), admitted: “The drawback is that with the increase in traffic we have seen an increase in waiting time for vessels”. And although Lecordier refuses to use the word ‘congestion’, a small port in a competitive world cannot afford to keep ships waiting. He explained: “[Maersk and MSC] are very demanding and we have to respond to their exigencies... we have no choice. A small country like Mauritius has been able to attract the no 1 and no 2 shipping lines in the world, and the only way to retain this advantage is to offer good-quality service at competitive rates.”

Having already tried a floating berthing window scheme and found it wanting – “all the problems they were facing at the other ports were being transferred to Port Louis and creating a virtual congestion problem,” noted Suntah – a fixed window scheme has been introduced, with some success. To take pressure
off MCT, since March 2007 geared box ships have been redirected to Terminal II. “We were handling two vessels per month there, now it’s gone up to 20 vessels,” Suntah said, but added: “The problem is that the terminal is not properly equipped”.

In response, MPA and CHC are investing heavily. Two new STS cranes have just arrived, taking CHC’s complement to five, and in July four more RTGs will join the four already in place, boosting capacity from 400,000teu to 700,000teu. To one side of MCT an oil jetty is taking shape, which is due to open in May. By then MCT itself will have been flood-proofed, to help it weather the annual onslaught of cyclones.

Late last year, Costa Crociere began using Port Louis as a base for its Indian Ocean fly-cruise programme, and MPA is wooing other operators to encourage them to hub in Mauritius. From September, cruise ships will call at a dedicated berth at Les Salines, rather than having to offload passengers among Terminal I’s grain silos. Nomita Seebaluck, assistant commercial manager at MPA, explained that a cruise terminal will form the focus of a commercial and leisure development. Artists’ impressions show hotels, restaurants, offices and a maritime museum, complementing the Caudan Waterfront created from the old lighterage quays.

Other highlights of the three-year Rs5Bn ($167.5M) development package include a $13.3M upgrade of MPT – widening the quay by 28m and taking capacity to 350,000teu – and a 300m lengthening of MCT’s quayline. By 2010, the country’s rapidly developing “Seafood Hub” will vacate cramped premises at Trou Fanfaron for a new port at Bain des Dames, south of the sugar terminal. Apart from 800m of quays, the big draw will be the 30ha of reclaimed land available for reefer stacking, warehousing and 30,000m² of cold storage.

A long-term possibility is a new container terminal at Fort William, seaward of the BST. Provisionally, 700m of quays and 800,000teu capacity are envisaged, but MPA and CHC stress this would only go ahead if justified by increased trade. Most of the growth is expected to be in transhipment. Lecordier explained: “There is a direct link between economic growth and [captive] cargo volumes; we can’t control that. Mauritius is a small island and the economic growth is necessarily restricted. That’s why we are concentrating on transhipment; that we can control.”

Currently, Port Louis is a landlord port. MPA and CHC are private companies with 100% government shareholding; CHC holds the concession contract as sole operator of the port’s existing terminals. In a rare show of consensus, both government and opposition agree it is time for private capital and expertise to be injected into the port. Led by the World Bank’s International Finance Corporation, the search is on for two strategic partners, one each for MCT and MPT.

“If everything goes well,” Suntah explained, “the strategic partners will be operating by the end of 2008.” Who might they be? “I won’t mention names,” said Lecordier, “but major players are interested in taking a role at Port Louis.” The advantage, he explained, is that “we’ll be truly autonomous; with the strategic partner there will be more freedom for both the Authority and the Corporation”.

MPA’s Suntah said: “There is an important opportunity for Mauritius that we cannot afford to lose. By turning bigger volumes through Port Louis we should get the benefits of economies of scale and freight rates should go down. And obviously it’s going to bring foreign investment to the country.”

Lecordier is bullish about the port’s prospects: “We have been quite successful in attracting transhipment. We need now to go one step further and make Port Louis the main logistic port in the Southern Hemisphere. I don’t see any reason why we should not be like Malta, for example, and doing 1.4M teu transhipment.” PH


### Port developments

<table>
<thead>
<tr>
<th>What</th>
<th>Details</th>
<th>Cost</th>
<th>Completion</th>
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<tr>
<td>Two new STS cranes</td>
<td>For tankers up to 55,000dwt</td>
<td>$13.3M</td>
<td>Dec 2007</td>
</tr>
<tr>
<td>Oil jetty</td>
<td></td>
<td>$18.8M</td>
<td>May 2008</td>
</tr>
<tr>
<td>Four new RTGs</td>
<td></td>
<td></td>
<td>July 2008</td>
</tr>
<tr>
<td>Cruise berth</td>
<td>For vessels up to 250m long</td>
<td>$11.7M</td>
<td>Sep 2008</td>
</tr>
<tr>
<td>Fishing port Phase 1</td>
<td>Dredging, 30m reclamation</td>
<td>$40M</td>
<td>2010</td>
</tr>
<tr>
<td>Fishing port Phase 2</td>
<td>800m quays, 9m depth</td>
<td>$28.5M</td>
<td>end 2010</td>
</tr>
<tr>
<td>Terminal II upgrade</td>
<td>28m wider, 350,000teu capacity</td>
<td>$20M</td>
<td>medium term</td>
</tr>
<tr>
<td>MCT extension</td>
<td>300m longer quayline</td>
<td>$18.3M</td>
<td>medium term</td>
</tr>
<tr>
<td>New container terminal</td>
<td>700m quays, 880,000teu capacity</td>
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<td>long term</td>
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### Port facilities

<table>
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<tr>
<th>Terminal</th>
<th>Tot quay length</th>
<th>Depth</th>
<th>Quays</th>
</tr>
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<tbody>
<tr>
<td>I (Quays A, D, E)</td>
<td>515m</td>
<td>9–12m</td>
<td>3</td>
</tr>
<tr>
<td>II (Multi Purpose Terminal)</td>
<td>673m</td>
<td>12.2m</td>
<td>4</td>
</tr>
<tr>
<td>III (Mauritius Container Terminal)</td>
<td>560m</td>
<td>14m</td>
<td>1</td>
</tr>
<tr>
<td>Bulk Sugar Terminal</td>
<td>198m</td>
<td>12.2m</td>
<td>1</td>
</tr>
<tr>
<td>Trou Fanfaron</td>
<td>315m</td>
<td>5.5–7m</td>
<td>2</td>
</tr>
</tbody>
</table>

CHC are private companies with 100% government shareholding; CHC holds the concession contract as sole operator of the port’s existing terminals. In a rare show of consensus, both government and opposition agree it is time for private capital and expertise to be injected into the port. Led by the World Bank’s International Finance Corporation, the search is on for two strategic partners, one each for MCT and MPT.

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Far-sighted LRIT decision

IMO has made key decisions at its Maritime Safety Committee (MSC) at its 83rd session on implementation of long-range identification and tracking (LRIT) systems:

- An interim international data exchange (IDE) will be established to allow LRIT to be launched on schedule for search and rescue and environmental purposes.
- Under the plan adopted by MSC 83 multiple LRIT data centres will operate, joined through the IDE.
- The US has offered to host, build and operate this initial system, on a temporary basis.
- Meanwhile, the search is on for a permanent location for the IDE “as soon as possible”, says the MSC.
- The agreement is for the system to be operating within two years from 1 January 2008, subject to a further review by the MSC.
- The LRIT system will consist of the shipborne LRIT information transmitting equipment, the communication service providers, the application service providers, the LRIT data centres, including any related vessel monitoring systems, the LRIT data distribution plan and the IDE. The IDE has a pivotal role in the establishment and functioning of the system as LRIT data centres communicate with each other and exchange information and data though it.
- LRIT information will be provided to contracting governments and search and rescue services entitled to receive the information, upon request, through a system of national, regional, co-operative and international LRIT data centres, using, where necessary, the IDE.
- SOLAS regulation V/19-1 on LRIT will enter into force on 1 January 2008 and will apply to ships constructed on or after 31 December 2008, with a phased-in implementation schedule for ships constructed before 31 December 2008. The LRIT system is intended to be operational with respect to the transmission of LRIT information by ships from 30 December 2008.

Asia-Europe customs co-operation strengthened

European and Asian governments have agreed to strengthen co-operation in the field of customs against the background of increasing globalisation and supply chain security.

Meeting in Yokohama, members of ASEM (the Asia Europe Meeting) said they recognised the need to keep goods flowing while security measures were being tightened.

After the meeting the participants published a four-point declaration on the future of customs co-operation between the two regions that aims to:
- Balance supply chain security and trade facilitation
- Ensure fair and safe trade, including the protection of intellectual property rights
- Protect against new threats and fraud methods and
- Consider environment and sustainable development.

The meeting reiterated that a “early and successful conclusion” of the World Trade Organisation (WTO) Doha Round that now is approaching its final and critical stage. Member customs agencies should actively participate both in intra-government consultations and in the Geneva negotiating process, the ASEM members at Yokohama decided.

On the other hand, delegates want the WTO to make use of the knowledge and experience of member customs agencies to support the negotiation.

The meeting also expressed concerns about the “efficiency, practicality and the impact” on world trade and maritime transport of the US decision to require 100% scanning of US-bound containers at foreign ports.

ASEM customs agreed that it would be “useful” to exchange views among members and with the US on the ways to ensure security and smooth trade flows.

The meeting discussed environmental issues for the first time, confirming that ASEM customs agencies would “strictly enforce” international environmental agreements in cooperation with related international organisations. These include the Basel Convention, which regulates cross-border movements of hazardous waste.

International dialogue and co-operation by exchanging information on international environmental agreements enforcement is one way to help solve these global problems, the meeting decided.

More info: www.aseminfoboard.org
ESCAP calls for ASEAN integration

The UN’s Economic and Social Commission on Asia and the Pacific (ESCAP) says that unless ASEAN countries integrate transport services in the region economic growth will be limited. It wants more regional cooperation in multimodalism and for transport to be dealt with on a regional, rather than a national, basis. In the recently published document Ten into One, Challenges and Opportunities for ASEAN Integration, ESCAP says “insufficient progress” has been made to develop a transport network. It urges governments to play a larger role, even in projects that are primarily private-sector-driven; argues that formal or informal institutional arrangements are needed to reduce risk or conflict; and calls for a fair system of distribution when costs and benefits differ between different groups vary dramatically. More info: www.unescap.org

Supply chain standards

Five ISO measures dealing with supply chain security have been approved as international standards; they include guidelines for implementation and auditing of the process. They are ISO 20858, ISO 28000, ISO 28001, ISO 28003 and ISO 28004.

ISO 20858 establishes a framework to help port authorities to specify the competence of personnel involved in helping the facility to comply with ISPS Code. The standards will help ports to select the people it needs to conduct port security assessments, develop security plans, conduct security assessments, and draft port facility security plans (PFSP).

The standard also specifies the documentation requirements that will ensure that records can be kept that ease independent verification.

A high-level management standard that allows an organisation to set up an overall supply chain security management systems has also been approved – this is ISO 28000. Some ports and terminals are already engaged in meeting its requirements – notably DP World.

ISO 28000 is intended to help combat threats to the safe and smooth flow of international trade. Capt Charles Piersall, chair of the relevant ISO technical committee, ISO/TC 8 – ships and marine technology, described it as a “major security initiative”. He added “It is designed to enable better monitoring of freight flows, to combat smuggling and to respond to the threat of piracy and terrorist attacks as well as to create a safe and secure international supply chain regime.”

ISO 28001 is a voluntary specification designed to help an organisation establish adequate levels of security over the part of the supply chain it controls. ISO says that organisations that have already been certified or validated by mutually recognising governments are compliant with this standard.

ISO has also outlined harmonised guidance for the accreditation of certification bodies applying for ISO 28000 certification or registration under ISO 28003. In the measure it defines the rules applicable for the audit and certification under the supply chain security management system standards.

On the other hand, ISO 28003 also provides customers with information about the way their suppliers’ certification was granted. This is designed to give confidence to users.

Organisations planning to implement ISO 28000 have, in ISO 28004, guidance for implementation. More info: www.iso.org

New green set-up

ESPO is to combine its secretariat with the EcoPorts Foundation from this month. EcoPorts was founded in 2002 by a group of European port authorities, universities and experts to share environmental experience. ESPO says the co-operation agreement will complement its policy work in the field of the environment and sustainable development with sound practical expertise.
North Sea SECA now in force

The North Sea SOx emission control area (SECA) has come into effect, so ships operating in the area must comply with stringent new emission standards. Shipyards trading in a SECA must either use fuel oil with a sulphur content not exceeding 1.50% m/m, or be fitted with exhaust gas cleaning systems.

The Baltic Sea became the first SECA in 2006 with similar regulations.

Nils Bjørn Mortensen, head of the marine department at shipowners’ association BIMCO, says that checking to ensure that ships comply will be part of port state control measures.

If tests show higher-than-acceptable sulphur content but the fuel test results match the note from the latest bunker supplier, then in BIMCO’s view the owner has acted in good faith. However, if the test results do not match the bunker note, then the ship’s master and owner will face fines and possibly detention of the vessel.

The control will also cover bunker suppliers: if they deliver bunkers with higher than acceptable sulphur content but say in the bunker note that the content is within the limit, they can expect a fine.

If the same bunker supplier is found to have given wrong information repeatedly, it could lose its licence. According to Mortensen, this has not happened so far.

Not welcome: invasive creatures and plants are found in ballast water

The International Chamber of Shipping (ICS) has welcomed a delay in the enforcement of fresh regulations concerning new ships’ ballast water treatment equipment. The decision was reached at the IMO assembly late last year because the 2004 Ballast Water Management Convention has not yet entered into force. A lack of type-approved equipment was also cited as a barrier to early enforcement.

Ships constructed in 2009 will not now be required to have the new equipment fitted until their second annual survey or the end of 2011 – whichever comes first.

“We are very pleased that the compromise proposal put forward by ICS, with helpful support from INTERTANKO and OCIMF, has been agreed by governments,” said ICS marine manager David Tongue. IMO has also agreed to revisit the question of ships constructed in 2010.” He added that ICS members will remain committed to performing deepwater ballast exchange, whenever it is safe to do so, and to co-operating with voluntary coastal state requirements.

More generally, ICS greatly welcomed the IMO secretary general’s significant statement to the assembly that care should be taken when laying down dates in future conventions, the implementation of which may rely, in particular, on technologies that may not be available when needed. This acknowledged an issue that ICS has highlighted consistently for several years.

More info: www.marisec.org

New term for IMO SG

IMO’s SG, Efthimios Mitropoulos has been reappointed for a second term, until 2011, the 25th biennial meeting of the organisation’s assembly unanimously confirmed.

Following the reappointment, Mitropoulos thanked delegates for the continuing trust they had placed in him and for their unfailing understanding and co-operation during his first four years as SG.

Looking to the future, he said that the agency should be concentrating on environmental challenges. “We should intensify our efforts to improve, implement and enforce all the marine environment-related instruments we have put in place,” he said, adding that any others planned, particularly those covering the reduction of shipping’s contribution to atmospheric pollution, should be implemented as soon as possible.

“In being pro-active in this respect, not only will we be sending a strong message about our commitment to a cleaner environment, we will also state, unequivocally, that we are driven by our own green agenda out of our own concern and sensitivity about the environment,” he added.

Maritime security, he said, “allows for no complacency.” He also considered the introduction of the LRIT system to be important.

Efforts would also be put into improving port state control non-compliance rate by promoting greater efforts by all parties and promoting and raising the profile, environmental consciousness, and thus the quality, of international shipping.

Welcome for ballast rules

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Jan De Nul Group, operating worldwide, is specialized in dredging and land reclamation, rock placing, trenching, rock dumping for oil and gas related offshore pipeline projects, quay walls, marine related projects, civil engineering and large-scale environmental remediation projects, with a good reputation in turnkey projects.

With a yearly turnover in 2006 of 1.2 billion Euro, the company ranks amongst the international top of dredging contractors and the top of marine engineering contractors.
IAPH makes contribution to IMO fund

The International Maritime Organization (IMO) has praised IAPH for its $12,600 contribution towards the development of the Waste Assessment Guidance Training Set (WAG-TS) for the management of dredged material.

IMO is developing these training guidelines under the London Convention (LC). In July 2007, René Coenen, deputy director of the LC office, wrote to IAPH asking for help in funding $20,000 for the project.

Other funds had come from sources such as the US Environmental Protection Agency. The training set is aimed at making the guidelines for the LC and protocol more accessible to national administrations and to give access to wider experiences.

This followed a proposal submitted by World Organization of Dredging Association (WODA) to Dr Geraldine Knatz, chair of the Port Environment Committee, who represents IAPH at the London Convention.

The LC members decided there was a need for an extension of the existing training set for the application of low-technology techniques when assessing dredged materials in countries with minimal technical capabilities.

Now that funds have been secured, the project is set to start early this year and is expected to be completed by the middle of 2009.

IAPH considers the WAG-TS and its low-technology extension will help the management of dredged material in ports of countries that plan to ratify the LC and protocol and all other ports with dredging activity, especially in developing countries.

Coenen said: “IMO is grateful for the generous support from IAPH.” The work plan would be developed at the London Convention’s scientific group meeting in May, he said.

More info: www.imo.org

KL meeting

IAPH’s new president O C Phang has confirmed she intends to keep to her pledge given at the World Ports Conference in Houston last year to increase membership.

She told the EXCO meeting in Kuala Lumpur that there was a “critical need” for the association to put continued efforts into expansion of the membership of the association.

She also emphasised to the meeting that it was important that IAPH “reach out” to a wide range of partners in the global trade and logistics industry.

The meeting discussed and agreed important changes to the structure of future EXCO meetings. It has been decided that it should convene annually as part of a board meeting, either during a conference in an odd-numbered year or during a mid-term board meeting in an even-numbered year.
Scholarship for 2008

A renewed scheme to help people from IAPH member ports in developing countries to attend advanced port training programmes overseas is being launched, under the banner of the IAPH Training Scholarship.

This replaces the IAPH Bursary Scheme, which, from its roots in 1976, has enabled more than 120 individuals from IAPH ports attend training sessions at affiliated training institutes.

The new scheme includes a new procedure for an easier and faster application, as well as links to respective IAPH-approved institutes so applicants can easily refer to the course details of each institute.

The scholarship is aimed at giving staff of developing ports the opportunity to gain the latest knowledge on port management and operation and expand their personal network of contacts by attending courses.

For those who find it difficult to attend overseas courses, distance learning programmes are also offered. In principle, an applicant should be a staff member of an IAPH member port in a developing country, whose membership dues unit is less than five. The scheme does not extend to staff of a central government.

Up to 70% of the course fee or $2,000, whichever is lower, is paid per applicant. For courses provided by other institutes, up to 50% of the course fee or $1,000, whichever is lower, is paid per applicant.

The IAPH-approved training institutes are: PSA Training Institute, Singapore; IPER, Le Havre, France; APEC, Antwerp, Belgium; Lloyd’s Maritime Academy (distance learning); Australian Maritime College (distance learning); IPPPM (International Program for Port Planning & Management), University of New Orleans, US.

Applicants should submit an application form to the IAPH Secretariat.

Contact: IAPH Secretariat
Telephone: +81 3 5403 2770
Fax: +81 3 5403 7651
Email: info@iaphworldports.org
Dates for your diary
A selection of forthcoming maritime courses and conferences

January

22–23  2nd International Conference Indian Offshore Logistics 2008 – Mumbai, India
More info: www.informedia-india.com

More info: www.secureportusa.com

February

7–8  6th Intermodal Africa 2008 – Accra, Ghana
More info: www.transportevents.com

17–19  24th International Port Conference – International Trade and Port Logistics – Alexandria, Egypt
More info: www.pti-egypt.org

24–28  Seventh International Conference on Coastal and Port Engineering in Developing Countries – Dubai, UAE
More info: www.pianc-copededubai.com

25–27  Faster Freight - Cleaner Air (FFCA) – Los Angeles, US
More info: www.ffcacalifornia.com

26–27  Maritime, Border and Transportation Security Conference Washington DC, US
More info: www.borderandmaritimesecurity.com

28–29  GreenPort Conference – Amsterdam, Netherlands
More info: www.green-port.net

March

10–13  2008 Seatrade Cruise Shipping Convention – Miami, US
More info: www.cruiseshipping.net

18–20  TOC Asia – Shanghai, China.
More info: www.tocevents-asia.com

19–21  China Ports Future 2008 – Shanghai, China
More info: www.masterswise.com

26–28  Asia Pacific Maritime 2008 – Singapore
More info: www.apmaritime.com

April

14–17  IAPH Mid-term Board Meeting – Dunkirk, France
More info: www.iaphworldports.org

20–22  RoRo 2008 – Gothenburg, Sweden
More info: www.rorex.com

21–23  Sea Asia – Suntec, Singapore
More info: www.sea-asia.com

24–27  China Transpo – Beijing, China
More info: jtzx.net.cn

Past presidents bow out

Two of the IAPH’s distinguished former presidents are retiring – Pieter Struijs (far right) and Dominic Taddeo (right). Struijs, from the Port of Rotterdam, was the more recent of the two to hold office with IAPH from 2003 to 2005.

He served as executive director of the port from 1 May 1990, and was a vice-chairman of the executive board as well. He graduated in 1968 as a naval architect from the Technical University of Delft and undertook his military service as an officer in the Royal Dutch Navy.

In 1970 Struijs was assistant manager at the shipbuilder Van der Giessen de Noord in Krimpen aan den IJssel, becoming general director in 1985. Struijs will retire in April 2008.

Dominic J Taddeo, who served as IAPH president from 1999 to 2001, has retired from the Port of Montreal Authority (MPA) after leading it for more than 23 years. In October 2007 he left his post as president and CEO, to become executive adviser until 16 November 2007.

He was born in Montreal where he obtained his bachelor of commerce degree, majoring in finance and economics.

Taddeo began his career in the shipping industry in 1971 when he joined McLean Kennedy Inc, steamship agent, broker and terminal operator, where he held the positions of assistant treasurer and controller.

Taddeo joined the Montreal Port Authority in 1974 as director of finance. He subsequently held the positions of director of finance and administration and director of operations before his appointment as president and CEO in March 1984.

Review of the year

The IAPH annual report for 2006–2007 is now available and highlights the work undertaken by the association in a key year.

In the report, president Datin Paduka OC Phang praises the “tireless efforts” of her predecessors who, she said, had laid strong foundations for the future.

Issues that have surfaced in the course of the year under review include the greening of port activities. SG Dr Satoshi Inoue points out that ship emissions are of particular importance.

The International Maritime Organization is considering further tightening up ship emission controls. The MEPC has therefore asked a group of experts to study future fuel options and review the impact on the maritime and petroleum industries as well as on the environment and human health. This group is expected to deliver its report in March.

IAPH’s committees have been busy working on a number of issues that affect ports – from security and port reception facilities to wreck removal. The report contains information on IAPH meetings and events throughout the year.

It is available from the secretariat at the following address:
7th Floor, South Tower, New Pier Takeshiba, 1-16-1 Kaigan, Minato-ku, Tokyo 105-0022, Japan. Tel: +81-3-5403-2770 Fax: +81-3-5403-7651 Email: info@iaphworldports.org Web: www.iaphworldports.org
26th IAPH World Port Conference
Cotone Congressi Genova, Genoa, Italy
25-29 May 2009

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IAPH’s formidable
democratic frontiers

One of the latest members to join the Executive Committee, Capt Abdul Wahab Al Diwani, director, marine safety and environment for the Department of Transport in the UAE, outlines how a strong association can be made stronger.
At the Quarleshaven in the Port of Vlissingen-Oost, ESM has made an area of 48 ha available, with the option of a quay of almost 800 metres and a draught up to 14.5 metres. The plot is located near the port entrance and can be accessed by road and rail.

Commercial parties who are interested in developing container or break-bulk operations at this location, possibly combined with ro-ro and with a sustainable character, are kindly invited to express their interest by sending an email to assessment@schelde-maas.com before 29 February 2008.

ESM will use an open assessment procedure to select the successful candidate. Potential candidates controlled at least 5 million tonnes and/or 500,000 TEU in 2007.

For questions, please contact: Mr. Gaston Suy (Zeeland Seaports)
KEEPING YOUR BUSINESS CONTROLLER HAPPY. EVERY QUARTER.

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